



Goldman Sachs Group UK Limited

Liquidity  
Coverage  
Ratio  
Disclosure

For the year ended December 31, 2018

**Pillar 3 Disclosures: Liquidity Coverage Ratio Disclosure****TABLE OF CONTENTS**

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## Introduction

### Overview

The Goldman Sachs Group, Inc. (Group Inc. or parent company), a Delaware corporation, together with its consolidated subsidiaries (collectively, the firm), is a leading global 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. Goldman Sachs Group UK Limited (GSGUKL) is a wholly owned subsidiary of Group Inc.. When we use the terms “Goldman Sachs” and “the firm”, we mean Group Inc. and its consolidated subsidiaries and when we use the terms “GSGUK”, “we”, “us” and “our”, we mean GSGUKL and its consolidated subsidiaries.

GSGUK is supervised on a consolidated basis by the Prudential Regulation Authority (PRA). Certain subsidiaries of GSGUK are regulated by the Financial Conduct Authority (FCA) and the PRA.

The financial year for the UK Companies was 1 January 2018 through to 30 November 2018. The following disclosure however continues to reflect a twelve-month period, from 1 January 2018 through to 31 December 2018.

GSGUK and its major subsidiaries are subject to the liquidity requirements as set out in the European Commission Delegated Regulation 2015/61 (Liquidity Coverage Ratio (LCR) Delegated Act) and other applicable guidelines as set by the PRA. When we use the term “liquidity standards”, we refer to the aforementioned regulations. The liquidity standards set forth minimum liquidity levels designed to ensure that credit institutions and investment firms maintain adequate amount of liquid assets to withstand a 30 calendar-day stress scenario.

This information is designed to satisfy the disclosure of liquidity risk management under Article 435 of Regulation (EU) No 575/2013. The EBA guidelines on LCR disclosure (EBA/GL/2017/01) require firms to disclose, on an annual basis, the average monthly LCR for the trailing twelve months, as well as quantitative and qualitative information on certain components of a firm’s LCR. This information should be read in conjunction with Group Inc.’s most recent Annual Report on Form 10-K for the year ended December 31, 2018.

### Liquidity Management

Liquidity risk is the risk that we will be unable to fund GSGUK or meet our liquidity needs in the event of firm-specific, broader industry or market liquidity stress events. We have in place a comprehensive and conservative set of liquidity and funding policies. Our principal objective is to be able to fund GSGUK and to enable our core businesses to continue to serve clients and generate revenues, even under adverse circumstances.

We manage liquidity risk according to three principles: (i) hold sufficient excess liquidity in the form of Global Core Liquid Assets (GCLA) to cover outflows during a stressed period, (ii) maintain appropriate Asset-Liability Management, and (iii) maintain a viable Contingency Funding Plan.

For information about Group Inc.’s internal Liquidity Risk Management framework, see “Risk Management – Liquidity Risk Management” in Part I, Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the firm’s Annual Report on Form 10-K.

Treasury, which reports to our chief financial officer, has primary responsibility for developing, managing and executing our liquidity and funding strategy within our risk appetite.

Liquidity Risk Management, which is independent of our revenue-producing units and Treasury, and reports to our chief risk officer, has primary responsibility for assessing, monitoring and managing our liquidity risk through firmwide oversight and the establishment of stress testing and limits frameworks.

We use liquidity limits at various levels and across liquidity risk types to manage the size of our liquidity exposures. Limits are measured relative to acceptable levels of risk given our liquidity risk tolerance. The purpose of these limits is to assist senior management in monitoring and controlling our overall liquidity profile.

**Pillar 3 Disclosures: Liquidity Coverage Ratio Disclosure**

Based on the results of our internal liquidity risk models, as well as consideration of other factors including, but not limited to, an assessment of our potential intraday liquidity needs and a qualitative assessment of the condition of the financial markets and GSGUK, we believe that our liquidity position as of December 31, 2018 was appropriate.

