

Company Number: 8657873



GOLDMAN SACHS GROUP UK LIMITED

ANNUAL REPORT

30 NOVEMBER 2019

GOLDMAN SACHS GROUP UK LIMITED

STRATEGIC REPORT

The directors present their strategic report for the period ended 30 November 2019.

1. Introduction

Goldman Sachs Group UK Limited (the company) serves as a holding company to a group ("GSGUK group"), which provides a wide range of financial services to clients located worldwide.

The company's ultimate parent undertaking and controlling entity is The Goldman Sachs Group, Inc. (Group Inc.). Group Inc. is a bank holding company and a financial holding company regulated by the Board of Governors of the Federal Reserve System (Federal Reserve Board). Group Inc., together with its consolidated subsidiaries, form 'GS Group'. GS Group is a leading global investment banking, securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and individuals.

This annual report has been prepared for the twelve months ended 30 November 2019. In 2018, the company changed its accounting reference date from 31 December to 30 November and prepared an annual report for the eleven months ended 30 November 2018. As a result, amounts presented in this annual report are not directly comparable. All references to November 2019 refer to twelve months ended, or the date, as the context requires, 30 November 2019. All references to November 2018 refer to the eleven months ended, or the date, as the context requires, 30 November 2018.

The company primarily operates in a U.S. dollar environment as part of GS Group. Accordingly, the company's functional currency is the U.S. dollar and these financial statements have been prepared in that currency.

2. Financial overview

The directors consider profit before taxation, total assets and total liabilities as the company's key performance indicators.

The results for the period are shown in the profit and loss account on page 7. Profit before taxation for the period ended 30 November 2019 was US\$1,902.1 million (30 November 2018: US\$3,107.3 million).

The company had total assets of US\$66,360.7 million as at 30 November 2019 (30 November 2018: US\$61,027.7 million). The company had total liabilities of US\$31,702.7 million as at 30 November 2019 (30 November 2018: US\$26,215.8 million).

3. Exchange rate

The British pound / U.S. dollar exchange rate at the balance sheet date was £ / US\$1.2932 (30 November 2018: £ / US\$1.2743). The average rate for the period was £ / US\$1.2748 (30 November 2018: £ / US\$1.3347).

4. Future outlook

The directors consider that the period end financial position of the company was satisfactory and do not anticipate any significant changes in its activities in the forthcoming period.

Since the balance sheet date there has been a global outbreak of a coronavirus disease (COVID-19) which has caused widespread disruption to financial markets and normal patterns of business activity across the world. The COVID-19 pandemic has created significant uncertainty regarding the operating environment for the remainder of 2020 and possibly longer, as the duration and future course of the pandemic cannot be predicted at this time. A sustained period of weak economic conditions as a result of the pandemic would be detrimental to the company and the wider GSGUK group as it would negatively affect factors that are important to their financial performance.

GOLDMAN SACHS GROUP UK LIMITED

STRATEGIC REPORT (continued)

5. Principal risks and uncertainties

The directors consider that the most important components of the company's financial risk are market risk, credit risk and liquidity risk. As a holding company, the company is also exposed to risk of decline in value of its non-financial assets, primarily fixed asset investments in subsidiary undertakings. The company, as part of a global group, adheres to global risk management policies and procedures. The company's risk management objectives and policies are described in note 21 of the financial statements.

6. Date of authorisation of issue

The strategic report was authorised for issue by the Board of Directors on 30 June 2020.

ON BEHALF OF THE BOARD



**R. J. Taylor
Director**

GOLDMAN SACHS GROUP UK LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the period ended 30 November 2019.

1. Introduction

In accordance with section 414A of the Companies Act 2006, the directors have prepared a strategic report, which contains a review of the company's business and a description of the principal risks and uncertainties facing the company. The directors have chosen to make reference to the future outlook of the company in the strategic report in accordance with section 414C(11) of the Companies Act 2006. The company's risk management objectives and policies, including exposures to market risk, credit risk and liquidity risk are described in note 21 to the financial statements.

2. Dividends

The directors declared and paid an interim dividend of US\$1,000.0 million (30 November 2018: US\$2,500.0 million). The directors do not recommend the payment of a final dividend in respect of the period (30 November 2018: US\$ nil).

3. Disclosure of information to auditors

In the case of each of the persons who are directors of the company at the date when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware; and
- each of the directors has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

4. Independent auditors

The auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

5. Directors

The directors of the company who served throughout the period and to the date of this report were:

Name

D. C. Bicarregui
P. L. Monteiro
R. J. Taylor

No director had, at the period end, any interest requiring note herein.

GOLDMAN SACHS GROUP UK LIMITED

DIRECTORS' REPORT (continued)

6. Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company at the end of the financial period and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

7. Post balance sheet events

Since the balance sheet date there has been a global outbreak of a coronavirus disease (COVID-19) which has caused widespread disruption to financial markets and normal patterns of business activity across the world. The COVID-19 pandemic has created significant uncertainty regarding the operating environment for the remainder of 2020 and possibly longer, as the duration and future course of the pandemic cannot be predicted at this time. A sustained period of weak economic conditions as a result of the pandemic would be detrimental to the company and the wider GSGUK group as it would negatively affect factors that are important to their financial performance.

