Goldman Sachs Group UK Limited

Pillar 3 Disclosures

For the period ended June 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 June 30, 2021. All references to June 2021 refer to the period ended, or the date, as the context requires, June 30, 2021.

https://www.goldmansachs.com/investor-relations/financials/other-information/2021/2q-pillar3-2021.pdf

https://www.goldmansachs.com/investor-relations/financials/10q/2021/second-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)

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 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[2]. 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.

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.

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

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 the PRA CRR rules[3], and the Financial Policy Committee and the PRA have consulted on a comprehensive review of the UK leverage ratio framework

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 due course.

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.

[3] See PRA Policy Statement 17/21, July 2021.

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 second quarter of 2021, the economic recovery gained significant traction in countries in which comprehensive vaccination programmes have led to the lifting of health and safety restrictions, such as the U.S. and China. However, other countries encountered more challenging circumstances as a result of slower distribution of vaccines and the spread of new variants, most notably the Delta variant.

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. While a significant number of the company's employees continued to work remotely, a growing number of people returned to the company's London office in the third quarter of 2021 following the easing of U.K. government restrictions. This trend is expected to accelerate as the U.K. vaccination programme continues.

Financial markets remained constructive during the second quarter of 2021, and although trading volumes and volatility moderated, client activity was still solid. The company continued to deploy its balance sheet to intermediate risk and to support client activity.

Although progress in the fight against the COVID-19 pandemic has occurred unevenly across regions and countries since vaccines first became available, optimism regarding the continued rebound of the global economy remains high. However, if progress toward an end to the pandemic were to stall or reverse and a sustained period of weak economic conditions were to ensure the company's businesses would be adversely impacted. This would have a negative impact on factors that are important to its operating performance, such as the level of client activity and creditworthiness of counterparties. 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 June 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 June 2021.

Table 1: Minimum Regulatory Capital Ratios

	June 2021 Minimum ratio		
	GSGUK	**GSI**	**GSIB**
CET1 capital ratio	8.1%	8.1%	8.4%
Tier 1 capital ratio	10.0%	10.0%	10.3%
Total capital ratio	12.5%	12.5%	12.9%

The ratios in the above table incorporate the TCR received from the PRA. As of June 2021, GSGUK's TCR at the total capital level was 10.0%.

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 June 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 June 30, 2021, including those for our significant subsidiaries GSI and GSIB.

Table 2: Regulatory Capital Ratios

$ in millions		As of June 2021	
	GSGUK	**GSI**	**GSIB**
CET1 Capital	$ 33,022	$ 27,724	$ 3,264
Tier 1 Capital	41,322	36,024	3,264
Tier 2 Capital	6,503	5,377	826
Total Capital	**$ 47,825**	**$ 41,401**	**$ 4,090**
RWAs	**$ 286,366**	**$ 261,344**	**$ 18,784**
CET1 Ratio	**11.5%**	**10.6%**	**17.4%**
Tier 1 Capital Ratio	**14.4%**	**13.8%**	**17.4%**
Total Capital Ratio	**16.7%**	**15.8%**	**21.8%**

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.

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 3: Regulatory Capital Resources

$ in millions		As of June 2021	
	GSGUK	**GSI**	**GSIB**
Ordinary Share Capital	$ 2,135	$ 598	$ 63
Share Premium Account Including Reserves	589	5,351	2,029
Retained Earnings[1]	32,307	23,661	1,360
Less: Unrecognised Profits for the Financial Period	-	-	(141)
CET1 Capital Before Deductions	**$ 35,031**	**$ 29,610**	**$ 3,311**
Net Pension Assets	(234)	(234)	-
CVA and DVA	174	166	8
Prudent Valuation Adjustments	(465)	(421)	(10)
Expected Loss Deduction and Loan Loss Provision	(883)	(867)	(16)
Deferred Tax Assets	(22)	-	(22)
Other Adjustments[2]	(458)	(414)	-
Intangibles[3]	(121)	(116)	(6)
CET1 Capital After Deductions	**$ 33,022**	**$ 27,724**	**$ 3,265**
Additional Tier 1 capital	**8,300**	**8,300**	**-**
Tier 1 Capital After Deductions	**$ 41,322**	**$ 36,024**	**$ 3,265**
Tier 2 Capital Before Deductions	6,503	5,377	826
Amortisation of Tier 2 Capital	-	-	-
Tier 2 Capital After Deductions	**$ 6,503**	**$ 5,377**	**$ 826**
Total Capital Resources	**$ 47,825**	**$ 41,401**	**$ 4,091**

1. Includes unrecognised profits as of June 2021.
2. Other Adjustments primarily represent regulatory deductions for foreseeable charges applicable to profits recognised as of June 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 June 2021[4].

[4] Note that in July 2021 the PRA has 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 June 30, 2021, GSGUK had own funds and eligible liabilities in excess of its internal MREL.

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

Table 4: Own Funds and Eligible Liabilities

$ in millions	**As of June 2021**
	GSGUK
Total own funds and eligible liabilities	**$ 65,201**
Total RWA	286,366
Total own funds and eligible liabilities as a percentage of RWA	22.77%
Leverage Exposure	924,039
Total own funds and eligible liabilities as a percentage of leverage exposure	7.06%
Excluded Liabilities per Article 72a(2) of CRR	943,709

The following table provides details of the composition of GSGUK's own funds and eligible liabilities.

Table 5: Own Funds and Eligible Liabilities Composition

$ in millions	**As of June 2021**
	GSGUK
Common Equity Tier 1 capital (CET1)	**33,022**
Additional Tier 1 capital (AT1) before own funds and eligible liabilities adjustments	8,300
AT1 instruments not eligible to meet internal MREL	(2,800)
AT1 instruments eligible under the own funds and eligible liabilities framework	**5,500**
Tier 2 capital (T2) before own funds and eligible liabilities adjustments	6,503
Amortised portion of T2 instruments where remaining maturity > 1 year	-
Other adjustments	-
T2 instruments eligible under the own funds and eligible liabilities framework	**6,503**
Own funds and eligible liabilities arising from regulatory capital	**45,025**
Eligible liabilities instruments subordinated to excluded liabilities	20,176
Own funds and eligible liabilities instruments arising from non-regulatory capital instruments before adjustments	**20,176**
Own funds and eligible liabilities instruments before deductions	**65,201**
Deduction of investments in own other own funds and eligible liabilities	-
Other adjustments to internal own funds and eligible liabilities	-
Own funds and eligible liabilities instruments after deductions	**65,201**
Total RWAs	286,366
Leverage exposure measure	924,039
Own funds and eligible liabilities as a percentage of total RWAs	22.77%
Own funds and eligible liabilities as a percentage of leverage exposure	7.06%
CET1 (as a percentage of total RWAs) available after meeting minimum capital requirements and MREL	5.35%
Institution-specific combined buffer requirement	2.54%
Of which: capital conservation buffer requirement	2.50%
Of which: bank specific countercyclical buffer requirement	0.04%

The following table provides a breakdown of eligible instruments in the creditor hierarchy of GSGUK.

Table 6: Own Funds and Eligible Liabilities Creditor Ranking

$ in millions						As of June 2021
						GSGUK
	(most junior)				**(most senior)**	**Total**
Description of creditor ranking	**Ordinary Shares[1]**	**AT1 Instru-ments**	**Tier 2 Preference Shares**	**Tier 2 Sub-ordinated Loans**	**Senior Sub-ordinated Loans**	
Total capital and liabilities net of credit risk mitigation	**$ 2,135**	**$ 8,300**	**$ 2,300**	**$ 4,203**	**$ 20,176**	**$ 37,114**
Subset of row 3 that are excluded liabilities						-
Total capital and liabilities less excluded liabilities	2,135	8,300	2,300	4,203	20,176	37,114
Eligible as own funds and eligible liabilities	2,135	5,500	2,300	4,203	20,176	34,314
with 1 year ⩽ residual maturity < 2 years						-
with 2 years ⩽ residual maturity < 5 years						-
with 5 years ⩽ residual maturity < 10 years			2,300	4,203	20,176	26,679
with residual maturity ⩾ 10 years						-
perpetual securities	2,135	5,500				7,635

1. Ordinary shares excludes the value of share premium and reserves

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 June 30, 2021 and March 31, 2021.

Table 7: Overview of RWAs

GSGUK

$ in millions

		RWAs		
		June 2021	**March 2021**	**Minimum capital requirements**
1	Credit risk (excluding CCR)	**$ 40,954**	**$ 45,655**	**$ 3,275**
2	Of which the standardised approach	7,106	6,926	568
4	Of which the advanced IRB (AIRB) approach	31,556	34,877	2,524
5	Of which equity IRB under the simple risk-weighted approach or the IMA	2,292	3,852	183
6	CCR	**$ 107,187**	**$ 114,441**	**$ 8,576**
7	Of which mark to market	6,388	6,954	511
9	Of which the standardised approach	48	117	4
10	Of which internal model method (IMM)	84,073	85,458	6,726
11	Of which risk exposure amount for contributions to the default fund of a CCP	409	364	33
12	Of which CVA VaR	16,269	21,548	1,302
13	Settlement risk	**$ 7,450**	**$ 6,524**	**$ 596**
14	Securitisation exposures in the banking book (after the cap)	**$ 1,498**	**$ 1,213**	**$ 120**
19	Market risk	**$ 107,791**	**$ 106,113**	**$ 8,623**
20	Of which the standardised approach	56,930	54,193	4,554
21	Of which IMA	50,861	51,920	4,069
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**	**$ 286,366**	**$ 295,432**	**$ 22,909**

GSGUK total capital ratio increased from 10.9% in March 2021 to 11.5% in June 2021 primarily due to the following movements:

- GSGUK Credit RWAs as of June 2021 decreased by $11.0 billion compared with March 2021, primarily reflecting a decrease in counterparty credit risk driven by lower derivative and funding exposures over the period, and a decrease in credit risk driven by lower lending exposures.
- GSGUK Market RWAs as of June 2021 increased by $1.7 billion compared with March 2021, primarily reflecting an increase in standardised market risk mainly due to positional changes.

GSI

$ in millions

		RWAs		
		June 2021	**March 2021**	**Minimum capital requirements**
1	Credit risk (excluding CCR)	**$ 24,864**	**$ 27,117**	**$ 1,989**
2	Of which the standardised approach	2,988	2,820	239
4	Of which the advanced IRB (AIRB) approach	19,584	20,445	1,567
5	Of which equity IRB under the simple risk-weighted approach or the IMA	2,292	3,852	183
6	CCR	**$ 105,629**	**$ 113,215**	**$ 8,451**
7	Of which mark to market	5,570	6,346	446
9	Of which the standardised approach	-	-	-
10	Of which internal model method (IMM)	83,530	85,188	6,682
11	Of which risk exposure amount for contributions to the default fund of a CCP	408	363	33
12	Of which CVA VaR	16,121	21,318	1,290
13	Settlement risk	**$ 7,450**	**$ 6,524**	**$ 596**
14	Securitisation exposures in the banking book (after the cap)	**-**	**-**	**-**
19	Market risk	**$ 104,703**	**$ 103,422**	**$ 8,376**
20	Of which the standardised approach	53,842	51,502	4,307
21	Of which IMA	50,861	51,920	4,069
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**	**$ 261,344**	**$ 268,976**	**$ 20,908**

GSIB

$ in millions

		RWAs		
		June 2021	**March 2021**	**Minimum capital requirements**
1	Credit risk (excluding CCR)	**$ 12,877**	**$ 15,182**	**$ 1,030**
2	Of which the standardised approach	131	142	10
4	Of which the advanced IRB (AIRB) approach	12,746	15,040	1,020
5	Of which equity IRB under the simple risk-weighted approach or the IMA	0	0	0
6	CCR	**$ 1,387**	**$ 932**	**$ 111**
7	Of which mark to market	818	609	65
9	Of which the standardised approach	-	-	-
10	Of which internal model method (IMM)	543	270	44
11	Of which risk exposure amount for contributions to the default fund of a CCP	1	1	0
12	Of which CVA VaR	25	52	2
13	Settlement risk	**$ 0**	**-**	**$ 0**
14	Securitisation exposures in the banking book (after the cap)	**$ 1,498**	**$ 1,213**	**$ 120**
19	Market risk	**$ 2,304**	**$ 1,963**	**$ 184**
20	Of which the standardised approach	2,304	1,963	184
21	Of which IMA	-	-	-
22	Large exposures	-	-	-
23	Operational risk	**$ 718**	**$ 718**	**$ 57**
25	Of which standardised approach	718	718	57
29	**Total**	**$ 18,784**	**$ 20,008**	**$ 1,502**

Credit Risk

Overview

Credit risk represents the potential for loss due to the default or deterioration in credit quality of a counterparty (e.g. an OTC derivatives counterparty or a borrower) or an issuer of securities or other instruments we hold. Our exposure to credit risk comes mostly from client transactions in OTC derivatives and loans and lending commitments. Credit risk also comes from cash placed with banks, securities financing transactions (i.e., resale and repurchase agreements and securities borrowing and lending activities) and customer and other receivables.

Credit Risk, which is independent of the revenue-producing units and reports to the firm's chief risk officer, has primary responsibility for assessing, monitoring and managing credit risk through firmwide oversight across the firm's global businesses. In addition, we hold other positions that give rise to credit risk (e.g., bonds and secondary bank loans). These credit risks are captured as a component of market risk measures, which are monitored and managed by Market Risk. We also enter into derivatives to manage market risk exposures. Such derivatives also give rise to credit risk, which is monitored and managed by Credit Risk.

Credit Risk Management Process

The firm's process for managing credit risk includes the critical components of the risk management framework described in "Risk Management – Overview and Structure of Risk Management" 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, as well as the following:

- Monitoring compliance with established credit risk limits and reporting our credit exposures and credit concentrations;
- Establishing or approving underwriting standards;
- Assessing the likelihood that a counterparty will default on its payment obligations;
- Measuring our current and potential credit exposure and losses resulting from a counterparty default;
- Using credit risk mitigants, including collateral and hedging; and
- Maximizing recovery through active workout and restructuring of claims.

Credit Risk also performs credit reviews, which include initial and ongoing analyses of our counterparties. For substantially all credit exposures, the core of the process is an annual counterparty credit review. A credit review is an independent analysis of the capacity and willingness of a counterparty to meet its financial obligations, resulting in an internal credit rating. The determination of internal credit ratings also incorporates assumptions with respect to the nature of and outlook for the counterparty's industry, and the economic environment. Senior personnel, with expertise in specific industries, inspect and approve credit reviews and internal credit ratings.

The firm's risk assessment process may also include, where applicable, reviewing certain key metrics, including, but not limited to, delinquency status, collateral values, credit scores and other risk factors.

The firm's credit risk management systems capture credit exposure to individual counterparties and on an aggregate basis to counterparties and their subsidiaries. These systems also provide management with comprehensive information on the firm's aggregate credit risk by product, internal credit rating, industry, country and region.

Risk Measures

The firm measures credit risk based on the potential loss in the event of non-payment by a counterparty using current and potential exposure. For derivatives and securities financing transactions, current exposure represents the amount presently owed after taking into account applicable netting and collateral arrangements, while potential exposure represents the firm's estimate of the future exposure that could arise over the life of a transaction based on market movements within a specified confidence level. Potential exposure also takes into account netting and collateral arrangements. For loans and lending commitments, the primary measure is a function of the notional amount of the position.

Limits

Credit limits are used at various levels, as well as underwriting standards, to manage the size and nature of credit exposures. For GS Group, the Risk Committee of the Board and the Risk Governance Committee approve credit risk limits at GS Group, business and product levels, consistent with the risk appetite statement. Credit Risk (through delegated authority from the Risk Governance Committee) sets credit limits for individual counterparties, economic groups, industries and countries. Limits for counterparties and economic groups are reviewed regularly and revised to reflect changing risk appetites for a given counterparty or group of counterparties. Limits for industries and countries are based on our risk appetite and are designed to allow for regular monitoring, review, escalation and management of credit risk concentrations. For information on the limit approval process, see "Risk Management – Overview and Structure of Risk Management" 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.

Policies authorised by GS Group's Enterprise Risk Committee and the Risk Governance Committee prescribe the level of formal approval required for GS Group to assume credit exposure to a counterparty across all product areas, taking into account any applicable netting provisions, collateral or other credit risk mitigants.

Credit Risk is responsible for monitoring these limits, and identifying and escalating to senior management and/or the appropriate risk committee, on a timely basis, instances where limits have been exceeded.

Credit Exposures

For information on the firm's credit exposures, including the gross fair value, netting benefits and current exposure of the firm's derivative exposures and securities financing transactions, see "Note 7. Derivatives and Hedging Activities" and "Note 11. Collateralized Agreements and Financings" in Part I, Item 1 "Financial Statements" and "Risk Management – Credit Risk Management" 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.

Credit Risk and Counterparty Credit Risk RWAs

Credit RWAs are calculated based on measures of credit exposure, which are then risk weighted. Wholesale exposures generally include credit exposures to corporates, institutions, sovereigns or government entities (other than Securitisation, Retail or Equity exposures). Within GSGUK, GSI and GSIB have permission at the solo and consolidated levels to compute risk weights for certain exposures in accordance with the Advanced Internal Ratings Based (AIRB) approach which utilises internal assessments of each counterparty's creditworthiness. The internal credit rating is assigned to each exposure class based on a credit-worthiness review methodology determined by the Credit Risk department.

The GSI and GSIB Risk Committees approve the framework that governs the setting of credit risk limits at the entity level, and delegate responsibility for the ongoing execution and monitoring to the GSI and GSIB chief credit officers respectively.

As such, the Credit Risk exposure that does not qualify for the AIRB approach but is instead calculated under the standardised approach, for which nominated external credit assessment institutions (ECAI) ratings are potentially eligible to be used, is immaterial. Exposure classes under the standardised approach include corporates, retail and private equity for which external ratings are generally unavailable, unrated or private corporates. These exposures represent less than 5% of the total Credit Risk exposures.

Exposure at Default (EAD). The exposure amount that is risk weighted for regulatory capital calculations. For on-balance-sheet Wholesale exposures, such as receivables and cash, EAD is generally based on the carrying value. For the calculation of EAD for off-balance-sheet exposures, including commitments and guarantees, a credit equivalent exposure amount is calculated based on the notional amount of each transaction multiplied by a credit conversion factor in accordance with Article 166 of the CRR.

For the measurement of substantially all counterparty credit exposure on OTC, cleared and listed derivative and securities financing transactions, within GSGUK, GSI and GSIB have permission at the solo and consolidated levels to use the Internal Model Method (IMM). IMM is used for substantially all of the counterparty credit risk arising from OTC derivatives, exchange-traded derivatives and securities financing transactions. The models estimate Expected Exposures (EE) at various points in the future using risk factor simulations. The model parameters are derived from historical and implied market data using the most recent three-year period as well as a stressed three-year period. The models also estimate the Effective Expected Positive Exposure (EEPE) over the first year of the portfolio, which is the time-weighted average of non-declining positive credit exposure over the EE simulation. EAD is calculated by multiplying the EEPE by a standard regulatory factor of 1.4.

As GSGUK calculates the majority of its counterparty credit exposure under the IMM, the impacts of netting and collateral are integral to the calculation of the exposure. The exposures disclosed below are presented on a net and collateralised basis where there is a legally enforceable netting and collateral opinion. They do not include the effect of any credit protection purchased on counterparties.

Advanced IRB Approach. RWAs are calculated by multiplying EAD by the counterparty's risk-weight. In accordance with the AIRB approach, risk weights are a function of the counterparty's Probability of Default (PD), Loss Given Default (LGD) and the maturity of the trade or portfolio of trades. We also use internal ratings for risk management purposes.

