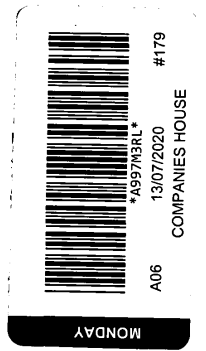


Company Number: 10829986



GOLDMAN SACHS FUNDING INTERNATIONAL LIMITED

ANNUAL REPORT

31 DECEMBER 2019

GOLDMAN SACHS FUNDING INTERNATIONAL LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2019. A strategic report has not been prepared as the company is entitled to the small companies exemption under section 414B of the Companies Act 2006.

1. Introduction

Goldman Sachs Funding International Limited (the company) was established to act as an investment company.

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. In relation to the company, 'group undertaking' means Group Inc. or any of its subsidiaries. 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.

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 financial statements have been drawn up for the year ended 31 December 2019. Comparative information has been presented for the year ended 31 December 2018. The results for the year are shown in the profit and loss account on page 6. Loss before taxation for the year ended 31 December 2019 was US\$4.0 million (2018: US\$2.1 million).

The company had total assets of US\$143.0 million (31 December 2018: US\$1,176.6 million).

3. Future outlook

The directors consider that the year-end financial position of the company was satisfactory. The company is in the process of winding down its current transaction, however, it will continue to assess future opportunities available to the company.

In December 2019, an outbreak of a coronavirus disease (COVID-19) emerged globally and became more widespread in 2020. The extent of the impact of COVID-19 on the company's operational and financial performance will depend on future developments, including the duration and continued spread of the outbreak.

On the 14th of April 2020, the company cancelled 120 million ordinary shares of US\$1 each and subsequently paid an interim dividend of US\$78.0 million to its sole shareholder, Goldman Sachs Group UK Limited.

4. Dividends

The directors do not recommend the payment of a dividend in respect of the year (2018: US\$nil).

5. Exchange rate

The British pound / U.S. dollar exchange rate at the balance sheet date was £ / US\$1.3265 (31 December 2018: £ / US\$1.2743). The average rate for the year was £ / US\$1.2792 (2018: £ / US\$1.3297).

6. 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. 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 16 of the financial statements.

GOLDMAN SACHS FUNDING INTERNATIONAL LIMITED

DIRECTORS' REPORT (continued)

7. 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.

8. Independent auditors

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

9. Directors

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

Name
T. Moscoso
K. G. Purtell
G. Ramani

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

10. Statement of directors' responsibilities

The directors are responsible for preparing the 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 as 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.

GOLDMAN SACHS FUNDING INTERNATIONAL LIMITED

DIRECTORS' REPORT (continued)

11. Date of authorisation of issue

The financial statements were authorised for issue by the Board of Directors on 2 July 2020.

ON BEHALF OF THE BOARD

Kenneth G Purtell

K. G. Purtell
Director

**Independent auditors' report to the members of
Goldman Sachs Funding International Limited**

Report on the audit of the financial statements

Opinion

In our opinion, Goldman Sachs Funding International Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year 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 31 December 2019; the profit and loss account and the statement of changes in equity for the year then 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 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 Funding International Limited**

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 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 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 the directors' responsibilities set out on page 2, 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.



Mike Wallace (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
3 July 2020

GOLDMAN SACHS FUNDING INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2019

		Year ended 31 December 2019	Year ended 31 December 2018
	Note	US\$'000	US\$'000
Net revenues		797	3,399
Interest payable and similar expenses	4	(4,731)	(5,526)
Administrative expenses	5	(88)	47
OPERATING LOSS AND LOSS BEFORE TAXATION		(4,022)	(2,080)
Tax on loss	8	78	222
LOSS FOR THE FINANCIAL YEAR		(3,944)	(1,858)

The operating losses of the company are derived from continuing operations in the current and prior years.