8. Date of authorisation of issue

The financial statements were authorised for issue by the Board of Directors on 30 June 2020.

ON BEHALF OF THE BOARD



R. J. Taylor
Director

**Independent auditors' report to the members of
GOLDMAN SACHS GROUP UK LIMITED**

Report on the audit of the financial statements

Opinion

In our opinion, Goldman Sachs Group UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with "United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance Sheet as at 30 November 2019, the Profit and Loss Account, the Statement of Changes in Equity for the period ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

**Independent auditors' report to the members of
GOLDMAN SACHS GROUP UK LIMITED**

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 30 November 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of director's responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

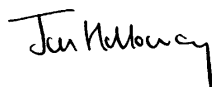
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Jonathan Holloway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
30 June 2020

GOLDMAN SACHS GROUP UK LIMITED

PROFIT AND LOSS ACCOUNT

for the period ended 30 November 2019

		Period ended 30 November 2019	Period ended 30 November 2018
	Note	US\$'000	US\$'000
Income from shares in group undertakings	10	1,159,321	2,600,079
Write down of shares in group undertakings	10	(4,509)	-
Interest receivable and similar income	4	2,037,369	1,381,586
Interest payable and similar expenses	5	(1,285,237)	(872,198)
Administrative expenses	6	(4,797)	(2,152)
PROFIT BEFORE TAXATION		1,902,147	3,107,315
Tax on profit	9	(141,733)	(95,966)
PROFIT FOR THE FINANCIAL PERIOD		1,760,414	3,011,349

The profits of the company are derived from continuing operations in the current and prior period.

The company has no recognised gains and losses other than those included in the profit and loss account for the periods shown above and therefore no separate statement of comprehensive income has been presented.

The accompanying notes are an integral part of these financial statements.

GOLDMAN SACHS GROUP UK LIMITED

BALANCE SHEET

as at 30 November 2019

	Note	30 November 2019 US\$'000	30 November 2018 US\$'000
FIXED ASSETS			
Investments	10	34,726,940	34,634,433
CURRENT ASSETS			
Debtors: Amounts falling due within one year	11	9,170,888	18,531,219
Debtors: Amounts falling due after more than one year	12	22,411,871	7,808,406
Cash at bank and in hand		50,986	53,645
		<u>31,633,745</u>	<u>26,393,270</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	<u>(9,204,299)</u>	<u>(18,419,531)</u>
NET CURRENT ASSETS		<u>22,429,446</u>	<u>7,973,739</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	14	<u>(22,498,367)</u>	<u>(7,796,263)</u>
NET ASSETS		<u>34,658,019</u>	<u>34,811,909</u>
CAPITAL AND RESERVES			
Called up share capital	15	2,134,684	2,134,684
Share premium account		388,440	388,440
Preferred shares	16	-	300,000
Other equity instruments	17	8,300,000	8,300,000
Other reserves	18	183,285	183,285
Merger reserve	19	19,793,647	19,793,647
Profit and loss account		3,857,963	3,711,853
TOTAL SHAREHOLDER'S FUNDS		<u>34,658,019</u>	<u>34,811,909</u>

The financial statements were approved by the Board of Directors on 30 June 2020 and signed on its behalf by:



R. J. Taylor
Director

The accompanying notes are an integral part of these financial statements.

Company number: 8657873

GOLDMAN SACHS GROUP UK LIMITED

STATEMENT OF CHANGES IN EQUITY

for the period ended 30 November 2019

	Called up share capital	Share premium account	Preferred shares	Other equity instruments	Other reserves	Merger reserve	Profit and loss account	Total shareholder's funds
Note	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2018	2,134,684	388,440	300,000	5,800,000	183,285	19,793,647	3,624,797	32,224,853
Profit for the financial period	-	-	-	-	-	-	3,011,349	3,011,349
Interim dividend paid	-	-	-	-	-	-	(2,500,000)	(2,500,000)
Additional Tier 1 issued	17	-	-	2,500,000	-	-	-	2,500,000
Interest on Additional Tier 1 notes, net of tax	17	-	-	-	-	-	(407,257)	(407,257)
Preferred dividend paid	16	-	-	-	-	-	(17,036)	(17,036)
Balance at 30 November 2018	2,134,684	388,440	300,000	8,300,000	183,285	19,793,647	3,711,853	34,811,909
Profit for the financial period	-	-	-	-	-	-	1,760,414	1,760,414
Interim dividend paid	-	-	-	-	-	-	(1,000,000)	(1,000,000)
Interest on Additional Tier 1 notes, net of tax	17	-	-	-	-	-	(601,153)	(601,153)
Preferred dividend paid	16	-	-	-	-	-	(13,151)	(13,151)
Conversion of preferred shares to debt	16	-	(300,000)	-	-	-	-	(300,000)
Balance at 30 November 2019	2,134,684	388,440	-	8,300,000	183,285	19,793,647	3,857,963	34,658,019

The directors declared and paid an interim dividend of US\$1,000.0 million (30 November 2018: US\$2,500.0 million).

