

**Goldman Sachs International  
(unlimited company)**

**Unaudited Quarterly Financial  
Information**

**September 30, 2023**

## Introduction

Goldman Sachs International (GSI or the company) delivers a broad range of financial services to clients located worldwide. The company also operates a number of branches and representative offices across Europe, the Middle East and Africa (EMEA) to provide financial services to clients in those regions.

The company's primary regulators are the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA).

The company's ultimate parent undertaking and controlling entity is The Goldman Sachs Group, Inc. (Group Inc.). Group Inc., together with its consolidated subsidiaries form "GS Group". The company's immediate parent undertaking is Goldman Sachs Group UK Limited (GSG UK), a company incorporated and domiciled in England and Wales. GSG UK, together with its consolidated subsidiaries form "GSG UK Group". In relation to the company, "GS Group affiliate" means Group Inc. or any of its subsidiaries.

This financial information has been prepared in line with the recognition and measurement requirements of U.K.-adopted international accounting standards and International Financial Reporting Standards (IFRS) and includes the company's income statement, balance sheet and certain supplementary notes. See Note 1 for further information on the basis of preparation of this financial information.

All references to September 2023, June 2023 and September 2022 refer to the periods ended, or the dates, as the context requires, September 30, 2023, June 30, 2023 and September 30, 2022, respectively. All references to December 2022 refer to the date December 31, 2022. All references to "the 2022 Annual Report" are to the company's Annual Report for the year ended December 31, 2022.

The company generates revenues from the following business activities: Investment Banking; Fixed Income, Currency and Commodities (FICC); Equities; and Investment Management. On April 1, 2023, the company transferred its U.K. asset management business to Goldman Sachs Asset Management International (GSAMI). As a result, the company no longer performs any significant asset management activity. See "Results of Operations — Transfer of U.K. Asset Management Business" for further details. Investment Management continues to include the company's Wealth management activity.

## Business Environment

During the third quarter of 2023, the operating environment was generally characterised by continued broad macroeconomic concerns, including the outlook for economic growth and global central bank policy. Early in the quarter, there were positive developments in inflation and labour market measures, however indicators later in the quarter led to market expectations of higher interest rates for a longer period. In addition, geopolitical stresses, including the war in Ukraine and ongoing tensions with China, remained elevated. These factors contributed to higher yields on 10-year government bonds and lower global equity prices compared with the end of the second quarter of 2023, while the commercial real estate market remained under pressure.

In October 2023, geopolitical tensions escalated with the conflict in the Middle East, which has elevated the uncertainty of economic growth and stability around the world. There also remains uncertainty and concerns about global central bank policy, inflation, the commercial real estate sector and potential increases in regulatory capital requirements.

## Results of Operations

### Transfer of U.K. Asset Management Business

On April 1, 2023, the company transferred its U.K. asset management business to GSAMI, GS Group's primary U.K. asset management entity. This combined GSI's and GSAMI's U.K. asset management businesses in GSAMI, consistent with GS Group's resolution planning and the commercial objectives of its asset management business. This business had average annual net revenues in the last three years of \$436 million, approximately 300 employees and immaterial assets and liabilities as of the date of transfer.

As consideration for the transfer, the company received a non-controlling interest in GSAMI's immediate parent undertaking, and this interest is measured at fair value through profit or loss. As a result, the company has recognised a net gain of \$1.39 billion in Investment Management net revenues for the nine months ended September 2023, comprising a gain of \$1.57 billion in the second quarter of 2023 and a loss of \$179 million in the third quarter of 2023. This net gain has not been recognised in regulatory capital as based on current capital planning, the consideration received for the transfer is expected to be distributed by the company.

## Income Statement

**Three Months Ended September 2023 versus September 2022.** The company's profit for the three months ended September 2023 was \$406 million, 55% lower than the three months ended September 2022. Excluding the loss of \$179 million related to the transfer of the company's U.K. asset management business, the company's profit for the three months ended September 2023 was \$585 million, 36% lower than the three months ended September 2022.

**Nine Months Ended September 2023 versus September 2022.** The company's profit for the nine months ended September 2023 was \$3.57 billion, 9% higher than the nine months ended September 2022. Excluding the net gain of \$1.39 billion related to the transfer of the company's U.K. asset management business, the company's profit for the nine months ended September 2023 was \$2.18 billion, 33% lower than the nine months ended September 2022.

## Net Revenues

The company generates revenues from the following business activities: Investment Banking; FICC; Equities; and Investment Management. See "Results of Operations — Net Revenues" in Part I of the 2022 Annual Report for a description of each business activity.

The table below presents net revenues by business activity.

\$ in millions	Three Months Ended September		Nine Months Ended September	
	2023	2022	2023	2022
Investment Banking	\$ 144	\$ 337	\$ 640	\$ 898
FICC	785	1,040	2,707	3,731
Equities	1,125	893	3,817	3,193
Investment Management	(24)	178	1,946	757
<b>Total</b>	<b>\$ 2,030</b>	<b>\$ 2,448</b>	<b>\$ 9,110</b>	<b>\$ 8,579</b>

In the table above, Investment Management included a loss of \$179 million for the three months ended September 2023 and a net gain of \$1.39 billion for the nine months ended September 2023, related to the transfer of the company's U.K. asset management business.

