

**Goldman Sachs International
(unlimited company)**

**Unaudited Quarterly Financial
Information**

September 30, 2021

Introduction

Goldman Sachs International (GSI or the company) delivers a broad range of financial services to clients located worldwide. The company also operates a number of branches and representative offices across Europe, the Middle East and Africa (EMEA) to provide financial services to clients in those regions.

The company's primary regulators are the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA).

The company's ultimate parent undertaking and controlling entity is The Goldman Sachs Group, Inc. (Group Inc.). Group Inc., together with its consolidated subsidiaries, form "GS Group". In relation to the company, "GS Group affiliate" means Group Inc. or any of its subsidiaries.

This financial information has been prepared in line with the recognition and measurement requirements of International Financial Reporting Standards (IFRS) and includes the company's income statement, balance sheet and certain supplementary notes. See Note 1 for further information on the basis of preparation of this financial information.

All references to September 2021, June 2021 and August 2020 refer to the periods ended, or the dates, as the context requires, September 30, 2021, June 30, 2021 and August 31, 2020. All references to December 2020 refer to the date December 31, 2020. All references to "the 2020 Annual Report" are to the company's Annual Report for the period ended December 31, 2020.

During the period ended December 2020, the company changed its accounting reference date from November 30 to December 31. As such, the company's third quarter for 2021 is for the three months ended September 30, 2021, with comparative information being presented for the three months ended August 31, 2020. Results have also been presented for the nine months ended September 30, 2021, with comparative information being presented for the nine months ended August 31, 2020, respectively.

Results of Operations

Income Statement

Three Months Ended September 2021 versus August 2020. The company's profit for the three months ended September 2021 was \$894 million, an increase of 6% compared with the three months ended August 2020.

Nine Months Ended September 2021 versus August 2020. The company's profit for the nine months ended September 2021 was \$2.14 billion, an increase of 5% compared with the nine months ended August 2020.

Net Revenues

The company generates revenues from the following business activities: Investment Banking; Fixed Income, Currency and Commodities (FICC); Equities; and Investment Management, which includes Asset management and Wealth management. See "Results of Operations — Net Revenues" in Part I of the 2020 Annual Report for a description of each business activity.

The table below presents net revenues by business activity.

<i>\$ in millions</i>	Three Months Ended		Nine Months Ended	
	September	August	September	August
	2021	2020	2021	2020
Investment Banking	\$ 661	\$ 538	\$2,018	\$1,288
FICC	697	1,051	2,393	3,116
Equities	1,121	970	3,424	2,096
Investment Management	363	211	1,022	660
Total net revenues	\$2,842	\$2,770	\$8,857	\$7,160

During the three months ended August 2020, based on discussions with various tax authorities, GS Group updated its methodology for allocating net revenues among GS Group affiliates for their participation in GS Group's FICC and Equities business activities. This change was effective from January 1, 2020 and resulted in the recognition of the year-to-date impact in the three months ended August 2020 (approximately \$309 million of which related to the six months ended May 2020).

Three Months Ended September 2021 versus August 2020. Net revenues were \$2.84 billion for the three months ended September 2021, 3% higher than the three months ended August 2020, reflecting significantly higher net revenues in Investment Management and Investment Banking and higher net revenues in Equities, partially offset by significantly lower net revenues in FICC. The company's overall increase in net revenues was partially offset by the transition of certain activities previously undertaken by the company to other GS Group affiliates, primarily as part of GS Group's Brexit strategy.

Nine Months Ended September 2021 versus August 2020. Net revenues were \$8.86 billion for the nine months ended September 2021, 24% higher than the nine months ended August 2020, reflecting significantly higher net revenues in Equities, Investment Banking and Investment Management. These increases were partially offset by significantly lower net revenues in FICC compared with a very strong nine months ended August 2020. The company's overall increase in net revenues was partially offset by the transition of certain activities previously undertaken by the company to other GS Group affiliates, primarily as part of GS Group's Brexit strategy.

Investment Banking

Three Months Ended September 2021 versus August 2020. Net revenues in Investment Banking were \$661 million for the three months ended September 2021, 23% higher than the three months ended August 2020, primarily due to significantly higher net revenues in Financial advisory, partially offset by lower net revenues in Underwriting. Financial advisory net revenues were significantly higher reflecting an increase in completed mergers and acquisitions transactions. The decrease in Underwriting reflected significantly lower net revenues in Debt underwriting, partially offset by significantly higher net revenues in Equity underwriting.

Nine Months Ended September 2021 versus August 2020. Net revenues in Investment Banking were \$2.02 billion for the nine months ended September 2021, 57% higher than the nine months ended August 2020, primarily due to significantly higher net revenues in Underwriting and Financial advisory. The increase in Underwriting reflected significantly higher net revenues in Equity underwriting. Financial advisory net revenues were also significantly higher reflecting an increase in completed mergers and acquisitions transactions.