- PD is an estimate of the probability that an obligor will default over a one-year horizon. For the majority of Wholesale exposures, the PD is assigned using an approach where quantitative factors are combined with a qualitative assessment to determine internal credit rating grades. For each internal credit rating grade, over 5 years of historical empirical data is used to calculate a long run average annual PD which is assigned to each counterparty with that credit rating grade.

  Internal credit rating grades each have external public rating agency equivalents. The scale that is employed for internal credit ratings corresponds to that used by the major rating agencies and the internal credit ratings, while arrived at independently of public ratings, are assigned using definitions of each internal credit rating grade that are consistent with the definitions used by the major rating agencies for their equivalent credit rating grades. As a result, default data published by the major rating agencies for obligors with public ratings can be mapped to counterparties with equivalent internal credit ratings for use in quantification and validation of risk parameters.

- LGD is an estimate of the economic loss rate if a default occurs during economic downturn conditions. For Wholesale exposures, the LGD is determined using data from a recognised vendor model, from a downturn period, and are mapped to obligors based on attributes identified as being statistically significant to the ultimate recovery. LGD estimates for low default portfolios are calibrated using the same data, i.e. from corporate portfolios, which is deemed to be a conservative approach.

- The definition of maturity depends on the nature of the exposure. For OTC derivatives, maturity is an average time measure weighted by credit exposure (based on EE and EEPE) as required by the applicable capital regulation. For securities financing transactions, maturity represents the notional weighted average number of days to maturity. Maturity is floored at one year and capped at five years except where the rules allow a maturity of less than one year to be used as long as certain criteria are met.

Governance and Validation of Risk Parameters

Approaches and methodologies for quantifying PD, LGD, and EAD are monitored and managed by Credit Risk. Models used for regulatory capital are independently reviewed, validated and approved by Model Risk.

To assess the performance of the PD parameters used, on an annual basis the firm performs a benchmarking exercise which includes comparisons of realised annual default rates to the expected annual default rates for each credit rating band and comparisons of the internal realised long-term average default rates to the empirical long-term average default rates assigned to each credit rating band. For 2020 (and 2021 year to date), as well as in previous annual periods, the PDs used for regulatory capital calculations were, on average, higher (i.e., more conservative) than the firm's actual internal realised default rate.

During the period, the total number of counterparty defaults was immaterial as a percentage of total population of counterparties and such defaults primarily occurred within loans and lending commitments. Estimated losses associated with counterparty defaults were not material.

To assess the performance of LGD parameters used, on an annual basis the firm compares recovery rates following counterparty defaults to the recovery rates based on LGD parameters assigned to the corresponding exposures prior to default. While the actual realised recovery on each defaulted exposure varies due to transaction and other situation-specific factors, on average, recovery rates continue to be higher than those implied by the LGD parameters used in regulatory capital calculations.

The performance of each IMM model used to quantify EAD is assessed quarterly via backtesting procedures, performed by comparing the predicted and realised exposure of a set of representative trades and portfolios at certain horizons. The firm's models are monitored and enhanced in response to backtesting.

The following three tables present the methods used to calculate Counterparty Credit Risk RWAs and main parameters used within each method for GSGUK, GSI and GSIB as of June 30, 2021.

Table 8: Analysis of CCR Exposure by Approach

GSGUK

$ in millions

		As of June 2021						
		Notional	Replacement cost/current market value	Potential future credit exposure	EEPE	Multiplier	EAD post CRM	RWAs
1	Mark to market		$ 3,734	$ 5,498			$ 9,232	$ 6,383
3	Standardised approach		-			-	-	-
4	IMM (for derivatives and SFTs)				112,140	1.40	156,996	83,733
5	*Of which securities financing transactions*				44,471	1.40	62,259	20,156
6	*Of which derivatives and long settlement transactions*				67,669	1.40	94,737	63,577
11	**Total**							**$ 90,116**

GSI

$ in millions

		As of June 2021						
		Notional	Replacement cost/current market value	Potential future credit exposure	EEPE	Multiplier	EAD post CRM	RWAs
1	Mark to market		$ 3,653	$ 4,827			$ 8,480	$ 5,565
3	Standardised approach		-			-	-	-
4	IMM (for derivatives and SFTs)				110,423	1.40	154,592	83,142
5	*Of which securities financing transactions*				43,179	1.40	60,450	19,955
6	*Of which derivatives and long settlement transactions*				67,244	1.40	94,141	63,187
11	**Total**							**$ 88,707**

GSIB

$ in millions

		As of June 2021						
		Notional	Replacement cost/current market value	Potential future credit exposure	EEPE	Multiplier	EAD post CRM	RWAs
1	Mark to market		$ 81	$ 671			$ 752	$ 818
3	Standardised approach		-			-	-	-
4	IMM (for derivatives and SFTs)				2,631	1.40	3,683	543
5	*Of which securities financing transactions*				2,239	1.40	3,135	201
6	*Of which derivatives and long settlement transactions*				392	1.40	548	342
11	**Total**							**$ 1,361**

The following table presents GSGUK, GSI and GSIB's EAD after credit risk mitigation and RWAs on exposures to CCPs as of June 30, 2021.

Table 9: Exposures to CCPs

$ in millions — **As of June 2021**

		EAD post CRM			RWAs		
		GSGUK	**GSI**	**GSIB**	**GSGUK**	**GSI**	**GSIB**
1	**Exposures to QCCPs (total)**				**802**	**802**	**1**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	11,183	11,183	-	224	224	-
3	(i) OTC derivatives	4,642	4,642	-	93	93	-
4	(ii) Exchange-traded derivatives	6,331	6,331	-	127	127	-
5	(iii) SFTs	210	210	-	4	4	-
6	(iv) Netting sets where cross-product netting has been approved	-	-	-	-	-	-
7	Segregated initial margin	-	-	-			
8	Non-segregated initial margin	8,468	8,467	0	169	169	0
9	Prefunded default fund contributions	409	409	1	409	409	1
10	Alternative calculation of own funds requirements for exposures				-	-	-
11	**Exposures to non-QCCPs (total)**				-	-	-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-	-	-	-	-
13	(i) OTC derivatives	-	-	-	-	-	-
14	(ii) Exchange-traded derivatives	-	-	-	-	-	-
15	(iii) SFTs	-	-	-	-	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-	-	-	-	-
17	Segregated initial margin	-	-	-			
18	Non-segregated initial margin	-	-	-	-	-	-
19	Prefunded default fund contributions	-	-	-	-	-	-
20	Unfunded default fund contributions	-	-	-	-	-	-

The following table presents GSGUK, GSI and GSIB's exposures subject to CVA capital charges and corresponding RWAs as of June 30, 2021.

Table 10: CVA VaR Capital Charge

$ in millions — **As of June 2021**

		Exposure value			RWAs		
		GSGUK	**GSI**	**GSIB**	**GSGUK**	**GSI**	**GSIB**
1	Total portfolios subject to the advanced method	$ 64,600	$ 64,600	-	$ 10,696	$ 10,696	-
2	(i) VaR component (including the 3× multiplier)				3,137	3,137	-
3	(ii) SVaR component (including the 3× multiplier)				7,559	7,559	-
4	All portfolios subject to the standardised method	5,315	5,158	50	5,573	5,425	25
5	Total subject to the CVA capital charge	**$ 69,915**	**$ 69,758**	**$ 50**	**$ 16,269**	**$ 16,121**	**$ 25**

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

Table 11: RWA Flow Statements of CCR Exposures under the IMM

$ in millions — **As of June 2021**

		RWA amounts			Capital requirements		
		GSGUK	**GSI**	**GSIB**	**GSGUK**	**GSI**	**GSIB**
1	**RWAs as at the end of the previous reporting period**	**$ 85,458**	**$ 85,188**	**$ 270**	**$ 6,837**	**$ 6,815**	**$ 22**
2	Asset size	(762)	(1,038)	276	(61)	(83)	22
3	Credit quality of counterparties	(631)	(631)	0	(51)	(51)	0
7	Foreign exchange movements	372	372	-	30	30	-
8	Other	(364)	(361)	(3)	(29)	(29)	(0)
9	**RWAs as at the end of the current reporting period**	**$ 84,073**	**$ 83,530**	**$ 543**	**$ 6,726**	**$ 6,682**	**$ 44**

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 June 30, 2021.

Table 12: RWA Flow Statements of Credit Risk Exposures under the IRB Approach

$ in millions **As of June 2021**

		RWA amounts			Capital requirements		
		GSGUK	**GSI**	**GSIB**	**GSGUK**	**GSI**	**GSIB**
1	**RWAs as at the end of the previous reporting period**	**$ 34,877**	**$ 20,445**	**$ 15,040**	**$ 2,790**	**$ 1,636**	**$ 1,203**
2	Asset size	(2,408)	(720)	(1,494)	(193)	(58)	(119)
3	Asset quality	15	(36)	51	1	(3)	4
4	Model updates	(669)	-	(669)	(53)	-	(53)
7	Foreign exchange movements	192	124	68	15	10	5
8	Other	(451)	(229)	(250)	(36)	(18)	(20)
9	**RWAs as at the end of the current reporting period**	**$ 31,556**	**$ 19,584**	**$ 12,746**	**$ 2,524**	**$ 1,567**	**$ 1,020**

Credit Risk Mitigation

To reduce credit exposures on derivatives and securities financing transactions, we may enter into netting agreements with counterparties that permit the firm to offset receivables and payables with such counterparties. A netting agreement is a contract with a counterparty that permits net settlement of multiple transactions with that counterparty, including upon the exercise of termination rights by a non-defaulting party. Upon exercise of such termination rights, all transactions governed by the netting agreement are terminated and a net settlement amount is calculated.

We may also reduce credit risk with counterparties by entering into agreements that enable us to receive and post cash and securities collateral with respect to our derivatives and securities financing transactions, subject to the terms of the related credit support agreements or similar arrangements (collectively, credit support agreements). An enforceable credit support agreement grants the non-defaulting party exercising termination provisions the right to liquidate collateral and apply the proceeds to any amounts owed. In order to assess enforceability of our right to setoff under netting and credit support agreements, we evaluate various factors, including applicable bankruptcy laws, local statutes and regulatory provisions in the jurisdiction of the parties to the agreement. The collateral we hold consists primarily of cash and securities of high quality government bonds (mainly US and EU), subject to haircuts as deemed appropriate by the Credit Risk function. The function performs ongoing collateral monitoring, to ensure the firm maintains an appropriate level of diversification of collateral, and distribution of collateral quality.

Our collateral is managed by certain functions within the firm which review exposure calculations, make margin calls with relevant counterparties, and ensure subsequent settlement of collateral movements. We monitor the fair value of the collateral on a daily basis to ensure that our credit exposures are appropriately collateralised.

As of June 2021, the aggregate amounts of additional collateral or termination payments related to our net derivative liabilities under bilateral agreements that could have been called by our counterparties in the event of a one- and two-notch downgrade of our credit ratings are $67 million and $459 million respectively for GSI, and immaterial for GSIB.

For additional information about the firm's derivatives (including collateral and the impact of the amount of collateral required in the event of a ratings downgrade), see "Note 7. Derivatives and Hedging Activities" in Part I, Item 1 "Financial Statements" in the firm's Quarterly Report on Form 10-Q. See "Note 11. Collateralized Agreements and Financings" in Part I, Item 1 "Financial Statements" in the firm's Quarterly Report on Form 10-Q for further information about collateralised agreements and financings.

For loans and lending commitments, depending on the credit quality of the borrower and other characteristics of the transaction, we employ a variety of potential risk mitigants. Risk mitigants include collateral provisions, guarantees, covenants, structural seniority of the bank loan claims and, for certain lending commitments, provisions in the legal documentation that allow us to adjust loan amounts, pricing, structure and other terms as market conditions change. The type and structure of risk mitigants employed can significantly influence the degree of credit risk involved in a loan or lending commitment.

When we do not have sufficient visibility into a counterparty's financial strength or when we believe a counterparty requires support from its parent, we may obtain third-party guarantees of the counterparty's obligations. The main types of guarantors are sovereigns, certain supranational and multilateral development banks, banks and other financial institutions. We may also mitigate our credit risk using credit derivatives or participation agreements.

The following three tables presents GSGUK, GSI and GSIB net carrying values of credit risk exposures secured by different CRM techniques as of June 30, 2021.

Table 13: CRM Techniques

GSGUK

$ in millions						**As of June 2021**
		Exposures unsecured – Carrying amount	**Exposures secured – Carrying amount**	**Exposures secured by collateral**	**Exposures secured by financial guarantees**	**Exposures secured by credit derivatives**
1	Total loans	$ 5,209	$ 7,725	$ 7,694	-	$ 31
2	Total debt securities	$ 3,697	-	-	-	-
3	**Total exposures**	**$ 8,906**	**$ 7,725**	**$ 7,694**	**-**	**$ 31**
4	Of which defaulted	$ 94	$ 11	-	-	-

GSI

$ in millions						**As of June 2021**
		Exposures unsecured – Carrying amount	**Exposures secured – Carrying amount**	**Exposures secured by collateral**	**Exposures secured by financial guarantees**	**Exposures secured by credit derivatives**
1	Total loans	$ 612	$ 950	$ 950	-	-
2	Total debt securities	$ 874	-	-	-	-
3	**Total exposures**	**$ 1,486**	**$ 950**	**$ 950**	-	-
4	Of which defaulted	$ 94	-	-	-	-

GSIB

$ in millions						**As of June 2021**
		Exposures unsecured – Carrying amount	**Exposures secured – Carrying amount**	**Exposures secured by collateral**	**Exposures secured by financial guarantees**	**Exposures secured by credit derivatives**
1	Total loans	$ 5,356	$ 12,286	$ 11,198	-	$ 1,088
2	Total debt securities	$ 2,823	$ 1,494	$ 1,494	-	-
3	**Total exposures**	**$ 8,179**	**$ 13,780**	**$ 12,692**	-	**$ 1,088**
4	Of which defaulted	-	$ 11	-	-	-

The following table presents the impact of credit derivatives on the RWAs under the IRB approach for GSGUK, GSI and GSIB based on exposure class.

Table 14: IRB Approach - Effect on the RWAs of Credit Derivatives Used as CRM Techniques

$ in millions							**As of June 2021**
		Pre-Credit Derivatives RWAs			**Actual RWAs**		
		GSGUK	**GSI**	**GSIB**	**GSGUK**	**GSI**	**GSIB**
1	**Exposures under AIRB**						
2	Central governments and central banks	$ 3,831	$ 3,122	$ 709	$ 3,831	$ 3,122	$ 709
3	Institutions	$ 4,985	$ 4,131	$ 854	$ 4,985	$ 4,131	$ 860
6	Corporates – Other	$ 24,229	$ 12,330	$ 12,674	$ 24,229	$ 12,330	$ 11,178
12	Equity IRB	$ 2,292	$ 2,292	$ 0	$ 2,292	$ 2,292	$ 0
14	**Total**	**$ 35,337**	**$ 21,875**	**$ 14,237**	**$ 35,337**	$ 21,875	**$ 12,747**

Credit Derivatives

We enter into credit derivative transactions primarily to facilitate client activity and to manage the credit risk associated with market-making.

We also use credit derivatives to hedge counterparty exposure associated with investing and financing activities and to a lesser extent derivative exposure. Some of these hedges qualify as credit risk mitigants for regulatory capital purposes using the PD and LGD substitution approach (and subject to the regulatory haircuts for maturity and currency mismatch where applicable).

Where the aggregate notional of credit derivatives hedging exposure to a loan obligor is less than the notional loan exposure, the substitution approach is only employed for the percentage of loan exposure covered by eligible credit derivatives.

For further information regarding the firm's credit derivative transactions, see "Note 7. Derivatives and Hedging Activities" in Part I, Item 1 "Financial Statements" in the firm's Quarterly Report on Form 10-Q.

For information regarding credit risk concentrations, see "Note 26. Credit Concentrations" in Part I, Item 1 "Financial Statements" in the firm's Quarterly Report on Form 10-Q.

The following table presents GSGUK, GSI and GSIB exposure to credit derivatives based on notional and fair values as of June 30, 2021.

Table 15: Credit Derivatives Exposures

$ in millions									**As of June 2021**
	Credit derivative hedges								
	Protection bought			**Protection sold**			**Other credit derivatives**		
	GSGUK	**GSI**	**GSIB**	**GSGUK**	**GSI**	**GSIB**	**GSGUK**	**GSI**	**GSIB**
Notionals									
Index Credit Default Swaps	$ 411,191	$ 409,383	$ 1,808	$ 407,713	$ 406,299	$ 1,414	-	-	-
Total Return swaps	6,224	6,224	-	2,222	2,222	-	-	-	-
Other Credit Default Swaps	334,334	331,294	3,040	330,639	330,397	241	-	-	-
Other Credit Derivatives	-	-	-	-	-	-	200,678	200,561	117
Total notionals	**$ 751,749**	**$ 746,901**	**$ 4,848**	**$ 740,574**	**$ 738,918**	**$ 1,655**	**$ 200,678**	**$ 200,561**	**$ 117**
Fair values	**-**		**-**	**-**		**-**	**-**		**-**
Positive fair value (asset)	**$ 6,015**	**$ 6,012**	**$ 4**	**$ 20,404**	**$ 20,366**	**$ 38**	**$ 5,502**	**$ 5,502**	**$ 0**
Negative fair value (liability)	**$ 20,732**	**$ 20,570**	**$ 163**	**$ 5,309**	**$ 5,229**	**$ 80**	**$ 3,009**	**$ 3,008**	**$ 0**

Wrong-way Risk

We seek to minimise risk where there is a significant positive correlation between the probability of default of a counterparty and our exposure to that counterparty (net of the market value of any collateral we receive), which is known as "wrong-way risk". Wrong-way risk is commonly categorised into two types: specific wrong-way risk and general wrong-way risk. We categorise exposure as specific wrong-way risk when the counterparty and the issuer of the reference asset of the transaction are the same entity or are affiliates, or if the collateral supporting a transaction is issued by the counterparty or its affiliates. General wrong-way risk arises when there is a significant positive correlation between the probability of default of a counterparty and general market risk factors affecting the exposure to that counterparty. We have procedures in place to actively identify, monitor and control specific and general wrong-way risk, beginning at the inception of a transaction and continuing through its life, including assessing the level of risk through stress tests. We ensure that material wrong-way risk is mitigated using collateral agreements or increases to initial margin, where appropriate.

Credit Valuation Adjustment Risk-Weighted Assets

RWAs for CVA address the risk of losses related to changes in counterparty credit risk arising from OTC derivatives. We calculate RWAs for CVA primarily using the Advanced CVA approach set out in CRR, which permits the use of regulator approved VaR models. Consistent with our Regulatory VaR calculation (see "Market Risk" for further details), the CVA RWAs are calculated at a 99% confidence level over a 10-day time horizon.

The CVA RWAs also include a stressed CVA component, which is also calculated at a 99% confidence level over a 10-day horizon using both a Stressed VaR period and stressed EEs. The CVA VaR model estimates the impact on our credit valuation adjustments of changes to our counterparties' credit spreads. It reflects eligible CVA hedges (as defined in CRR), but it excludes those hedges that, although used for risk-management purposes, are ineligible for inclusion in the regulatory CVA VaR model. Examples of such hedges are interest rate hedges, or those that do not reference the specific exposures they are intended to mitigate, but are nevertheless highly correlated to the underlying credit risk.