In the fourth quarter of 2022, the company updated its methodology for allocating funding costs, reported within net revenues, to its business activities. As a result, in the table above, comparatives have been conformed to the current period presentation, with no impact to total net revenues.

**Three Months Ended September 2023 versus September 2022.** Net revenues were \$2.03 billion for the three months ended September 2023, 17% lower than the three months ended September 2022. Net revenues excluding the loss of \$179 million related to the transfer of the company's U.K. asset management business were \$2.21 billion for the three months ended September 2023, 10% lower than the three months ended September 2022, primarily due to significantly lower net revenues in FICC and Investment Banking and lower net revenues in Investment Management, partially offset by significantly higher net revenues in Equities.

**Nine Months Ended September 2023 versus September 2022.** Net revenues were \$9.11 billion for the nine months ended September 2023, 6% higher than the nine months ended September 2022. Net revenues excluding the net gain of \$1.39 billion related to the transfer of the company's U.K. asset management business were \$7.72 billion for the nine months ended September 2023, 10% lower than the nine months ended September 2022, reflecting significantly lower net revenues in FICC, Investment Banking and Investment Management, partially offset by higher net revenues in Equities.

## Investment Banking

**Three Months Ended September 2023 versus September 2022.** Net revenues in Investment Banking were \$144 million for the three months ended September 2023, 57% lower than the three months ended September 2022, primarily due to significantly lower net revenues in Advisory and lower net revenues in Corporate lending, partially offset by higher net revenues in Underwriting. The decrease in Advisory net revenues reflected a decrease in completed mergers and acquisitions transactions. The decrease in Corporate lending reflected an increase in funding costs. The increase in Underwriting reflected higher net revenues in Debt underwriting. Net revenues in Equity underwriting were essentially unchanged.

**Nine Months Ended September 2023 versus September 2022.** Net revenues in Investment Banking were \$640 million for the nine months ended September 2023, 29% lower than the nine months ended September 2022, primarily due to significantly lower net revenues in Advisory and Corporate lending, partially offset by higher net revenues in Underwriting. The decrease in Advisory net revenues reflected a decrease in completed mergers and acquisitions transactions. The decrease in Corporate lending reflected an increase in funding costs. The increase in Underwriting reflected higher net revenues in Equity underwriting and Debt underwriting.

## **FICC**

**Three Months Ended September 2023 versus September 2022.** Net revenues in FICC were \$785 million for the three months ended September 2023, 25% lower than the three months ended September 2022, primarily due to significantly lower net revenues in FICC intermediation and lower net revenues in FICC financing. The decrease in FICC intermediation reflected significantly lower net revenues in commodities and currencies and lower net revenues in credit products and mortgages, partially offset by significantly higher net revenues in interest rate products. The decrease in FICC financing was primarily driven by lower net revenues from commodities financing. The decrease in FICC intermediation net revenues reflected significantly lower client activity (as activity in the prior year period benefited from volatility in the macroeconomic environment), partially offset by the impact of improved market-making conditions on the company's inventory.

**Nine Months Ended September 2023 versus September 2022.** Net revenues in FICC were \$2.71 billion for the nine months ended September 2023, 27% lower than the nine months ended September 2022, due to significantly lower net revenues in FICC intermediation and lower net revenues in FICC financing. The decrease in FICC intermediation reflected significantly lower net revenues in currencies and commodities, partially offset by significantly higher net revenues in interest rate products and mortgages and higher net revenues in credit products. The decrease in FICC financing was primarily driven by significantly lower net revenues from structured credit and lower net revenues from commodities financing, partially offset by higher net revenues from securities purchased under agreements to resell. The decrease in FICC intermediation net revenues reflected lower client activity (as activity in the prior year period benefited from volatility in the macroeconomic environment).

## **Equities**

**Three Months Ended September 2023 versus September 2022.** Net revenues in Equities were \$1.13 billion for the three months ended September 2023, 26% higher than the three months ended September 2022, due to significantly higher net revenues in Equities financing and higher net revenues in Equities intermediation. The increase in Equities financing reflected significantly higher net revenues in prime financing, partially offset by lower net revenues in portfolio financing. The increase in Equities intermediation reflected significantly higher net revenues in derivatives, partially offset by lower net revenues in cash products.

**Nine Months Ended September 2023 versus September 2022.** Net revenues in Equities were \$3.82 billion for the nine months ended September 2023, 20% higher than the nine months ended September 2022, due to significantly higher net revenues in Equities financing, partially offset by lower net revenues in Equities intermediation. The increase in Equities financing primarily reflected significantly higher net revenues in prime financing, partially offset by significantly lower net revenues in portfolio financing. The decrease in Equities intermediation reflected lower net revenues in derivatives and cash products.

