



Goldman Sachs Group UK Limited

Country by  
Country  
Reporting

For the year ended December 31, 2014

## **Introduction**

The Goldman Sachs Group, Inc. (“Group Inc.” or “the firm”) 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 high-net-worth individuals.

Goldman Sachs Group UK Limited (“GSGUK”) is a wholly owned subsidiary of Group Inc. and, together with its subsidiary undertakings, forms the “UK Group”.

The majority of the business activity in the UK Group is conducted through legal entities incorporated in the United Kingdom and regulated by the Prudential Regulation Authority (PRA), including Goldman Sachs International (GSI), the firm’s broker dealer in Europe, Middle East and Africa (“EMEA”) region, and Goldman Sachs International Bank (GSIB), the firm’s UK registered bank. The UK Group also operates a number of branches, predominantly across other countries in EMEA, to provide financial services to clients in those regions.

The UK Group is supervised on a consolidated basis by the PRA and is required to comply with the provisions of Statutory Instrument 2013 No. 3118 Capital Requirements (Country-by-Country-Reporting) Regulations 2013. These regulations have been transposed into UK law to impose certain reporting obligations on institutions within the United Kingdom within the scope of the Capital Requirements Directive (CRD IV).

### **Overview of the table**

Table 1 below presents the UK Group’s turnover, profit / (loss) before tax, accounting tax expense, cash tax paid and number of employees, allocated on the basis of each entity’s tax domicile.

Turnover has been interpreted as net revenue and gives an illustration of the size of business in each country. Turnover is disclosed in accordance with local accounting requirements in each country resulting in an element of double counting across regions. These differences are adjusted for at the bottom of the table.

Corporation tax paid represents actual payments made in each country during 2014. Corporation tax paid in any given year does not generally relate to the profits earned in the same 12 month period, as tax on profits is paid across multiple years, and taxable profits are calculated based on tax legislation and can differ from accounting profits.

Employee numbers represent average full time equivalent employees including directors, consultants and temporary staff, consistent with the approach utilised in the audited financial statements of the subsidiaries of the UK Group.

**Table 1: Country by Country Reporting for the year ended 31 December 2014**

As shown below, the majority of the UK Group's profit before tax arises in the United Kingdom. In 2014, the UK Group reported tax expense of \$461 million on accounting profits of \$2,170 million, resulting in an effective tax rate of 21.2%. The cash tax paid in 2014 was lower than the tax expense due primarily to timing differences in when the tax payments fall due, and a deferred tax charge on share-based compensation for which higher taxes have been paid in prior years.

The UK Group received no public subsidies during 2014.

*\$ in thousands*

<b>Country</b>	<b>Net Revenue</b>	<b>Profit / (loss) before tax</b>	<b>Corporation tax paid / (received)</b>	<b>Average number of employees</b>
United Kingdom	6,355,182	1,980,238	26,645	5,388
Spain	60,477	42,906	16,938	24
United Arab Emirates	56,560	5,141	-	48
Germany	45,858	2,594	3,243	40
Italy	36,693	17,368	6,121	25
Cayman Islands	18,633	99,307	-	-
Republic of Korea	11,747	335	134	31
Netherlands	9,107	6,845	1,043	5
Brazil	7,681	17,641	-	-
China	7,315	673	-	2
Monaco	5,230	2,506	381	3
Isle of Man	4,132	(128)	-	-
Poland	3,668	79	167	30
Sweden	2,723	(1,833)	3,721	4
Republic of Ireland	1,960	1,589	(746)	2
South Africa	1,863	(5,903)	2,098	14
Luxembourg	1,122	643	128	-
Qatar	493	41	4	1
Switzerland	388	(844)	23	1
Belgium	98	-	-	-
Turkey	82	519	3	2
UK Group consolidation adjustments	(60,577)	-	-	-
<b>TOTAL</b>	<b>6,570,435</b>	<b>2,169,717</b>	<b>59,903</b>	<b>5,620</b>



**Country by Country Reporting**

<b>JURISDICTION</b>	<b>LIST OF ENTITIES</b>	<b>DESCRIPTION OF ACTIVITIES</b>
<b>Italy</b>	Goldman Sachs International - Filiale Italiana	Branch of a securities dealer
<b>Isle of Man</b>	Goldman Sachs Europe Limited Paternoster Limited	Service company Holding company
<b>Korea</b>	Goldman Sachs International Bank Seoul Branch	Branch of a UK regulated bank
<b>Luxembourg</b>	Pumbaa Luxembourg S.A.R.L.	Investment company
<b>Monaco</b>	Goldman Sachs (Monaco) S.A.M.	Fund manager
<b>Netherlands</b>	Goldman Sachs International, Amsterdam Branch	Branch of a securities dealer
<b>Poland</b>	Ipopema 80 FunduszInwestycyjny Zamkniety Goldman Sachs International Oddzial W Polsce	Investment fund Branch of a securities dealer
<b>Qatar</b>	Goldman Sachs International - Qatar Branch	Branch of a securities dealer
<b>Republic of Ireland</b>	Goldman Sachs International, Ireland Branch Goldman Sachs Ireland Finance Limited Goldman Sachs Ireland Holdings Limited	Branch of a securities dealer Investment company In liquidation
<b>Spain</b>	Goldman Sachs International Sucursal En Espana	Branch of a securities dealer
<b>South Africa</b>	Goldman Sachs International Inc In England - Johannesburg Branch	Branch of a securities dealer
<b>Sweden</b>	Goldman Sachs International - Stockholm Branch	Branch of a securities dealer
<b>Switzerland</b>	Goldman Sachs International, London, Vertretung in Zurich	Representation office of a securities dealer
<b>Turkey</b>	Goldman Sachs TK Danışmanlık Hizmetleri A.Ş.	Advisory services
<b>United Arab Emirates</b>	Goldman Sachs International - Dubai Branch	Branch of a securities dealer

\* The list of entities does not include subsidiaries that have no impact on the revenue, profit before tax, corporation tax or number of employees disclosed. These subsidiaries are disclosed in GSGUK's annual accounts for 2014.

\*\* As at 31 December 2014, the entity no longer consolidated into the UK Group.



## **Independent auditors' report to the Directors of Goldman Sachs Group UK Limited**

We have audited the accompanying schedule of Goldman Sachs Group UK Limited for the year ended 31 December 2014 ("the schedule"). The schedule has been prepared by the directors based on the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

### **Directors' Responsibility for the schedule**

The directors are responsible for the preparation of the schedule in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013, for the appropriateness of the basis of preparation and the interpretation of the Regulations as they affect the preparation of the schedule, and for such internal control as the directors determine is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the schedule based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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**Opinion**

In our opinion, the country-by-country information in the schedule as at 31 December 2014 is prepared, in all material respects, in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

**Basis of Preparation and Restriction on Distribution**

Without modifying our opinion, we draw attention to the introduction to the schedule, which describes the basis of preparation. The schedule is prepared to assist the directors to meet the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013. As a result, the schedule may not be suitable for another purpose.

Our report is intended solely for the benefit of the directors of Goldman Sachs Group UK Limited. We do not accept or assume any responsibility or liability to any other party save where terms are agreed between us in writing.

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29 September 2015