FICC

Three Months Ended September 2021 versus August 2020. Net revenues in FICC were \$697 million for the three months ended September 2021, 34% lower than the three months ended August 2020, due to significantly lower net revenues in FICC intermediation, partially offset by higher net revenues in FICC financing. Net revenues in FICC intermediation were significantly lower, reflecting significantly lower net revenues in credit products and interest rate products and lower net revenues in currencies and mortgages, partially offset by higher net revenues in commodities. The decrease in FICC intermediation net revenues is primarily driven by the impact of less favourable market-making conditions on the company's inventory and the effect of the net revenue allocation update referred to above in "Net Revenues".

Nine Months Ended September 2021 versus August 2020. Net revenues in FICC were \$2.39 billion for the nine months ended September 2021, 23% lower than the nine months ended August 2020, due to significantly lower net revenues in FICC intermediation, reflecting significantly lower net revenues in interest rate products, credit products and currencies, partially offset by higher net revenues in mortgages and commodities. The decrease in FICC intermediation net revenues reflected solid but significantly lower client activity compared with strong activity levels in the prior period due to high volatility amid the COVID-19 pandemic, and the transition of certain activities to other GS Group affiliates, primarily as part of GS Group's Brexit strategy. This was partially offset by the impact of improved market-making conditions on the company's inventory compared with challenging conditions in the prior period.

Equities

Three Months Ended September 2021 versus August 2020. Net revenues in Equities were \$1.12 billion for the three months ended September 2021, 16% higher than the three months ended August 2020, due to significantly higher net revenues in Equities financing, partially offset by significantly lower net revenues in Equities intermediation. The increase in Equities financing reflected increased activity. The decrease in Equities intermediation primarily reflected the effect of the net revenue allocation update referred to above in "Net Revenues".

Nine Months Ended September 2021 versus August 2020. Net revenues in Equities were \$3.42 billion for the nine months ended September 2021, 63% higher than the nine months ended August 2020, due to significantly higher net revenues in Equities financing and Equities intermediation. The increase in Equities financing reflected improved market conditions and increased activity. The increase in Equities intermediation reflected significantly higher net revenues in derivatives.

Investment Management

Three Months Ended September 2021 versus August 2020. Net revenues in Investment Management were \$363 million for the three months ended September 2021, 72% higher than the three months ended August 2020, primarily due to significantly higher net revenues in Asset management.

Nine months Ended September 2021 versus August 2020. Net revenues in Investment Management were \$1.02 billion for the nine months ended September 2021, 55% higher than the nine months ended August 2020, primarily due to significantly higher net revenues in Asset management and higher net revenues in Wealth management.

Net Operating Expenses

The table below presents net operating expenses and headcount. Compensation and benefits include discretionary compensation, which is finalised at year-end. The company believes the most appropriate way to allocate estimated annual discretionary compensation among interim periods is in proportion to the net revenues earned in such periods. Where the company recognises revenues in its capacity as principal to a transaction and incurs expenses to satisfy some or all of its performance obligations under these transactions, it is required by IFRS 15 ‘Revenue from Contracts with Customers’ (IFRS 15) to report these revenues gross of the associated expenses. Such expenses are included in transaction based and other expenses (known hereafter as “IFRS 15 expenses”).

	Three Months Ended		Nine Months Ended	
	September 2021	August 2020	September 2021	August 2020
<i>\$ in millions</i>				
Compensation and benefits	\$ 528	\$ 619	\$2,996	\$1,946
Transaction based	550	388	1,588	1,027
Market development	12	4	24	33
Communications and technology	35	36	103	99
Depreciation and amortisation	55	48	155	130
Professional fees	41	33	117	118
Management charges from GS Group affiliates	327	198	788	634
Other expenses	196	291	601	623
Total operating expenses	1,744	1,617	6,372	4,610
Management charges to GS Group affiliates	(88)	(65)	(258)	(226)
Net operating expenses	\$1,656	\$1,552	\$6,114	\$4,384
Total headcount at period-end	4,013	4,368		

In the table above:

- Compensation and benefits included a charge of \$4 million for the three months ended September 2021, a charge of \$36 million for the three months ended August 2020, a charge of \$594 million for the nine months ended September 2021 and a credit of \$11 million for the nine months ended August 2020 representing recharges from Group Inc. equivalent to changes in the fair value of share-based payment awards during the period.
- The company has reclassified \$118 million of IFRS 15 expenses for the three months ended August 2020 and \$217 million of IFRS 15 expenses for the nine months ended August 2020 from other expenses to transaction based expenses to conform to the current period’s presentation. See “Note 7. Net Operating Expenses” in Part II of the 2020 Annual Report for further information on the reclassification.

Three Months Ended September 2021 versus August 2020. Net operating expenses were \$1.66 billion for the three months ended September 2021, 7% higher than the three months ended August 2020.