**Compliance with Liquidity Requirements**

The PRA guidelines require that a firm maintains LCR that is no less than 100%. In addition, the PRA may require a firm to hold additional liquidity for risks not covered in the LCR Delegated Act, referred to as Pillar 2 risks. A firm's HQLA is expected to be available for use to address liquidity needs in a time of stress, which could result in a firm's LCR dropping below the applicable requirement. The liquidity standards also set forth a supervisory framework for addressing LCR shortfalls that is intended to enable supervisors to monitor and respond appropriately to the unique circumstances that give rise to a firm's LCR shortfall.

This information is based on our current interpretation and understanding of the liquidity standards and the EBA guidelines on LCR Disclosure and may evolve as we discuss the interpretation and application of these rules with our regulators. Table 7 (lines 1 through 23) presents GSGUK's LCR in the format provided in the EBA guidelines on LCR Disclosure. Tables 1 through 6 present a supplemental breakdown of GSGUK's LCR components. Tables 8 and 9 present a summarised disclosure template for Goldman Sachs International (GSI) and Goldman Sachs International Bank (GSIB), respectively.

**Liquidity Coverage Ratio**

The liquidity standards require a firm to maintain an amount of high-quality liquid assets (HQLA) sufficient to meet stressed net cash outflows (NCOs) over a prospective 30 calendar-day period. The LCR is calculated as the ratio of HQLA to NCOs.

The table below presents a summary of our trailing twelve month average monthly LCR for the period ended December 31, 2018.

**Table 1: Liquidity Coverage Ratio**

<i>\$ in millions</i>	<b>Twelve Months Ended December 2018</b>
	<b>Average Weighted</b>
Total high-quality liquid assets	<b>\$76,915</b>
Net cash outflows	<b>\$33,416</b>
Liquidity coverage ratio <sup>1</sup>	<b>231%</b>

1. The ratio reported in this row is calculated as average of the monthly LCRs for the trailing twelve months and may not equal the calculation of ratio using component amounts reported in "Total high-quality liquid assets" and "Net cash outflows".

In the table above, the average weighted Total HQLA balance reflects the application of haircuts prescribed in the liquidity standards as described in the HQLA section.

The average weighted Total HQLA held by GSGUK is expected to meet the liquidity requirements set out in the LCR Delegated Act as well as the additional requirements set by the PRA to cover Pillar 2 risks.

GSGUK's average monthly LCR for the trailing twelve-month period ended December 2018 was 231%. The NCOs largely consist of prospective outflows related to GSGUK's secured and unsecured funding, derivative positions and unfunded commitments. We expect business-as-usual fluctuations in our client activity, business mix and overall market environment to affect our average LCR on an ongoing basis.

See "High-Quality Liquid Assets" and "Net Cash Outflows" for further information about GSGUK's LCR.

**High-Quality Liquid Assets**

Total HQLA represents unencumbered, high-quality liquid assets held by a firm. The liquidity standards define HQLA in three asset categories: Level 1, Level 2A and Level 2B, and applies haircuts and limits to certain asset categories.

Level 1 assets are considered the most liquid and are eligible for inclusion in a firm's HQLA amount without a haircut or limit. Level 2A and 2B assets are considered less liquid than Level 1 assets and are subject to additional adjustments as prescribed in the liquidity standards. In addition, the sum of Level 2A and 2B assets cannot comprise more than 40% of a firm's HQLA amount, and Level 2B assets cannot comprise more than 15% of a firm's HQLA amount.

**Pillar 3 Disclosures: Liquidity Coverage Ratio Disclosure**

Table 1 presents a summary of the weighted average Total HQLA held by GSGUK, calculated in accordance with the liquidity standards.

Our HQLA substantially consists of Level 1 assets and is diversified across our major operating currencies. Our HQLA is also substantially similar in composition to our GCLA.

For information about Group Inc.'s GCLA, see "Risk Management – Liquidity Risk Management" in Part I, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the firm's Annual Report on Form 10-K.

**Net Cash Outflows****Overview**

The liquidity standards define NCOs as the net of cash outflows and inflows during a prospective stress period of 30 calendar days. NCOs are calculated by applying prescribed outflow and inflow rates to certain assets, liabilities and off-balance-sheet arrangements. These outflow and inflow rates reflect a specific standardised stress scenario to a firm's funding sources, contractual obligations and assets over the prospective stress period, as prescribed by the liquidity standards. Due to the inherently uncertain and variable nature of stress events, a firm's actual cash outflows and inflows in a realised liquidity stress event may differ, possibly materially, from those reflected in a firm's NCOs.