The company has no recognised gains and losses other than those included in the profit and loss account for the years 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 FUNDING INTERNATIONAL LIMITED

BALANCE SHEET

as at 31 December 2019

	Note	31 December 2019 US\$'000	31 December 2018 US\$'000
CURRENT ASSETS			
Financial instruments owned	9	91,365	1,121,876
Debtors	10	13,879	53,240
Cash at bank and in hand		37,719	1,461
		142,963	1,176,577
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	(27,209)	(5,875)
NET CURRENT ASSETS		115,754	1,170,702
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
Collateralised financings with group undertakings	12	-	(860,516)
Other creditors	13	-	(190,488)
		-	(1,051,004)
NET ASSETS		115,754	119,698
CAPITAL AND RESERVES			
Called up share capital	14	120,000	120,000
Profit and loss account		(4,246)	(302)
TOTAL SHAREHOLDER'S FUNDS		115,754	119,698

The financial statements were approved by the Board of Directors on 2 July 2020 and signed on its behalf by:

Kenneth G Purtell

K. G. Purtell
Director

The accompanying notes are an integral part of these financial statements.
Company number: 10829986

GOLDMAN SACHS FUNDING INTERNATIONAL LIMITED

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2019

	Called up share capital US\$'000	Profit and loss account US\$'000	Total shareholder's funds US\$'000
Balance at 1 January 2018	120,000	1,556	121,556
Loss for the financial year	-	(1,858)	(1,858)
Balance at 31 December 2018	120,000	(302)	119,698
Loss for the financial year	-	(3,944)	(3,944)
Balance at 31 December 2019	120,000	(4,246)	115,754

No dividends were paid in 2019 and 2018.

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

GOLDMAN SACHS FUNDING INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 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, United Kingdom.

The company's immediate parent undertaking is Goldman Sachs Group UK Limited (GSG UK), a company incorporated and domiciled in England and Wales.

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

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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 the 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) IFRS 15 'Revenue from Contracts with Customers', second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129;
- (iii) IAS 1 'Presentation of Financial Statements' paragraphs 38 to present comparative information in respect of IAS 1 'Presentation of Financial Statements' paragraphs 79(a)(iv);
- (iv) IAS 1 'Presentation of Financial Statements' paragraphs 10(d), 10(f), 16, 38(a)-(d), 40(a)-(d), and 111;
- (v) IAS 7 'Statement of Cash Flows';
- (vi) IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' paragraphs 30 and 31;
- (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 consolidated financial statements as permitted by section 401 of the Companies Act 2006.

GOLDMAN SACHS FUNDING INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2019

2. ACCOUNTING POLICIES (continued)

b. Revenue recognition

Net revenues have been disclosed instead of turnover as this more meaningfully reflects the nature and results of the company's activities. Net revenues include the net profit arising from transactions in securities and other financial instruments. This is inclusive of associated interest as well as fair value movements on securities and other financial instruments.

c. 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.

d. 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 prevailing at the balance sheet date. Foreign exchange gains and losses are recognised in the profit and loss account.

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, including derivative instruments, 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 ownership of the financial asset or if the company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but does not retain control. Financial liabilities are derecognised only when they are extinguished (i.e. when the obligation specified in the contract is discharged or cancelled or expires).

GOLDMAN SACHS FUNDING INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2019

2. ACCOUNTING POLICIES (continued)

f. Financial assets and financial liabilities (continued)

(ii) Classification and measurement

Financial assets comprise all of the company's current assets with the exception of corporation tax receivables, and financial liabilities comprise all of the company's creditors.

The company classifies financial assets into the below categories on the basis of both the company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. The business model reflects how the company manages particular groups of assets in order to generate future cash flows. Where the business model is to hold the assets to collect contractual cash flows, the company subsequently assesses whether the cash flows represent solely payments of principal and interest.

• Financial assets measured at amortised cost

Financial assets that are held for the collection of contractual cash flows and have cash flows that represent solely payments of principal and interest are measured at amortised cost, unless they are designated at fair value through profit or loss. The company considers whether the cash flows represent basic lending arrangements and where contractual terms introduce exposure to risk or volatility inconsistent with a basic lending arrangement, the financial asset is classified and measured at fair value through profit or loss.

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.

• Financial assets mandatorily measured at fair value through profit or loss

Financial assets that do not meet the criteria for amortised cost are mandatorily measured at fair value through profit or loss. Such financial assets are initially measured at fair value and subsequently at fair value through profit or loss, with gains or losses recognised in net revenues.

The company classifies its financial liabilities into the below categories. The classification, which is determined at initial recognition, depends on the purpose for which they were acquired or originated.