## **Investment Management**

**Three Months Ended September 2023 versus September 2022.** Net losses in Investment Management were \$24 million for the three months ended September 2023, compared with net revenues of \$178 million for the three months ended September 2022. Net revenues excluding the loss of \$179 million related to the transfer of the company's U.K. asset management business were \$155 million for the three months ended September 2023, 13% lower than the three months ended September 2022, primarily due to significantly lower net revenues in Asset management, partially offset by higher net revenues in Wealth management.

**Nine Months Ended September 2023 versus September 2022.** Net revenues in Investment Management were \$1.95 billion for the nine months ended September 2023, compared with \$757 million for the nine months ended September 2022. Net revenues excluding the net gain of \$1.39 billion related to the transfer of the company's U.K. asset management business were \$552 million for the nine months ended September 2023, 27% lower than the nine months ended September 2022, primarily due to significantly lower net revenues in Asset management, partially offset by significantly higher net revenues in Wealth management.

## Net Operating Expenses

The table below presents net operating expenses and headcount. Compensation and benefits include discretionary compensation, which is finalised at year-end. The company believes the most appropriate way to allocate estimated annual discretionary compensation among interim periods is in proportion to the net revenues earned in such periods. Where the company recognises revenues in its capacity as principal to a transaction and incurs expenses to satisfy some or all of its performance obligations under these transactions, it is required by IFRS 15 'Revenue from Contracts with Customers' (IFRS 15) to report these revenues gross of the associated expenses. Such expenses are included in transaction based and other expenses (known hereafter as "IFRS 15 expenses").

\$ in millions	Three Months Ended September		Nine Months Ended September	
	2023	2022	2023	2022
Compensation and benefits	\$ 499	\$ 402	\$ 1,657	\$ 1,412
Transaction based	397	378	1,262	1,209
Market development	11	14	41	45
Communications and technology	35	36	102	111
Depreciation and amortisation	63	63	200	188
Professional fees	36	27	113	111
Management charges from GS Group affiliates	255	301	845	821
Other expenses	201	126	629	530
<b>Operating expenses</b>	<b>1,497</b>	<b>1,347</b>	<b>4,849</b>	<b>4,427</b>
Management charges to GS Group affiliates	(66)	(48)	(203)	(146)
<b>Net operating expenses</b>	<b>\$ 1,431</b>	<b>\$ 1,299</b>	<b>\$ 4,646</b>	<b>\$ 4,281</b>
<b>Headcount at period-end</b>	<b>3,362</b>	<b>3,915</b>		

In the table above:

- Compensation and benefits included a charge of \$6 million for the three months ended September 2023, a credit of \$16 million for the three months ended September 2022, a credit of \$32 million for the nine months ended September 2023, and a credit of \$342 million for the nine months ended September 2022 representing recharges from Group Inc. equivalent to changes in the fair value of share-based payment awards during the period.
- Compensation and benefits include staff costs related to the company's employees. Management charges from GS Group affiliates includes staff costs recharged to the company by other GS Group affiliates. Management charges to GS Group affiliates includes staff costs recharged by the company to other GS Group affiliates.

**Three Months Ended September 2023 versus September 2022.** Net operating expenses were \$1.43 billion for the three months ended September 2023, 10% higher than the three months ended September 2022.

Compensation and benefits were \$499 million for the three months ended September 2023, 24% higher than the three months ended September 2022. Excluding the impact of recharges from Group Inc. equivalent to changes in the fair value of share-based payment awards for both periods, compensation and benefits were \$493 million for the three months ended September 2023, 18% higher than the three months ended September 2022.

Increases in other expenses and transaction based expenses were partially offset by a decrease in management charges from GS Group affiliates and an increase in management charges to GS Group affiliates.

**Nine Months Ended September 2023 versus September 2022.** Net operating expenses were \$4.65 billion for the nine months ended September 2023, 9% higher than the nine months ended September 2022.

Compensation and benefits were \$1.66 billion for the nine months ended September 2023, 17% higher than the nine months ended September 2022. Excluding the impact of recharges from Group Inc. equivalent to changes in the fair value of share-based payment awards for both periods, compensation and benefits were \$1.69 billion for the nine months ended September 2023, 4% lower than the nine months ended September 2022.

Increases in other expenses, transaction based expenses and management charges from GS Group affiliates were partially offset by an increase in management charges to GS Group affiliates.

As of September 2023, headcount was 13% lower compared with December 2022, primarily reflecting the transfer of approximately 300 employees to GSAMI in the second quarter of 2023 in connection with the transfer of the company's U.K. asset management business and a headcount reduction initiative in the first quarter of 2023.

## Income Tax Expense

The company's effective tax rate was 20.0% for the nine months ended September 2023, which compares to the combined U.K. corporation tax rate (including banking surcharge) of 27.75%. The effective tax rate represents the company's income tax expense divided by its profit before taxation. This difference primarily reflects the net gain related to the transfer of the U.K. asset management business being non-taxable.