To capture outflows and inflows that would occur within a 30 calendar-day period, the liquidity standards require that a firm's NCOs calculation reflects outflows and inflows based on the contractual maturity of certain assets, liabilities and off-balance-sheet arrangements. To determine the maturity date of outflows, the liquidity standards account for any option that could accelerate the maturity date of an instrument or the date of a transaction. Where contractual maturity is not applicable, the liquidity standards also set forth stressed outflow assumptions. In addition, the liquidity standards require a firm to recognise contractual outflows within a 30 calendar-day period that are not otherwise described in the liquidity standards and do not recognise inflows not specified in the liquidity standards. The inflows included in the NCOs calculation are subject to a cap of 75% of a firm's calculated outflows.

Table 1 above presents a summary of GSGUK's NCOs, calculated in accordance with the liquidity standards.

More details on each of the material components of our NCOs, including a description of the applicable sections of the liquidity standards, are described below.

In the tables referenced in the remainder of this section, unweighted balances reflect certain GSGUK's assets, liabilities and off-balance-sheet arrangements captured in the liquidity standards. Weighted balances reflect the application of prescribed outflow and inflow rates to these unweighted balances.

**Unsecured and Secured Financing****Overview**

Our primary sources of funding are deposits, collateralised financings, unsecured short-term and long-term borrowings (including funding from Group Inc. and affiliates), and shareholders' equity. We seek to maintain broad and diversified funding sources globally across products, programs, markets, currencies and creditors to avoid funding concentrations.

For information about Group Inc.'s funding sources, see "Balance Sheet and Funding Sources" in Part I, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the firm's Annual Report on Form 10-K.

**Unsecured Net Cash Outflows**

GSGUK's unsecured funding consists of a number of different products, including:

- Debt securities issued, which includes notes, certificates, and warrants; and
- Savings, demand and time deposits through internal and third-party broker-dealers, and from consumers and institutional clients.

GSGUK's unsecured debt and deposits are a source of funding for inventory, lending activity and other assets, including a portion of our liquid assets.

The liquidity standards require that the NCOs calculation reflects a firm's upcoming maturities of unsecured long-term debt and other unsecured funding products during a 30 calendar-day period, assuming no roll over of debt that matures.

**Pillar 3 Disclosures: Liquidity Coverage Ratio Disclosure**

The liquidity standards also prescribe outflows related to a partial loss of retail, small business, and wholesale deposits.

Inflows from deposits placed with agent banks and lending activity are included as part of “Inflows from fully performing exposures” (see Table 2).

The table below presents a summary of GSGUK’s NCOs related to our unsecured borrowing and lending activity, calculated in accordance with the liquidity standards.

**Table 2: Unsecured Net Cash Outflows**

\$ in millions	Twelve Months Ended December 2018	
	Average Unweighted	Average Weighted
<b>Outflows</b>		
Retail deposits and deposits from small business customers, of which:		
Stable deposits	\$3,113	\$507
Less stable deposits	141	7
Unsecured wholesale funding, of which:		
Non-operational deposits	2,972	500
Unsecured debt	19,142	16,406
	17,050	14,314
	2,092	2,092
<b>Inflows</b>		
Inflows from fully performing exposures	3,866	2,231
<b>Net unsecured cash outflows/(inflows)<sup>1</sup></b>	<b>\$18,389</b>	<b>\$14,682</b>

1. Net unsecured cash outflows/(inflows) reflects the subtraction of the inflow amounts from the outflow amounts shown in the table above and is included for illustrative purposes.

**Secured Net Cash Outflows**

GSGUK funds a significant amount of inventory on a secured basis, including repurchase agreements, securities loaned and other secured financings. In addition, we provide financing to our clients for their securities trading activities, as well as securities lending and other prime brokerage services.

The liquidity standards consider outflows and inflows related to secured funding and securities services together as part of “Secured wholesale funding” and “Secured lending” (see Table 3).