• Financial liabilities designated at fair value through profit or loss

Financial liabilities designated at fair value through profit or loss comprise collateralised financings due to group undertakings. These financial liabilities are designated at fair value as they are managed and their performance is evaluated on a fair value basis. Financial liabilities designated at fair value through profit or loss are initially measured at fair value and subsequently at fair value through profit or loss, with the changes in fair value attributable to the changes in own credit risk being recognised in other comprehensive income, if it does not create or enlarge accounting mismatch.

GOLDMAN SACHS FUNDING INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2019

2. ACCOUNTING POLICIES (continued)

f. Financial assets and financial liabilities (continued)

(ii) Classification and measurement (continued)

• **Financial liabilities measured at amortised cost**

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 method (see above). Finance costs, including discounts allowed on issue, are recorded in interest payable and similar expenses.

(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, other financial assets and financial liabilities are presented on a gross basis on the balance sheet.

g. Current and deferred tax

The tax expense for the year comprises 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.

h. Interest in subsidiary

The company has an interest in a special purpose entity which does not meet the definition of a legal subsidiary, but gives rise to the risks and rewards that are, in substance, no different than if they were legal subsidiaries. The activities of this special purpose entity consist of the issuance of loan notes under the terms of a securitization programme.

The special purpose entity is consolidated in the financial statements of Group Inc.

GOLDMAN SACHS FUNDING INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 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 judgements made that had a significant effect on amounts recognised in the financial statements.

4. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year ended 31 December 2019 US\$'000	Year ended 31 December 2018 US\$'000
Interest on loan from group undertakings (See note 13)	4,731	5,526

5. ADMINISTRATIVE EXPENSES

	Year ended 31 December 2019 US\$'000	Year ended 31 December 2018 US\$'000
Foreign exchange gains	(83)	(95)
Auditors' remuneration - audit services	90	35
Other administrative expenses	81	13
	88	(47)

6. STAFF COSTS

As in the prior year, the company has no employees. All persons involved in the company's operations are employed by fellow group undertakings and no costs are borne by the company.

7. DIRECTORS' EMOLUMENTS

The directors did not receive any remuneration from the company in the current or prior years and no contributions were made by the company under defined benefit or defined contribution pension schemes (2018: nil). 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 FUNDING INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2019

8. TAX ON LOSS

	Year ended 31 December 2019	Year ended 31 December 2018
	US\$'000	US\$'000
Current tax:		
U.K. corporation tax	(60)	(222)
Adjustment in respect of prior periods	(18)	-
Total tax on loss	(78)	(222)

The company has surrendered its losses for the current year under group relief arrangements.

The table below presents a reconciliation between tax on loss and the amount calculated by applying the standard rate of U.K. corporation tax applicable to the company for the year of 19% (2018: 19%) to the loss before taxation.

	Year ended 31 December 2019	Year ended 31 December 2018
	US\$'000	US\$'000
Loss before taxation	(4,022)	(2,080)
Loss multiplied by the standard rate in the U.K. of 19% (2018: 19%)	(764)	(395)
Tax losses surrendered to group undertakings for nil consideration	764	-
Exchange differences	64	173
Permanent differences	(124)	-
Adjustment in respect of prior periods	(18)	-
Total tax on loss	(78)	(222)

9. FINANCIAL INSTRUMENTS OWNED

Financial instruments owned includes include debt securities and other debt obligations. See note 17 for further information. The table below presents the company's financial instruments owned.

	31 December 2019	31 December 2018
	US\$'000	US\$'000
Debt securities	87,910	761,574
Other debt obligations	3,455	360,302
	91,365	1,121,876

GOLDMAN SACHS FUNDING INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2019

10. DEBTORS

Debtors, all of which are due within one year of the balance sheet date comprise:

	31 December 2019	31 December 2018
	US\$'000	US\$'000
Amounts due from group undertakings	13,362	52,455
Corporation tax receivable	124	408
Group relief receivable	393	377
	<u>13,879</u>	<u>53,240</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2019	31 December 2018
	US\$'000	US\$'000
Amounts due to group undertakings	27,200	5,493
Group relief payable	9	382
	<u>27,209</u>	<u>5,875</u>

12. COLLATERALISED FINANCINGS WITH GROUP UNDERTAKINGS

	31 December 2019	31 December 2018
	US\$'000	US\$'000
Repurchase agreements	-	440,572
Other borrowings	-	419,944
	<u>-</u>	<u>860,516</u>

Other borrowings consist of transfers of corporate loan assets accounted for as financings rather than sales as they did not meet the criteria for derecognition.