Compensation and benefits were \$528 million for the three months ended September 2021, 15% lower than the three months ended August 2020. Excluding the impact of recharges from Group Inc. equivalent to changes in the fair value of share-based payment awards for both periods, compensation and benefits were \$524 million for the three months ended September 2021, 10% lower than the three months ended August 2020.

Transaction based expenses were \$550 million for the three months ended September 2021, 42% higher than the three months ended August 2020, which reflected an increase in IFRS 15 expenses and activity levels.

Management charges from GS Group affiliates were \$327 million for the three months ended September 2021, 65% higher than the three months ended August 2020, primarily due to a new investment banking cost sharing agreement implemented during the quarter. The change was effective from January 1, 2021 and resulted in the recognition of the year-to-date impact in the three months ended September 2021 of \$108 million.

Other expenses were \$196 million for the three months ended September 2021, 33% lower than the three months ended August 2020, which primarily reflected a decrease in expenses for regulatory proceedings.

Nine Months Ended September 2021 versus August 2020. Net operating expenses were \$6.11 billion for the nine months ended September 2021, 39% higher than the nine months ended August 2020.

Compensation and benefits were \$3.00 billion for the nine months ended September 2021, 54% higher than the nine months ended August 2020. Excluding the impact of recharges from Group Inc. equivalent to changes in the fair value of share-based payment awards for both periods, compensation and benefits were \$2.40 billion for the nine months ended September 2021, 23% higher than the nine months ended August 2020 reflecting strong operating performance.

Transaction based expenses were \$1.59 billion for the nine months ended September 2021, 55% higher than the nine months ended August 2020, which reflected an increase in IFRS 15 expenses and activity levels.

Management charges from GS Group affiliates were \$788 million for the nine months ended September 2021, 24% higher than the nine months ended August 2020, primarily due to a new investment banking cost sharing agreement implemented during the quarter, effective from January 1, 2021.

As of September 2021, headcount was 2% lower compared with December 2020 and 8% lower compared with August 2020, mainly driven by the transfer of certain employees to other GS Group affiliates, primarily as part of GS Group's Brexit strategy. The decrease in comparison to December 2020 was partially offset by increases reflecting the timing of campus hires.

Income Tax Expense

The company's effective tax rate was 22.0% for the nine months ended September 2021, which compares to the U.K. corporation tax rate applicable to the company of 27.0%. The effective tax rate represents the company's income tax expense divided by its profit before taxation.

Balance Sheet

As of September 2021, total assets were \$1.18 trillion, a decrease of \$83.12 billion from December 2020, primarily reflecting a decrease in trading assets of \$182.41 billion (primarily due to a decrease in derivatives, principally as a result of a decrease in interest rate derivatives), partially offset by an increase in collateralised agreements of \$102.52 billion (primarily due to increases in firm activity).

As of September 2021, total liabilities were \$1.15 trillion, a decrease of \$85.32 billion from December 2020, primarily reflecting a decrease in trading liabilities of \$186.39 billion (primarily due to a decrease in derivatives, principally as a result of a decrease in interest rate derivatives), partially offset by an increase in collateralised financings of \$82.39 billion (primarily due to increases in firm activity) and an increase in customer and other payables of \$11.37 billion (primarily due to increases in client activity).

Under U.S. GAAP, as of September 2021, the company's total assets were \$570.62 billion and total liabilities were \$540.55 billion. Total assets and total liabilities under U.S. GAAP differ from those reported under IFRS primarily due to the company presenting derivative balances gross under IFRS if they are not net settled in the normal course of business, even where it has a legally enforceable right to offset those balances.

Regulatory Matters and Other Developments

Swaps, Derivatives and Commodities Regulation

The company is registered with the Commodity Futures Trading Commission (CFTC) as a swap dealer and became registered with the U.S. Securities Exchange Commissions (SEC) as a security-based swap dealer in October 2021. In October 2021, rules issued by the CFTC establishing capital and financial reporting requirements for swap dealers, as well as rules issued by the SEC establishing capital, margin, financial reporting and segregation requirements for security-based swap dealers became effective.

Replacement of Interbank Offered Rates (IBORs), including London Interbank Offered Rate (LIBOR)

Central banks and regulators in a number of major jurisdictions (for example, U.S., U.K., E.U., Switzerland and Japan) have convened working groups to find, and implement the transition to, suitable replacements for IBORs. In March 2021, the FCA and the Intercontinental Exchange Benchmark Authority announced that the publication of all EUR and CHF LIBOR settings along with certain JPY, GBP and USD LIBOR settings will cease after December 31, 2021 and the publication of the most commonly used USD LIBOR settings will cease after June 30, 2023. The FCA continues to consult the market on publishing synthetic rates for certain GBP and JPY LIBOR settings for a limited time. In April 2021, the State of New York approved legislation which minimises legal and economic uncertainty for contracts that are governed by New York law and have no fallback provisions or have fallback provisions that are based on LIBOR by providing a statutory framework to replace LIBOR with a benchmark rate based on the Secured Overnight Financing Rate. The U.S. federal banking agencies have also issued guidance strongly encouraging banking organisations to cease using USD LIBOR as a reference rate in new contracts as soon as practicable and in any event by December 31, 2021.