The accompanying notes are an integral part of these financial statements.

GOLDMAN SACHS GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2019

1. GENERAL INFORMATION

The company is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is Plumtree Court, 25 Shoe Lane, London, EC4A 4AU.

The immediate parent undertaking is Goldman Sachs (UK) L.L.C., a company incorporated and domiciled in Delaware.

The ultimate parent undertaking and the parent company of the smallest and largest group for which consolidated financial statements are prepared is The Goldman Sachs Group, Inc., a company incorporated in the United States of America. Copies of its consolidated financial statements can be obtained from Investor Relations, 200 West Street, New York, NY 10282, United States of America, or at www.goldmansachs.com/investor-relations/.

2. ACCOUNTING POLICIES

a. Basis of preparation

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006.

The following exemptions from disclosure requirements of International Financial Reporting Standards (IFRS) as adopted by the E.U. have been applied in the preparation of these financial statements in accordance with FRS 101:

- (i) IFRS 2 'Share-based Payment' paragraph: 45(b) and 46 to 52. These disclosures are provided in the consolidated financial statements of Group Inc.;
- (ii) IAS 1 'Presentation of Financial Statements' paragraph 38 to present comparative information in respect of IAS 1 'Presentation of Financial Statements' paragraph 79(a)(iv);
- (iii) IAS 1 'Presentation of Financial Statements' paragraphs 10(f), 16 and 40A-D;
- (iv) IAS 7 'Statement of Cash Flows';
- (v) IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' paragraphs 30 and 31;
- (vi) IAS 15 'Revenue from Contracts with Consumers' second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129;
- (vii) IAS 24 'Related Party Disclosures' paragraph 17; and
- (viii) IAS 24 'Related Party Disclosures' requirements to disclose transactions with companies also wholly owned within GS Group.

The company is a subsidiary undertaking of Group Inc., a company incorporated within the United States of America, whose consolidated financial statements include the company and are publicly available. As a result the company has elected not to prepare statutory consolidated financial statements as permitted by section 401 of the Companies Act 2006.

GOLDMAN SACHS GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2019

2. ACCOUNTING POLICIES (continued)

b. Dividends

Final equity dividends are recognised as a liability and deducted from equity in the period in which the dividends are approved by the company's shareholder. Interim equity dividends are recognised and deducted from equity when paid.

c. Foreign currencies

The company's financial statements are presented in U.S. dollars, which is also the company's functional currency.

Transactions denominated in foreign currencies are translated into U.S. dollars at rates of exchange ruling on the date the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are translated into U.S. dollars at rates of exchange ruling at the balance sheet date. Foreign exchange gains and losses are recognised in the profit and loss account.

d. Fixed asset investments

Fixed asset investments comprises investments in subsidiary undertakings and are stated at cost less provision for any impairment. Dividends receivable are recognised when the right to receive payment has been established.

e. Cash at bank and in hand

Cash at bank and in hand represents highly liquid overnight deposits held in the ordinary course of business.

f. Financial assets and financial liabilities

(i) Recognition and derecognition

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or if the company transfers the financial asset and the transfer qualifies for derecognition. A transferred financial asset qualifies for derecognition if the company transfers substantially all the risks and rewards of the ownership of the financial asset or does not retain control. Financial liabilities are derecognised only when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

(ii) Classification and measurement

Financial assets comprise of the company's current assets (with the exception of current tax assets), and financial liabilities comprise of the company's creditors.

The company classifies its financial assets as financial assets measured at amortised cost on the basis of both the company's business model for managing financial assets and contractual cash flow characteristics of the financial assets. The company's business model is to hold the assets to collect contractual cash flows and the cash flows represent solely payments of principal and interest. If these conditions were not met, the financial assets would be mandatorily measured at fair value through profit or loss.

GOLDMAN SACHS GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2019

2. ACCOUNTING POLICIES (continued)

f. Financial assets and financial liabilities (continued)

Financial assets measured at amortised cost are initially measured at fair value plus transaction costs and subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the company estimates cash flows considering all contractual terms of the financial asset but does not consider future credit losses. All finance income is recognised in the profit and loss account.

The company classifies its financial liabilities as financial liabilities measured at amortised cost. The classification, which is determined at initial recognition, depends on the purpose for which they were acquired or originated. Financial liabilities measured at amortised cost are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method (see above). Finance costs, including discounts allowed on issue, are recorded in the profit and loss account.

(iii) Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet where there is:

- (i) Currently a legally enforceable right to set off the recognised amounts; and
- (ii) Intent to settle on a net basis or to realise the asset and settle the liability simultaneously.