13. OTHER CREDITORS

	31 December 2019	31 December 2018
	US\$'000	US\$'000
Long-term loan due to group undertakings	-	190,488

The prior year comprises a loan advanced by The Goldman Sachs Group, Inc. which was unsecured and carried interest at a variable margin over the U.S. Federal Reserve's federal funds rate. The loan was repayable at the earlier of 367 days from when the lender demands repayment or 10 August 2046. The loan was repaid in 2019.

GOLDMAN SACHS FUNDING INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2019

14. CALLED UP SHARE CAPITAL

At 31 December 2019 and 31 December 2018 called up share capital comprised:

	31 December 2019		31 December 2018	
	No.	US\$'000	No.	US\$'000
<u>Allotted, called up and fully paid</u>				
Ordinary shares of \$1 each	120,000,001	120,000	120,000,001	120,000

15. FINANCIAL COMMITMENTS AND CONTINGENCIES

The company has no financial commitments and contingencies outstanding at the year end (31 December 2018: US\$nil).

16. 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.

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 investments, as well as certain other 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.

GOLDMAN SACHS FUNDING INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2019

16. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT (continued)

a. Market risk (continued)

If interest rates had been 0.5 percent higher/lower and all other variables were held constant, the company's loss before taxation for the year ended 31 December 2019 would have been US\$0.6 million lower/higher (2018: US\$0.6 million). This has been determined by assuming that the company's exposure to interest rate risk at the balance sheet date was consistent for the whole year.

Currency risk results from exposures to changes in spot prices, forward prices and volatilities of currency rates.

The company's functional currency is the U.S. dollar. At 31 December 2019, the company had no material net exposures to other currencies (31 December 2018: nil).

The company manages its interest rate and currency risks as part of GS Group's risk management policy.

In addition to applying business judgement, senior management uses a number of quantitative tools to manage the company's exposure to market risk for financial instruments. These tools include risk limits based on a summary measure of market risk exposure referred to as Value-at-Risk (VaR) which are updated and monitored on a daily basis.

b. Credit risk

Credit risk represents the potential for loss due to the default or deterioration in the credit quality of 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 financial instruments owned are captured as a component of market risk measures in the company's risk management procedures. For debtors and cash at bank and in hand, the company's maximum exposure to credit risk is equivalent to the carrying value of these financial assets as at 31 December 2019 and 31 December 2018.

c. Liquidity risk

Liquidity risk is the risk that the company does not have sufficient cash or collateral to make payments to its counterparties or customers 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.

GOLDMAN SACHS FUNDING INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2019

17. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

a. Financial assets and financial liabilities by category

The table below presents the carrying value of the company's financial assets and financial liabilities by category:

Financial assets	31 December 2019			
	Mandatorily at fair value	Designated at fair value	Amortised cost	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Financial instruments owned	91,365	-	-	91,365
Debtors	-	-	13,755	13,755
Cash at bank and in hand	-	-	37,719	37,719
	91,365	-	51,474	142,839

Financial liabilities	Designated at fair value	Amortised cost	Total
	US\$'000	US\$'000	US\$'000
	Creditors: amounts falling due within one year	-	27,209
Creditors: amounts falling due after more than one year	-	-	-
-Collateralised financings with group undertakings	-	-	-
-Other creditors	-	-	-
	-	27,209	27,209

Financial assets	31 December 2018			
	Mandatorily at fair value	Designated at fair value	Amortised cost	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Financial instruments owned	1,121,876	-	-	1,121,876
Debtors	-	-	53,132	53,132
Cash at bank and in hand	-	-	1,461	1,461
	1,121,876	-	54,593	1,176,469

Financial liabilities	Designated at fair value	Amortised cost	Total
	US\$'000	US\$'000	US\$'000
	Creditors: amounts falling due within one year	-	5,875
Creditors: amounts falling due after more than one year	860,516	-	860,516
-Collateralised financings with group undertakings	-	190,488	190,488
-Other creditors	-	-	-
	860,516	196,363	1,056,879

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2019

17. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

b. Fair value hierarchy

FRS 101 has a three level fair value hierarchy for disclosure of fair value measurements. The fair value hierarchy prioritises inputs to the valuation techniques used to measure fair value, giving the highest priority to level 1 inputs and lowest priority to level 3 inputs. A financial instrument's level in the fair value hierarchy is based on the lowest level of any input that is significant to its fair value measurement.

