

Goldmans Sachs Bank (Europe) plc - Pillar 3 Disclosures 31st December 2008

Table 1 - Capital adequacy and components of capital

| | | |
|--|-----------|-------------------|
| <u>Tier 1 Capital - Original Own Funds</u> | €'m | €'m |
| Paid-up Share Capital | | 197 |
| <u>Tier 2 Capital - Additional Own Funds</u> | | |
| Subordinated Loan Capital | | 97 |
| <i>Total Capital / Total Own Funds</i> | | <u>294</u> |
| <u>Capital Requirements</u> | | |
| Credit Risk - Standardised Approach | | |
| Central Government & Central Bank | 0 | |
| Institutions | 8 | |
| Corporates | <u>41</u> | |
| | 48 | |
| Foreign Exchange Risk | 0.4 | |
| Operational Risk | 15 | |
| <i>Total Capital Requirements</i> | | 63 |
| <i>Surplus Capital</i> | | <u><u>230</u></u> |
| Risk Weighted Assets | | 794 |
| Tier 1 Capital Ratio | | 25% |
| Total Capital Ratio | | 37% |

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Table 2 - Credit Exposure by exposure class and related capital requirement

| Exposure Class | Gross Exposure €'m | Exposure Value after CRM* €'m | Risk weighted Exposure €'m | Capital Requirement €'m |
|--------------------------------------|-----------------------|-------------------------------------|----------------------------------|-------------------------------|
| Central governments or central banks | 610 | 128 | 0 | 0 |
| Institutions | 4,407 | 491 | 98 | 8 |
| Corporates | 2,014 | 741 | 507 | 41 |
| Total | 7,032 | 1,361 | 605 | 48 |

* CRM = Credit Risk Mitigation

Table 3 - Credit quality step analysis by exposure class

| Exposure Class | Credit Quality Step 1 (€'m) | Credit Quality Step 2 (€'m) | Credit Quality Step 3 (€'m) | Credit Quality Step 4 (€'m) | Credit Quality Step 5 (€'m) | Credit Quality Step 6 (€'m) | Total |
|--------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------|
| Central governments or central banks | 128 | | | | | | 128 |
| Institutions | 447 | 44 | | | | | 491 |
| Corporates | 36 | 400 | 270 | 36 | | | 741 |
| Total | 611 | 444 | 270 | 36 | 0 | 0 | 1,361 |

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Table 4 - Geographical distribution of credit exposures

| Country | Central Governments €'m | Institutions €'m | Corporates €'m | Total €'m |
|-------------------|----------------------------|---------------------|-------------------|--------------|
| Denmark | | 7 | | 7 |
| Finland | | | 71 | 71 |
| Germany | | | 300 | 300 |
| Ireland | 128 | 0 | | 128 |
| Netherlands | | | 108 | 108 |
| Norway | | 2 | 72 | 74 |
| Sweden | | 0 | 63 | 63 |
| Switzerland | | 16 | | 16 |
| UK | | 418 | 126 | 545 |
| US | | 46 | | 46 |
| Rest of the world | | 2 | | 2 |
| Total | 128 | 491 | 741 | 1,361 |

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Table 5 - Sectoral distribution of credit exposures

| Sector | Central Governments €'m | Institutions €'m | Corporates €'m | Total €'m |
|---|----------------------------|---------------------|-------------------|--------------|
| Aerospace & Defence | | | 24 | 24 |
| Chemicals | | | 52 | 52 |
| Electronics | | | 34 | 34 |
| Engineering | | | 36 | 36 |
| Financial Intermediary / credit institution | | 491 | | 491 |
| Food Retail | | | 31 | 31 |
| Insurance | | | 36 | 36 |
| Investment Holdings | | | 25 | 25 |
| Metal Mining | | | 43 | 43 |
| Motor Vehicle Parts | | | 46 | 46 |
| Oil & Gas | | | 36 | 36 |
| Paper | | | 36 | 36 |
| Pharmaceutical | | | 36 | 36 |
| Real Estate | | | 49 | 49 |
| Sovereign | 128 | | | 128 |
| Telecom Equip / Services | | | 138 | 138 |
| Utilities | | | 121 | 121 |
| Total | 128 | 491 | 741 | 1,361 |

Table 6 - Residual maturity of credit exposures

| Timeband | Central Governments €'m | Institutions €'m | Corporates €'m | Total €'m |
|------------------|----------------------------|---------------------|-------------------|--------------|
| Less than 1 year | 128 | 484 | 44 | 656 |
| 1-5 years | | 7 | 567 | 574 |
| > 5 years | | | 130 | 130 |
| no maturity | | | | 0 |
| Total | 128 | 491 | 741 | 1,361 |

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Table 7 - Counterparty Credit Exposure for securities financing transactions (under the Financial Collateral Comprehensive Method)

| Counterparty Credit Exposure | Gross Exposure €'m | Collateral €'m | Net Exposure €'m |
|-----------------------------------|-----------------------|-------------------|---------------------|
| Securities Financing Transactions | 5,376 | 5,117 | 260 |

Table 8 - Counterparty Credit Exposure for derivative transactions (under the Mark to Market Method)

| Counterparty Credit Exposure | Positive Fair Value of Contracts €'m | Potential Future Credit Exposure €'m | Netting Benefit €'m | Net Derivative Credit Exposure €'m |
|------------------------------|---|--|------------------------|--|
| Derivatives | 74 | 71 | - | 145 |

Table 9 - Notionals of Credit Derivative Contracts

| Notional | Own Credit Portfolio | | Intermediation Activities | |
|----------------------|----------------------|----------|---------------------------|----------|
| | Purchased €'m | Sold €'m | Purchased €'m | Sold €'m |
| Credit Default Swaps | 1,237 | - | 1,878 | 1,878 |

Table 10 - Interest Rate Risk Sensitivity in the Banking Book (1 bp parallel shift down in rates)

| Currency | €'000 |
|--------------|-------------|
| USD | (19) |
| EUR | (21) |
| GBP | (2) |
| CHF | 1 |
| SEK | (2) |
| Total | (44) |