Specifically, under the liquidity standards, secured funding transactions include repurchase agreements, collateralised deposits, securities lending transactions and other secured wholesale funding arrangements. Secured lending transactions, as defined under the liquidity standards, include reverse repurchase transactions, margin loans, securities borrowing transactions and secured loans.

The standardised stress scenario prescribed in the liquidity standards applies outflow and inflow rates between 0-100% to secured funding and lending transactions. Specific outflow and inflow rates are based on factors such as the quality of the underlying collateral, as well as the type, tenor, and counterparty of a transaction.

The table below presents a summary of GSGUK’s NCOs related to our secured funding and lending activity, calculated in accordance with the liquidity standards.

**Table 3: Secured Net Cash Outflows**

\$ in millions	Twelve Months Ended December 2018	
	Average Unweighted	Average Weighted
<b>Outflows</b>		
Secured wholesale funding		\$37,689
<b>Inflows</b>		
Secured lending	\$338,614	73,155
<b>Net secured cash outflows/(inflows)<sup>1</sup></b>		<b>\$(35,466)</b>

1. Net secured cash outflows/(inflows) reflects the subtraction of the inflow amounts from the outflow amount shown in the table above and is included for illustrative purposes.

**Derivatives****Overview**

Derivatives are instruments that derive their value from underlying asset prices, indices, reference rates and other inputs, or a combination of these factors. Derivatives may be traded on an exchange or they may be privately negotiated contracts, which are usually referred to as OTC derivatives. Certain OTC derivatives are cleared and settled through central clearing counterparties, while others are bilateral contracts between two counterparties.

- **Market-Making.** As a market maker, GSGUK enters into derivative transactions to provide liquidity to clients and to facilitate the transfer and hedging of their risks. In this role, we typically act as principal and are required to commit capital to provide execution, and maintain inventory in response to, or in anticipation of, client demand.
- **Risk Management.** GSGUK also enters into derivatives to actively manage risk exposures that arise from its market-making and investing and lending activities in derivative and cash instruments. Our holdings and exposures are hedged, in many cases, on either a portfolio or risk-specific basis, as opposed to an instrument-by-instrument basis.

**Pillar 3 Disclosures: Liquidity Coverage Ratio Disclosure**

We enter into various types of derivatives, including futures, forwards, swaps and options.

For information about Group Inc.'s derivative exposures and hedging activities, see Note 7 "Derivatives and Hedging Activities" in Part II, Item 8 "Financial Statements and Supplementary Data" in the firm's Annual Report on Form 10-K.

**Derivative Net Cash Outflows**

The liquidity standards require that derivative NCOs reflect outflows and inflows resulting from contractual settlements related to derivative transactions occurring over a 30 calendar-day period. These outflows and inflows can generally be netted at a counterparty level if subject to a valid qualifying master netting agreement. In addition, the liquidity standards require that NCOs reflect certain contingent outflows related to a firm's derivative positions that may arise during a 30 calendar-day stress scenario, including:

- Incremental collateral required as a result of a change in a firm's financial condition;
- Legal right of substitution of collateral posted to a firm for less liquid or non-HQLA collateral;
- Collateral required as a result of market movements. The liquidity standards require that a firm reflects in its NCOs calculation the absolute value of the largest net cumulative collateral outflow or inflow in a 30 calendar-day period over the last two years; and
- Excess collateral greater than the current collateral requirement under the governing contract that a firm may be contractually required to return to counterparty.

In the table below, "Outflows related to derivative exposures and other collateral requirements" reflects contractual derivative settlements, as well as contingent derivative outflows, calculated in accordance with the liquidity standards. Inflows from contractual derivative settlements are reflected in "Other cash inflows" (see Table 6). The liquidity standards do not recognise contingent derivative inflows.

The table below presents a summary of the GSGUK's derivative NCOs, calculated in accordance with the liquidity standards.

**Table 4: Derivative Net Cash Outflows**

<i>\$ in millions</i>	Twelve Months Ended December 2018	
	Average Unweighted	Average Weighted
Outflows related to derivative exposures and other collateral requirements	\$20,951	\$18,971

**Unfunded Commitments****Overview**

GSGUK's commercial lending activities include lending to investment-grade and non-investment-grade corporate borrowers. Such commitments include commitments related to relationship lending activities (principally used for operating and general corporate purposes) and related to other investment banking activities (generally extended for contingent acquisition financing and are often intended to be short-term in nature, as borrowers often seek to replace them with other funding sources). The firm also extends lending commitments in connection with other types of corporate lending, as well as commercial real estate financing.