Other Credit Risk-Weighted Assets

Credit RWAs also include the following components:

Cleared Transactions

RWAs for cleared transactions and default fund contributions (defined as payments made by clearing members to central clearing agencies pursuant to mutualised loss arrangements) are calculated based on specific rules within CRR. A majority of our exposures on centrally cleared transactions are to counterparties that are considered to be Qualifying Central Counterparties (QCCPs) in accordance with the European Market Infrastructure Regulation (EMIR). Such exposures arise from OTC derivatives, exchange-traded derivatives, and securities financing transactions, which are required to be risk weighted at either 2% or 4% based on the specified criteria.

Retail Exposures

As of June 30, 2021, we have immaterial retail exposures (defined as residential mortgage exposures, qualifying revolving exposures, or other retail exposures that are managed as part of a segment of exposures with homogeneous risk characteristics, not on an individual exposure basis) subject to standardised risk weights.

Other Assets

Other assets primarily include property, leasehold improvements and equipment, deferred tax assets, and assets for which there is no defined capital methodology or that are not material. RWAs for other assets are generally based on the carrying value and are typically risk weighted at 100%.

Equity Exposures in the Banking Book

The firm makes investments, both directly and indirectly through funds that it manages, in public and private equity securities, as well as in debt securities and loans and real estate entities. The firm also enters into commitments to make such investments. These investments are typically longer-term in nature and are primarily held for capital appreciation purposes. Equity investments that are not consolidated are classified for regulatory capital purposes as banking book equity exposures. Equity exposures held in GSGUK's banking book are included in the Credit RWAs within row 5 of Table 7 and were not material as of June 30, 2021.

Past due exposures, impaired exposures and impairment provisions

Payments aged more than a threshold of 90 days on any material credit obligation to the company, 180 days on residential mortgage obligations or 120 days on other retail obligations are considered past due.

An exposure is considered impaired when it is probable that the borrower will be unable to pay all amounts due according to the contractual terms of the loan agreement. The firm’s definition of unlikeliness to pay includes the distressed restructuring of an obligation, including bank loan obligations, that results in deferred or reduced payment to GS, whether or not counterparty is in bankruptcy, insolvency or local jurisdictional equivalent.

There are no instances for GSGUK, GSI or GSIB where past-due exposures are not considered to be impaired.

The allowance for impairment is determined using various risk factors, including industry default and loss data, current macroeconomic indicators, borrower’s capacity to meet its financial obligations, borrower’s country of risk, loan seniority and collateral type. In addition, for loans backed by real estate, risk factors include loan to value ratio, debt service ratio and home price index. The firm also records an allowance for losses on lending commitments that are held for investment and accounted for on an accrual basis. Such allowance is determined using the same methodology as the allowance for impairment, while also taking into consideration the probability of drawdowns or funding, and is included in other liabilities and accrued expenses. Additionally, loans are charged off against the impairment provision when deemed to be uncollectible.

For information on GSGUK’s methodology for calculating expected credit losses measured in accordance with the provisions of IFRS 9, see “Impairment” in "Notes to the Consolidated Financial Information” in GSGUK’s 2020 Consolidated Financial Information.

Market Risk

Overview

Market risk is the risk of loss in the value of inventory, investments, loans and other financial assets and liabilities accounted for at fair value due to changes in market conditions. Categories of market risk include the following:

- Interest rate risk: results from exposures to changes in the level, slope and curvature of yield curves, the volatilities of interest rates, prepayment speeds and credit spreads;
- Equity price risk: results from exposures to changes in prices and volatilities of individual equities, baskets of equities and equity indices;
- Currency rate risk: results from exposures to changes in spot prices, forward prices and volatilities of currency rates; and
- Commodity price risk: results from exposures to changes in spot prices, forward prices and volatilities of commodities, such as crude oil, petroleum products, natural gas, electricity, and precious and base metals.

Market Risk, which is independent of the revenue-producing units and reports to the firm's chief risk officer, has primary responsibility for assessing, monitoring and managing market risk through firmwide oversight across global businesses.

Managers in revenue-producing units and Market Risk discuss market information, positions and estimated loss scenarios on an ongoing basis. Managers in revenue-producing units are accountable for managing risk within prescribed limits. These managers have in-depth knowledge of their positions, markets and the instruments available to hedge their exposures.

Market Risk Management Process

The firm's process for managing market risk includes the critical components of the risk management framework described in the "Risk Management – Overview and Structure of Risk Management" 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, as well as the following:

- Monitoring compliance with established market risk limits and reporting our exposures;
- Diversifying exposures;
- Controlling position sizes; and
- Evaluating mitigants, such as economic hedges in related securities or derivatives.

Market Risk produces risk measures and monitors them against established market risk limits. These measures reflect an extensive range of scenarios and the results are aggregated at product, business and firmwide levels. For further information about the firm's market risk measures and risk limits, see "Risk Management – Market Risk Management" 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.

Market Risk-Weighted Assets

Trading book positions are subject to market risk capital requirements which are designed to cover the risk of loss in value of these positions due to changes in market conditions. These capital requirements are determined either by applying prescribed risk weighting factors in accordance with the standardised approach, or they are based on internal models which are subject to various qualitative and quantitative parameters. The CRR market risk capital rules require that a company obtains prior written permission from its regulators before using any internal model to calculate its risk-based capital requirement. Within GSGUK, GSI has permission to calculate capital requirements using internal models at the solo and consolidated levels, while other entities including GSIB calculate capital requirements using the standardised approach.

For positions captured by GSI's model permission, the capital requirements for market risk are calculated using the following internal models: Value-at-Risk (VaR), Stressed VaR (SVaR), Incremental Risk Charge (IRC), and Comprehensive Risk Measure (CRM), which for PRA purposes is called the All Price Risk Measure (APRM) and is subject to a floor. In addition, Standardised Rules, in accordance with Title IV of Part Three of CRR, are used to calculate capital requirements for market risk for certain securitised and non-securitised positions by applying risk-weighting factors predetermined by regulators, to positions after applicable netting is performed. RWAs for market risk are the sum of each of these measures multiplied by 12.5. An overview of each of these measures is provided below.

Regulatory VaR

VaR is the potential loss in value of trading assets and liabilities, as well as certain investments, loans, and other financial assets and liabilities accounted for at fair value, due to adverse market movements over a defined time horizon with a specified confidence level. For both risk management purposes (positions subject to VaR limits) and regulatory capital calculations, the firm uses a single VaR model which captures risks, including those related to interest rates, equity prices, currency rates and commodity prices. As such, VaR facilitates comparison across portfolios of different risk characteristics. VaR also captures the diversification of aggregated risk at the firmwide level.

VaR used for risk management purposes differs from VaR used for regulatory capital requirements (Regulatory VaR) due to differences in time horizons, confidence levels and the scope of positions on which VaR is calculated. For risk management purposes, a 95% one-day VaR is used, whereas for regulatory capital requirements, a 99% 10-day VaR is used to determine Market RWAs and a 99% one-day VaR is used to determine Regulatory VaR exceptions. The 10-day VaR is based on scaling the 1-day VaR by the square root of 10.

VaR is calculated daily using historical simulations with full valuation of market factors, capturing both general and specific market risk. VaR is calculated at a positional level based on simultaneously shocking the relevant market risk factors for that position, using a mix of absolute and relative returns. We sample from five years of historical data to generate the scenarios for our VaR calculation. The historical data is weighted so that the relative importance of data reduces over time. This gives greater importance to more recent observations and reflects current asset volatilities.

In accordance with the CRR market risk regulatory capital requirements, we evaluate the accuracy of our VaR model through daily backtesting. The results of the backtesting determine the size of the VaR multiplier used to compute RWAs.

Table 16 presents our period end, maximum, minimum and average daily GSGUK and GSI 99% 10-day Regulatory VaR over the six-month period ended June 2021.

Stressed VaR

SVaR is the potential loss in value of trading assets and liabilities, as well as certain investments, loans, and other financial assets and liabilities accounted for at fair value, during a period of significant market stress. SVaR is based on a full valuation at a 99% confidence level over a 10-day horizon using market data inputs from a continuous 12-month period of stress. The 10-day SVaR is calculated as the 1-day SVaR scaled by the square root of 10. We identify the stressed period by comparing VaR using market data inputs from different historical periods.

Table 16 presents our period end, maximum, minimum and average weekly GSGUK and GSI 99% 10-day SVaR over the six-month period ended June 2021.

Incremental Risk

Incremental risk is the potential loss in value of non-securitised positions due to the default or credit migration of issuers of financial instruments over a one-year time horizon. As required by the CRR market risk regulatory capital rules, this measure is calculated at a 99.9% confidence level over a one-year time horizon. The model is based on the assumption of a constant level of risk. The model uses a multifactor approach to simulate correlated rating migration and default events, and takes into account various characteristics, including region, industry, basis between different products, credit quality and maturity of the debt. The liquidity horizons are determined based on the speed at which issuer exposures can be reduced by hedging or unwinding, given our experience during a historical stress period, and the prescribed regulatory minimum. The average liquidity horizon for GSI as of June 2021 was 3 months.

Table 16 presents our period end, maximum, minimum and average of the weekly GSGUK and GSI Incremental Risk measure over the six-month period ended June 2021.

Comprehensive Risk

Comprehensive risk is the potential loss in value, due to price risk and defaults, within credit correlation positions. A credit correlation position is defined as a securitisation position for which all or substantially all of the value of the underlying exposures is based on the credit quality of a single company for which a two-way market exists, or indices based on such exposures for which a two-way market exists, or hedges of these positions (which are typically not securitisation positions).

As required under the CRR market risk capital rules, the Comprehensive Risk Measure comprises a model-based measure, which is subject to a floor based on the minimum capital requirement of 8% of RWA calculated under the standard rules for the portfolio. The model-based measure is calculated at a 99.9% confidence level over a one-year time horizon applying a constant level of risk. The model comprehensively covers price risks including nonlinear price effects and takes into account contractual structure of cash flows, the effect of multiple defaults, credit spread risk, volatility of implied correlation, recovery rate volatility and basis risk. The liquidity horizon is based upon our experience during a historical stress period, subject to the prescribed regulatory minimum.

Table 16 presents the period end, maximum, minimum and average of the GSGUK and GSI Comprehensive Risk Measure for the over the six-month period ended June 2021.

Table 16: IMA Values for Trading Portfolios

$ in millions		As of June 2021	
		GSGUK	**GSI**
VaR (10 day 99%)			
1	Maximum value	**270**	**270**
2	Average value	**190**	**190**
3	Minimum value	**157**	**157**
4	Period end	**174**	**174**
SVaR (10 day 99%)			
5	Maximum value	**766**	**766**
6	Average value	**620**	**620**
7	Minimum value	**486**	**486**
8	Period end	**538**	**538**
IRC (99.9%)			
9	Maximum value	**265**	**265**
10	Average value	**152**	**152**
11	Minimum value	**98**	**98**
12	Period end	**265**	**265**
Comprehensive risk capital charge (99.9%)			
13	Maximum value	**140**	**140**
14	Average value	**119**	**119**
15	Minimum value	**98**	**98**
16	Period end	**99**	**99**

Table 17: Market Risk under the IMA

The table below presents the capital requirements and RWA under the IMA for Market Risk as of June 30, 2021.

$ in millions				As of June 2021	
		RWAs		**Capital requirements**	
		GSGUK	**GSI**	**GSGUK**	**GSI**
1	**VaR (higher of values a and b)**	**$ 6,961**	**$ 6,961**	**$ 557**	**$ 557**
(a)	Previous day's VaR (Article 365(1) of the CRR (VaRt-1))			174	174
(b)	Average of the daily VaR (Article 365(1)) of the CRR on each of the preceding 60 business days (VaRavg) x multiplication factor (mc) in accordance with Article 366 of the CRR			557	557
2	**SVaR (higher of values a and b)**	**$ 23,733**	**$ 23,733**	**$ 1,899**	**$ 1,899**
(a)	Latest SVaR (Article 365(2) of the CRR (SVaRt-1))			538	538
(b)	Average of the SVaR (Article 365(2) of the CRR) during the preceding 60 business days (SVaRavg) x multiplication factor (ms) (Article 366 of the CRR)			1,899	1,899
3	**IRC (higher of values a and b)**	**$ 3,314**	**$ 3,314**	**$ 265**	**$ 265**
(a)	Most recent IRC value (incremental default and migration risks calculated in accordance with Article 370 and Article 371 of the CRR)			265	265
(b)	Average of the IRC number over the preceding 12 weeks			153	153
4	**Comprehensive risk measure (higher of values a, b and c)**	**$ 1,471**	**$ 1,471**	**$ 118**	**$ 118**
(a)	Most recent risk number for the correlation trading portfolio (Article 377 of the CRR)			99	99
(b)	Average of the risk number for the correlation trading portfolio over the preceding 12 weeks			118	118
(c)	8% of the own funds requirement in the standardised approach on the most recent risk number for the correlation trading portfolio (Article 338(4) of the CRR)			58	58
5	**Other**	**$ 15,382**	**$ 15,382**	**$ 1,230**	**$ 1,230**
6	**Total**	**$ 50,861**	**$ 50,861**	**$ 4,069**	**$ 4,069**

Table 18: RWA Flow Statements of Market Risk Exposures under the IMA

GSGUK

$ in millions **As of June 2021**

		VaR	SVaR	IRC	Comprehensive risk measure	Other	Total RWAs	Total capital requirements
1	**RWAs at previous quarter end**	**$ 7,234**	**$ 20,987**	**$ 4,675**	**$ 1,787**	**$ 17,237**	**$ 51,920**	**$ 4,154**
1a	*Regulatory adjustment*	(4,598)	(14,472)	(3,437)	-	(8,571)	(31,078)	(2,486)
1b	***RWAs at the previous quarter-end***	**$ 2,636**	**$ 6,515**	**$ 1,238**	**$ 1,787**	**$ 8,666**	**$ 20,842**	**$ 1,668**
2	Movement in risk levels	(460)	212	2,076	(544)	2,358	3,642	291
8a	***RWAs at the end of the reporting period***	**$ 2,176**	**$ 6,727**	**$ 3,314**	**$ 1,243**	**$ 11,024**	**$ 24,484**	**$ 1,959**
8b	*Regulatory adjustment*	4,785	17,006	-	228	4,358	26,377	2,110
8	**RWAs at the end of the reporting period**	**$ 6,961**	**$ 23,733**	**$ 3,314**	**$ 1,471**	**$ 15,382**	**$ 50,861**	**$ 4,069**

GSI

$ in millions **As of June 2021**

		VaR	SVaR	IRC	Comprehensive risk measure	Other	Total RWAs	Total capital requirements
1	**RWAs at previous quarter end**	**$ 7,234**	**$ 20,987**	**$ 4,675**	**$ 1,787**	**$ 17,237**	**$ 51,920**	**$ 4,154**
1a	*Regulatory adjustment*	(4,598)	(14,472)	(3,437)	-	(8,571)	(31,078)	(2,486)
1b	***RWAs at the previous quarter-end***	**$ 2,636**	**$ 6,515**	**$ 1,238**	**$ 1,787**	**$ 8,666**	**$ 20,842**	**$ 1,668**
2	Movement in risk levels	(460)	212	2,076	(544)	2,358	3,642	291
8a	***RWAs at the end of the reporting period***	**$ 2,176**	**$ 6,727**	**$ 3,314**	**$ 1,243**	**$ 11,024**	**$ 24,484**	**$ 1,959**
8b	*Regulatory adjustment*	4,785	17,006	-	228	4,358	26,377	2,110
8	**RWAs at the end of the reporting period**	**$ 6,961**	**$ 23,733**	**$ 3,314**	**$ 1,471**	**$ 15,382**	**$ 50,861**	**$ 4,069**

Model Review and Validation

The models discussed above, which are used to determine Regulatory VaR, SVaR, Incremental risk and Comprehensive risk, are independently reviewed, validated and approved by Model Risk.

These models are regularly reviewed and enhanced in order to incorporate changes in the composition of positions included in market risk measures, as well as variations in market conditions. Prior to implementing significant changes to our assumptions and/or models, Model Risk performs model validations. Significant changes to VaR and stress testing models are reviewed with the firm's chief market risk officer, and approved by the Risk Governance Committee.

For information on Model Risk, see "Model Risk" in GSGUK's 2020 annual Pillar 3 disclosures.

Regulatory VaR Backtesting Results

As required by the CRR market risk capital rules, we validate the accuracy of our Regulatory VaR models by backtesting the output of such models against daily loss results. The number of exceptions (that is, the number of overshootings based on comparing the higher of positional or actual losses to the corresponding 99% one-day Regulatory VaR) over the most recent 250 business days is used to determine the size of the VaR multiplier, which could increase from a minimum of three to a maximum of four, depending on the number of exceptions.

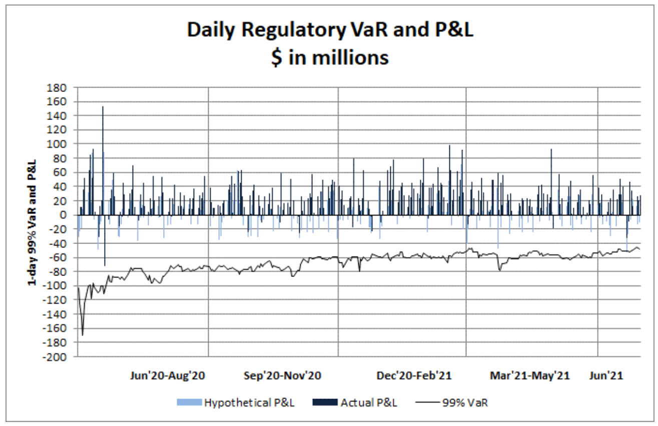
As defined in the CRR market risk capital rules, hypothetical net revenues for any given day represent the impact of that day's price variation on the value of positions held at the close of business the previous day. As a consequence, these results exclude certain revenues associated with market-making businesses, such as bid/offer net revenues, which are more likely than not to be positive by their nature. In addition, hypothetical net revenues used in our Regulatory VaR backtesting relate only to positions which are included in Regulatory VaR and, as noted above, differ from positions included in our risk management VaR. This measure of hypothetical net revenues is used to evaluate the performance of the Regulatory VaR model and is not comparable to our actual daily net revenues. See "Risk Management — Market Risk Management" 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.

GSI hypothetical losses observed on a single day exceeded our 99% one-day Regulatory VaR once during the thirteen months preceding June 2021. This exceedance was discounted by the PRA. GSI actual losses observed on a single day did not exceed our 99% one-day Regulatory VaR during the thirteen months preceding June 2021. Note that, although a one-day time horizon is used for backtesting purposes, a 10-day time horizon is used, as described earlier, to determine RWAs associated with Regulatory VaR.

The table below presents our 99% one-day Regulatory VaR and hypothetical and actual PnL during the previous thirteen months.

Table 19: Comparison of VaR estimates with gains/losses

- GSI



The table below summarises the number of reported excesses for GSI and GSIB for the previous thirteen months.

		Number of reported excesses	
	Multiplier	**Hypothetical**	**Actual**
Backtesting			
GSI	**3.00**	**0**	**0**

Stress Testing

Stress testing is a method of determining the effect of various hypothetical stress scenarios on the firm and GSI and GSIB individually. Stress testing is used to examine risks of specific portfolios as well as the potential impact of significant risk exposures across GSI and GSIB. A variety of stress testing techniques is used to calculate the potential loss from a wide range of market moves on portfolios, including firmwide stress tests, sensitivity analysis and scenario analysis.

For a detailed description of the firm's stress testing practices, see "Risk Management – Market Risk Management – Risk Measures – Stress Testing" in Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the firm's Quarterly Report Form 10-Q.

The table below presents the components of own funds requirements under the standardised approach as of June 30, 2021.