Where these conditions are not met, financial assets and financial liabilities are presented on a gross basis on the balance sheet.

g. Current and deferred tax

The tax expense comprises of current tax. Tax is recognised in the profit and loss account.

Current tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all temporary differences that have originated, but not reversed at the balance sheet date, where transactions or events have occurred by that date that will result in an obligation to pay more tax or a right to pay less tax in the future with the following exceptions:

- (i) Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which future reversal of the underlying temporary differences can be deducted.
- (ii) Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which temporary differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

GOLDMAN SACHS GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2019

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in these financial statements. The nature of estimation means that actual outcomes could differ from those estimates. In the opinion of management, there were no estimates or judgements made that had a significant effect on amounts recognised in the financial statements.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	Period ended 30 November 2019	Period ended 30 November 2018
	US\$'000	US\$'000
Interest on loans to group undertakings (see notes 11 and 12)	1,295,205	878,798
Interest on Additional Tier 1 notes	742,164	502,788
	<u>2,037,369</u>	<u>1,381,586</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period ended 30 November 2019	Period ended 30 November 2018
	US\$'000	US\$'000
Interest on loans from group undertakings (see notes 13 and 14)	1,285,237	872,198

6. ADMINISTRATIVE EXPENSES

	Period ended 30 November 2019	Period ended 30 November 2018
	US\$'000	US\$'000
Foreign exchange gains	(4)	(117)
Auditors' remuneration - audit services	852	417
Legal and professional fees	3,949	1,852
	<u>4,797</u>	<u>2,152</u>

7. STAFF COSTS

As in the prior period, the company has no employees. All persons involved in the company's operations are employed by a group undertaking and no costs are borne by the company.

8. DIRECTORS' EMOLUMENTS

The directors did not receive any remuneration from the company in the current or prior period and no contributions were made by the company under defined benefit or defined contribution pension schemes. The directors are employed by other group undertakings and their remuneration is borne by those companies and not re-charged. The directors do not consider that more than an incidental amount of their remuneration relates to the qualifying services provided to the company.

GOLDMAN SACHS GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2019

9. TAX ON PROFIT

	Period ended 30 November 2019	Period ended 30 November 2018
	US\$'000	US\$'000
U.K. corporation tax	142,015	95,842
Adjustments in respect of prior periods	(282)	124
Total tax on profit	141,733	95,966

The table below presents a reconciliation between tax on profit and the amount calculated by applying the weighted average rate of U.K. corporation tax applicable to the company for the period of 19% (30 November 2018: 19%) to the profit before taxation.

	Period ended 30 November 2019	Period ended 30 November 2018
	US\$'000	US\$'000
Profit before taxation	1,902,147	3,107,315
Profit multiplied by the weighted average rate in the U.K. of 19% (30 November 2018: 19%)	361,408	590,390
Permanent differences	(212,387)	(494,548)
Tax losses surrendered from group undertakings for nil consideration	(7,006)	-
Adjustments in respect of prior periods	(282)	124
Total tax on profit	141,733	95,966

GOLDMAN SACHS GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2019

10. FIXED ASSET INVESTMENTS

Fixed asset investments, which are unlisted and stated at cost less provision for any impairment, comprise investments in subsidiary undertakings:

	Cost	Provisions for impairment	Net book value
	US\$'000	US\$'000	US\$'000
At 1 January 2018	32,230,867	(96,395)	32,134,272
Additions	2,500,000	-	2,500,000
Distributions	(39)	-	(39)
At 30 November 2018	34,730,828	(96,395)	34,634,433
Additions (see note (i))	340,000	-	340,000
Distributions (see note (ii))	(242,984)	-	(242,984)
Impairments (see note (iii))	-	(4,509)	(4,509)
At 30 November 2019	34,827,844	(100,904)	34,726,940

During the current period, the following movements in fixed asset investments took place:

(i) In January 2019, the company injected capital of US\$340.0 million into Goldman Sachs International, a subsidiary undertaking.

(ii) In December 2018, the company received a distribution of US\$240.0 million from a subsidiary undertaking, Fleet Trade and Transport Limited. It was determined that a proportion of this dividend represented a distribution preceding the appointment of the liquidator of the subsidiary and the company therefore treated US\$224.8 million of this dividend as a return of capital and reduced the value of its investment accordingly. The remainder of the distribution of US\$15.2 million has been recognised in the profit and loss account.

In April 2019 and July 2019, the company received distributions of US\$43.2 million and US\$22.0 million from a subsidiary undertaking, Goldman Sachs Asset Management Global Services Limited. It was determined that a proportion of these dividends represented a distribution preceding the appointment of the liquidator of the subsidiary and the company therefore reduced the value of the investment by US\$18.1 million. The remainder of these distributions, totalling US\$47.1 million has been recognised in the profit and loss account.

During the period, Goldman Sachs Holdings (U.K.) Limited made distributions to the company totalling US\$58,000. These distributions were made whilst the subsidiary was in liquidation and the company therefore reduced the value of the residual investment by US\$58,000.