The International Swaps and Derivatives Association (ISDA) 2020 IBOR Fallbacks Protocol (IBOR Protocol), which became effective in January 2021, provides derivatives market participants with amended fallbacks for legacy and new derivatives contracts to mitigate legal or economic uncertainty. Both counterparties will have to adhere to the IBOR Protocol or engage in bilateral amendments for the terms to be effective for derivative contracts. ISDA confirmed that the FCA's formal announcement in March 2021 fixed the spread adjustment for all LIBOR rates and that fallbacks will automatically occur for outstanding derivatives contracts that incorporate the relevant terms.

The majority of the company's LIBOR risk exposure is in connection with the company's derivative contracts. The company's derivative contracts are primarily with counterparties under bilateral agreements which adhere to the IBOR Protocol or with central clearing counterparties which have incorporated fallbacks consistent with the IBOR Protocol in their rule books and have announced that they plan, and have begun, to convert all LIBOR contracts to alternative risk-free reference rates before LIBOR cessation. The company is engaged with its clients in order to remediate contractual agreements related to cash products where necessary and feasible. Remediation of such agreements is executed via bilateral or multilateral transaction-specific amendments depending on the nature of the transactions. In addition to managing the transition of existing LIBOR based contracts, the company has executed Secured Overnight Financing Rate- and Sterling Overnight Index Average-based derivative contracts to make markets and facilitate client activities.

For further information about the company's transition programme, see "Regulatory Matters and Other Developments — Replacement of Interbank Offered Rates (IBORs), including London Interbank Offered Rate (LIBOR)" in Part I of the 2020 Annual Report.

Impact of COVID-19 Pandemic

During the third quarter of 2021, the spike in infections from the spread of the Delta variant put heightened focus on efforts to increase vaccination rates in order to make further progress against the virus. Although the global recovery continued to progress, the rising number of infections had the effect of tempering the pace of economic growth.

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

The market backdrop was generally favourable during the third quarter of 2021 and supported solid levels of client activity, although at the end of the quarter anxiety over the trajectory of inflation intensified and volatility increased. The company continued to deploy its balance sheet to intermediate risk and to support the needs of clients.

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

For further information about the risks associated with the COVID-19 pandemic, see "Principal Risks and Uncertainties — Market Developments and General Business Environment" in Part I of the 2020 Annual Report.

Principal Risks and Uncertainties

The company faces a variety of risks that are substantial and inherent in its businesses.

The principal risks and uncertainties that the company faces are: market risk, liquidity risk, credit risk, operational risk, legal and regulatory risk, market developments and general business environment, and competition. Those risks and uncertainties are consistent with those described in the 2020 Annual Report.

Date of Issue

This financial information was issued on November 5, 2021.

Income Statement (Unaudited)

<i>\$ in millions</i>	Note	Three Months Ended		Nine Months Ended	
		September	August	September	August
		2021	2020	2021	2020
Gains or losses from financial instruments at fair value through profit or loss		\$ 1,986	\$ 2,304	\$ 6,326	\$ 5,962
Fees and commissions		986	756	2,918	1,951
Non-interest income		2,972	3,060	9,244	7,913
Interest income from financial instruments measured at fair value through profit or loss		578	471	1,682	1,956
Interest income from financial instruments measured at amortised cost		355	254	907	1,184
Interest expense from financial instruments measured at fair value through profit or loss		(551)	(496)	(1,552)	(1,815)
Interest expense from financial instruments measured at amortised cost		(512)	(519)	(1,424)	(2,078)
Net interest expense		(130)	(290)	(387)	(753)
Net revenues		2,842	2,770	8,857	7,160
Net operating expenses		(1,656)	(1,552)	(6,114)	(4,384)
Profit before taxation		1,186	1,218	2,743	2,776
Income tax expense	2	(292)	(373)	(603)	(742)
Profit for the financial period		\$ 894	\$ 845	\$ 2,140	\$ 2,034

Net revenues and profit before taxation of the company are derived from continuing operations in the current and prior periods.