Table 20: Market Risk under the Standardised Approach

$ in millions **As of June 2021**

		RWAs			Capital Requirements		
		GSGUK	**GSI**	**GSIB**	**GSGUK**	**GSI**	**GSIB**
	Outright products						
1	Interest rate risk (general and specific)	$ 40,977	$ 38,972	$ 2,004	$ 3,278	$ 3,118	$ 160
2	Equity risk (general and specific)	3,235	3,175	60	259	254	5
3	Foreign exchange risk	2,929	2,521	225	234	202	18
4	Commodity risk	1,587	988	-	126	77	-
4a	Collective investment undertakings	2,270	2,270	-	182	182	-
	Options						
6	Delta-plus method	3,486	3,470	15	279	278	1
8	Securitisation (specific risk)	2,446	2,446	-	196	196	-
9	**Total**	**$ 56,930**	**$ 53,842**	**$ 2,304**	**$ 4,554**	**$ 4,307**	**$ 184**

Interest Rate Sensitivity

Interest Rate Risk in the Trading Book

Our exposure to interest rate risk in our trading book arises mostly from positions held to support client market-making activities. These positions are accounted for at fair value and the interest rate risk is monitored as a component of Market risk. For additional information regarding interest rate risk, see “Risk Management – Market Risk Management” 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.

Interest Rate Risk in the Banking Book

Our exposure to interest rate risk in the banking book (IRRBB) arises from differences in interest earned or paid as interest rates change, due to the reset characteristics of our assets and liabilities. IRRBB risk in GSIB is mainly driven by deposit taking activities via our digital deposit platform (Marcus by Goldman Sachs) and may increase further as our lending and deposit taking activities continue to expand. However, our banking book activities’ exposure to movements in interest rates remains immaterial for GSGUK as at June 30, 2021.

For further information regarding asset-liability management, see “Risk Management – Liquidity Risk Management” 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.

Operational Risk

Overview

Operational risk is the risk of an adverse outcome resulting from inadequate or failed internal processes, people, systems or from external events. The firm's exposure to operational risk arises from routine processing errors, as well as extraordinary incidents, such as major systems failures or legal and regulatory matters.

Potential types of loss events related to internal and external operational risk include:

- Clients, products and business practices;
- Execution, delivery and process management;
- Business disruption and system failures;
- Employment practices and workplace safety;
- Damage to physical assets;
- Internal fraud; and
- External fraud.

Operational Risk, which is independent of the firm's revenue-producing units and reports to the firm's chief risk officer, has primary responsibility for developing and implementing a formalised framework for assessing, monitoring and managing operational risk with the goal of maintaining the firm's exposure to operational risk at levels that are within its risk appetite.

Operational Risk Management Process

The firm's process for managing operational risk includes the critical components of the risk management framework described in "Risk Management – Overview and Structure of Risk Management" 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, including a comprehensive data collection process, as well as firmwide policies and procedures, for operational risk events.

The firm combines top-down and bottom-up approaches to manage and measure operational risk. From a top-down perspective, senior management assesses firmwide and business-level operational risk profiles. From a bottom-up perspective, the first and second lines of defence are responsible for risk identification and risk management on a day-to-day basis, including escalating operational risks to senior management.

The firm maintains a comprehensive control framework designed to provide a well-controlled environment to minimise operational risks. The EMEA Operational Risk and Resilience Committee is responsible for overseeing operational risk, and for ensuring our business and operational resilience.

The firm's operational risk management framework is in part designed to comply with the operational risk measurement rules under the Capital Framework and has evolved based on the changing needs of its businesses and regulatory guidance.

The firm has established policies that require all employees to report and escalate operational risk events. When operational risk events are identified, the policies require that the events be documented and analysed to determine whether changes are required in the systems and/or processes to further mitigate the risk of future events.

The firm uses operational risk management applications to capture and organise operational risk event data and key metrics. One of the key risk identification and assessment tools is an operational risk and control self-assessment process, which is performed by the firm's managers. This process consists of the identification and rating of operational risks, on a forward-looking basis, and the related controls. The results from this process are analysed to evaluate operational risk exposures and identify businesses, activities or products with heightened levels of operational risk.

Risk Measurement

The firm measures operational risk exposure using both statistical modelling and scenario analyses, which involves qualitative and quantitative assessments of internal and external operational risk event data and internal control factors for each of our businesses. Operational risk measurement also incorporates an assessment of business environment factors, including:

- Evaluations of the complexity of business activities;
- The degree of automation in our processes;
- New activity information;
- The legal and regulatory environment; and
- Changes in the markets for our products and services, including the diversity and sophistication of our customers and counterparties.

The results from these scenario analyses are used to monitor changes in operational risk and to determine business lines that may have heightened exposure to operational risk. These analyses are used in the determination of the appropriate level of operational risk capital to hold.

Model Review and Validation

The models used to measure operational risk exposure are independently reviewed, validated and approved by Model Risk.

Capital Requirements

The consolidated operational risk capital requirements for GSGUK, GSI and GSIB are calculated under the Standardised Approach in accordance with the CRR.

Table 21: Operational Risk Capital Requirement

$ in millions	As of June 2021		
	GSGUK	**GSI**	**GSIB**
Standardised Approach	$ 1,719	$ 1,496	$ 57

Liquidity Risk

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.

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

Table 22: Liquidity Coverage Ratio Summary

$ in millions	Twelve Months Ended June 2021		
	Average Weighted		
	GSGUK	GSI	GSIB
Number of data points used in the calculation of averages	12	12	12
Liquidity Buffer	82,318	64,999	17,319
Total Net Cash Outflows	43,058	37,160	12,449
Liquidity Coverage Ratio (%)[1]	191%	176%	139%

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

Leverage Ratio

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. This leverage ratio compares the definition of Tier 1 capital to a measure of leverage exposure, defined as the sum of certain assets plus certain off-balance-sheet exposures (which include a measure of derivatives, securities financing transactions, commitments and guarantees), less Tier 1 capital deductions.

Following the end of the transition period after the U.K.'s withdrawal from the E.U. and in light of revised international standards, the Financial Policy Committee and the PRA have consulted on a comprehensive review of the UK leverage ratio framework. The UK framework, which has not been finalised as of the date of this publication, will become applicable to GS entities including GSGUK. As a result, the calculation of the ratio may evolve.

Table 23: Leverage Ratio

$ in millions — **As of June 2021**

	GSGUK	GSI	GSIB
Tier 1 Capital	$ 41,322	$ 36,024	$ 3,264
Leverage Ratio Exposure	$ 924,039	$ 863,636	$ 55,723
Leverage Ratio	**4.5%**	**4.2%**	**5.9%**

The following tables present further information on the leverage ratio. Table 24 reconciles the exposure measure to the balance sheets of GSGUK, GSI and GSIB. Table 25 breaks down the exposures from on-balance sheet assets by trading and banking book. Table 26 gives further details on the adjustments and drivers of the leverage ratio.

Table 24: Summary Reconciliation of Accounting Assets and Leverage Ratio Exposures

$ in millions — **As of June 2021**

	GSGUK	GSI	GSIB
Total assets as per balance sheet	**$ 1,197,040**	**$ 1,142,572**	**$ 80,947**
Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	-	-	-
Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013 "CRR"	-	-	-
Adjustments for derivative financial instruments[1]	(316,683)	(317,266)	(39)
Adjustments for securities financing transactions[1]	28,416	29,145	4,465
Adjustment for off-balance sheet items [1]	16,742	13,043	3,699
Adjustment for intragroup exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (7) of Regulation (EU) No 575/2013[1]	-	(852)	(28,369)
Adjustment for exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (14) of Regulation (EU) No 575/2013	-	-	-
Other adjustments	(1,476)	(3,006)	(4,980)
Total leverage ratio exposure	**$ 924,039**	**$ 863,636**	**$ 55,723**

1. Differences between the accounting values recognised as assets on the balance sheet and the leverage ratio exposure values. A further breakdown of these amounts can be found in Table 26.

Table 25: On-Balance Sheet Exposures

$ in millions — **As of June 2021**

	GSGUK	GSI	GSIB
Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	**$ 222,054**	**$ 186,705**	**$ 30,361**
Trading book exposures	**$ 137,981**	**$ 128,406**	**$ 7,210**
Banking book exposures, of which:	**$ 84,073**	**$ 58,299**	**$ 23,151**
Covered bonds	-	-	-
Exposures treated as sovereigns	48,673	35,253	13,420
Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	-	-	-
Institutions	15,352	11,177	2,317
Secured by mortgages of immovable properties	127	-	50
Retail exposures	43	-	10
Corporate	14,735	10,099	5,683
Exposures in default	108	97	11
Other exposures	5,035	1,673	1,660

Table 26: Leverage Ratio Common Disclosure

$ in millions	As of June 2021		
	GSGUK	**GSI**	**GSIB**
On-balance sheet exposures (excluding derivatives and SFTs)			
On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	$ 260,132	$ 224,650	$ 38,372
Asset amounts deducted in determining Tier 1 capital	(1,476)	(1,396)	(46)
Total on-balance sheet exposures[1] (excluding derivatives, SFTs and fiduciary assets)	**$ 258,656**	**$ 223,254**	**$ 38,326**
Derivative exposures			
Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	38,758	38,790	52
Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	327,042	327,840	1,359
Exposure determined under Original Exposure Method	-	-	-
Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-	-
Deductions of receivables assets for cash variation margin provided in derivatives transactions	(37,160)	(36,904)	(712)
Exempted CCP leg of client-cleared trade exposures	(5,656)	(5,656)	-
Adjusted effective notional amount of written credit derivatives	832,340	830,604	1,736
Adjusted effective notional offsets and add-on deductions for written credit derivatives	(785,568)	(783,832)	(1,736)
Total derivative exposures	**$ 369,756**	**$ 370,842**	**$ 699**
Securities financing transaction exposures			
Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	344,250	324,108	41,847
Netted amounts of cash payables and cash receivables of gross SFT assets	(93,781)	(93,777)	(4)
Counterparty credit risk exposure for SFT assets	28,416	29,145	4,465
Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013	-	-	-
Agent transaction exposures	-	-	-
Exempted CCP leg of client-cleared SFT exposure	-	-	-
Total securities financing transaction exposures	**$ 278,885**	**$ 259,476**	**$ 46,308**
Other off-balance sheet exposures			
Off-balance sheet exposures at gross notional amount	81,502	65,522	15,980
Adjustments for conversion to credit equivalent amounts	(64,760)	(52,479)	(12,281)
Other off-balance sheet exposures	**$ 16,742**	**$ 13,043**	**$ 3,699**
Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off balance sheet)			
Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet)	-	(2,979)	(33,309)
Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet)	-	-	-
Capital and total exposures			
Tier 1 capital	$ 41,322	$ 36,024	$ 3,264
Total leverage ratio exposures	**$ 924,039**	**$ 863,636**	**$ 55,723**
Leverage ratio			
Leverage ratio	**4.5%**	**4.2%**	**5.9%**
Choice on transitional arrangements and amount of derecognised fiduciary items			
Choice on transitional arrangements for the definition of the capital measure	-	-	-
Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) No 575/2013	-	-	-

[1] The On Balance Sheet Exposures in Table 26 include cash collateral posted on derivative which is excluded from Table 25 in accordance with the European Commission Implementing Regulation (EU) 2016/200

Factors impacting the Leverage Ratio

The leverage ratio has decreased from 5.0% as of December 2020 to 4.5% as of June 2021. This was primarily due to an increase in on and off balance sheet exposures.

Risk of Excessive Leverage

The risk of excessive leverage is the risk resulting from a vulnerability due to leverage or contingent leverage that may require unintended corrective measures to our business plan, including distressed selling of assets which might result in losses or in valuation adjustments to our remaining assets.

The GSI and GSIB Asset and Liability Committees (GSI and GSIB ALCOs) are the primary governance committees for the management of the UK material subsidiaries' balance sheets, and are responsible for maintaining leverage ratios in accordance with the levels expressed in each entity's risk appetite statement.

We monitor the leverage ratio as calculated above and have processes in place to dynamically manage our assets and liabilities. These processes include:

- Monthly leverage ratio monitoring is conducted for GSI and GSIB. Leverage ratio monitoring thresholds have been established for GSI and GSIB and reported to the respective ALCOs, CROs, CFOs, CEOs, Risk Committees and Boards depending on size of movement.
- Quarterly leverage ratio planning which combines our projected leverage ratio assets (on- and off-balance sheet) and Tier 1 capital of GSGUK, GSI and GSIB.
- Potential new transactions which could have a material impact on GSGUK's capital and/or leverage position are escalated to and approved by Corporate Treasury, and by Controllers and other managers from independent control and support functions.

Capital Adequacy

Overview

Capital adequacy is of critical importance to us. The firm has in place a comprehensive capital management policy that provides a framework, defines objectives and establishes guidelines to assist us in maintaining the appropriate level and composition of capital in both business-as-usual and stressed conditions.

We determine the appropriate amount and composition of capital by considering multiple factors, including current and future regulatory capital requirements, the results of capital planning and stress testing processes, the results of resolution capital models and other factors, such as rating agency guidelines, subsidiary capital requirements, the business environment and conditions in the financial markets.

Internal Capital Adequacy Assessment Process

We perform an ICAAP with the objective of ensuring that GSGUK is appropriately capitalised relative to the risks in our business. The ICAAP is a comprehensive assessment of the risks to which we are or may be exposed and covers both the risks for which we consider capital to be an appropriate mitigant, and those for which we consider mitigants other than capital to be appropriate.

As part of our ICAAP, we perform an internal risk-based capital assessment. We evaluate capital adequacy based on the result of our internal risk-based capital assessment, which includes the results of stress tests, and our regulatory capital ratios. Stress testing is an integral component of our ICAAP. It is designed to measure our estimated performance under various stressed market conditions and assists us in analysing whether GSGUK holds an appropriate amount of capital relative to the risks of our businesses. Our goal is to hold sufficient capital to ensure we remain adequately capitalised after experiencing a severe stress event. Our assessment of capital adequacy is viewed in tandem with our assessment of liquidity adequacy and is integrated into our overall risk management structure, governance and policy framework.

Own Funds Template

The table below presents further information on the detailed capital position of GSGUK, GSI and GSIB, in accordance with the format prescribed by the Commission Implementing Regulation (EU) No 1423/2013.

Table 27: Own Funds Disclosure

$ in millions	As of June 2021		
	GSGUK	**GSI**	**GSIB**
Capital instruments and the related share premium accounts	$ 2,523	$ 6,166	$ 2,157
Paid up capital instruments	2,135	598	63
Share premium	388	5,568	2,094
Retained earnings	32,307	23,661	1,360
Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	201	(217)	(65)
Less unaudited profit for the financial period	-	-	(141)
Common Equity Tier 1 (CET1) capital before regulatory adjustments	**$ 35,031**	**$ 29,610**	**$ 3,311**
Additional value adjustments	(465)	(421)	(10)
Intangible assets	(121)	(116)	(6)
Negative amounts resulting from the calculation of expected loss amounts	(883)	(867)	(16)
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	174	166	8
Deferred tax assets	(22)	-	(22)
Defined-benefit pension fund assets	(234)	(234)	-
Other adjustments[1]	(458)	(414)	-
Total regulatory adjustments to Common equity Tier 1 (CET1)	**$ (2,009)**	**$ (1,886)**	**$ (46)**
Common Equity Tier 1 (CET1) capital	**$ 33,022**	**$ 27,724**	**$ 3,265**
Additional Tier 1 (AT1) capital	**8,300**	**8,300**	**-**
Tier 1 capital (T1 = CET1 + AT1)	**$ 41,322**	**$ 36,024**	**$ 3,265**
Capital instruments and the related share premium accounts	6,503	5,377	826
Qualifying own funds instruments included in consolidated T2 capital issued by subsidiaries and held by third parties	-	-	-
Of which: Instruments issued by subsidiaries subject to phase out	-	-	-
Non qualifying T2 capital instruments	-	-	-
Tier 2 (T2) capital before regulatory adjustments	**$ 6,503**	**$ 5,377**	**$ 826**
Other deductions	**-**	**-**	**-**
Tier 2 (T2) capital	**$ 6,503**	**$ 5,377**	**$ 826**
Total capital (TC = T1 + T2)	**$ 47,825**	**$ 41,401**	**$ 4,091**
Total risk weighted assets	**$ 286,366**	**$ 261,344**	**$ 18,784**
Common Equity Tier 1 (as a percentage of risk exposure amount)	11.5%	10.6%	17.4%
Tier 1 (as a percentage of risk exposure amount)	14.4%	13.8%	17.4%
Total capital (as a percentage of risk exposure amount)	16.7%	15.8%	21.8%
Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)	7.04%	7.03%	7.03%
Of which: Capital conservation buffer requirement	2.50%	2.50%	2.50%
Of which: Counter cyclical buffer requirement	0.04%	0.03%	0.03%
Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	7.0%	6.1%	12.9%
Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	$ 1,403	$ 1,344	-
Direct and indirect holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	-	-	-

1. Other Adjustments primarily represent regulatory adjustments for foreseeable charges

Capital and MREL Instruments

The following table summarises the main features of capital and MREL instruments for GSGUK as of June 2021.