## Balance Sheet

As of September 2023, total assets were \$1.23 trillion, an increase of \$30.76 billion from December 2022, primarily reflecting an increase in collateralised agreements of \$30.11 billion (primarily due to changes in the company's and its clients' activity) and an increase in cash and cash equivalents of \$15.20 billion (primarily due to a change in the proportion of Global Core Liquidity Assets (GCLA) held as cash deposits), partially offset by a decrease in trading assets of \$15.75 billion (primarily due to a decrease in derivatives, partially offset by an increase in trading cash instruments).

As of September 2023, total liabilities were \$1.19 trillion, an increase of \$30.36 billion from December 2022, primarily reflecting an increase in collateralised financings of \$66.77 billion (primarily due to changes in the company's and its clients' activity) and an increase in customer and other payables of \$11.96 billion (primarily due to an increase in cash collateral received and customer credit balances), partially offset by a decrease in trading liabilities of \$46.17 billion (primarily due to a decrease in derivatives, partially offset by an increase in trading cash instruments).

As of September 2023, total shareholder's equity was \$42.62 billion, an increase of \$406 million from December 2022, primarily reflecting total comprehensive income of \$3.48 billion for the nine months ended September 2023, partially offset by the repurchase of \$2.80 billion of the company's Additional Tier 1 notes (AT1 notes) for \$2.27 billion, the payment of an interim dividend of \$655 million and the payment of interest on the company's AT1 notes of \$149 million.

Under U.S. GAAP, as of September 2023, the company's total assets were \$532.76 billion and total liabilities were \$497.18 billion. Total assets and total liabilities under U.S. GAAP differ from those reported under IFRS primarily due to the company presenting derivative balances gross under IFRS if they are not net settled in the normal course of business, even where it has a legally enforceable right to offset those balances.

## Regulatory Matters and Other Developments

### Basel III Reforms

The company is subject to the U.K. capital framework, which is largely based on the Basel Committee on Banking Supervision's (Basel Committee) capital framework for strengthening international capital standards (Basel III).

In July 2023, the U.S. federal bank regulatory authorities proposed a rule implementing the Basel Committee's finalisation of the Basel III post-crisis regulatory reforms (Basel III Revisions). Among other changes, this rule includes provisions that set a floor on internally modelled capital requirements at a percentage of the capital requirements under the standardised approach (known as the 'output floor'). The PRA's proposed Basel III Revisions exclude U.K. subsidiaries of overseas banking groups that are subject to the output floor on a global consolidated basis from a standalone output floor requirement. As such, the company does not expect to be subject to this requirement on a standalone basis in the U.K. The company continues to evaluate the impact of the proposed rules as they are finalised by U.S. regulators and the PRA.

In September 2023, the PRA announced a delay in the proposed effective date of Basel III Revisions by six months to July 1, 2025 and announced that it will publish near-final policy statements on market risk, credit valuation adjustment risk, counterparty credit risk and operational risk in the fourth quarter of 2023 and near-final policy statements on credit risk, the output floor, and reporting and disclosure requirements in the second quarter of 2024.

### **Replacement of Interbank Offered Rates (IBORs), including London Interbank Offered Rate (LIBOR)**

As of July 1, 2023, the publication of all LIBOR settings as representative rates has ceased. The FCA has allowed the publication and use of synthetic rates for certain GBP LIBOR settings in legacy GBP LIBOR-based contracts through March 2024 and for certain USD LIBOR settings in legacy USD LIBOR-based contracts through September 2024.

The company has facilitated an orderly transition from non-USD LIBOR to alternative risk-free reference rates and synthetic rates for itself and its clients in connection with the cessation of non-USD LIBOR. The company's USD LIBOR-based derivative contracts and collateralised agreements have been transitioned to alternative risk-free reference rates. The company's USD LIBOR-based unsecured borrowings have been transitioned to alternative risk-free reference rates or synthetic rates.

### **Global Anti-Base Erosion Model Rules**

In July 2023, the Finance (No. 2) Act 2023 enacted certain provisions of the Organisation for Economic Co-operation and Development Global Anti-Base Erosion Model Rules (Pillar Two), including a Domestic Minimum Top-Up Tax, which will apply to GS Group from January 2024. Pillar Two aims to ensure that multinational companies pay a minimum effective corporate tax rate of 15% in each jurisdiction in which they operate. The company does not expect a material impact to its 2024 annual effective tax rate, absent a significant change in its profitability or mix of earnings, based on its current understanding of these rules.

### **Principal Risks and Uncertainties**

The company faces a variety of risks that are substantial and inherent in its businesses.

The principal risks and uncertainties that the company faces are market risk, liquidity risk, credit risk, operational risk, legal and regulatory risk, competition risk, and market developments and general business environment risk. Those risks and uncertainties are consistent with those described in the 2022 Annual Report.

### **Date of Issue**

This financial information was issued on November 20, 2023.

