

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**Form 8-K**

CURRENT REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): October 22, 2020

Commission File Number: 001-14965

**The Goldman Sachs Group, Inc.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

13-4019460  
(IRS Employer  
Identification No.)

200 West Street, New York, N.Y.  
(Address of principal executive offices)

10282  
(Zip Code)

(212) 902-1000  
(Registrant's telephone number, including area code)

N/A

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class  | Trading<br>Symbol | Exchange<br>on which<br>registered |
|--|-------------------|------------------------------------|
| Common stock, par value \$.01 per share  | GS                | NYSE                               |
| Depository Shares, Each Representing 1/1,000th Interest in a Share of Floating Rate Non-Cumulative Preferred Stock, Series A                 | GS PrA            | NYSE                               |
| Depository Shares, Each Representing 1/1,000th Interest in a Share of Floating Rate Non-Cumulative Preferred Stock, Series C                 | GS PrC            | NYSE                               |
| Depository Shares, Each Representing 1/1,000th Interest in a Share of Floating Rate Non-Cumulative Preferred Stock, Series D                 | GS PrD            | NYSE                               |
| Depository Shares, Each Representing 1/1,000th Interest in a Share of 5.50% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series J  | GS PrJ            | NYSE                               |
| Depository Shares, Each Representing 1/1,000th Interest in a Share of 6.375% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series K | GS PrK            | NYSE                               |
| Depository Shares, Each Representing 1/1,000th Interest in a Share of 6.30% Non-Cumulative Preferred Stock, Series N                         | GS PrN            | NYSE                               |
| 5.793% Fixed-to-Floating Rate Normal Automatic Preferred Enhanced Capital Securities of Goldman Sachs Capital II                             | GS/43PE           | NYSE                               |
| Floating Rate Normal Automatic Preferred Enhanced Capital Securities of Goldman Sachs Capital III  | GS/43PF           | NYSE                               |
| Medium-Term Notes, Series E, Callable Fixed Rate Notes due 2021 of GS Finance Corp.  | GS/21F            | NYSE                               |
| Medium-Term Notes, Series E, Index-Linked Notes due 2028 of GS Finance Corp.   | FRLG              | NYSE Arca                          |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 under the Securities Act (17 CFR 230.405) or Rule 12b-2 of the Exchange Act (17 CFR 240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

## **Item 2.02 Results of Operations and Financial Condition.**

On October 22, 2020, The Goldman Sachs Group, Inc. (Group Inc. and, together with its consolidated subsidiaries, the firm) announced that it has reached settlements of governmental and regulatory investigations relating to 1Malaysia Development Berhad (1MDB) with the U.S. Department of Justice (DOJ), the U.S. Securities and Exchange Commission, the Board of Governors of the Federal Reserve System, the New York State Department of Financial Services, the U.K. Financial Conduct Authority, the U.K. Prudential Regulation Authority, the Singapore Attorney General's Chambers, the Singapore Commercial Affairs Department, the Monetary Authority of Singapore and the Hong Kong Securities and Futures Commission.

Group Inc. has agreed to enter into a three-year deferred prosecution agreement with the DOJ, in which a charge against the firm, one count of conspiracy to violate the Foreign Corrupt Practices Act of 1977 (FCPA), will be filed and later dismissed if the firm abides by the terms of the agreement. In addition, Group Inc.'s subsidiary in Malaysia, Goldman Sachs (Malaysia) Sdn. Bhd. (GS Malaysia), has agreed to plead guilty to one count of conspiracy to violate the FCPA. The firm will pay total penalties, after crediting, of approximately \$2.6 billion in connection with the settlements. A separate obligation to pay \$606 million in disgorgement has been credited and satisfied as a result of the firm's earlier settlement with the Government of Malaysia, in which the firm paid a total of \$2.5 billion, in addition to providing a \$1.4 billion asset recovery guarantee. This brings the total payments in connection with governmental and regulatory settlements relating to 1MDB to an aggregate of approximately \$5.1 billion.

In connection with the settlements announced today, the firm will increase its provisions for litigation and regulatory proceedings for the third quarter of 2020 by \$250 million, which will be reflected in its financial statements to be filed with its Quarterly Report on Form 10-Q for the period ended September 30, 2020, and which will reduce its previously reported net earnings for the quarter by the same amount.

The firm has been working to secure necessary exemptions and authorizations from regulators so that the settlements do not impact the firm's activities or the services that it provides to clients. The firm has already submitted its application to the U.S. Department of Labor (DOL) to maintain its status as a qualified professional asset manager (QPAM), and expects to obtain the exemption before the sentencing of GS Malaysia.

The settlements do not resolve the civil litigation against the firm relating to 1MDB, for which the firm's motions to dismiss are pending.

The information under Item 2.02 of this Form 8-K shall be deemed "filed" for purposes of the Securities Exchange Act of 1934 (Exchange Act).

## **Item 7.01 Regulation FD Disclosure.**

In connection with the settlements, the Board of Directors of Group Inc. has released a statement, a copy of which is attached as Exhibit 99.1.