**Unfunded Commitments Net Cash Outflows**

The liquidity standards apply outflow rates to the undrawn portion of committed credit and liquidity facilities that a firm has extended based on counterparty type and purpose. The undrawn portion is defined as the amount of the facility that could be drawn upon within 30 calendar days under the governing agreement, less the fair value of any liquid assets that serve as collateral, after recognising the applicable haircut for those assets. Commitments extended to non-financial sector corporates are prescribed an outflow rate of 10-30%, insurance sector entities an outflow rate of 40-100%, credit institutions an outflow rate of 40% and all others an outflow rate of 100%.

**Pillar 3 Disclosures: Liquidity Coverage Ratio Disclosure**

The table below presents a summary of GSGUK's NCOs related to our unfunded commitments, calculated in accordance with the liquidity standards.

**Table 5: Unfunded Commitments Net Cash Outflows**

<i>\$ in millions</i>	Twelve Months Ended December 2018	
	Average Unweighted	Average Weighted
Credit and liquidity facilities	\$9,201	\$3,098

**Other Net Cash Outflows**

The table below presents a summary of GSGUK's other cash outflows and inflows, including, but not limited to, overnight and term funding from Group Inc. and affiliates, derivative inflows, unsettled inventory balances, loans of collateral to effect customer short sales and other prime brokerage services.

**Table 6: Other Net Cash Outflows**

<i>\$ in millions</i>	Twelve Months Ended December 2018	
	Average Unweighted	Average Weighted
<b>Outflows</b>		
Other contractual obligations	\$113,344	\$19,891
Other contingent funding obligations	49,402	36,295
<b>Inflows</b>		
Other cash inflows	26,964	26,952
<b>Net other cash outflows/(inflows)<sup>1</sup></b>	<b>\$135,782</b>	<b>\$29,234</b>

1. Net other cash outflows/(inflows) reflects the subtraction of the inflow amounts from the outflow amounts shown in the table above and is included for illustrative purposes.



## Pillar 3 Disclosures: Liquidity Coverage Ratio Disclosure

Table 7: GSGUK Liquidity Coverage Ratio Summary

Scope of consolidation (Consolidated)	Total Unweighted Value				Total Weighted Value			
Currency and units (\$ in millions)								
Period ended	March 2018	June 2018	September 2018	December 2018	March 2018	June 2018	September 2018	December 2018
Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
<b>HIGH-QUALITY LIQUID ASSETS</b>								
1 Total high-quality liquid assets (HQLA)					70,258	73,741	73,893	76,915
<b>CASH – OUTFLOWS</b>								
2 Retail deposits and deposits from small business customers, of which:	1,780	1,820	1,805	3,113	306	313	310	507
3 <i>Stable deposits</i>	145	150	148	141	7	8	7	7
4 <i>Less stable deposits</i>	1,635	1,670	1,657	2,972	299	305	303	500
5 Unsecured wholesale funding	18,843	19,181	18,998	19,142	16,149	16,357	16,254	16,406
6 <i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	0	0	0	0	0	0	0	0
7 <i>Non-operational deposits (all counterparties)</i>	17,162	17,276	17,062	17,050	14,468	14,452	14,318	14,314
8 <i>Unsecured debt</i>	1,681	1,905	1,936	2,092	1,681	1,905	1,936	2,092
9 Secured wholesale funding					39,059	39,474	38,326	37,689
10 Additional requirements	31,826	31,188	30,514	30,152	24,335	23,381	22,539	22,069
11 <i>Outflows related to derivative exposures and other collateral requirements</i>	24,257	22,672	21,500	20,951	22,117	20,789	19,648	18,971
12 <i>Outflows related to loss of funding on debt products</i>	0	0	0	0	0	0	0	0
13 <i>Credit and liquidity facilities</i>	7,569	8,516	9,014	9,201	2,218	2,592	2,891	3,098
14 Other contractual funding obligations	108,330	113,176	113,630	113,344	24,892	23,235	21,743	19,891
15 Other contingent funding obligations	42,739	45,680	48,460	49,402	30,581	32,990	35,383	36,295
16 <b>TOTAL CASH OUTFLOWS</b>					135,322	135,750	134,555	132,857
<b>CASH – INFLOWS</b>								
17 Secured lending (e.g. reverse repos)	314,617	330,605	335,951	338,614	73,303	74,717	75,119	73,155
18 Inflows from fully performing exposures	3,496	3,615	3,842	3,866	2,528	2,240	2,257	2,231
19 Other cash inflows	23,514	25,463	26,460	26,964	23,477	25,425	26,422	26,952
EU-19a (Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					0	0	0	0
EU-19b (Excess inflows from a related specialised credit institution)					0	0	0	0
20 <b>TOTAL CASH INFLOWS</b>	341,627	359,683	366,253	369,444	99,308	102,382	103,798	102,338
EU-20a <b>Fully exempt inflows</b>	0	0	0	0	0	0	0	0
EU-20b <b>Inflows Subject to 90% Cap</b>	0	0	0	0	0	0	0	0
EU-20c <b>Inflows Subject to 75% Cap</b>	341,627	359,683	366,253	369,444	99,308	102,382	103,798	102,338
<b>TOTAL ADJUSTED VALUE</b>								
21 <b>LIQUIDITY BUFFER<sup>1</sup></b>					70,258	73,741	73,893	76,915
22 <b>TOTAL NET CASH OUTFLOWS<sup>1</sup></b>					36,534	35,512	33,959	33,416
23 <b>LIQUIDITY COVERAGE RATIO (%)<sup>2</sup></b>					194%	209%	218%	231%