The fair value hierarchy is as follows:

- Level 1 - Inputs are unadjusted quoted prices in active markets to which GS Group has access at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 - Inputs to valuation techniques are observable, either directly or indirectly.
- Level 3 - One or more inputs to valuation techniques are significant and unobservable.

The fair values for all of the company's financial assets and financial liabilities are based on observable prices and inputs and are classified in level 2 of the fair value hierarchy. Certain level 2 financial assets and financial liabilities may require appropriate valuation adjustments that a market participant would require to arrive at fair value for factors such as counterparty and the company's and GS Group's credit quality, funding risk, transfer restrictions, liquidity and bid/offer spreads. Valuation adjustments are generally based on market evidence.

c. Valuation techniques and significant inputs

Level 2 financial instruments can be verified to quoted prices, recent trading activity for identical or similar instruments, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency. Consideration is given to the nature of the quotations (e.g. indicative or firm) and the relationship of recent market activity to the prices provided from alternative pricing sources.

Valuation adjustments are typically made to level 2 financial instruments (i) if the financial instrument is subject to transfer restrictions and/or (ii) for other premiums and liquidity discounts that a market participant would require to arrive at fair value. Valuation adjustments are generally based on market evidence.

GOLDMAN SACHS FUNDING INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2019

17. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

d. Fair value of financial assets and financial liabilities by level

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

	As of 31 December 2019			
	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Financial assets at fair value				
Financial instruments owned	-	91,365	-	91,365
	-	91,365	-	91,365
Financial liabilities at fair value				
Creditors: amounts falling due after more than one year				
-Collateralised financings with group undertakings	-	-	-	-
	-	-	-	-

	As of 31 December 2018			
	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Financial assets at fair value				
Financial instruments owned	-	1,121,876	-	1,121,876
	-	1,121,876	-	1,121,876
Financial liabilities at fair value				
Creditors: amounts falling due after more than one year				
-Collateralised financings with group undertakings	-	860,516	-	860,516
	-	860,516	-	860,516

During 2019 and 2018, there were no significant transfers between level 1 and level 2 financial assets and financial liabilities measured at fair value on a recurring basis.

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

The company has US\$51.5 million (31 December 2018: US\$54.6 million) of current financial assets and US\$27.2 million (31 December 2018: US\$5.9 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 US\$nil (31 December 2018: US\$190.5 million) of financial liabilities due after more than one year that are not measured at fair value and 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.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2019

17. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

f. 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.

	31 December 2019					Total US\$'000
	Less than 1 month US\$'000	1-3 months US\$'000	3 months to 1 year US\$'000	1-5 years US\$'000	5+ years US\$'000	
Financial liabilities						
Creditors: amounts falling due within one year	27,209	-	-	-	-	27,209
Creditors: amounts falling due after more than one year:						
-Collateralised financings with group undertakings	-	-	-	-	-	-
-Other creditors	-	-	-	-	-	-
	27,209	-	-	-	-	27,209

	31 December 2018					Total US\$'000
	Less than 1 month US\$'000	1-3 months US\$'000	3 months to 1 year US\$'000	1-5 years US\$'000	5+ years US\$'000	
Financial liabilities						
Creditors: amounts falling due within one year	5,875	-	-	-	-	5,875
Creditors: amounts falling due after more than one year:						
-Collateralised financings with group undertakings	-	-	-	440,572	419,944	860,516
-Other creditors	6,597	-	7,558	183,891	-	198,046
	12,472	-	7,558	624,463	419,944	1,064,437

g. Collateral received and pledged

The company pledges certain financial instruments owned in connection with repurchase agreements and other secured financings to counterparties who may or may not have the right to deliver or repledge.

The company's financial instruments owned pledged to counterparties that had the right to deliver or repledge was US\$nil (31 December 2018: US\$891.1 million).

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18. 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. At the date of signing the company had not incurred any material financial impact associated to COVID-19 however, in view of its evolving nature it is not currently possible to estimate any potential future financial effects of COVID-19 on the company.

On the 14th of April 2020, the company cancelled 120 million ordinary shares of US\$1 each and subsequently paid an interim dividend of US\$78.0 million to its sole shareholder, Goldman Sachs Group UK Limited.