## Income Statement (Unaudited)

\$ in millions	Note	Three Months Ended September		Nine Months Ended September	
		2023	2022	2023	2022
Gains or losses from financial instruments at fair value through profit or loss		\$ 2,383	\$ 2,476	\$ 8,143	\$ 8,199
Fees and commissions		373	511	1,428	1,474
Other income	2	(179)	—	1,394	—
Non-interest income		2,577	2,987	10,965	9,673
Interest income from financial instruments measured at fair value through profit or loss		3,061	1,061	7,701	2,467
Interest income from financial instruments measured at amortised cost		3,134	1,152	8,854	2,120
Interest expense from financial instruments measured at fair value through profit or loss		(2,856)	(1,360)	(8,602)	(2,944)
Interest expense from financial instruments measured at amortised cost		(3,886)	(1,392)	(9,808)	(2,737)
Net interest expense		(547)	(539)	(1,855)	(1,094)
<b>Net revenues</b>		<b>2,030</b>	<b>2,448</b>	<b>9,110</b>	<b>8,579</b>
Net operating expenses		(1,431)	(1,299)	(4,646)	(4,281)
<b>Profit before taxation</b>		<b>599</b>	<b>1,149</b>	<b>4,464</b>	<b>4,298</b>
Income tax expense		(193)	(238)	(892)	(1,023)
<b>Profit for the financial period</b>		<b>\$ 406</b>	<b>\$ 911</b>	<b>\$ 3,572</b>	<b>\$ 3,275</b>

Net revenues and profit before taxation of the company are derived from continuing operations in the current and prior periods.

## Statement of Comprehensive Income (Unaudited)

\$ in millions	Three Months Ended September		Nine Months Ended September	
	2023	2022	2023	2022
Profit for the financial period	\$ 406	\$ 911	\$ 3,572	\$ 3,275
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Actuarial loss relating to the pension scheme	(25)	(48)	(88)	(175)
Debt valuation adjustment	73	129	(35)	549
U.K. deferred tax attributable to the components of other comprehensive income	(13)	(21)	35	(106)
U.K. current tax attributable to the components of other comprehensive income	(1)	(1)	(1)	(1)
<b>Other comprehensive income/(loss) for the financial period, net of tax</b>	<b>34</b>	<b>59</b>	<b>(89)</b>	<b>267</b>
<b>Total comprehensive income for the financial period</b>	<b>\$ 440</b>	<b>\$ 970</b>	<b>\$ 3,483</b>	<b>\$ 3,542</b>



# Balance Sheet

## (Unaudited)

\$ in millions	Note	As of	
		September 2023	December 2022
<b>Assets</b>			
Cash and cash equivalents		\$ 26,906	\$ 11,707
Collateralised agreements	3	265,905	235,796
Customer and other receivables		74,008	78,967
Trading assets (includes \$39,486 and \$20,708 pledged as collateral)	4	857,064	872,810
Investments (includes \$2 and \$3 pledged as collateral)		287	280
Loans		177	222
Other assets		9,455	3,259
<b>Total assets</b>		<b>\$1,233,802</b>	<b>\$1,203,041</b>
<b>Liabilities</b>			
Collateralised financings	5	\$ 191,509	\$ 124,735
Customer and other payables		122,938	110,983
Trading liabilities	4	798,147	844,313
Unsecured borrowings	6	73,841	76,205
Other liabilities		4,752	4,596
<b>Total liabilities</b>		<b>1,191,187</b>	<b>1,160,832</b>
<b>Shareholder's equity</b>			
Share capital		598	598
Share premium account		5,568	5,568
Other equity instruments		5,500	8,300
Retained earnings		31,167	27,870
Accumulated other comprehensive income		(218)	(127)
<b>Total shareholder's equity</b>		<b>42,615</b>	<b>42,209</b>
<b>Total liabilities and shareholder's equity</b>		<b>\$1,233,802</b>	<b>\$1,203,041</b>

## Supplementary Notes (Unaudited)

### Note 1.

#### Basis of Preparation

This financial information has been prepared using the same principles as those applied in the company's 2022 Annual Report. These principles are in line with both U.K.-adopted international accounting standards and International Financial Reporting Standards (IFRS) adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union (E.U.), which are consistent, and the requirements of the Companies Act 2006, as applicable to companies reporting under those standards.

This financial information should be read in conjunction with the company's 2022 Annual Report.

The significant accounting policies applied in the preparation of this financial information are consistent with those described in the 2022 Annual Report. The company's critical accounting estimates and judgements include those described in the 2022 Annual Report and estimated year-end discretionary compensation, see "Results of Operations — Net Operating Expenses" for further information.

### Note 2.

#### Other Income

Other income included a loss of \$179 million for the three months ended September 2023 and a net gain of \$1.39 billion for the nine months ended September 2023 related to the transfer of the company's U.K. asset management business. See "Results of Operations — Transfer of U.K. Asset Management Business" for further information.

### Note 3.

#### Collateralised Agreements

The table below presents collateralised agreements.

\$ in millions	As of	
	September 2023	December 2022
Resale agreements	\$ 150,468	\$ 129,433
Securities borrowed	115,437	106,363
<b>Total</b>	<b>\$ 265,905</b>	<b>\$ 235,796</b>

### Note 4.

#### Trading Assets and Liabilities

Trading assets and liabilities include trading cash instruments and derivatives held in connection with the company's market-making or risk management activities. Trading assets includes assets pledged as collateral.