Table 28: GSGUK Capital and MREL Instruments' Main Features Template

$ in millions								As of June 2021
Issuer	GSGUK	GSGUK	GSGUK	GSGUK	GSGUK	GSGUK	GSGUK	GSGUK
Unique Identifier (e.g. CUSIP, ISIN, or Bloomberg identifier for private placement)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Public or private placement	Private placement	Private placement	Private placement	Private placement	Private placement	Private placement	N/A	N/A
Governing law(s) of the instrument	UK	UK	UK	UK	UK	UK	UK	UK
Contractual recognition of write down and conversion powers of resolution authorities	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Transitional CRR rules	CET1	Additional Tier 1	Tier 2	Tier 2	Tier 2	Tier 2	Eligible Liability	Eligible Liability
Post-transitional CRR rules	CET1	Additional Tier 1	Tier 2	Tier 2	Tier 2	Tier 2	Eligible Liability	Eligible Liability
Eligible at solo/(sub-) consolidated/solo&(sub-) consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
Instrument type	Ordinary Shares	Deeply Subordinated Undated Additional Tier 1 Notes	Preference Shares	Preference Shares	Subordinated Debt	Subordinated Debt	Senior debt	Senior debt
Amount recognised in regulatory capital	2,135	8,300	300	2,000	3,528	675	0	0
Nominal amount of instrument	2,135	3,000; 2,800; 2,500	300	2,000	3,528	675	13,076	7,100
Issue Price	2,135	$1,000,000 per Note	$1.00 per Preference Share	$1.00 per Preference Share	3,528	675	13,076	7,100
Redemption Price	2,135	$1,000,000 per Note	$1.00 per Preference Share	$1.00 per Preference Share	3,528	675	13,076	7,100
Accounting Classification	Shareholders' Equity	Shareholders' Equity	Amortised Cost	Amortised Cost	Amortised Cost	Amortised Cost	Amortised Cost	Amortised Cost
Original date of issuance[1]	Aug 20, 2013	June 27, 2017; June 28, 2017; November 28, 2018	June 27, 2018	July 11, 2019	Aug 1, 2005	Mar 20, 2013	Mar 6, 2012	Jan 21, 2020
Perpetual or dated	Perpetual	Perpetual	Dated	Dated	Dated	Dated	Dated	Dated
Original maturity date[2]	No maturity	No maturity	July 11, 2029	July 11, 2029	Sep 9, 2030	Dec 26, 2029	Mar 6, 2027	Jan 21, 2030
Issuer call subject to prior supervisory approval	N/A	No	Yes	Yes	No	No	No	No
Option call date, contingent call dates and redemption amount	N/A	N/A	With notice and PRA approval but not earlier than five years from the issue date	With notice and PRA approval but not earlier than five years from the issue date	No	No	N/A	N/A
Subsequent call dates, if applicable	N/A	N/A	Daily	Daily	N/A	N/A	N/A	N/A
Fixed or floating dividend / coupon	N/A	Fixed	Floating	Floating	Floating	Floating	Floating	Floating
Coupon rate and any related index[3]	N/A	8.55 per cent.; 8.55 per cent.; 8.67 per cent.	CoF + LTDS + 65 bps	CoF + LTDS + 65 bps	CoF + LTDS + 100bps	CoF + LTDS + 100bps	CoF + LTDS + 40bps	CoF + LTDS + 40bps
Existence of a dividend stopper	No	No	No	No	No	No	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully Discretionary	Fully Discretionary	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory

Fully discretionary, partially discretionary or mandatory (in terms of amount)	**Fully Discretionary**	**Fully Discretionary**	**Mandatory**	**Mandatory**	**Mandatory**	**Mandatory**	**Mandatory**	**Mandatory**
Existence of step up or other incentive to redeem	**N/A**	**N/A**	**No**	**No**	**N/A**	**N/A**	**No**	**No**
Noncumulative or cumulative	**Non-cumulative**	**Non-cumulative**	**Cumulative**	**Cumulative**	**Cumulative**	**Cumulative**	**Cumulative**	**Cumulative**
Convertible or non-convertible	**N/A**	**Non-convertible**	**Convertible**	**Convertible**	**Convertible**	**Convertible**	**Convertible**	**Convertible**
If convertible, conversion trigger(s)	**N/A**	**N/A**	**Resolution trigger**	**Resolution trigger**	**Resolution trigger**	**Resolution trigger**	**Resolution trigger**	**Resolution trigger**
If convertible, fully or partially	**N/A**	**N/A**	**Fully**	**Fully**	**Fully**	**Fully**	**Fully**	**Fully**
If convertible, conversion rate	**N/A**	**N/A**	**Conversion rate to be determined by the BoE**	**Conversion rate to be determined by the BoE**	**Conversion rate to be determined by the BoE**	**Conversion rate to be determined by the BoE**	**Conversion rate to be determined by the BoE**	**Conversion rate to be determined by the BoE**
If convertible, mandatory or optional conversion	**N/A**	**N/A**	**Optional**	**Optional**	**Optional**	**Optional**	**Optional**	**Optional**
If convertible, specify instrument type convertible into	**N/A**	**N/A**	**Ordinary Shares**	**Ordinary Shares**	**Ordinary Shares**	**Ordinary Shares**	**Ordinary Shares**	**Ordinary Shares**
If convertible, specify issuer of instrument it converts to	**N/A**	**N/A**	**GSGUKL**	**GSGUKL**	**GSGUKL**	**GSGUKL**	**GSGUKL**	**GSGUKL**
Write-down features	**N/A**	**Yes**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
If write-down, write-down trigger(s)	**N/A**	**Regulatory Trigger Event[4] and Resolution trigger**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
If write-down, full or partial	**N/A**	**Always fully (to $0.01 per Note)**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
If write-down, permanent or temporary	**N/A**	**Permanent**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
If temporary write-down, description of write-up mechanism	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Type of subordination (only for eligible liabilities)	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**Contractual**	**Contractual**
Ranking of the instrument in normal insolvency proceedings	**Equity**	**Perpetual unsecured securities**	**Preference shares**	**Preference shares**	**Subordinated loan facility**	**Subordinated loan facility**	**Senior loan**	**Senior loan**
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	**Preference shares**	**Preference Shares**	**Unsecured and subordinated debt**	**Unsecured and subordinated debt**	**Unsecured and unsubordinated debt**	**Unsecured and unsubordinated debt**	**Unsecured and senior debt**	**Unsecured and senior debt**
Non-compliant transitioned features	**No**	**No**	**No**	**No**	**No**	**No**	**No**	**No**
If yes, specify non-compliant features	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Link to the full term and conditions of the instrument (signposting)[5]	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

1. First date of ordinary share issuance.
2. The original maturity date has been extended following amendment and the current maturity date is reflected in the table.
3. CoF represents Cost of Funds (the US Federal Reserve Funds Rate) and LTDS represents Long Term Debt Spread (the Goldman Sachs Weighted Average Cost of Debt).
4. Regulatory Trigger Event will be deemed to have occurred at any time where: (i) the CET1 Ratio of the GSGUKL and its consolidated subsidiaries as calculated by GSGUKL or the PRA is less than 7 per cent.; and or (ii) the CET1 Ratio of GSI as calculated by GSGUKL or the PRA is less than 7 per cent.
5. Instruments are internally issued as such no prospectus is available.

Key Changes during the Period

On 3 March 2021, GSGUK as borrower upsized an existing senior loan agreement with Goldman Sachs Funding LLC as lender by $2,500,000,000.

On 9 June 2021, GSGUK borrowed an additional $1,200,000,000 from the senior loan facility.

The following table summarises the main features of capital instruments for GSI and GSIB as of June 2021.

Table 29: GSI and GSIB Capital Instruments' Main Features Template

$ in millions **As of June 2021**

Issuer	GSI	GSI	GSI	GSI	GSI	GSIB	GSIB
Unique Identifier (e.g. CUSIP, ISIN, or Bloomberg identifier for private placement)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Public or private placement	Private placement	Private placement	Private placement	Private placement	Private placement	Private placement	Private placement
Governing law(s) of the instrument	UK	UK	UK	UK	UK	UK	UK
Contractual recognition of write down and conversion powers of resolution authorities	No	No	No	No	No	No	No
Transitional CRR rules	CET1	Additional Tier 1	Tier 2	Tier 2	Tier 2	CET1	Tier 2
Post-transitional CRR rules	CET1	Additional Tier 1	Tier 2	Tier 2	Tier 2	CET1	Tier 2
Eligible at solo/(sub-) consolidated/solo&(sub-) consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
Instrument type	Ordinary Shares	Deeply Subordinated Undated Additional Tier 1 Notes	Sub-ordinated Debt	Sub-ordinated Debt	Sub-ordinated Debt	Ordinary Shares	Sub-ordinated Debt
Amount recognised in regulatory capital	598	8,300	4,252	675	450	63	826
Nominal amount of instrument	598	3,300; 2,500; 2,500	4,252	675	450	63	826
Issue Price	598	$1,000,000 per Note	4,252	675	450	63	826
Redemption Price	598	$1,000,000 per Note	4,252	675	450	63	826
Accounting Classification	Shareholder's Equity	Shareholder's Equity	Amortised Cost	Amortised Cost	Amortised Cost	Shareholder's Equity	Amortised Cost
Original date of issuance[1]	May 18, 1988	June 27, 2017; June 28, 2017; 28 November, 2018	July 31, 2003	June 26, 2012	Mar 20, 2013	Jun 28, 1973	Sep 9, 2015
Perpetual or dated	Perpetual	Perpetual	Dated	Dated	Dated	Perpetual	Dated
Original maturity date[2]	No maturity	No maturity	Sep 9, 2030	Dec 26, 2029	Dec 26, 2029	No maturity	15 years from agreement
Issuer call subject to prior supervisory approval	N/A	No	N/A	N/A	N/A	N/A	N/A
Option call date, contingent call dates and redemption amount	N/A	N/A	No	No	No	N/A	No
Subsequent call dates, if applicable	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fixed or floating dividend / coupon	N/A	Fixed	Floating	Floating	Floating	N/A	Floating
Coupon rate and any related index[3]	N/A	8.55 per cent.; 8.55 per cent.; 8.67 per cent.	CoF + LTDS + 100bps	CoF + LTDS + 100bps	CoF + LTDS + 100bps	N/A	CoF + 341bps
Existence of a dividend stopper	No	No	No	No	No	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Fully Discretionary	Mandatory	Mandatory	Mandatory	Fully discretionary	Mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully Discretionary	Mandatory	Mandatory	Mandatory	Fully discretionary	Mandatory
Existence of step up or other incentive to redeem	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Noncumulative or cumulative	**Non-cumulative**	**Non-cumulative**	**Cumulative**	**Cumulative**	**Cumulative**	**Non-cumulative**	**Cumulative**
Convertible or non-convertible	**N/A**	**Non-Convertible**	**Convertible**	**Convertible**	**Convertible**	**N/A**	**Non-Convertible**
If convertible, conversion trigger(s)	**N/A**	**N/A**	**Resolution trigger**	**Resolution trigger**	**Resolution trigger**	**N/A**	**N/A**
If convertible, fully or partially	**N/A**	**Non-convertible**	**Fully**	**Fully**	**Fully**	**N/A**	**N/A**
If convertible, conversion rate	**N/A**	**N/A**	**Conversion rate to be determined by the BoE**	**Conversion rate to be determined by the BoE**	**Conversion rate to be determined by the BoE**	**N/A**	**N/A**
If convertible, mandatory or optional conversion	**N/A**	**N/A**	**Optional**	**Optional**	**Optional**	**N/A**	**N/A**
If convertible, specify instrument type convertible into	**N/A**	**N/A**	**Ordinary Shares**	**Ordinary Shares**	**Ordinary Shares**	**N/A**	**N/A**
If convertible, specify issuer of instrument it converts to	**N/A**	**N/A**	**GSI**	**GSI**	**GSI**	**N/A**	**N/A**
Write-down features	**N/A**	**Yes**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
If write-down, write-down trigger(s)	**N/A**	**Regulatory Trigger Event[4] and Resolution trigger**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
If write-down, full or partial	**N/A**	**Always fully (to $0.01 per Note)**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
If write-down, permanent or temporary	**N/A**	**Permanent**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
If temporary write-down, description of write-up mechanism	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Type of subordination (only for eligible liabilities)	**N/A**	**Contractual**	**Contractual**	**Contractual**	**Contractual**	**N/A**	**Contractual**
Ranking of the instrument in normal insolvency proceedings	**Equity**	**Perpetual unsecured securities**	**Subordinated loan facility**	**Subordinated loan facility**	**Subordinated loan facility**	**Equity**	**Subordinated loan facility**
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	**Preference shares**	**Preference Shares**	**Unsecured and unsubord-inated debt**	**Unsecured and unsubord-inated debt**	**Unsecured and unsubord-inated debt**	**Preference shares**	**Unsecured and unsubord-inated debt**
Non-compliant transitioned features	**No**	**No**	**No**	**No**	**No**	**No**	**No**
If yes, specify non-compliant features	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Link to the full term and conditions of the instrument (signposting)[5]	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

1. First date of ordinary share issuance.
2. The original maturity date has been extended following amendment and the current maturity date is reflected in the table.
3. CoF represents Cost of Funds (the US Federal Reserve Funds Rate) and LTDS represents Long Term Debt Spread (the Goldman Sachs Weighted Average Cost of Debt).
4. Regulatory Trigger Event will be deemed to have occurred at any time where: (i) the CET1 Ratio of the GSGUKL and its consolidated subsidiaries as calculated by GSGUKL or the PRA is less than 7 per cent.; and or (ii) the CET1 Ratio of GSI as calculated by GSGUKL or the PRA is less than 7 per cent.
5. Instruments are internally issued as such no prospectus is available.

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 include statements other than historical information or statements of current conditions.

It is possible that our actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition 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.

Glossary of Risk Terms

- **Advanced Internal Ratings-Based (AIRB).** The AIRB approach of CRR provides a methodology for banks, subject to supervisory approval, to use various risk parameters to determine the EAD and risk weights for regulatory capital calculations. Other risk parameters used in the determination of risk weights are each counterparty's Probability of Default (PD), Loss Given Default (LGD) and the effective maturity of the trade or portfolio of trades.

- **Central Counterparty (CCP).** A counterparty, such as a clearing house, that facilitates trades between counterparties.

- **Comprehensive Risk.** The potential loss in value, due to price risk and defaults, within credit correlation positions. Comprehensive risk consists of a modelled measure which is calculated at a 99.9% confidence level over a one-year time horizon, subject to a floor which is 8% of the standardised specific risk add-on.

- **Credit Correlation Position.** A securitisation position for which all or substantially all of the value of the underlying exposures is based on the credit quality of a single company for which a two-way market exists, or indices based on such exposures for which a two-way market exists, or hedges of these positions (which are typically not securitisation positions).

- **Credit Risk.** The potential for loss due to the default or deterioration in credit quality of a counterparty (e.g., an OTC derivatives counterparty or a borrower) or an issuer of securities or other instruments we hold.

- **Credit Valuation Adjustment (CVA).** An adjustment applied to uncollateralised OTC derivatives to cover the risk of mark-to-market losses of bilateral credit risk (i.e. counterparty and own) in uncollateralised derivatives.

- **Debt Valuation Adjustment (DVA).** An adjustment applied to debt held at fair value representing the mark-to-market of unilateral own credit risk in unsecured debt held at fair value.

- **Default.** A default is considered to have occurred when either or both of the two following events have taken place: (i) we consider that the obligor is unlikely to pay its credit obligations to us in full; or (ii) the obligor has defaulted on a payment and/or is past due more than 90 days on any material Wholesale credit obligation, 180 days on residential mortgage obligations or 120 days on other retail obligations.

- **Default Risk.** The risk of loss on a position that could result from failure of an obligor to make timely payments of principal or interest on its debt obligation, and the risk of loss that could result from bankruptcy, insolvency, or similar proceedings.

- **Effective Expected Positive Exposure (EEPE).** The time-weighted average of non-declining positive credit exposure over the EE simulation. EEPE is used in accordance with the IMM as the exposure measure that is then risk weighted to determine counterparty risk capital requirements.

- **Event Risk.** The risk of loss on equity or hybrid equity positions as a result of a financial event, such as the announcement or occurrence of a company merger, acquisition, spin-off, or dissolution.

- **Expected Exposure (EE).** The expected value of the probability distribution of non-negative credit risk exposures to a counterparty at any specified future date before the maturity date of the longest term transaction in a netting set.

- **Exposure at Default (EAD).** The exposure amount that is risk weighted for regulatory capital calculations. For on-balance-sheet assets, such as receivables and cash, EAD is generally based on the balance sheet value. For the calculation of EAD for off-balance-sheet exposures, including commitments and guarantees, an equivalent exposure amount is calculated based on the notional amount of each transaction multiplied by a credit conversion factor designed to estimate the net additions to funded exposures that would be likely to occur over a one-year horizon, assuming the obligor were to default. For substantially all of the counterparty credit risk arising from OTC derivatives, exchange-traded derivatives and securities financing transactions, internal models calculate the distribution of exposure upon which the EAD calculation is based.

- **Idiosyncratic Risk.** The risk of loss in the value of a position that arises from changes in risk factors unique to that position.

- **Incremental Risk.** The potential loss in value of non-securitised inventory positions due to the default or credit migration of issuers of financial instruments over a one-year time horizon. This measure is calculated at a 99.9% confidence level over a one-year time horizon using a multi-factor model.

- **Internal Models Methodology (IMM).** The IMM establishes a methodology for entities to use their internal models to estimate exposures arising from OTC derivatives, securities financing transactions and cleared transactions subject to qualitative and quantitative requirements and supervisory approval.
- **Loss Given Default (LGD).** An estimate of the economic loss rate if a default occurs during economic downturn conditions.
- **Market Risk.** The risk of loss in the value of our inventory, investments, loans and other financial assets and liabilities accounted for at fair value, due to changes in market conditions.
- **Operational Risk.** The risk of an adverse outcome resulting from inadequate or failed internal processes, people, systems or from external events.
- **Other Systemically Important Institutions.** Institutions identified by national regulators as those whose failure or malfunction could potentially lead to serious negative consequences for the domestic financial systems and real economy.
- **Prudent Valuation Adjustment (PVA).** A deduction from CET1 capital where the prudent value of trading assets or other financial assets measured at fair value is materially lower than the fair value recognised in the consolidated financial information.
- **Probability of Default (PD).** Estimate of the probability that an obligor will default over a one-year horizon.
- **Ratings Based Approach.** Under the ratings based method, the risk weighted exposure amount of a rated securitisation position or resecuritisation position are calculated by applying to the exposure value the risk weight associated with the credit quality step as prescribed in CRR multiplied by 1.06.
- **Regulatory Value-at-Risk (VaR).** The potential loss in value of trading positions due to adverse market movements over a 10-day time horizon with a 99% confidence level.
- **Regulatory VaR Backtesting.** Comparison of daily positional loss results to the Regulatory VaR measure calculated as of the end of the prior business day.
- **Resecuritisation Position.** Represents an on or off-balance-sheet transaction in which the risk associated with an underlying pool of exposures is tranched and at least one of the underlying exposures is a securitisation position.
- **Securitisation Position.** Represents a transaction or scheme in which the credit risk associated with an exposure or pool of exposures is tranched and both payments in the transaction or scheme are dependent upon the performance of the exposure or pool of exposures and the subordination of tranches determines the distribution of losses during the ongoing life of the transaction or scheme.
- **Specific Risk.** The risk of loss on a position that could result from factors other than broad market movements and includes event risk, default risk and idiosyncratic risk. The specific risk add-on is applicable for both securitisation positions and for certain non-securitised debt and equity positions, to supplement the model-based measures.
- **Stress Testing.** Stress testing is a method of determining the effect of various hypothetical stress scenarios.
- **Stressed VaR (SVaR).** The potential loss in value of trading assets and liabilities, certain investments, loans, and other financial assets and liabilities accounted for at fair value, during a period of significant market stress. SVaR is calculated at a 99% confidence level over a 10-day horizon using market data inputs from a continuous 12-month period of stress.
- **Synthetic Securitisation.** Defined as a securitisation transaction in which the tranching is achieved by the use of credit derivatives or guarantees, and the pool of exposures is not removed from the balance sheet of the originator.
- **Traditional Securitisation.** Defined as a securitisation transaction which involves the economic transfer of the exposures being securitised to a securitisation special purpose entity which issues securities; and so that this must be accomplished by the transfer of ownership of the securitised exposures from the originator or through sub-participation; and the securities issued do not represent payment obligations of the originator.
- **Value-at-Risk (VaR).** The potential loss in value of trading assets and liabilities, certain investments, loans, and other financial assets and liabilities accounted for at fair value, due to adverse market movements over a defined time horizon with a specified confidence level. Risk management VaR is calculated at a 95% confidence level over a one-day horizon.
- **Wholesale Exposure.** A term used to refer collectively to credit exposures to companies, sovereigns or government entities (other than Securitisation, Retail or Equity exposures).