During the period, the company received distributions of US\$1,000.0 million and US\$97.0 million from subsidiary undertakings, Goldman Sachs International and Goldman Sachs Asset Management International. The total of these dividends of US\$1,097.0 million has been recognised in the profit and loss account.

(iii) During the period, the company recognised an impairment in Goldman Sachs Funding International Limited of US\$4.4 million and Goldman Sachs Holdings (U.K.) Limited of US\$0.1 million.

GOLDMAN SACHS GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2019

10. FIXED ASSET INVESTMENTS (continued)

The subsidiaries, over which the company exercises control, via ordinary shares held directly by the company at the period end, are:

Name of company	Nature of business	Proportion of nominal value held	Class of shares held
Goldman Sachs International ¹	Financial services	100%	Ordinary shares
Goldman Sachs International Bank ¹	Lending and deposit taking activities	100%	Ordinary shares
Goldman Sachs Asset Management International ¹	Asset management company	100%	Ordinary shares
Goldman Sachs Asset Management Global Services Limited ¹	Asset management company	100%	Ordinary shares
Goldman Sachs MB Services Limited ¹	Asset management company	100%	Ordinary shares
Goldman Sachs Group Holdings (U.K.) Limited ¹	Holding company	100%	Ordinary shares
Fleet Trade & Transport Limited ¹	Commodities dealer	100%	Ordinary shares
Nufcor International Limited ¹	Commodities dealer	100%	Ordinary shares
Goldman Sachs Securities (Nominees) Limited ¹	Nominee shareholder	100%	Ordinary shares
Goldman Sachs UK Healthcare Trust Limited ¹	Trustee company	100%	Ordinary shares
Goldman Sachs UK Retirement Plan Pension Trustee Limited ¹	Corporate pension trustee	100%	Ordinary shares
Goldman Sachs Europe Limited ²	Service company	100%	Ordinary shares
Goldman Sachs Funding International Limited ¹	Investment company	100%	Ordinary shares
GS EM Limited ¹	Investment company	100%	Ordinary shares
Goldman Sachs Secretarial Services Limited ¹	Service company	100%	Ordinary shares

GOLDMAN SACHS GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2019

10. FIXED ASSET INVESTMENTS (continued)

The subsidiaries over which the company exercises control via ordinary shares held by or on behalf of other subsidiaries and not held directly by the company, are listed below:

Name of company	Nature of business	Proportion of nominal value held	Class of shares held
Goldman Sachs TK Danismanlik Hizmetleri Anonim Sirketi ³	Service company	100%	Ordinary shares
Broad Street Principal Investments International LTD ⁴	Investment company	100%	Ordinary shares
Broad Street Principal Investments UK LTD ¹	Investment company	100%	Ordinary shares
Rothsay Life (Cayman) Limited ⁴	Investment company	100%	Ordinary shares
GS Liquid Trading Platform II Limited ⁵	Investment company	100%	Ordinary shares
Goldman Sachs Group U.K. Finance Limited ¹	Investment company	100%	Ordinary shares
GS Index Holdings Limited ¹	Investment company	100%	Ordinary shares
GS Index Funding Limited ¹	Investment company	100%	Ordinary shares
European Index Assets B.V. ⁶	Investment company	100%	Ordinary shares
Titanium Capital Co 1 Limited ⁷	Investment company	89.52%	Ordinary shares
ELQ Investors VIII Limited ¹	Investment company	100%	Ordinary shares
Titanium UK Holdco 1 Limited ¹	Investment company	100%	Ordinary shares
Titanium Luxco 2 S.A.R.L. ⁸	Investment company	100%	Ordinary shares
PIL Acquisitions 2 Limited ⁹	Investment company	100%	Ordinary shares
PIL Newbury Limited ⁹	Investment company	100%	Ordinary shares
PIL Uxbridge Limited ⁹	Investment company	100%	Ordinary shares
PIL Clacton Limited ⁹	Investment company	100%	Ordinary shares
Parrot B.V. ¹⁰	Investment company	82.95%	Ordinary shares
Parrot Management B.V. ¹⁰	Investment company	82.95%	Ordinary shares
Obsidian Irish Collective Asset-Management Vehicle ¹¹	Investment company	100%	Ordinary shares
OBSF (I) Limited ¹¹	Investment company	100%	Ordinary shares
Prosta Acquisitions Ltd ¹	Investment company	100%	Ordinary shares
Trinity II Investments SP. Z O.O. ¹²	Investment company	100%	Ordinary shares

GOLDMAN SACHS GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2019

10. FIXED ASSET INVESTMENTS (continued)

Name of company	Nature of business	Proportion of nominal value held	Class of shares held
Sky Mundi S.A.R.L. ⁸	Investment company	100%	Ordinary shares
Prosta Investments SP. Z O.O. ¹²	Investment company	100%	Ordinary shares
ELQ VIII Acquisition S.A.R.L. ⁸	Investment company	100%	Ordinary shares
PIL Holding 2 Limited ⁹	Investment company	99.59%	Ordinary shares
Goldman Sachs Ireland Finance Limited ¹³	In liquidation	100%	Ordinary shares
GS EM (Ireland) Designated Activity Company ¹⁴	Investment company	100%	Ordinary shares
Snow Hill Designated Activity Company ¹⁵	Investment company	100%	Ordinary shares