The table below presents trading assets.

\$ in millions	As of	
	September 2023	December 2022
<b>Trading cash instruments</b>		
Money market instruments	\$ 214	\$ 20
Government and agency obligations	29,485	18,301
Mortgage and other asset-backed loans and securities	245	198
Corporate debt instruments	24,102	20,092
Equity securities	50,075	33,670
Commodities	445	148
<b>Total trading cash instruments</b>	<b>104,566</b>	<b>72,429</b>
<b>Derivatives</b>		
Interest rates	566,705	599,737
Credit	19,494	19,782
Currencies	101,890	111,249
Commodities	10,402	19,647
Equities	54,007	49,966
<b>Total derivatives</b>	<b>752,498</b>	<b>800,381</b>
<b>Total trading assets</b>	<b>\$ 857,064</b>	<b>\$ 872,810</b>

The table below presents trading liabilities.

\$ in millions	As of	
	September 2023	December 2022
<b>Trading cash instruments</b>		
Government and agency obligations	\$ 26,633	\$ 14,109
Corporate debt instruments	4,989	5,532
Equity securities	36,493	37,037
Commodities	14	16
<b>Total trading cash instruments</b>	<b>68,129</b>	<b>56,694</b>
<b>Derivatives</b>		
Interest rates	545,693	585,621
Credit	17,076	17,453
Currencies	101,242	114,335
Commodities	10,435	20,207
Equities	55,572	50,003
<b>Total derivatives</b>	<b>730,018</b>	<b>787,619</b>
<b>Total trading liabilities</b>	<b>\$ 798,147</b>	<b>\$ 844,313</b>

## Supplementary Notes (Unaudited)

### Note 5.

#### Collateralised Financings

The table below presents collateralised financings.

\$ in millions	As of	
	September 2023	December 2022
Repurchase agreements	\$ 106,925	\$ 80,172
Securities loaned	71,894	31,019
Intercompany loans	7,328	7,027
Debt securities issued	535	2,393
Other borrowings	4,827	4,124
<b>Total</b>	<b>\$ 191,509</b>	<b>\$ 124,735</b>

In the table above, total collateralised financings included non-current collateralised financings of \$57.55 billion as of September 2023 and \$38.52 billion as of December 2022.

### Note 6.

#### Unsecured Borrowings

The table below presents unsecured borrowings.

\$ in millions	As of	
	September 2023	December 2022
Bank loans	\$ 100	\$ 100
Overdrafts	260	68
Intercompany loans – non-MREL-eligible	17,882	19,519
Intercompany loans – MREL-eligible	17,636	16,774
Debt securities issued	24,356	26,929
Subordinated loans	7,255	5,407
Other borrowings	6,352	7,408
<b>Total</b>	<b>\$ 73,841</b>	<b>\$ 76,205</b>

In the table above, total unsecured borrowings included non-current borrowings of \$53.47 billion as of September 2023 and \$56.18 billion as of December 2022.

### Note 7.

#### Fair Value Measurement of Financial Assets and Liabilities

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

\$ in millions	Level 1	Level 2	Level 3	Total
<b>As of September 2023</b>				
<b>Financial assets</b>				
Collateralised agreements	\$ —	\$ 154,276	\$ 111	\$ 154,387
Trading cash instruments	70,105	33,919	542	104,566
Derivatives	15	748,169	4,314	752,498
Trading assets	70,120	782,088	4,856	857,064
Investments	3	217	67	287
Loans	—	143	34	177
Other assets	—	6,458	—	6,458
<b>Total</b>	<b>\$ 70,123</b>	<b>\$ 943,182</b>	<b>\$ 5,068</b>	<b>\$ 1,018,373</b>
<b>Financial liabilities</b>				
Collateralised financings	\$ —	\$ 94,002	\$ 533	\$ 94,535
Trading cash instruments	62,158	5,953	18	68,129
Derivatives	46	727,172	2,800	730,018
Trading liabilities	62,204	733,125	2,818	798,147
Unsecured borrowings	—	32,038	4,993	37,031
<b>Total</b>	<b>\$ 62,204</b>	<b>\$ 859,165</b>	<b>\$ 8,344</b>	<b>\$ 929,713</b>

#### As of December 2022

<b>Financial assets</b>				
Collateralised agreements	\$ —	\$ 151,621	\$ 118	\$ 151,739
Trading cash instruments	44,917	26,956	556	72,429
Derivatives	166	796,286	3,929	800,381
Trading assets	45,083	823,242	4,485	872,810
Investments	4	205	71	280
Loans	—	168	54	222
Other assets	—	156	—	156
<b>Total</b>	<b>\$ 45,087</b>	<b>\$ 975,392</b>	<b>\$ 4,728</b>	<b>\$ 1,025,207</b>
<b>Financial liabilities</b>				
Collateralised financings	\$ —	\$ 77,144	\$ 395	\$ 77,539
Trading cash instruments	49,689	6,997	8	56,694
Derivatives	55	785,240	2,324	787,619
Trading liabilities	49,744	792,237	2,332	844,313
Unsecured borrowings	—	35,099	5,148	40,247
<b>Total</b>	<b>\$ 49,744</b>	<b>\$ 904,480</b>	<b>\$ 7,875</b>	<b>\$ 962,099</b>

See Note 29 “Fair Value Measurement” in Part II of the 2022 Annual Report for further information about the valuation techniques and significant inputs to the valuation of the company’s financial assets and liabilities measured at fair value.