Appendix I: Credit Risk Tables

Table 30: Credit Quality of Exposures by Exposure Class and Instrument

GSGUK

$ in millions — **As of June 2021**

		Gross carrying values of: Defaulted exposures[1]	Gross carrying values of: Non-defaulted exposures	Specific credit risk adjustment	General credit risk adjustment	Accumu-lated write-offs	Credit risk adjustment charges of the period	Net values
1	Central governments or central banks	-	$ 45,912	-	-	-	-	$ 45,912
2	Institutions	92	13,889	8	-	-	-	13,973
3	Corporates	7	14,367	69	-	-	-	14,305
3a	Non-credit obligation assets	-	-	-	-	-	-	-
14	Equity	7	749	-	-	-	-	756
15	***Total IRB approach***	**$ 106**	**$ 74,917**	**$ 77**	**-**	**-**	**-**	**$ 74,946**
16	Central governments or central banks	-	2,761	-	-	-	-	2,761
21	Institutions	-	2,862	-	-	-	-	2,862
22	Corporates	-	1,532	-	-	-	-	1,532
24	Retail	-	43	-	-	-	-	43
26	Secured by mortgages on immovable property	-	127	-	-	-	-	127
28	Exposures in default	9	-	-	-	-	-	9
29	Items associated with particularly high risk	-	1,197	-	-	-	-	1,197
33	Equity exposures	-	142	-	-	-	-	142
34	Other exposures	-	1,323	-	-	-	-	1,323
35	***Total standardised approach***	**$ 9**	**$ 9,987**	**-**	**-**	**-**	**-**	**$ 9,996**
36	***Total***	**$ 115**	**$ 84,904**	**$ 77**	**-**	**-**	**-**	**$ 84,942**
37	Of which: Loans	44	7,995	69	-	-	-	7,970
38	Of which: Debt securities	60	3,637	-	-	-	-	3,697
39	Of which: Off- balance-sheet exposures	-	4,891	6	-	-	-	4,885

GSI

$ in millions — **As of June 2021**

		Gross carrying values of: Defaulted exposures[1]	Gross carrying values of: Non-defaulted exposures	Specific credit risk adjustment	General credit risk adjustment	Accumu-lated write-offs	Credit risk adjustment charges of the period	Net values
1	Central governments or central banks	-	$ 35,253	-	-	-	-	$ 35,253
2	Institutions	92	11,252	-	-	-	-	11,344
3	Corporates	5	5,995	-	-	-	-	6,000
3a	Non-credit obligation assets	-	-	-	-	-	-	-
14	Equity	7	749	-	-	-	-	756
15	***Total IRB approach***	**$ 104**	**$ 53,249**	**-**	**-**	**-**	**-**	**$ 53,353**
16	Central governments or central banks	-	-	-	-	-	-	-
21	Institutions	-	-	-	-	-	-	-
22	Corporates	-	1,262	-	-	-	-	1,262
24	Retail	-	-	-	-	-	-	-
26	Secured by mortgages on immovable property	-	-	-	-	-	-	-
28	Exposures in default	-	-	-	-	-	-	-
29	Items associated with particularly high risk	-	-	-	-	-	-	-
33	Equity exposures	-	-	-	-	-	-	-
34	Other exposures	-	917	-	-	-	-	917
35	***Total standardised approach***	**-**	**$ 2,179**	**-**	**-**	**-**	**-**	**$ 2,179**
36	***Total***	**$ 104**	**$ 55,428**	**-**	**-**	**-**	**-**	**$ 55,532**
37	Of which: Loans	33	1,037	-	-	-	-	1,070
38	Of which: Debt securities	60	814	-	-	-	-	874
39	Of which: Off- balance-sheet exposures	-	492	-	-	-	-	492

GSIB

$ in millions								As of June 2021
		Gross carrying values of						
		Defaulted exposures[1]	**Non-defaulted exposures**	**Specific credit risk adjustment**	**General credit risk adjustment**	**Accumu-lated write-offs**	**Credit risk adjustment charges of the period**	**Net values**
1	Central governments or central banks	-	$ 10,659		-	-	-	$ 10,659
2	Institutions	-	9,784	8	-	-	-	9,776
3	Corporates	2	9,671	69	-	-	-	9,604
3a	Non-credit obligation assets	-	-	-	-	-	-	-
14	Equity	-	0	-	-	-	-	0
15	***Total IRB approach***	**$ 2**	**$ 30,114**	**$ 77**	**-**	**-**	**-**	**$ 30,039**
16	Central governments or central banks	-	2,761	-	-	-	-	2,761
21	Institutions	-	-	-	-	-	-	-
22	Corporates	-	22	-	-	-	-	22
24	Retail	-	10	-	-	-	-	10
26	Secured by mortgages on immovable property	-	50	-	-	-	-	50
28	Exposures in default	9	-	-	-	-	-	9
29	Items associated with particularly high risk	-	-	-	-	-	-	-
33	Equity exposures	-	-	-	-	-	-	-
34	Other exposures	-	42	-	-	-	-	42
35	***Total standardised approach***	**$ 9**	**$ 2,885**	**-**	**-**	**-**	**-**	**$ 2,894**
36	***Total***	**$ 11**	**$ 32,999**	**$ 77**	**-**	**-**	**-**	**$ 32,933**
37	Of which: Loans	11	13,228	69	-	-	-	13,170
38	Of which: Debt securities	-	4,317	-	-	-	-	4,317
39	Of which: Off- balance-sheet exposures	-	4,403	6	-	-	-	4,397

[1] The defaulted exposures quantified in the tables above include positions where the obligor defaulted prior to our purchase of the position.

Table 31: Credit Quality of Exposures by Industry or Counterparty Types

GSGUK

$ in millions		Gross carrying values of						As of June 2021
		Defaulted exposures	**Non-defaulted exposures**	**Specific credit risk adjustment**	**General credit risk adjustment**	**Accumulated write-offs**	**Credit risk adjustment charges of the period**	**Net values**
1	Central governments or central banks	-	$ 48,848	-	-	-	-	$ 48,848
2	Services and other Industries	8	6,224	28	-	-	-	6,204
3	Banks	98	9,469	0	-	-	-	9,567
4	Other Financials	-	16,255	39	-	-	-	16,216
5	CCPs and Exchanges	-	330	-	-	-	-	330
6	Manufacturing	-	1,648	5	-	-	-	1,643
7	Transport, Utilities & Storage	9	834	1	-	-	-	842
8	Retail / Wholesale trade	-	426	3	-	-	-	423
9	Real Estate	-	870	1	-	-	-	869
10	***Total***	**$ 115**	**$ 84,904**	**$ 77**	**-**	**-**	**-**	**$ 84,942**

GSI

$ in millions		Gross carrying values of						As of June 2021
		Defaulted exposures	**Non-defaulted exposures**	**Specific credit risk adjustment**	**General credit risk adjustment**	**Accumulated write-offs**	**Credit risk adjustment charges of the period**	**Net values**
1	Central governments or central banks	-	$ 35,408	-	-	-	-	$ 35,408
2	Services and other Industries	6	3,543	-	-	-	-	3,549
3	Banks	98	9,001	-	-	-	-	9,099
4	Other Financials	-	6,900	-	-	-	-	6,900
5	CCPs and Exchanges	-	330	-	-	-	-	330
6	Manufacturing	-	54	-	-	-	-	54
7	Transport, Utilities & Storage	-	105	-	-	-	-	105
8	Retail / Wholesale trade	-	3	-	-	-	-	3
9	Real Estate	-	84	-	-	-	-	84
10	***Total***	**$ 104**	**$ 55,428**	**-**	**-**	**-**	**-**	**$ 55,532**

GSIB

$ in millions		Gross carrying values of						As of June 2021
		Defaulted exposures	**Non-defaulted exposures**	**Specific credit risk adjustment**	**General credit risk adjustment**	**Accumulated write-offs**	**Credit risk adjustment charges of the period**	**Net values**
1	Central governments or central banks	-	$ 13,383	-	-	-	-	$ 13,383
2	Services and other Industries	2	1,854	28	-	-	-	1,828
3	Banks	-	376	0	-	-	-	376
4	Other Financials	-	14,512	38	-	-	-	14,474
5	CCPs and Exchanges	-	0	-	-	-	-	0
6	Manufacturing	-	1,594	6	-	-	-	1,588
7	Transport, Utilities & Storage	9	615	1	-	-	-	623
8	Retail / Wholesale trade	-	242	3	-	-	-	239
9	Real Estate	-	423	1	-	-	-	422
10	***Total***	**$ 11**	**$ 32,999**	**$ 77**	**-**	**-**	**-**	**$ 32,933**

Table 32: Credit Quality of Exposures by Geography

GSGUK

$ in millions — **As of June 2021**

		Gross carrying values of						
		Defaulted exposures	**Non-defaulted exposures**	**Specific credit risk adjustment**	**General credit risk adjustment**	**Accumulated write-offs**	**Credit risk adjustment charges of the period**	**Net values**
1	EMEA	$ 115	$ 70,972	$ 69	-	-	-	$ 71,018
2	France	-	36,050	2	-	-	-	36,048
3	United Kingdom	1	17,251	15	-	-	-	17,237
4	Other Countries	114	17,671	52	-	-	-	17,733
5	Asia	-	3,630	2	-	-	-	3,628
6	Japan	-	1,054	0	-	-	-	1,054
7	Other Countries	-	2,576	2	-	-	-	2,574
8	Americas	-	10,302	6	-	-	-	10,296
9	United States	-	9,355	2	-	-	-	9,353
10	Other Countries	-	947	4	-	-	-	943
12	***Total***	**$ 115**	**$ 84,904**	**$ 77**	**-**	**-**	**-**	**$ 84,942**

GSI

$ in millions — **As of June 2021**

		Gross carrying values of						
		Defaulted exposures	**Non-defaulted exposures**	**Specific credit risk adjustment**	**General credit risk adjustment**	**Accumulated write-offs**	**Credit risk adjustment charges of the period**	**Net values**
1	EMEA	$ 104	$ 46,265	-	-	-	-	$ 46,369
2	France	-	35,260	-	-	-	-	35,260
3	United Kingdom	1	6,949	-	-	-	-	6,950
4	Other Countries	103	4,056	-	-	-	-	4,159
5	Asia	-	2,833	-	-	-	-	2,833
6	Japan	-	836	-	-	-	-	836
7	Other Countries	-	1,997	-	-	-	-	1,997
8	Americas	-	6,330	-	-	-	-	6,330
9	United States	-	4,912	-	-	-	-	4,912
10	Other Countries	-	1,418	-	-	-	-	1,418
12	***Total***	**$ 104**	**$ 55,428**	**-**	**-**	**-**	**-**	**$ 55,532**

GSIB

$ in millions — **As of June 2021**

		Gross carrying values of						
		Defaulted exposures	**Non-defaulted exposures**	**Specific credit risk adjustment**	**General credit risk adjustment**	**Accumulated write-offs**	**Credit risk adjustment charges of the period**	**Net values**
1	EMEA	$ 11	$ 31,179	$ 69	-	-	-	$ 31,121
2	France	-	779	2	-	-	-	777
3	United Kingdom	-	18,293	15	-	-	-	18,278
4	Other Countries	11	12,107	52	-	-	-	12,066
5	Asia	-	738	2	-	-	-	736
6	Japan	-	218	0	-	-	-	218
7	Other Countries	-	520	2	-	-	-	518
8	Americas	-	1,082	6	-	-	-	1,076
9	United States	-	971	2	-	-	-	969
10	Other Countries	-	111	4	-	-	-	107
12	***Total***	**$ 11**	**$ 32,999**	**$ 77**	**-**	**-**	**-**	**$ 32,933**

Table 33: Credit quality of forborne exposures

GSGUK

$ millions — **June 2021**

		Gross carrying amount of forborne exposures / Nominal amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collaterals received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne	Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures		Of which: Collateral and financial guarantees received on non-performing exposures with forbearance measures
010	Loans and advances	$ 17	-	-	-	$ 3	-	-	-
020	*Central banks*	-	-	-	-	-	-	-	-
030	*General governments*	-	-	-	-	-	-	-	-
040	*Credit institutions*	-	-	-	-	-	-	-	-
050	*Other financial corporations*	17	-	-	-	3	-	-	-
060	*Non-financial corporations*	-	-	-	-	-	-	-	-
070	*Households*	-	-	-	-	-	-	-	-
080	Debt Securities	-	-	-	-	-	-	-	-
090	Loan commitments given	-	-	-	-	-	-	-	-
100	**Total**	**$ 17**	**-**	**-**	**-**	**$ 3**	**-**	**-**	**-**

GSIB

$ millions — **June 2021**

		Gross carrying amount of forborne exposures / Nominal amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collaterals received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne	Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures		Of which: Collateral and financial guarantees received on non-performing exposures with forbearance measures
010	Loans and advances	$ 17	-	-	-	$ 3	-	-	-
020	*Central banks*	-	-	-	-	-	-	-	-
030	*General governments*	-	-	-	-	-	-	-	-
040	*Credit institutions*	-	-	-	-	-	-	-	-
050	*Other financial corporations*	17	-	-	-	3	-	-	-
060	*Non-financial corporations*	-	-	-	-	-	-	-	-
070	*Households*	-	-	-	-	-	-	-	-
080	Debt Securities	-	-	-	-	-	-	-	-
090	Loan commitments given	-	-	-	-	-	-	-	-
100	**Total**	**$ 17**	**-**	**-**	**-**	**$ 3**	**-**	**-**	**-**

Table 34: Credit quality of performing and non-performing exposures by past due days

GSGUK

$ millions													**June 2021**
		Gross carrying amount / Nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or Past due <= 30 days	Past due > 30 days <= 90 days		Unlikely to pay that are not past-due or past-due <= 90 days	Past due > 90 days <= 180 days	Past due > 180 days <= 1 year	Past due > 1 year <= 2 years	Past due > 2 year <= 5 years	Past due > 5 year <= 7 years	Past due > 7 years	Of which default-ed
010	Loans and advances	$ 335,257	$ 335,257	-	$ 61	$ 2	-	-	$ 3	-	$ 56	$ 0	$ 61
020	*Central banks*	3,473	3,473	-	-	-	-	-	-	-	-	-	-
030	*General governments*	2,754	2,754	-	-	-	-	-	-	-	-	-	-
040	*Credit institutions*	33,838	33,838	-	56	-	-	-	-	-	56	0	56
050	*Other financial corporations*	290,553	290,553	-	-	-	-	-	-	-	-	-	-
060	*Non-financial corporations*	3,548	3,548	-	5	2	-	-	3	-	-	-	5
070	*Of which SMEs*	-	-	-	-	-	-	-	-	-	-	-	-
080	*Households*	1,091	1,091	-	-	-	-	-	-	-	-	-	-
090	Debt Securities	4,487	4,487	-	85	-	-	-	-	17	-	68	85
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	2,974	2,974	-	-	-	-	-	-	-	-	-	-
120	*Credit institutions*	45	45	-	66	-	-	-	-	-	-	66	66
130	*Other financial corporations*	817	817	-	-	-	-	-	-	-	-	-	-
140	*Non-financial corporations*	651	651	-	19	-	-	-	-	17	-	2	19
150	Off-balance sheet exposures	6,254			-								-
160	*Central banks*	-			-								-
170	*General governments*	142			-								-
180	*Credit institutions*	179			-								-
190	*Other financial corporations*	3,240			-								-
200	*Non-financial corporations*	2,690			-								-
210	*Households*	3			-								-
220	**Total**	**$ 345,998**	**$ 339,744**	**-**	**$ 146**	**$ 2**	**-**	**-**	**$ 3**	**$ 17**	**$ 56**	**$ 68**	**$ 146**

GSI

$ millions													**June 2021**
		Gross carrying amount / Nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or Past due <= 30 days	Past due > 30 days <= 90 days		Unlikely to pay that are not past-due or past-due <= 90 days	Past due > 90 days <= 180 days	Past due > 180 days <= 1 year	Past due > 1 year <= 2 years	Past due > 2 year <= 5 years	Past due > 5 year <= 7 years	Past due > 7 years	Of which default-ed
010	Loans and advances	$ 299,706	$ 299,706	-	$ 59	-	-	-	$ 3	-	$ 56	$ 0	$ 59
020	*Central banks*	3,318	3,318	-	-	-	-	-	-	-	-	-	-
030	*General governments*	2,726	2,726	-	-	-	-	-	-	-	-	-	-
040	*Credit institutions*	34,693	34,693	-	56	-	-	-	-	-	56	0	56
050	*Other financial corporations*	257,293	257,293	-	-	-	-	-	-	-	-	-	-
060	*Non-financial corporations*	1,454	1,454	-	3	-	-	-	3	-	-	-	3
070	*Of which SMEs*	-	-	-	-	-	-	-	-	-	-	-	-
080	*Households*	222	222	-	-	-	-	-	-	-	-	-	-
090	Debt Securities	785	785	-	85	-	-	-	-	17	-	68	85
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-
120	*Credit institutions*	45	45	-	66	-	-	-	-	-	-	66	66
130	*Other financial corporations*	425	425	-	-	-	-	-	-	-	-	-	-
140	*Non-financial corporations*	315	315	-	19	-	-	-	-	17	-	2	19
150	Off-balance sheet exposures	1,909			-								-
160	*Central banks*	-			-								-
170	*General governments*	142			-								-
180	*Credit institutions*	179			-								-
190	*Other financial corporations*	1,588			-								-
200	*Non-financial corporations*	-			-								-
210	*Households*	-			-								-
220	**Total**	**$ 302,400**	**$ 300,491**	**-**	**$ 144**	**-**	**-**	**-**	**$ 3**	**$ 17**	**$ 56**	**$ 68**	**$ 144**

GSIB

$ millions		Gross carrying amount / Nominal amount											June 2021
		Performing exposures			Non-performing exposures								
			Not past due or Past due <= 30 days	Past due > 30 days <= 90 days		Unlikely to pay that are not past-due or past-due <= 90 days	Past due > 90 days <= 180 days	Past due > 180 days <= 1 year	Past due > 1 year <= 2 years	Past due > 2 year <= 5 years	Past due > 5 year <= 7 years	Past due > 7 years	Of which default-ed
010	Loans and advances	$ 62,383	$ 62,383	-	$ 2	$ 2	-	-	-	-	-	-	$ 2
020	*Central banks*	149	149	-	-	-	-	-	-	-	-	-	-
030	*General governments*	25	25	-	-	-	-	-	-	-	-	-	-
040	*Credit institutions*	212	212	-	-	-	-	-	-	-	-	-	-
050	*Other financial corporations*	59,147	59,147	-	-	-	-	-	-	-	-	-	-
060	*Non-financial corporations*	2,089	2,089	-	2	2	-	-	-	-	-	-	2
070	*Of which SMEs*	-	-	-	-	-	-	-	-	-	-	-	-
080	*Households*	761	761	-	-	-	-	-	-	-	-	-	-
090	Debt Securities	4,968	4,968	-	-	-	-	-	-	-	-	-	-
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	2,974	2,974	-	-	-	-	-	-	-	-	-	-
120	*Credit institutions*	-	-	-	-	-	-	-	-	-	-	-	-
130	*Other financial corporations*	1,994	1,994	-	-	-	-	-	-	-	-	-	-
140	*Non-financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance sheet exposures	4,345			-								-
160	*Central banks*	-			-								-
170	*General governments*	-			-								-
180	*Credit institutions*	-			-								-
190	*Other financial corporations*	1,652			-								-
200	*Non-financial corporations*	2,690			-								-
210	*Households*	3			-								-
220	**Total**	**$ 71,696**	**$ 67,351**	**-**	**$ 2**	**$ 2**	**-**	**-**	**-**	**-**	**-**	**-**	**$ 2**