Statement of Comprehensive Income (Unaudited)

<i>\$ in millions</i>	Three Months Ended		Nine Months Ended	
	September	August	September	August
	2021	2020	2021	2020
Profit for the financial period	\$ 894	\$ 845	\$ 2,140	\$ 2,034
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Actuarial profit/(loss) relating to the pension scheme	(93)	(45)	56	105
Debt valuation adjustment	18	(329)	9	(35)
U.K. deferred tax attributable to the components of other comprehensive income	23	98	(17)	(25)
U.K. current tax attributable to the components of other comprehensive income	2	2	10	9
Other comprehensive income/(loss) for the financial period, net of tax	(50)	(274)	58	54
Total comprehensive income for the financial period	\$ 844	\$ 571	\$ 2,198	\$ 2,088

Balance Sheet (Unaudited)

<i>\$ in millions</i>	Note	As of	
		September 2021	December 2020
Assets			
Cash and cash equivalents		\$ 43,397	\$ 43,833
Collateralised agreements	3	243,206	140,682
Customer and other receivables		87,876	90,380
Trading assets (includes \$38,367 and \$27,295 pledged as collateral)	4	800,505	982,919
Investments (includes \$47 and \$62 pledged as collateral)		817	888
Loans		403	567
Other assets		8,536	8,589
Total assets		\$1,184,740	\$1,267,858
Liabilities			
Collateralised financings	5	\$ 195,512	\$ 113,127
Customer and other payables		111,891	100,519
Trading liabilities	4	746,026	932,414
Unsecured borrowings	6	86,074	80,351
Other liabilities		6,461	4,869
Total liabilities		1,145,964	1,231,280
Shareholder's equity			
Share capital		598	598
Share premium account		5,568	5,568
Other equity instruments		8,300	8,300
Retained earnings		24,551	22,437
Accumulated other comprehensive income		(241)	(325)
Total shareholder's equity		38,776	36,578
Total liabilities and shareholder's equity		\$1,184,740	\$1,267,858

Supplementary Notes (Unaudited)

Note 1.

Basis of Preparation

This financial information has been prepared using the same principles as those applied in the company's 2020 Annual Report, which were prepared in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRS) adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the E.U. For the nine months ended August 2020, the company prepared financial statements under United Kingdom Generally Accepted Accounting Practices, in accordance with FRS 104 'Interim Financial Reporting', prior to the adoption of IFRS. The company has updated its comparatives in the income statement to conform to the current period presentation.

This financial information should be read in conjunction with the company's 2020 Annual Report.

The significant accounting policies applied in the preparation of the financial information are consistent with those described in the 2020 Annual Report. The company's critical accounting estimates and judgements include those described in the 2020 Annual Report and estimated year-end discretionary compensation, see "Results of Operations — Net Operating Expenses" for further information.

Note 2.

Income Tax Expense

The Finance Act 2021, which increases the U.K. corporate tax main rate from 19.0% to 25.0% from April 1, 2023, was substantively enacted in May 2021. During the second quarter of 2021, the company's deferred tax assets were remeasured and a deferred tax benefit of \$62 million was recognised in the income statement. Following the increase in the U.K. corporate tax main rate, the U.K. government undertook a review of the 8.0% bank surcharge, applicable to the company, to ensure that the combined tax burden on banks does not rise substantially. On October 27, 2021, the U.K. government announced that the bank surcharge will reduce from 8.0% to 3.0% from April 1, 2023. This is expected to be legislated as Finance Bill 2022. The company will remeasure its deferred tax assets on substantive enactment of this change.

Note 3.

Collateralised Agreements

The table below presents collateralised agreements.

<i>\$ in millions</i>	As of	
	September 2021	December 2020
Resale agreements	\$159,531	\$ 75,140
Securities borrowed	83,675	65,542
Total	\$243,206	\$140,682

In the table above, total collateralised agreements of \$179.26 billion as of September 2021 and \$92.62 billion as of December 2020 were mandatorily measured at fair value.

Note 4.

Trading Assets and Liabilities

Trading assets and liabilities include trading cash instruments and derivatives held in connection with the company's market-making or risk management activities and are measured at fair value.

The table below presents trading assets.

<i>\$ in millions</i>	As of	
	September 2021	December 2020
Trading cash instruments		
Money market instruments	\$ 31	\$ 338
Government and agency obligations	32,698	24,759
Mortgage and other asset-backed loans and securities	614	586
Corporate debt instruments	24,862	21,790
Equity securities	53,476	47,135
Commodities	20	9
Total trading cash instruments	111,701	94,617
Derivatives		
Interest rates	461,583	671,483
Credit	27,779	24,778
Currencies	86,720	110,493
Commodities	32,964	10,824
Equities	79,758	70,724
Total derivatives	688,804	888,302
Total trading assets	\$800,505	\$982,919

Supplementary Notes (Unaudited)

The table below presents trading liabilities.

<i>\$ in millions</i>	As of	
	September 2021	December 2020
Trading cash instruments		
Government and agency obligations	\$ 28,377	\$ 16,772
Corporate debt instruments	5,073	3,700
Equity securities	37,783	31,473
Commodities	14	40
Total trading cash instruments	71,247	51,985
Derivatives		
Interest rates	449,535	660,262
Credit	24,984	22,141
Currencies	85,958	114,495
Commodities	32,766	10,663
Equities	81,536	72,868
Total derivatives	674,779	880,429
Total trading liabilities	\$746,026	\$932,414

Note 5.

Collateralised Financings

The table below presents collateralised financings.