### Cautionary Note Regarding Forward-Looking Statements

This Report on Form 8-K, including Exhibit 99.1, contains “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are not historical facts, but instead represent only the firm’s beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside the firm’s control. The firm has included in this Report on Form 8-K, and directors, officers and employees of the firm may provide, information about the application for and pursuit of exemptions and authorizations from regulatory authorities, including the DOL, and with respect to remediation activities and the progress or the status of remediation activities. The statements with respect to the pursuit of the exemptions and authorizations and the remediation activities are forward-looking statements, based on the firm’s current expectations regarding the prospects for receiving the exemptions and authorizations and the current remediation efforts and plans. Accordingly, the firm’s ability to receive the exemptions and authorizations and complete the remediation activities, may change, possibly materially, from what is currently expected. For a discussion of some of the other risks and important factors that could affect these forward-looking statements, see “Risk Factors” in Part I, Item 1A of the firm’s Annual Report on Form 10-K for the year ended December 31, 2019 and Part II, Item 1A of the firm’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2020.

### **Item 9.01 Financial Statements and Exhibits.**

#### **(d) Exhibits.**

99.1 [Statement of the Board of Directors of Group Inc. dated October 22, 2020.](#)

Exhibit 99.1 is being furnished pursuant to Item 7.01 of Form 8-K and the information included therein shall not be deemed “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of Group Inc. under the Securities Act of 1933 or the Exchange Act.

101 Pursuant to Rule 406 of Regulation S-T, the cover page information is formatted in iXBRL (Inline eXtensible Business Reporting Language).

104 Cover Page Interactive Data File (formatted in iXBRL in Exhibit 101).

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE GOLDMAN SACHS GROUP, INC.  
(Registrant)

Date: October 22, 2020

By: /s/ Stephen M. Scherr

Name: Stephen M. Scherr

Title: Chief Financial Officer

**Statement from the Board of Directors of The Goldman Sachs Group, Inc.**

The Board of Directors of The Goldman Sachs Group, Inc. has been engaged for more than five years with the senior management of the Firm on the matter of the underwriting of bonds associated with 1Malaysia Development Berhad (1MDB) that took place beginning eight years ago. As part of this effort, in February 2019, the Board announced that, given ongoing investigations related to 1MDB, it reserved the right to adjust certain compensation to past and current members of senior management when more information about 1MDB matters became available.

Today, Goldman Sachs announced settlements that resolve the government and regulatory investigations of the 1MDB matter. The Board views the 1MDB matter as an institutional failure, inconsistent with the high expectations it has for the Firm. To this end, the Board has been and continues to be focused on ensuring the proper controls and oversight are in place, repairing the reputational damage that has been done, and reinforcing the values the Firm aspires to live by.

Further, while none of the past or current members of senior management were involved in or aware of the Firm's participation in any illicit activity at the time the Firm arranged the bond transactions, the Board has determined that it is appropriate in light of the findings of the government and regulatory investigations and the magnitude of the total 1MDB settlement that compensation for certain past and current members of senior management be impacted.

For those former employees implicated in the criminal scheme, the Firm has undertaken clawback actions to the full extent of its contractual entitlements with respect to three individuals: Tim Leissner, who has plead guilty to criminal charges; Ng Chong Hwa, who has been charged with the same crimes; and Andrea Vella, who has been prohibited by the Federal Reserve from participating in the banking industry. The amounts the Firm is seeking to forfeit from these individuals total approximately \$76 million, of which the Firm is currently holding approximately \$24 million.

Separately, in acknowledgement of the Firm's institutional failures, five of the Firm's former senior executive officers, the former Chief Executive Officer, the former Chief Operating Officer, a former Chief Financial Officer, the former Vice Chairman who was a CEO of Goldman Sachs International and the former Vice Chairman who was the Global Head of Growth Markets, will, to the extent not already paid, forfeit all or the majority of their outstanding Long-Term Performance Incentive Plan Awards that were granted in 2011 and which have a performance period that includes 2012 and 2013 when the 1MDB bond underwritings took place, and forfeit a portion of other previously awarded compensation, if applicable. One of these retired senior executives who previously received the 2011 award has voluntarily agreed to return the majority of it. The Firm is in active discussion with another of these retired senior executives, who also already received the 2011 award, about returning the majority of it as well. The amounts for these five individuals represent a portion of the pre-tax value of these awards granted or paid, and total approximately \$67 million.

In addition, we think it is appropriate that the current executive leadership team, the Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer, as well as the current CEO of Goldman Sachs International, have their overall compensation reduced by \$31 million for 2020.

These clawbacks, forfeitures and compensation reductions will total approximately \$174 million in the aggregate.

The Board has overseen significant enhancements to compliance and internal controls, including over the past five years. These enhancements include expanding the global compliance division; establishing an enhanced framework for addressing potential reputational risks, including an expanded review of significant and complex transactions; improving anti-bribery controls; enhancing the technical sophistication and training for the control-side of the Firm; and creating new programs to investigate and prevent risks and potentially harmful actions. More recently, the Firm has taken additional steps, including instituting new control procedures for higher risk sovereign-related financings and strengthening conduct oversight. The Board and senior management will continue to focus on further strengthening and improving these.

A special committee of the Board of Directors, comprised of the Lead Director and the Chairs of each of the Audit, Risk, Public Responsibilities and Compensation Committees of the Board, will oversee and review the remediation efforts arising out of the lessons of 1MDB.