## Supplementary Notes (Unaudited)

### Note 8.

## Capital Management and Financial Risk Management

### Regulatory Capital

The company is subject to the U.K. capital framework, which is largely based on the Basel Committee on Banking Supervision's capital framework for strengthening international capital standards (Basel III).

In the second quarter of 2023, the company received regulatory approval and repurchased \$2.80 billion of its Additional Tier 1 notes. The company partially replaced this regulatory capital by issuing \$1.50 billion of Tier 2-eligible long-term subordinated loans. In addition, the company paid an interim dividend of \$655 million to GSG UK in the second quarter of 2023.

### Regulatory Risk-Based Capital Ratios

The table below presents information about the company's minimum risk-based capital requirements, which incorporate capital guidance received from the PRA and could change in the future.

	As of	
	September 2023	December 2022
CET1 capital ratio	9.1%	8.7%
Tier 1 capital ratio	11.0%	10.7%
Total capital ratio	13.6%	13.3%

Effective July 5, 2023, the Bank of England increased the U.K. countercyclical capital buffer to 2% of banks' exposures to U.K. borrowers and counterparties after having increased it from 0% to 1% in December 2022.

The table below presents information about the company's risk-based capital ratios.

	As of	
	September 2023	December 2022
<i>\$ in millions</i>		
<b>Risk-based capital and risk-weighted assets</b>		
CET1 capital	\$ 33,123	\$ 31,780
Additional Tier 1 notes	\$ 5,500	\$ 8,300
Tier 1 capital	\$ 38,623	\$ 40,080
Tier 2 capital	\$ 6,877	\$ 5,377
Total capital	\$ 45,500	\$ 45,457
Risk-weighted assets	\$271,452	\$247,653
<b>Risk-based capital ratios</b>		
CET1 capital ratio	12.2%	12.8%
Tier 1 capital ratio	14.2%	16.2%
Total capital ratio	16.8%	18.4%

In the table above:

- The risk-based capital ratios as of September 2023 included the company's profit after dividends paid and foreseeable charges for the nine months ended September 2023 that are still subject to verification by the company's external auditors and approval by the PRA for inclusion in risk-based capital. These profits contributed approximately 44 basis points to the CET1 capital ratio as of September 2023, which represents the company's profit for the financial period reduced by dividends paid and foreseeable charges, divided by its risk-weighted assets.
- The net gain of \$1.39 billion related to the transfer of the company's U.K. asset management business has not been recognised in regulatory capital as based on current capital planning, the consideration received for the transfer is expected to be distributed by the company. As such, as of September 2023, this net gain, which is included in retained earnings within CET1 capital, has been offset by a corresponding increase in CET1 capital deductions.

The company is a registered swap dealer with the Commodity Futures Trading Commission (CFTC) and a registered security-based swap dealer with the U.S. Securities and Exchange Commission (SEC). As of both September 2023 and December 2022, the company was subject to and in compliance with applicable capital requirements for swap dealers and security-based swap dealers.

The company is also subject to a minimum requirement for own funds and eligible liabilities (MREL) issued to GS Group affiliates. As of both September 2023 and December 2022, the company was in compliance with this requirement.

## Supplementary Notes (Unaudited)

### Leverage Ratio

From January 1, 2023, the leverage ratio framework was revised to set a minimum leverage ratio requirement, which as of September 2023 was 3.5%, inclusive of buffers. This minimum leverage ratio is applicable to GSG UK Group, which includes the company. The leverage ratio compares Tier 1 capital to a measure of leverage exposure, defined as the sum of certain assets plus certain off-balance-sheet exposures (which include a measure of derivatives, securities financing transactions, commitments and guarantees), less Tier 1 capital deductions.

The company had a leverage ratio of 5.1% as of September 2023 and 6.1% as of December 2022. The leverage ratio as of September 2023 included the company's profits after dividends paid and foreseeable charges for the nine months ended September 2023 that are still subject to verification by the company's external auditors and approval by the PRA for inclusion in risk-based capital. These profits contributed approximately 16 basis points to the leverage ratio as of September 2023, which represents the company's profit for the financial period reduced by dividends paid and foreseeable charges, divided by its leverage exposure.