<i>\$ in millions</i>	As of	
	September 2021	December 2020
Repurchase agreements	\$136,529	\$ 77,726
Securities loaned	38,074	21,034
Intercompany loans	4,993	1,432
Debt securities issued	6,222	6,664
Other borrowings	9,694	6,271
Total	\$195,512	\$113,127

In the table above:

- Total collateralised financings of \$165.72 billion as of September 2021 and \$97.10 billion as of December 2020 were designated at fair value.
- Total collateralised financings included non-current borrowings of \$24.82 billion as of September 2021 and \$3.85 billion as of December 2020.

Note 6.

Unsecured Borrowings

The table below presents unsecured borrowings.

<i>\$ in millions</i>	As of	
	September 2021	December 2020
Bank loans	\$ 6	\$ 6
Overdrafts	42	115
Intercompany loans – non-MREL-eligible	27,059	21,032
Intercompany loans – MREL-eligible	16,963	16,723
Debt securities issued	31,923	32,385
Subordinated loans	5,468	5,394
Other borrowings	4,613	4,696
Total	\$86,074	\$80,351

In the table above:

- Total unsecured borrowings of \$47.24 billion as of September 2021 and \$29.43 billion as of December 2020 were designated at fair value.
- Total unsecured borrowings included non-current borrowings of \$59.52 billion as of September 2021 and \$55.78 billion as of December 2020.

Supplementary Notes (Unaudited)

Note 7.

Fair Value Measurement of Financial Assets and Liabilities

The table below presents, by level within the fair value hierarchy, financial assets and liabilities measured at fair value on a recurring basis.

<i>\$ in millions</i>	Level 1	Level 2	Level 3	Total
As of September 2021				
Financial assets				
Collateralised agreements	\$ –	\$ 179,141	\$ 122	\$ 179,263
Trading cash instruments	77,265	34,003	433	111,701
Derivative instruments	62	683,829	4,913	688,804
Trading assets	77,327	717,832	5,346	800,505
Investments	6	714	97	817
Loans	–	348	55	403
Other assets	–	5,000	–	5,000
Total	\$77,333	\$ 903,035	\$ 5,620	\$ 985,988
Financial liabilities				
Collateralised financings	\$ –	\$ 165,155	\$ 561	\$ 165,716
Trading cash instruments	63,687	7,513	47	71,247
Derivative instruments	57	671,097	3,625	674,779
Trading liabilities	63,744	678,610	3,672	746,026
Unsecured borrowings	–	32,871	14,373	47,244
Total	\$63,744	\$ 876,636	\$ 18,606	\$ 958,986
Net derivatives	\$ 5	\$ 12,732	\$ 1,288	\$ 14,025
As of December 2020				
Financial assets				
Collateralised agreements	\$ –	\$ 92,619	\$ –	\$ 92,619
Trading cash instruments	63,079	31,035	503	94,617
Derivative instruments	291	882,392	5,619	888,302
Trading assets	63,370	913,427	6,122	982,919
Investments	18	738	132	888
Loans	–	456	111	567
Other assets	–	6,013	–	6,013
Total	\$63,388	\$1,013,253	\$ 6,365	\$1,083,006
Financial liabilities				
Collateralised financings	\$ –	\$ 96,863	\$ 240	\$ 97,103
Trading cash instruments	46,752	5,204	29	51,985
Derivative instruments	255	876,645	3,529	880,429
Trading liabilities	47,007	881,849	3,558	932,414
Unsecured borrowings	–	19,774	9,652	29,426
Total	\$47,007	\$ 998,486	\$13,450	\$1,058,943
Net derivatives	\$ 36	\$ 5,747	\$ 2,090	\$ 7,873

See Note 31. Fair Value Measurement in Part II of the 2020 Annual Report for further information about the valuation techniques and significant inputs to the valuation of the company's financial assets and liabilities measured at fair value.

Note 8.

Capital Management and Financial Risk Management

Regulatory Capital

The company is subject to the U.K. capital framework, which is predominately aligned with the E.U. capital framework prescribed in the amended E.U. Capital Requirements Directive and the E.U. Capital Requirements Regulation. These capital regulations are largely based on the Basel Committee on Banking Supervision's capital framework for strengthening international capital standards.

Regulatory Risk-Based Capital Ratios. The table below presents information about the company's minimum risk-based capital requirements.

	As of	
	September 2021	December 2020
Minimum risk-based capital requirements		
CET1 capital ratio	8.1%	8.1%
Tier 1 capital ratio	9.9%	10.0%
Total capital ratio	12.3%	12.5%

In the table above, the minimum risk-based capital requirements incorporate capital guidance received from the PRA and could change in the future.

The table below presents information about the company's risk-based capital ratios.