Table 35: Performing and non-performing exposures and related provisions

GSGUK

$ millions **June 2021**

		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
1	Loans and advances	$ 335,257	$ 335,063	$ 194	$ 61	-	$ 2	$ 78	$ 60	$ 18	$ 23	-	$ 1	8	$ 257,229	-
2	*Central banks*	3,473	3,473	-	-	-	-	-	-	-	-	-	-	-	2,886	-
3	*General governments*	2,754	2,754	-	-	-	-	-	-	-	-	-	-	-	1,921	-
4	*Credit institutions*	33,838	33,838	-	56	-	-	-	-	-	22	-	-	-	17,491	-
5	*Other financial corporations*	290,553	290,489	64	-	-	-	35	31	4	-	-	-	-	233,014	-
6	*Non-financial corporations*	3,548	3,418	130	5	-	2	27	13	14	1	-	1	8	940	-
7	*Of which SMEs*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	*Households*	1,091	1,091	-	-	-	-	16	16	-	-	-	-	-	977	-
9	Debt securities	4,487	4,487	-	85	-	-	-	-	-	18	-	-	-	-	-
10	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	*General governments*	2,974	2,974	-	-	-	-	-	-	-	-	-	-	-	-	-
12	*Credit institutions*	45	45	-	66	-	-	-	-	-	2	-	-	-	-	-
13	*Other financial corporations*	817	817	-	-	-	-	-	-	-	-	-	-	-	-	-
14	*Non-financial corporations*	651	651	-	19	-	-	-	-	-	16	-	-	-	-	-
15	Off-balance-sheet exposures	6,254	6,166	88	-	-	-	8	7	1	-	-	-		-	-
16	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
17	*General governments*	142	142	-	-	-	-	-	-	-	-	-	-		-	-
18	*Credit institutions*	179	179	-	-	-	-	-	-	-	-	-	-		-	-
19	*Other financial corporations*	3,240	3,181	59	-	-	-	3	3	0	-	-	-		-	-
20	*Non-financial corporations*	2,690	2,661	29	-	-	-	5	4	1	-	-	-		-	-
21	*Households*	3	3	-	-	-	-	-	-	-	-	-	-		-	-
22	**Total**	**$ 345,998**	**$ 345,716**	**$ 282**	**$ 146**	**-**	**$ 2**	**$ 70**	**$ 53**	**$ 17**	**$ 41**	**-**	**$ 1**	**$ 8**	**$ 257,229**	**-**

GSI

$ millions		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	**June 2021**
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
1	Loans and advances	$ 299,706	$ 299,706	-	$ 59	-	-	-	-	-	$ 22	-	-	-	$ 227,019	-
2	*Central banks*	3,318	3,318	-	-	-	-	-	-	-	-	-	-	-	2,886	-
3	*General governments*	2,726	2,726	-	-	-	-	-	-	-	-	-	-	-	1,921	-
4	*Credit institutions*	34,693	34,693	-	56	-	-	-	-	-	22	-	-	-	18,216	-
5	*Other financial corporations*	257,293	257,293	-	-	-	-	-	-	-	-	-	-	-	203,789	-
6	*Non-financial corporations*	1,454	1,454	-	3	-	-	-	-	-	-	-	-	-	82	-
7	*Of which SMEs*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	*Households*	222	222	-	-	-	-	-	-	-	-	-	-	-	125	-
9	Debt securities	785	785	-	85	-	-	-	-	-	18	-	-	-	-	-
10	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	*Credit institutions*	45	45	-	66	-	-	-	-	-	2	-	-	-	-	-
13	*Other financial corporations*	425	425	-	-	-	-	-	-	-	-	-	-	-	-	-
14	*Non-financial corporations*	315	315	-	19	-	-	-	-	-	16	-	-	-	-	-
15	Off-balance-sheet exposures	1,909	1,909	-	-	-	-	-	-	-	-	-	-		-	-
16	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
17	*General governments*	142	142	-	-	-	-	-	-	-	-	-	-		-	-
18	*Credit institutions*	179	179	-	-	-	-	-	-	-	-	-	-		-	-
19	*Other financial corporations*	1,588	1,588	-	-	-	-	-	-	-	-	-	-		-	-
20	*Non-financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
21	*Households*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
22	**Total**	**$ 302,400**	**$ 302,400**	**-**	**$ 144**	**-**	**-**	**-**	**-**	**-**	**$ 40**	**-**	**-**	**-**	**$ 227,019**	**-**

GSIB

$ millions		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	**June 2021**
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
1	Loans and advances	$ 62,383	$ 62,189	$ 194	$ 2	-	$ 2	$ 78	$ 60	$ 18	$ 1	-	$ 1	$ 8	$ 57,863	-
2	*Central banks*	149	149	-	-	-	-	-	-	-	-	-	-	-	-	-
3	*General governments*	25	25	-	-	-	-	-	-	-	-	-	-	-	-	-
4	*Credit institutions*	212	212	-	-	-	-	-	-	-	-	-	-	-	-	-
5	*Other financial corporations*	59,147	59,083	64	-	-	-	35	31	4	-	-	-	-	56,261	-
6	*Non-financial corporations*	2,089	1,959	130	2	-	2	27	13	14	1	-	1	8	858	-
7	*Of which SMEs*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	*Households*	761	761	-	-	-	-	16	16	-	-	-	-	-	744	-
9	Debt securities	4,968	4,968	-	-	-	-	-	-	-	-	-	-	-	1,494	-
10	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	*General governments*	2,974	2,974	-	-	-	-	-	-	-	-	-	-	-	-	-
12	*Credit institutions*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	*Other financial corporations*	1,994	1,994	-	-	-	-	-	-	-	-	-	-	-	1,494	-
14	*Non-financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Off-balance-sheet exposures	4,345	4,257	88	-	-	-	8	7	1	-	-	-		-	-
16	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
17	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
18	*Credit institutions*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
19	*Other financial corporations*	1,652	1,593	59	-	-	-	3	3	0	-	-	-		-	-
20	*Non-financial corporations*	2,690	2,661	29	-	-	-	5	4	1	-	-	-		-	-
21	*Households*	3	3	-	-	-	-	-	-	-	-	-	-		-	-
22	**Total**	**$ 71,696**	**$ 71,414**	**$ 282**	**$ 2**	**-**	**$ 2**	**$ 86**	**$ 67**	**$ 19**	**$ 1**	**-**	**$ 1**	**$ 8**	**$ 59,357**	**-**

Table 36: Collateral obtained by taking possession and execution processes

GSGUK

	As of June 2021	
	Collateral obtained by taking possession accumulated	
$ in millions	Value at initial recognition	Accumulated negative changes
Property Plant and Equipment (PP&E)	-	-
Other than Property Plant and Equipment	25	3
Residential immovable property	-	-
Commercial Immovable property	-	-
Movable property (auto, shipping, etc.)	-	-
Equity and debt instruments	25	3
Other	-	-
Total	**$ 25**	**$ 3**

GSI

	As of June 2021	
	Collateral obtained by taking possession accumulated	
$ in millions	Value at initial recognition	Accumulated negative changes
Property Plant and Equipment (PP&E)	-	-
Other than Property Plant and Equipment	25	3
Residential immovable property	-	-
Commercial Immovable property	-	-
Movable property (auto, shipping, etc.)	-	-
Equity and debt instruments	25	3
Other	-	-
Total	**$ 25**	**$ 3**

Table 37: IRB (Equity Exposures Subject to the Simple Risk - Weighted Approach)[1]

GSGUK

$ in millions **As of June 2021**

	Equities under the simple risk-weighted approach					
Categories	**On BS amount**	**Off BS amount**	**Risk Weight**	**Exposure Amount**	**RWAs**	**Capital Requirements**
Exchange-traded equity exposures	$ 631	-	290%	$ 631	$ 1,830	$ 146
Other Equity Exposures	$ 125	-	370%	$ 125	$ 462	$ 37
Total	**$ 756**	**-**		**$ 756**	**$ 2,292**	**$ 183**

GSI

$ in millions **As of June 2021**

	Equities under the simple risk-weighted approach					
Categories	**On BS amount**	**Off BS amount**	**Risk Weight**	**Exposure Amount**	**RWAs**	**Capital Requirements**
Exchange-traded equity exposures	$ 631	-	290%	$ 631	$ 1,830	$ 146
Other Equity Exposures	$ 125	-	370%	$ 125	$ 462	$ 37
Total	**$ 756**	**-**		**$ 756**	**$ 2,292**	**$ 183**

1. GSGUK and its subsidiaries do not have private equity exposures which are risk-weighted at 190%.

Table 38: IRB Approach - Credit Risk Exposures by Exposure Class and PD Range

GSGUK

$ in millions **As of June 2021**

PD Scale	Original on - BS gross exposures	Off-BS exposures pre-CCF	Average CCF	EAD post CRM and post CCF	Average PD	Number of Obligors	Average LGD	Average Maturity	RWAs	RWA density	EL	Value Adjustments and provisions
Central governments or central banks												
0.00 to <0.15	$ 45,890	-	-	$ 48,651	0.0003	17	0.5098	1.2276	$ 3,815	8%	$ 6	
0.15 to <0.25	1	-	-	1	0.0018	2	0.5000	1.0000	0	33%	0	
0.25 to <0.50	1	-	-	1	0.0580	1	0.5000	1.0000	1	165%	0	
0.50 to <0.75	20	-	-	20	0.0067	2	0.5000	1.0000	15	72%	0	
0.75 to <2.50	-	-	-	-	-	-	-	-	-	-	-	
2.50 to <10.00	-	-	-	-	-	-	-	-	-	0%	-	
10.00 to <100.00	-	-	-	-	-	-	-	-	-	0%	-	
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
Subtotal	$ 45,912	-	-	$ 48,673	0.0003	22	0.5097	1.2275	$ 3,831	8%	$ 6	
Institutions												
0.00 to <0.15	$ 12,018	$ 207	99%	$ 12,741	0.0009	477	0.8529	1.8134	$ 2,614	21%	$ 4	
0.15 to <0.25	635	186	76%	775	0.0017	146	0.6592	1.4231	501	65%	1	
0.25 to <0.50	158	-	-	158	0.0026	55	0.6466	1.0000	114	72%	0	
0.50 to <0.75	271	-	-	271	0.0066	51	0.6645	1.3145	349	129%	1	
0.75 to <2.50	217	-	-	217	0.0207	148	0.6591	1.7800	443	204%	3	
2.50 to <10.00	119	-	-	119	0.0907	15	0.5692	4.1921	370	312%	6	
10.00 to <100.00	77	-	-	77	0.2378	35	0.6592	1.0000	311	404%	12	
100.00 (Default)	92	-	-	92	1.0000	4	0.6798	3.5528	290	0%	-	
Subtotal	13,587	393	99%	14,450	0.0097	931	0.8293	1.8000	$ 4,992	35%	$ 27	$ 7
Corporates												
0.00 to <0.15	$ 3,211	$ 831	88%	$ 3,834	0.0005	353	0.6006	1.6401	$ 977	25%	$ 1	
0.15 to <0.25	1,464	583	93%	2,713	0.0032	146	1.1634	3.2283	1,632	60%	4	
0.25 to <0.50	479	1,077	83%	1,326	0.0043	93	0.6398	3.6710	1,159	87%	1	
0.50 to <0.75	722	538	47%	2,113	0.0063	84	0.7808	1.6792	3,155	149%	11	
0.75 to <2.50	1,878	633	92%	3,692	0.0166	341	0.6422	2.6147	7,130	193%	39	
2.50 to <10.00	1,307	731	63%	2,000	0.0801	67	0.5519	2.9100	5,268	263%	90	
10.00 to <100.00	808	106	94%	937	0.2378	263	0.6188	1.9964	3,407	363%	138	
100.00 (Default)	7	-	-	7	1.0000	8	0.5913	2.8121	5	73%	-	
Subtotal	$ 9,876	$ 4,499	80%	$ 16,622	0.0289	1,355	0.7229	2.4561	$ 22,733	137%	$ 284	$ 70
Total (all portfolios)	**$ 69,375**	**$ 4,892**	**82%**	**$ 79,745**	**0.0080**	**2,308**	**0.6121**	**1.5873**	**$ 31,556**	**40%**	**$ 317**	**$ 77**

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PD Scale	Original on - BS gross exposures	Off-BS exposures pre-CCF	Average CCF	EAD post CRM and post CCF	Average PD	Number of Obligors	Average LGD	Average Maturity	RWAs	RWA density	EL	Value Adjustments and provisions
$ in millions												**As of June 2021**
Central governments or central banks												
0.00 to <0.15	$ 35,251	-	-	$ 35,251	0.0003	12	0.5000	1.0000	$ 3,121	9%	$ 5	
0.15 to <0.25	1	-	-	1	0.0018	2	0.5000	1.0000	0	33%	0	
0.25 to <0.50	1	-	-	1	0.0580	1	0.5000	1.0000	1	165%	0	
0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	
0.75 to <2.50	-	-	-	-	-	-	-	-	-	-	-	
2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	
10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
Subtotal	$ 35,253	-	-	$ 35,253	0.0003	15	0.5000	1.0000	$ 3,122	9%	$ 5	-
Institutions												
0.00 to <0.15	$ 9,996	-	-	$ 9,996	0.0006	421	0.5887	1.0798	$ 2,378	24%	$ 3	
0.15 to <0.25	631	-	-	631	0.0017	134	0.6586	1.0007	358	57%	1	
0.25 to <0.50	158	-	-	158	0.0026	55	0.6466	1.0000	113	72%	0	
0.50 to <0.75	208	-	-	208	0.0066	48	0.6816	1.0000	261	126%	1	
0.75 to <2.50	128	-	-	128	0.0186	145	0.6497	1.0000	225	176%	2	
2.50 to <10.00	54	-	-	54	0.0948	12	0.6479	4.4027	197	364%	3	
10.00 to <100.00	77	-	-	77	0.2378	33	0.6594	1.0000	310	404%	12	
100.00 (Default)	92	-	-	92	1.0000	4	0.6798	3.5528	290	315%	-	
Subtotal	11,344	-	-	11,344	0.0111	852	0.5973	1.1074	$ 4,132	36%	$ 22	-
Corporates												
0.00 to <0.15	$ 2,331	-	-	$ 2,331	0.0005	296	0.6271	1.1530	$ 538	23%	$ 1	
0.15 to <0.25	1,269	-	-	2,081	0.0017	96	0.7246	1.2507	1,279	61%	3	
0.25 to <0.50	152	-	-	190	0.0026	55	0.6573	1.3558	142	75%	0	
0.50 to <0.75	319	260	-	1,501	0.0064	52	0.8657	1.4540	2,443	163%	8	
0.75 to <2.50	526		-	1,865	0.0161	302	0.7086	1.5916	3,604	193%	21	
2.50 to <10.00	376	232	-	696	0.0907	18	0.6280	1.3108	2,074	298%	40	
10.00 to <100.00	530		-	580	0.2378	145	0.6741	1.4097	2,245	387%	93	
100.00 (Default)	5		-	5	1.0000	7	0.6341	3.5770	5	104%	-	
Subtotal	$ 5,508	$ 492	-	$ 9,249	0.0271	971	0.7078	1.3457	$ 12,330	133%	$ 166	-
Total (all portfolios)	**$ 52,105**	**$ 492**	-	**$ 55,846**	**0.0069**	**1,838**	**0.5542**	**1.0791**	**$ 19,584**	**35%**	**$ 193**	**-**

GSIB

$ in millions **As of June 2021**

PD Scale	Original on - BS gross exposures	Off-BS exposures pre-CCF	Average CCF	EAD post CRM and post CCF	Average PD	Number of Obligors	Average LGD	Average Maturity	RWAs	RWA density	EL	Value Adjustments and provisions
Central governments or central banks												
0.00 to <0.15	$ 10,639	-	100%	$ 13,400	0.0002	5	0.5354	1.8264	$ 694	5%	$ 1	
0.15 to <0.25	-	-	-	-	-	-	-	-	-	0%	-	
0.25 to <0.50	-	-	-	-	-	-	-	-	-	0%	-	
0.50 to <0.75	20	-	100%	20	0.0067	2	0.5000	1.0000	14	72%	0	
0.75 to <2.50	-	-	-	-	-	-	-	-	-	-	-	
2.50 to <10.00	-	-	-	-	-	-	-	-	-	0%	-	
10.00 to <100.00	-	-	-	-	-	-	-	-	-	0%	-	
100.00 (Default)	-	-		-	-	-	-	-	-	-	-	
Subtotal	$ 10,659	-	-	$ 13,420	0.0002	7	0.5353	1.8251	$ 708	5%	$ 1	-
Institutions												
0.00 to <0.15	$ 9,169	$ 207	99%	$ 9,324	0.0006	63	0.5343	1.3204	$ 237	3%	$ 0	
0.15 to <0.25	5	186	76%	145	0.0018	12	0.6615	3.2708	143	99%	0	
0.25 to <0.50	-	-	-	-	-	-	-	-	-	0%	-	
0.50 to <0.75	63	-	100%	63	0.0067	3	0.6081	2.3503	87	138%	0	
0.75 to <2.50	89	-	100%	89	0.0237	3	0.6727	2.9005	218	245%	2	
2.50 to <10.00	64	-	100%	64	0.0872	3	0.5027	4.0142	173	269%	3	
10.00 to <100.00	0	-	100%	0	0.2378	2	0.6247	1.0000	2	350%	0	
100.00 (Default)	-	-		-	-	-	-	-	-		-	
Subtotal	9,390	393	99%	9,685	0.0014	86	0.5377	1.3885	$ 860	9%	$ 5	$ 7
Corporates												
0.00 to <0.15	$ 880	$ 831	88%	$ 1,503	0.0004	57	0.5595	2.3951	$ 439	29%	$ 0	
0.15 to <0.25	1,380	583	93%	1,817	0.0017	52	0.5374	2.2037	994	55%	2	
0.25 to <0.50	438	1,082	82%	1,249	0.0026	39	0.5794	3.6927	1,151	92%	2	
0.50 to <0.75	403	278	90%	612	0.0063	32	0.5725	2.2318	712	116%	2	
0.75 to <2.50	1,352	633	92%	1,827	0.0172	39	0.5745	3.6595	3,526	193%	18	
2.50 to <10.00	931	498	92%	1,304	0.0744	49	0.5114	3.7630	3,194	245%	50	
10.00 to <100.00	277	106	94%	357	0.2378	118	0.5290	2.9502	1,162	325%	44	
100.00 (Default)	2	-	100%	2	1.0000	1	0.4899	1.0000	-	0%	-	
Subtotal	$ 5,663	$ 4,011	90%	$ 8,671	0.0261	387	0.5533	3.0250	$ 11,178	129%	$ 118	$ 70
Total (all portfolios)	**$ 25,712**	**$ 4,404**	**97%**	**$ 31,776**	**0.0077**	**480**	**0.5410**	**2.0194**	**$ 12,746**	**40%**	**$ 124**	**$ 77**

Table 39: Exposure-Weighted Average LGD and PD by Geography

GSGUK As of June 2021

		LGD			PD		
		EMEA	**Americas**	**Asia**	**EMEA**	**Americas**	**Asia**
1	Central governments or central banks	50.00%	-	50.00%	0.03%	-	0.03%
2	Institutions	58.79%	51.41%	64.77%	0.30%	0.08%	0.20%
3	Corporates	74.52%	72.46%	59.81%	3.14%	2.32%	2.08%

GSI

		LGD			PD		
		EMEA	**Americas**	**Asia**	**EMEA**	**Americas**	**Asia**
1	Central governments or central banks	50.00%	-	50.00%	0.03%	-	0.03%
2	Institutions	65.80%	52.45%	64.64%	0.65%	0.08%	0.09%
3	Corporates	68.24%	76.71%	62.96%	3.30%	1.85%	2.34%

GSIB

		LGD			PD		
		EMEA	**Americas**	**Asia**	**EMEA**	**Americas**	**Asia**
1	Central governments or central banks	50.00%	-	-	0.02%	-	-
2	Institutions	54.33%	40.55%	66.96%	0.13%	0.07%	2.11%
3	Corporates	56.03%	47.44%	54.05%	2.47%	5.10%	1.60%