Registered office address at:

¹ Plumtree Court, 25 Shoe Lane, London, EC4A 4AU, United Kingdom

² First Floor, Jubilee Buildings, Victoria Street, Douglas, IM1 2SH, Isle of Man

³ Buyukdere Caddesi Bina No:209, Tekfen Tower Kat: 8, No:21 ve 22, 4. Levent, Sisli, Istanbul, 34394, Turkey

⁴ P.O. Box 309, Ugland House, South Church Street, George Town, KY1-1104, Cayman Islands

⁵ 13 Castle Street, St Helier, JE4 5UT, Jersey

⁶ Strawinskylaan 1161, Amsterdam, 1077 XX, Netherlands

⁷ 11 Old Jewry, London, EC2R 8DU, United Kingdom

⁸ 2, Rue due Fossé, L-1536, Luxembourg

⁹ 26 New Street, St Helier, JE2 3RA, Jersey

¹⁰ Strawinskylaan 3127, Atrium Building 8th Floor, Amsterdam, 1077 ZX, Netherlands

¹¹ Earlsfort Centre, Earlsfort Terrace, Dublin, 2, Ireland

¹² Zlota 59, Warsaw, 00-120, Poland

¹³ 1 Stokes Place, Saint Stephen's Green, Dublin, 2, Ireland

¹⁴ 1st Floor, 1-2 Victoria Buildings, Haddington Road, Dublin, 4, Ireland

¹⁵ 32 Molesworth Street, Dublin, 2, Ireland

GOLDMAN SACHS GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2019

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 November 2019	30 November 2018
	US\$'000	US\$'000
Short-term loans due from group undertakings	8,341,283	18,271,141
Amounts due from group undertakings	829,216	260,078
Other debtors	389	-
	<u>9,170,888</u>	<u>18,531,219</u>

Amounts due from group undertakings within one year includes US\$0.7 million (30 November 2018: US\$6.8 million) in cash balances held on account by a fellow group undertaking.

Short-term loans due from group undertakings in the current and prior periods include:

- a loan of US\$8,340.9 million (30 November 2018: US\$18,269.2 million) advanced by the company to Goldman Sachs International, a fellow group undertaking, under the terms of an existing loan agreements. The loan is unsecured and carries interest at a variable rate. The loan is repayable 94 days following demand by the company.
- a loan of US\$0.3 million (30 November 2018: US\$1.9 million) advanced by the company to Goldman Sachs Europe Limited, a fellow group undertaking, under the terms of an existing loan agreement. The loan is unsecured and carries interest at a variable rate. The loan is repayable on demand by the company.

12. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30 November 2019	30 November 2018
	US\$'000	US\$'000
Long-term loans due from group undertakings	16,208,871	2,280,406
Long-term subordinated loans due from group undertakings	6,203,000	5,528,000
	<u>22,411,871</u>	<u>7,808,406</u>

Long-term loans due from group undertakings in the current and prior periods include:

- loans of US\$16,079.3 million (30 November 2018: US\$1,422.5 million) advanced by the company to Goldman Sachs International, a fellow group undertaking, under the terms of existing loan agreements. The loans are unsecured, carry interest at variable rates and are repayable in November 2023, September 2026 and September 2038. Certain of these loans require regulatory approval prior to repayment.
- a long-term loan of US\$129.5 million (30 November 2018: US\$857.9 million) advanced by the company to GS EM Limited, a fellow group undertaking, under the terms of an existing loan agreement. The loan is unsecured, carries interest at a variable rate and is repayable in August 2065.

Long-term subordinated loans due from group undertakings in the current and prior periods include:

- subordinated loans of US\$5,377.0 million (30 November 2018: US\$4,702.0 million) advanced by the company to Goldman Sachs International, a fellow group undertaking, under the terms of existing loan agreements.
- a subordinated loan of US\$826.0 million (30 November 2018: US\$826.0 million) advanced by the company to Goldman Sachs International Bank, a fellow group undertaking, under the terms of an existing loan agreement.

The subordinated loans are unsecured, carry interest at a variable rate, and are repayable between December 2024 and September 2025. Any repayment prior to this maturity date requires regulatory approval.

GOLDMAN SACHS GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2019

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 November 2019	30 November 2018
	US\$'000	US\$'000
Short-term loans payable to group undertakings	8,377,509	18,055,130
Amounts due to group undertakings	813,201	351,983
Other creditors and accruals	13,589	12,418
	<u>9,204,299</u>	<u>18,419,531</u>

Short-term loans payable to group undertakings in the current and prior periods include:

- loans of US\$8,377.5 million (30 November 2018: US\$18,055.1 million) advanced to the company by a fellow group undertaking, under the terms of existing loan agreements. The loans are unsecured, carry interest at a variable rate and are repayable 94 days following demand by the lender.