<i>\$ in millions</i>	As of	
	September 2021	December 2020
Risk-based capital and risk-weighted assets		
CET1 capital	\$ 28,345	\$ 26,962
Additional Tier 1 notes	\$ 8,300	\$ 8,300
Tier 1 capital	\$ 36,645	\$ 35,262
Tier 2 capital	\$ 5,377	\$ 5,377
Total capital	\$ 42,022	\$ 40,639
Risk-weighted assets	\$278,483	\$252,355
Risk-based capital ratios		
CET1 capital ratio	10.2%	10.7%
Tier 1 capital ratio	13.2%	14.0%
Total capital ratio	15.1%	16.1%

In the table above, the company's CET1 capital, Tier 1 capital and Total capital as of September 2021 included the company's profit after foreseeable charges for the three months ended September 2021 (which will be finalised upon verification by the company's external auditors and approval by the PRA for inclusion in risk-based capital). These profits contributed approximately 25 basis points to the company's risk-based capital ratios, which represents the company's profit for the financial period reduced by foreseeable charges, divided by its risk-weighted assets.

Supplementary Notes (Unaudited)

The company is also subject to a minimum requirement for own funds and eligible liabilities issued to GS Group affiliates. This requirement is subject to a transitional period which began to phase in from January 1, 2019 and will become fully effective beginning on January 1, 2022. As of both September 2021 and December 2020, the company was in compliance with this requirement.

Leverage Ratio. Under the current U.K. leverage ratio framework, the company had a leverage ratio of 4.0% as of September 2021 and 4.7% as of December 2020. The leverage ratio compares Tier 1 capital to a measure of leverage exposure, defined as the sum of certain assets plus certain off-balance-sheet exposures (which include a measure of derivatives, securities financing transactions, commitments and guarantees), less Tier 1 capital deductions. Tier 1 capital as of September 2021 included the company's profit after foreseeable charges for the three months ended September 2021 (which will be finalised upon verification by the company's external auditors and approval by the PRA for inclusion in risk-based capital). These profits contributed approximately 7 basis points to the company's leverage ratio, which represents the company's profit for the financial period reduced by foreseeable charges, divided by its leverage exposure. This leverage ratio is based on the company's current interpretation and understanding of this rule and may evolve as the interpretation and application of the U.K. leverage ratio framework is discussed with the company's regulators.

Liquidity Risk

GCLA. The table below presents information about the company's GCLA by asset class.

\$ in millions	Average For The Three Months Ended	
	September 2021	June 2021
Overnight cash deposits	\$44,163	\$32,331
U.S. government obligations	11,491	13,453
Non-U.S. government obligations	24,621	24,704
Total	\$80,275	\$70,488

Market Risk

VaR. The table below presents the company's average daily VaR.

\$ in millions	Three Months Ended			Nine Months Ended	
	September 2021	June 2021	August 2020	September 2021	August 2020
Categories					
Interest rates	\$ 22	\$ 26	\$ 44	\$ 25	\$ 41
Equity prices	26	30	31	28	35
Currency rates	11	17	11	14	11
Commodity prices	2	2	2	2	2
Diversification effect	(24)	(36)	(32)	(30)	(32)
Total	\$ 37	\$ 39	\$ 56	\$ 39	\$ 57

Note 9.

Legal Proceedings

The company is involved in a number of judicial, regulatory and arbitration proceedings (including those described below) concerning matters arising in connection with the conduct of the company's business, however, except as noted in the first matter below, it is not practicable to reliably estimate the financial impact, if any, of these proceedings on the company.

Banco Espirito Santo S.A. and Oak Finance. Beginning in February 2015, the company commenced actions against Novo Banco S.A. (Novo Banco) in the English Commercial Court and the Bank of Portugal (BoP) in Portuguese Administrative Court in response to BoP's decisions in December 2014, September 2015 and December 2015 to reverse an earlier transfer to Novo Banco of an \$835 million facility agreement (the Facility), structured by the company, between Oak Finance Luxembourg S.A. (Oak Finance), a special purpose vehicle formed in connection with the Facility, and Banco Espirito Santo S.A. (BES) prior to the failure of BES. In July 2018, the English Supreme Court found that the English courts did not yet have jurisdiction over the company's action. In July 2018, the Liquidation Committee for BES issued a decision seeking to claw back from the company \$54 million paid to the company and \$50 million paid to Oak Finance in connection with the Facility, alleging that the company acted in bad faith in extending the Facility, including because the company allegedly knew that BES was at risk of imminent failure. In October 2018, the company commenced an action in Lisbon Commercial Court challenging the Liquidation Committee's decision and has since also issued a claim against the Portuguese State seeking compensation for losses of approximately \$222 million related to the failure of BES, together with a contingent claim for the \$104 million sought by the Liquidation Committee.