Table 40: Standardised Approach - Credit Risk Exposure and CRM Effects

GSGUK

$ in millions **As of June 2021**

		Exposures before CCF and CRM		Exposures post CCF and CRM		RWAs and RWA density	
	Exposure classes	**On-balance-sheet amount**	**Off-balance-sheet amount**	**On-balance-sheet amount**	**Off-balance-sheet amount**	**RWAs**	**RWA density**
1	Central governments or central banks	2,761	-	2,761	-	-	-
6	Institutions	2,862	-	2,862	-	1,386	48%
7	Corporates	1,532	-	1,532	-	1,571	103%
8	Retail	43	-	43	-	32	75%
9	Secured by mortgages on immovable property	127	-	127	-	45	35%
10	Exposures in default	9	-	9	-	10	105%
11	Higher-risk categories	1,197	-	1,197	-	1,795	150%
15	Equity	142	-	142	-	142	100%
16	Other items	1,323	-	1,323	-	2,125	161%
17	**Total**	**$ 9,996**	**-**	**$ 9,996**	**-**	**$ 7,106**	**71%**

GSI

$ in millions **As of June 2021**

		Exposures before CCF and CRM		Exposures post CCF and CRM		RWAs and RWA density	
	Exposure classes	**On-balance-sheet amount**	**Off-balance-sheet amount**	**On-balance-sheet amount**	**Off-balance-sheet amount**	**RWAs**	**RWA density**
1	Central governments or central banks	-	-	-	-	-	-
6	Institutions	-	-	-	-	-	-
7	Corporates	1,262	-	1,262	-	1,687	134%
8	Retail	-	-	-	-	-	-
9	Secured by mortgages on immovable property	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-
11	Higher-risk categories	-	-	-	-	-	-
15	Equity	-	-	-	-	-	-
16	Other items	917	-	917	-	1,301	142%
17	**Total**	**$ 2,179**	**-**	**$ 2,179**	**-**	**$ 2,988**	**137%**

GSIB

$ in millions **As of June 2021**

		Exposures before CCF and CRM		Exposures post CCF and CRM		RWAs and RWA density	
	Exposure classes	**On-balance-sheet amount**	**Off-balance-sheet amount**	**On-balance-sheet amount**	**Off-balance-sheet amount**	**RWAs**	**RWA density**
1	Central governments or central banks	2,761	-	2,761	-	-	-
6	Institutions	-	-	-	-	-	-
7	Corporates	22	-	22	-	22	100%
8	Retail	10	-	10	-	7	75%
9	Secured by mortgages on immovable property	50	-	50	-	18	35%
10	Exposures in default	9	-	9	-	10	105%
11	Higher-risk categories	-	-	-	-	-	-
15	Equity	-	-	-	-	-	-
16	Other items	42	-	42	-	74	174%
17	**Total**	**$ 2,894**	**-**	**$ 2,894**	**-**	**$ 131**	**5%**

Table 41: Standardised Approach

GSGUK

$ in millions — **As of June 2021**

		Risk weight										
	Exposure classes	**0%**	**20%**	**35%**	**50%**	**75%**	**100%**	**150%**	**250%**	**1250%**	**Total**	**Of which unrated**
1	Central governments or central banks	2,761	-	-	-	-	-	-	-	-	2,761	-
6	Institutions	-	149	-	2,713	-	-	-	-	-	2,862	-
7	Corporates	-	-	-	-	-	1,529	-	-	3	1,532	1,389
8	Retail	-	-	-	-	43	-	-	-	-	43	43
9	Secured by mortgages on immovable property	-	-	127	-	-	-	-	-	-	127	127
10	Exposures in default	-	-	-	-	-	8	1	-	-	9	-
11	Higher-risk categories	-	-	-	-	-	-	-	-	-	-	-
15	Equity	-	-	-	-	-	142	-	-	-	142	142
16	Other items	-	-	-	-	-	789	1,197	534	-	2,520	1,689
17	**Total**	**$ 2,761**	**$ 149**	**$ 127**	**$ 2,713**	**$ 43**	**$ 2,468**	**$ 1,198**	**$ 534**	**$ 3**	**$ 9,996**	**$ 3,390**

GSI

$ in millions — **As of June 2021**

		Risk weight										
	Exposure classes	**0%**	**20%**	**35%**	**50%**	**75%**	**100%**	**150%**	**250%**	**1250%**	**Total**	**Of which unrated**
1	Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	-	-	-	-	-	-	-	-	-	-
7	Corporates	-	-	-	-	-	1,259	-	-	3	1,262	1,262
8	Retail	-	-	-	-	-	-	-	-	-	-	-
9	Secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-	-	-	-	-	-
11	Higher-risk categories	-	-	-	-	-	-	-	-	-	-	-
15	Equity	-	-	-	-	-	-	-	-	-	-	-
16	Other items	-	-	-	-	-	404	-	513	-	917	917
17	**Total**	**-**	**-**	**-**	**-**	**-**	**$ 1,663**	**-**	**$ 513**	**$ 3**	**$ 2,179**	**$ 2,179**

GSIB

$ in millions — **As of June 2021**

		Risk weight										
	Exposure classes	**0%**	**20%**	**35%**	**50%**	**75%**	**100%**	**150%**	**250%**	**1250%**	**Total**	**Of which unrated**
1	Central governments or central banks	$ 2,761	-	-	-	-	-	-	-	-	$ 2,761	-
6	Institutions	-	-	-	-	-	-	-	-	-	-	-
7	Corporates	-	-	-	-	-	22	-	-	-	22	22
8	Retail	-	-	-	-	10	-	-	-	-	10	10
9	Secured by mortgages on immovable property	-	-	50	-	-	-	-	-	-	50	50
10	Exposures in default	-	-	-	-	-	10	-	-	-	9	9
11	Higher-risk categories	-	-	-	-	-	-	-	-	-	-	-
15	Equity	-	-	-	-	-	-	-	-	-	-	-
16	Other items	-	-	-	-	-	21	-	21	-	42	42
17	**Total**	**$ 2,761**	**-**	**$ 50**	**-**	**$ 10**	**$ 53**	**-**	**$ 21**	**-**	**$ 2,894**	**$ 133**

Appendix II: Counterparty Credit Risk Tables

Table 42: IRB Approach - CCR Exposures by Portfolio and PD Scale

GSGUK

$ in millions **As of June 2021**

	PD Scale	EAD post CRM	Average PD	Number of Obligors	Average LGD	Average Maturity	RWAs	RWA density
Sovereign								
	0.00 to <0.15	$ 11,017	0.00029	54	0.5019	1.12	$ 869	8%
	0.15 to <0.25	3,488	0.00180	9	0.5000	2.13	1,566	45%
	0.25 to <0.50	130	0.00260	12	0.5000	0.99	54	42%
	0.50 to <0.75	92	0.00617	10	0.5000	1.64	72	78%
	0.75 to <2.50	79	0.02370	1	0.5000	5.00	141	179%
	2.50 to <10.00	7	0.08067	4	0.5000	1.05	13	188%
	10.00 to <100.00	0	0.23780	2	0.5000	1.00	0	272%
	100.00 (Default)	-	-	-	-	-	-	0%
	Subtotal	$ 14,813	0.00087	92	0.5014	1.38	$ 2,715	18%
Institutions								
	0.00 to <0.15	$ 61,034	0.00056	3,246	0.6270	1.91	$ 18,636	31%
	0.15 to <0.25	11,888	0.00175	927	0.6539	1.36	7,177	60%
	0.25 to <0.50	3,829	0.00260	740	0.6739	1.00	2,855	75%
	0.50 to <0.75	7,569	0.00661	425	0.6626	1.14	5,412	72%
	0.75 to <2.50	4,370	0.01693	1,831	0.6646	0.98	7,614	174%
	2.50 to <10.00	1,322	0.07019	91	0.6427	4.19	3,869	293%
	10.00 to <100.00	264	0.23780	214	0.6705	3.04	1,145	433%
	100.00 (Default)	1	0.99999	2	0.6559	2.86	1	69%
	Subtotal	$ 90,277	0.00383	7,476	0.6377	1.72	$ 46,709	52%
Corporates								
	0.00 to <0.15	$ 37,202	0.00048	1,689	0.6102	1.38	$ 8,435	23%
	0.15 to <0.25	9,384	0.00174	643	0.6526	1.84	4,671	50%
	0.25 to <0.50	3,338	0.00260	367	0.6371	1.72	2,528	76%
	0.50 to <0.75	3,096	0.00641	812	0.6844	2.15	4,440	143%
	0.75 to <2.50	5,053	0.01783	1,396	0.7335	1.45	9,971	197%
	2.50 to <10.00	873	0.08087	415	0.6786	1.67	2,575	295%
	10.00 to <100.00	2,185	0.23780	634	0.6332	1.95	8,018	367%
	100.00 (Default)	1	0.99900	1	0.6641	1.00	6	793%
	Subtotal	$ 61,132	0.01217	5,957	0.6339	1.54	$ 40,644	66%
	Total (all portfolios)	**$ 166,222**	**0.00663**	**13,525**	**0.6242**	**1.63**	**$ 90,068**	**54%**

GSI

$ in millions **As of June 2021**

	PD Scale	EAD post CRM	Average PD	Number of Obligors	Average LGD	Average Maturity	RWAs	RWA density
Sovereign								
	0.00 to <0.15	$ 11,017	0.00029	54	0.5019	1.12	$ 869	8%
	0.15 to <0.25	3,488	0.00180	9	0.5000	2.13	1,566	45%
	0.25 to <0.50	130	0.00260	12	0.5000	0.99	54	42%
	0.50 to <0.75	75	0.00605	9	0.5000	1.78	60	79%
	0.75 to <2.50	79	0.02370	1	0.5000	5.00	141	179%
	2.50 to <10.00	7	0.08067	4	0.5000	1.05	13	188%
	10.00 to <100.00	0	0.23780	2	0.5000	1.00	0	272%
	100.00 (Default)							
	Subtotal	$ 14,796	0.00086	91	0.5014	1.38	$ 2,703	18%
Institutions								
	0.00 to <0.15	$ 58,750	0.00055	3,193	0.6114	1.92	$ 18,538	32%
	0.15 to <0.25	11,862	0.00175	921	0.6539	1.36	7,160	60%
	0.25 to <0.50	3,808	0.00260	730	0.6741	1.00	2,837	75%
	0.50 to <0.75	7,567	0.00661	421	0.6626	1.14	5,409	71%
	0.75 to <2.50	4,353	0.01693	1,817	0.6644	0.98	7,581	174%
	2.50 to <10.00	1,320	0.07015	89	0.6427	4.19	3,864	293%
	10.00 to <100.00	259	0.23780	192	0.6705	3.07	1,123	434%
	100.00 (Default)	1	1	2	0.6559	2.86	1	69%
	Subtotal	$ 87,920	0.00389	7,365	0.6275	1.72	$ 46,513	53%
Corporates								
	0.00 to <0.15	$ 37,077	0.00048	1,671	0.6105	1.38	$ 8,406	23%
	0.15 to <0.25	9,020	0.00174	414	0.6496	1.87	4,478	50%
	0.25 to <0.50	3,334	0.00260	358	0.6370	1.71	2,525	76%
	0.50 to <0.75	3,073	0.00641	802	0.6846	2.16	4,413	144%
	0.75 to <2.50	5,015	0.01785	1,358	0.7337	1.45	9,897	197%
	2.50 to <10.00	856	0.08129	411	0.6809	1.62	2,528	295%
	10.00 to <100.00	1,980	0.23780	470	0.6318	1.92	7,238	366%
	100.00 (Default)	1	0.99900	1	0.6641	1.00	6	793%
	Subtotal	$ 60,356	0.01147	5,485	0.6335	1.54	$ 39,491	65%
	Total (all portfolios)	**$ 163,072**	**0.00642**	**12,941**	**0.6183**	**1.6259**	**$ 88,707**	**54%**

GSIB

$ in millions **As of June 2021**

	PD Scale	EAD post CRM	Average PD	Number of Obligors	Average LGD	Average Maturity	RWAs	RWA density
Sovereign								
	0.00 to <0.15	-	-	-	-	-	-	0%
	0.15 to <0.25	-	-	-	-	-	-	0%
	0.25 to <0.50	-	-	-	-	-	-	0%
	0.50 to <0.75	17	0.00670	1	0.5000	1.00	12	72%
	0.75 to <2.50	-	-	-	-	-	-	0%
	2.50 to <10.00	-	-	-	-	-	-	0%
	10.00 to <100.00	-	-	-	-	-	-	0%
	100.00 (Default)	-	-					
	Subtotal	$ 17	0.00670	1	0.5000	1.00	$ 12	72%
Institutions								
	0.00 to <0.15	$ 3,569	0.00060	42	0.6584	1.08	$ 98	3%
	0.15 to <0.25	26	0.00179	6	0.6567	2.02	18	68%
	0.25 to <0.50	21	0.00260	10	0.6348	2.04	18	85%
	0.50 to <0.75	2	0.00670	4	0.6733	1.00	2	125%
	0.75 to <2.50	18	0.01646	14	0.7008	2.18	33	189%
	2.50 to <10.00	2	0.09760	2	0.6561	1.00	5	269%
	10.00 to <100.00	5	0.23780	22	0.6678	1.51	21	409%
	100.00 (Default)	-	-	-	-	-	-	0%
	Subtotal	$ 3,643	0.00109	100	0.6584	1.10	$ 195	5%
Corporates								
	0.00 to <0.15	$ 125	0.00060	18	0.5398	1.15	$ 29	23%
	0.15 to <0.25	364	0.00176	229	0.7268	0.91	194	53%
	0.25 to <0.50	4	0.00260	9	0.7076	2.62	3	74%
	0.50 to <0.75	23	0.00655	10	0.6550	1.03	28	118%
	0.75 to <2.50	37	0.01645	38	0.7043	2.00	73	197%
	2.50 to <10.00	17	0.05941	4	0.5576	4.29	47	279%
	10.00 to <100.00	205	0.23780	164	0.6466	2.24	780	380%
	100.00 (Default)	-	-	-	-	-	-	0%
	Subtotal	$ 775	0.06609	472	0.6685	1.44	$ 1,154	149%
	Total (all portfolios)	**$ 4,435**	**0.01247**	**573**	**0.6596**	**1.16**	**$ 1,361**	**31%**

Table 43: Impact of Netting and Collateral Held on Exposure Values[1]

GSGUK

$ in millions						As of June 2021
		Gross positive fair value or net carrying amount	Netting benefits	Netted current credit exposure	Collateral held	Net credit exposure[2]
1	Derivatives	$ 688,383	$ 613,263	$ 75,120	$ 136,600	$ 38,757
2	SFTs	405,066	119,494	285,572	337,368	29,657
4	**Total**	**$ 1,093,449**	**$ 732,757**	**$ 360,692**	**$ 473,968**	**$ 68,414**

GSI

$ in millions						As of June 2021
		Gross positive fair value or net carrying amount	Netting benefits	Netted current credit exposure	Collateral held	Net credit exposure[2]
1	Derivatives	$ 687,550	$ 613,833	$ 73,717	$ 132,869	$ 38,700
2	SFTs	349,157	118,757	230,400	560,151	25,103
4	**Total**	**$ 1,036,707**	**$ 732,590**	**$ 304,117**	**$ 693,020**	**$ 63,803**

GSIB

$ in millions						As of June 2021
		Gross positive fair value or net carrying amount	Netting benefits	Netted current credit exposure	Collateral held	Net credit exposure[2]
1	Derivatives	$ 2,928	$ 785	$ 2,143	$ 3,732	$ 150
2	SFTs	55,909	737	55,172	244,316	5,072
4	**Total**	**$ 58,837**	**$ 1,522**	**$ 57,315**	**$ 248,048**	**$ 5,222**

[1] GSGUK and its subsidiaries do not have cross-product netting where both derivatives and SFTs are netted at a counterparty level.

[2] Net credit exposure for derivatives and SFTs represents the collateralised current exposure, and takes into account legal opinions for netting and enforceability of collateral received.

Table 44: Composition of Collateral for Exposures to CCR

GSGUK

$ in millions — **As of June 2021**

	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Sovereign	$ 16,195	$ 13,392	$ 12,614	$ 23,277	$ 258,256	$ 203,033
Equities	20,356	-	-	-	65,803	94,281
Corporate Bonds	417	2,441	15	359	9,981	12,147
Cash	16,225	66,346	2,297	58,974	195	453
Other	1,219	9	-	1	3,133	6,587
Total	**$ 54,412**	**$ 82,188**	**$ 14,926**	**$ 82,611**	**$ 337,368**	**$ 316,501**

GSI

$ in millions — **As of June 2021**

	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Sovereign	$ 16,180	$ 13,392	$ 12,614	$ 23,278	$ 387,787	$ 316,590
Equities	16,785	-	-	-	149,282	158,142
Corporate Bonds	410	2,441	15	359	18,199	20,381
Cash	16,225	66,208	2,297	58,055	195	232
Other	1,219	9	-	-	4,688	8,635
Total	**$ 50,819**	**$ 82,050**	**$ 14,926**	**$ 81,692**	**$ 560,151**	**$ 503,980**

GSIB

$ in millions — **As of June 2021**

	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Sovereign	$ 15	-	-	-	$ 8,597	$ 1,367
Equities	3,571	-	-	-	21,287	-
Corporate Bonds	7	-	-	-	213,109	-
Cash	-	139	-	918	42	221
Other	-	-	-	-	1,281	-
Total	**$ 3,593**	**$ 139**	**-**	**$ 918**	**$ 244,316**	**$ 1,588**

Appendix III: Past Due Exposures, Impaired Exposures and Impairment Provisions Tables

Table 45: Changes in the Stock of General and Specific Credit Risk Adjustments[1]

$ in millions					As of June 2021
		Accumulated specific credit risk adjustment		Accumulated general credit risk adjustment	
		GSGUK	GSIB	GSGUK	GSIB
1	**Opening balance as of 31st December 2020**	**$ 14**	**$ 14**	-	-
2	Increases due to amounts set aside for estimated loan losses during the period	-	-	-	-
3	Decreases due to amounts reversed for estimated loan losses during the period	-	-	-	-
6	Impact of exchange rate differences	-	-	-	-
8a	Position and valuation changes	63	63	-	-
9	**Closing balance as of 30th June 2021**	**$ 77**	**$ 77**	-	-

[1] Changes in specific credit risk adjustment are due to position and valuation changes rather than changes in amounts set aside for estimated loan losses, transfers between credit risk adjustments, exchange rate differences or business combinations (such as acquisitions and disposals of subsidiaries).

Table 46: Changes in the Stock of Defaulted and Impaired Loans and Debt Securities[1]

$ in millions				As of June 2021
		Gross carrying value defaulted exposures		
		GSGUK	GSI	GSIB
1	**Opening balance as of 31st December 2020**	**$ 121**	**$ 108**	**$ 13**
2	Loans and debt securities that have defaulted or impaired since the last reporting period	-	-	-
5	Other changes	$ (13)	(11)	(2)
6	**Closing balance as of 30th June 2021**	**$ 108**	**$ 97**	**$ 11**

[1] There were no defaulted or impaired loans and debt securities written off or returned to non-defaulted status during the period.

Appendix IV: Index of Tables to EBA Templates

1. Template 1, 2, 3, 7, 8, 9, 10 and 24 have not been disclosed as they are required annually. Please refer to the Q4 2020 disclosures.
2. The specialised lending section of Template 5 (IRB (specialised lending and equities)) has not been disclosed as GSGUK and its subsidiaries does not have specialised lending exposure.
3. Template 6 (Non-deducted participation in insurance undertakings) has not been disclosed as GSGUK and its subsidiaries do not have material holdings of own funds instruments of an insurance undertaking, re-insurance undertaking or an insurance holding company.
4. Template 28 (Standardised approach – CCR exposures by regulatory portfolio and risk) has not been disclosed as the material entities within GSGSUK have regulatory permission from the PRA to compute risk weights in accordance with the AIRB approach. As a result, CCR exposures outside of these entities that are subject to the Standardised approach are deemed to be immaterial. The CCR exposure class, institutions, represents less than 5% of the total CCR exposure.