<sup>1</sup> The amounts reported in these rows may not equal the calculation of those amounts using component amounts reported in rows 1-20 due to technical factors such as the application of the Level 2 liquid asset caps and the total inflow cap.

<sup>2</sup> The ratios reported in this row are calculated as average of the monthly LCR's for the trailing twelve months and may not equal the calculation of ratios using component amounts reported in rows 21 and 22.

**Pillar 3 Disclosures: Liquidity Coverage Ratio Disclosure****Table 8: GSI Liquidity Coverage Ratio Summary**

Scope of consolidation (Solo)	Total Weighted Value			
Currency and units (\$ in millions)				
Period ended	March 2018	June 2018	September 2018	December 2018
Number of data points used in the calculation of averages	12	12	12	12
LIQUIDITY BUFFER	60,563	64,424	64,947	67,297
TOTAL NET CASH OUTFLOWS	33,366	32,677	31,457	30,830
LIQUIDITY COVERAGE RATIO (%) <sup>1</sup>	183%	198%	207%	219%

<sup>1</sup> The ratios reported in this row are calculated as average of the monthly LCR's for the trailing twelve months and may not equal the calculation of ratios using component amounts reported in rows 21 and 22.

**Table 9: GSIB Liquidity Coverage Ratio Summary**

Scope of consolidation (Solo)	Total Weighted Value			
Currency and units (\$ in millions)				
Period ended	March 2018	June 2018	September 2018	December 2018
Number of data points used in the calculation of averages	12	12	12	12
LIQUIDITY BUFFER	9,695	9,317	8,946	9,619
TOTAL NET CASH OUTFLOWS	5,732	5,607	5,308	5,652
LIQUIDITY COVERAGE RATIO (%) <sup>1</sup>	169%	167%	171%	173%

<sup>1</sup> The ratios reported in this row are calculated as average of the monthly LCR's for the trailing twelve months and may not equal the calculation of ratios using component amounts reported in rows 21 and 22.

## **Cautionary Note on Forward-Looking Statements**

We have included or incorporated by reference in these disclosures, and from time to time our management may make, statements that may constitute “forward-looking statements.” Forward-looking statements are not historical facts, but instead represent only our beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside our control. These statements include statements other than historical information or statements of current condition.

It is possible that our actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Important factors that could cause our actual results and financial condition to differ from those indicated in the forward-looking statements include, among others, those discussed under “Risk Factors” in Part I, Item 1A in the firm’s 2018 Form 10-K.