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30 November 2019	30 November 2018
	US\$'000	US\$'000
Long-term loans payable to group undertakings	15,995,367	2,268,263
Long-term subordinated loans payable to group undertakings	4,203,000	5,528,000
Redeemable preferred shares	2,300,000	-
	<u>22,498,367</u>	<u>7,796,263</u>

Long-term loans payable to group undertakings in the current and prior period include:

- loans of US\$15,995.4 million (30 November 2018: US\$2,268.3 million) advanced to the company by group undertakings, under the terms of existing loan agreements. The loans are unsecured, carry interest at a variable rate and are repayable in November 2023, September 2026 and September 2038. Certain of these loans require regulatory approval prior to repayment.

Long-term subordinated loans payable to group undertakings in the current and prior period include:

- loans of US\$4,203.0 million (30 November 2018: US\$5,528.0 million) advanced to the company by a group undertaking under an amended and restated loan agreement. The subordinated loans are unsecured, carry interest at a variable rate, and are repayable in September 2025. Any repayment prior to this maturity date requires regulatory approval.

Redeemable preferred shares in the current period consist of 2,300 million redeemable preferred shares with a nominal value of US\$1, of which 2,000 million were issued during the period and 300 million were transferred from equity (see note 16). The redeemable preferred shares are mandatorily redeemable on 11 July 2029, and are redeemable at the option of the company should this date fall at least five years after the date of issuance. Redemption of the preferred shares earlier than the mandatory redemption date requires regulatory approval.

GOLDMAN SACHS GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2019

15. CALLED UP SHARE CAPITAL

At 30 November 2019 and 30 November 2018 called up share capital comprised:

	30 November 2019		30 November 2018	
	No.	US\$'000	No.	US\$'000
<u>Allotted, called up and fully paid</u>				
Ordinary shares of US\$0.01 each	213,468,400,601	2,134,684	213,468,400,601	2,134,684
		2,134,684		2,134,684

16. PREFERRED SHARES

In July 2019, the company designated 300 million redeemable preferred shares with a nominal value of US\$1 each as mandatorily redeemable. Accordingly these preferred shares are now classified as financial liabilities and included in Creditors: Amounts Falling Due After More Than One Year.

In July 2019, the company paid a preferred dividend of US\$13.2 million (30 November 2018: US\$17.0 million).

17. OTHER EQUITY INSTRUMENTS

The other equity instruments consist of 8,300 unsecured Additional Tier 1 notes (AT1 notes) of \$1 million each issued to a group undertaking for a total consideration of US\$8.3 billion. These were issued in two tranches: 5,800 AT1 notes were issued in June 2017; and 2,500 AT1 notes were issued in November 2018. The AT1 notes have no fixed maturity, are not callable and will be irrevocably written-down in the event that the CET1 capital ratio of the CSGUK group falls below 7%.

The company paid interest of US\$742.2 million on the AT1 notes on 20 November 2019 (20 November 2018: US\$ 502.8 million) after assessing the applicable solvency and regulatory conditions. The amount recognised in shareholder's funds for 2019 was US\$601.2 million, net of tax (20 November 2018: US\$407.3 million).

18. OTHER RESERVES

In 2015, as part of a group reorganisation, the company acquired the entire issued share capital of Broad Street Principal Investments International Limited from Goldman Sachs (UK) L.L.C. As part of this transaction, the company applied section 611 of the Companies Act 2006. As a result, nil share premium was recorded and the remaining difference of US\$132.7 million was credited to other reserves.

In 2016, as part of a group reorganisation, the company acquired the entire issued share capital of ELQ Investors VIII Limited from Goldman Sachs (UK) L.L.C. As part of this transaction, the company applied section 611 of the Companies Act 2006. As a result, share premium of US\$123.1 million was recorded and the remaining difference of US\$50.6 million was credited to other reserves.

19. MERGER RESERVE

The company was incorporated in August 2013. In October 2013, as part of a group reorganisation, the company's immediate parent undertakings contributed the entire share capital of Goldman Sachs Group Holdings (U.K.) Limited to the company in return for the issuance of ordinary shares. The company issued 481,302,166,378 ordinary shares of US\$0.01.

GOLDMAN SACHS GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2019

19. MERGER RESERVE (continued)

As part of this transaction, the company applied section 611 of the Companies Act 2006. As a result, no share premium was recorded and the remaining difference between the nominal value of the shares and the market value, amounting to US\$19,793.6 million, was credited to a non-distributable merger reserve.

20. FINANCIAL COMMITMENTS AND CONTINGENCIES

The company had no financial commitments or contingencies outstanding at period end (30 November 2018: US\$nil).

21. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

The company monitors its capital on an ongoing basis. The company's objective is to be prudently capitalised in terms of the amount and composition of its equity base compared to the company's risk exposures. The appropriate level and composition of equity capital is determined by considering multiple factors including the business environment, conditions in the financial markets and assessments of potential future losses due to adverse changes in market environments.

The company is not subject to any externally imposed capital requirements on a standalone basis.

The directors consider that the most important components of the company's financial risk are market risk, credit risk and liquidity risk. The company, as part of a global group, adheres to global risk management policies and procedures.

a. Market risk

Market risk is the risk of loss in value of financial assets and financial liabilities due to changes in market conditions. Risks are monitored and controlled through strong firmwide oversight and independent control and support functions across the company's business. Relevant market risks for the company are interest rate risk and currency risk.

Interest rate risk results from exposures to changes in level, slope and curvature of yield curves, volatilities of interest rates and credit spreads.

If interest rates had been 0.5 percent higher/lower and all other variables were held constant, the company's profit before taxation for the period ended 30 November 2019 would have been US\$0.7 million higher/lower (30 November 2018: US\$1.1 million). This has been determined by assuming that the company's exposure to interest rate risk at balance sheet date was consistent for the whole period.

The company manages its interest rate and currency risks as part of GS Group's risk management policy by establishing economic hedges as appropriate to the circumstances of the company.

b. Credit risk

Credit risk represents the potential for loss due to the default or deterioration in the credit quality of a counterparty. Credit risk is managed by reviewing the credit quality of the counterparties and reviewing, if applicable, the underlying collateral against which the financial assets are secured. The company's maximum exposure to credit risk is equivalent to the carrying value of its financial assets as at 30 November 2019 and 30 November 2018. The company's credit exposures are described further below:

Credit exposures

Cash at bank and in hand. Cash at bank and in hand refers to interest-bearing deposits. To mitigate the risk of credit loss, the company places substantially all of its deposits with highly-rated banks.

GOLDMAN SACHS GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2019

21. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT (continued)

b. Credit risk (continued)

Debtors. The company is exposed to credit risk from its amounts due from group undertakings, for which the credit risk is considered minimal. As at 30 November 2019, the company had no debtors past due (30 November 2018: US\$nil).

c. Liquidity risk

Liquidity risk is the risk that the company does not have sufficient cash or collateral to make payments to its counterparties as they fall due. The company manages its liquidity risk in accordance with GS Group's comprehensive and conservative set of liquidity and funding policies to address both company specific and broader industry or market liquidity events.

22. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

a. Financial assets and financial liabilities by category

All financial assets are categorised as amortised cost in the current and prior period. All financial liabilities are held at amortised cost in the current and prior period.

b. Fair value of financial assets and financial liabilities not measured at fair value

The company has US\$9,221.5 million (30 November 2018: US\$18,584.9 million) of current financial assets and US\$9,204.3 million (30 November 2018: US\$18,419.5 million) of current financial liabilities that are not measured at fair value. Given the short-term nature of these instruments, their carrying amounts in the balance sheet are a reasonable approximation of fair value.

The company has financial assets of US\$22,411.9 million (30 November 2018: US\$7,808.4 million) and financial liabilities US\$22,498.4 million (30 November 2018: US\$7,796.3 million) which are due after more than one year that are not measured at fair value and predominantly relate to long-term intercompany borrowings. The interest rate associated with such borrowings is variable in nature and approximates prevailing market interest rates for instruments with similar terms and characteristics. As such, the carrying amount in the balance sheet is a reasonable approximation of fair value.

GOLDMAN SACHS GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2019

22. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

c. Maturity of financial liabilities

The tables below present the undiscounted cash flows of the company's financial liabilities by contractual maturity including interest that will accrue.

	30 November 2019					Total US\$'000
	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years	
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
Financial liabilities						
Creditors: amounts falling due within one year	901,973	-	8,452,857	-	-	9,354,830
Creditors: amounts falling due after one year	-	122,293	366,879	16,912,775	6,751,216	24,153,163
Total - on balance sheet	901,973	122,293	8,819,736	16,912,775	6,751,216	33,507,993

	30 November 2018					Total US\$'000
	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years	
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
Financial liabilities						
Creditors: amounts falling due within one year	364,401	-	18,227,359	-	-	18,591,760
Creditors: amounts falling due after one year	-	20,113	60,338	3,336,272	5,795,002	9,211,725
Total - on balance sheet	364,401	20,113	18,287,697	3,336,272	5,795,002	27,803,485

23. NON-ADJUSTING POST BALANCE SHEET EVENTS

Since the balance sheet date there has been a global outbreak of a coronavirus disease (COVID-19) which has caused widespread disruption to financial markets and normal patterns of business activity across the world. The COVID-19 pandemic has created significant uncertainty regarding the operating environment for the remainder of 2020 and possibly longer, as the duration and future course of the pandemic cannot be predicted at this time. A sustained period of weak economic conditions as a result of the pandemic would be detrimental to the company and the wider GSGUK group as it would negatively affect factors that are important to their financial performance.