Supplementary Notes (Unaudited)

Interest Rate Swap Antitrust Litigation. The company is among the defendants named in a putative antitrust class action relating to the trading of interest rate swaps, filed in November 2015 and consolidated in the U.S. District Court for the Southern District of New York. The company is also among the defendants named in two antitrust actions relating to the trading of interest rate swaps, commenced in April 2016 and June 2018, respectively, in the U.S. District Court for the Southern District of New York by three operators of swap execution facilities and certain of their affiliates. These actions have been consolidated for pretrial proceedings. The complaints generally assert claims under federal antitrust law and state common law in connection with an alleged conspiracy among the defendants to preclude exchange trading of interest rate swaps. The complaints in the individual actions also assert claims under state antitrust law. The complaints seek declaratory and injunctive relief, as well as treble damages in an unspecified amount. Defendants moved to dismiss the class and the first individual action and the district court dismissed the state common law claims asserted by the plaintiffs in the first individual action and otherwise limited the state common law claim in the putative class action and the antitrust claims in both actions to the period from 2013 to 2016. On November 20, 2018, the court granted in part and denied in part the defendants' motion to dismiss the second individual action, dismissing the state common law claims for unjust enrichment and tortious interference, but denying dismissal of the federal and state antitrust claims. On March 13, 2019, the court denied the plaintiffs' motion in the putative class action to amend their complaint to add allegations related to 2008-2012 conduct, but granted the motion to add limited allegations from 2013-2016, which the plaintiffs added in a fourth consolidated amended complaint filed on March 22, 2019. The plaintiffs in the putative class action moved for class certification on March 7, 2019.

Commodities-Related Litigation. The company is among the defendants named in putative class actions relating to trading in platinum and palladium, filed beginning on November 25, 2014 and most recently amended on May 15, 2017, in the U.S. District Court for the Southern District of New York. The amended complaint generally alleges that the defendants violated federal antitrust laws and the Commodity Exchange Act in connection with an alleged conspiracy to manipulate a benchmark for physical platinum and palladium prices and seek declaratory and injunctive relief, as well as treble damages in an unspecified amount. On March 29, 2020, the court granted the defendants' motions to dismiss and for reconsideration, resulting in the dismissal of all claims. On April 27, 2020, plaintiffs appealed to the Second Circuit Court of Appeals.

The company is among the defendants in a number of putative class and individual actions filed beginning on August 1, 2013 and consolidated in the U.S. District Court for the Southern District of New York. The complaints generally allege violations of federal antitrust laws and state laws in connection with the storage of aluminium and aluminium trading. The complaints seek declaratory, injunctive and other equitable relief, as well as unspecified monetary damages, including treble damages. In December 2016, the district court granted defendants' motions to dismiss and on August 27, 2019, the Second Circuit vacated the district court's dismissals and remanded the case to district court for further proceedings. On July 23, 2020, the district court denied the class plaintiffs' motion for class certification, and on December 16, 2020 the Second Circuit denied leave to appeal the denial. On February 17, 2021, the district court granted defendants' motion for summary judgment with respect to the claims of most of the individual plaintiffs. On April 14, 2021, the plaintiffs appealed to the Second Circuit Court of Appeals.

Credit Default Swap Antitrust Litigation. The company is among the defendants named in a putative antitrust class action relating to the settlement of credit default swaps, filed on June 30, 2021 in the U.S. District Court for the District of New Mexico. The complaint generally asserts claims under federal antitrust law and the Commodity Exchange Act in connection with an alleged conspiracy among the defendants to manipulate the benchmark price used to value credit default swaps for settlement. The complaint also asserts a claim for unjust enrichment under state common law. The complaint seeks declaratory and injunctive relief, as well as unspecified amounts of treble and other damages.

Supplementary Notes (Unaudited)

Regulatory Investigations and Reviews and Related Litigation. Group Inc. and certain of its affiliates, including the company, are subject to a number of other investigations and reviews by, and in some cases have received subpoenas and requests for documents and information from, various governmental and regulatory bodies and self-regulatory organisations and litigation relating to various matters relating to GS Group's businesses and operations, including:

- The public securities offering process and underwriting practices;
- Investment management and financial advisory services;
- Conflicts of interest;
- Transactions involving government-related financings and other matters;
- The offering, auction, sales, trading and clearance of corporate and government securities, currencies, commodities and other financial products and related sales and other communications and activities, as well as GS Group's supervision and controls relating to such activities, including compliance with applicable short sale rules, algorithmic, high-frequency and quantitative trading, futures trading, options trading, when-issued trading, transaction reporting, technology systems and controls, securities lending practices, prime brokerage activities, trading and clearance of credit derivative instruments and interest rate swaps, commodities activities and metals storage, private placement practices, allocations of and trading in securities, and trading activities and communications in connection with the establishment of benchmark rates, such as currency rates;
- Compliance with the U.K. Bribery Act and the U.S. Foreign Corrupt Practices Act;
- Hiring and compensation practices;
- System of risk management and controls; and
- Insider trading, the potential misuse and dissemination of material non-public information regarding corporate and governmental developments and the effectiveness of insider trading controls and information barriers.

In addition, investigations, reviews and litigation involving the company's affiliates and such affiliates' businesses and operations, including various matters referred to above but also other matters, may have an impact on the company's businesses and operations.