### Liquidity Risk

**Global Core Liquid Assets (GCLA).** The table below presents information about the company's GCLA by asset class.

\$ in millions	Average for the Three Months Ended	
	September 2023	June 2023
Overnight cash deposits	\$ 48,448	\$ 46,434
U.S. government obligations	22,658	24,342
Non-U.S. government obligations	9,715	8,108
<b>Total</b>	<b>\$ 80,821</b>	<b>\$ 78,884</b>

### Market Risk

**Value-at-Risk (VaR).** The table below presents information about the company's average daily VaR.

\$ in millions	Three Months Ended			Nine Months Ended September	
	September 2023	June 2023	September 2022	2023	2022
<b>Categories</b>					
Interest rates	\$ 28	\$ 35	\$ 37	\$ 32	\$ 37
Equity prices	21	23	27	23	26
Currency rates	10	10	15	11	13
Commodity prices	2	2	1	2	1
Diversification effect	(24)	(25)	(28)	(25)	(28)
<b>Total</b>	<b>\$ 37</b>	<b>\$ 45</b>	<b>\$ 52</b>	<b>\$ 43</b>	<b>\$ 49</b>

### Note 9.

### Legal Proceedings

The company is involved in a number of judicial, regulatory and arbitration proceedings (including those described below) concerning matters arising in connection with the conduct of the company's business. Except as noted in the first matter below, it is not practicable to reliably estimate the possible financial impact in excess of provisions, if any, of these proceedings on the company.

**Banco Espirito Santo S.A. and Oak Finance.** Beginning in February 2015, the company commenced actions against Novo Banco S.A. (Novo Banco) in the English Commercial Court and the Bank of Portugal (BoP) in the Portuguese Administrative Court in response to BoP's decisions in December 2014, September 2015 and December 2015 to reverse an earlier transfer to Novo Banco of an \$835 million facility agreement (the Facility), structured by the company, between Oak Finance Luxembourg S.A. (Oak Finance), a special purpose vehicle formed in connection with the Facility, and Banco Espirito Santo S.A. (BES) prior to the failure of BES. In July 2018, the English Supreme Court found that the English courts will not have jurisdiction over the company's action unless and until the Portuguese Administrative Court finds against BoP in the company's parallel action. In July 2018, the Liquidation Committee for BES issued a decision seeking to claw back from the company \$54 million paid to the company and \$50 million allegedly paid to Oak Finance in connection with the Facility, alleging that the company acted in bad faith in extending the Facility, including because the company allegedly knew that BES was at risk of imminent failure. In October 2018, the company commenced an action in Lisbon Commercial Court challenging the Liquidation Committee's decision and has since also issued a claim against the Portuguese State seeking compensation for losses of approximately \$222 million related to the failure of BES, together with a contingent claim for the \$104 million sought by the Liquidation Committee. On April 11, 2023, GSI commenced administrative proceedings against the BoP, seeking the nullification of the BoP's September 2015 and December 2015 decisions on new grounds.

## Supplementary Notes (Unaudited)

**Interest Rate Swap Antitrust Litigation.** The company is among the defendants named in a putative antitrust class action relating to the trading of interest rate swaps, filed in November 2015 and consolidated in the U.S. District Court for the Southern District of New York. The company is also among the defendants named in two antitrust actions relating to the trading of interest rate swaps, commenced in April 2016 and June 2018, respectively, in the U.S. District Court for the Southern District of New York by three operators of swap execution facilities and certain of their affiliates. These actions have been consolidated for pretrial proceedings. The complaints generally assert claims under federal antitrust law and state common law in connection with an alleged conspiracy among the defendants to preclude exchange trading of interest rate swaps. The complaints in the individual actions also assert claims under state antitrust law. The complaints seek declaratory and injunctive relief, as well as treble damages in an unspecified amount. Defendants moved to dismiss the class and the first individual action and the district court dismissed the state common law claims asserted by the plaintiffs in the first individual action and otherwise limited the state common law claim in the putative class action and the antitrust claims in both actions to the period from 2013 to 2016. On November 20, 2018, the court granted in part and denied in part the defendants' motion to dismiss the second individual action, dismissing the state common law claims for unjust enrichment and tortious interference, but denying dismissal of the federal and state antitrust claims. On March 13, 2019, the court denied the plaintiffs' motion in the putative class action to amend their complaint to add allegations related to conduct from 2008 to 2012, but granted the motion to add limited allegations from 2013 to 2016, which the plaintiffs added in a fourth consolidated amended complaint filed on March 22, 2019. The plaintiffs in the putative class action moved for class certification on March 7, 2019.

**Commodities-Related Litigation.** The company is among the defendants named in putative class actions relating to trading in platinum and palladium, filed beginning on November 25, 2014 and most recently amended on May 15, 2017, in the U.S. District Court for the Southern District of New York. The amended complaint generally alleges that the defendants violated federal antitrust laws and the Commodity Exchange Act in connection with an alleged conspiracy to manipulate a benchmark for physical platinum and palladium prices and seek declaratory and injunctive relief, as well as treble damages in an unspecified amount. On March 29, 2020, the court granted the defendants' motions to dismiss and for reconsideration, resulting in the dismissal of all claims, and on February 27, 2023, the U.S. Court of Appeals for the Second Circuit reversed the district court's dismissal of certain plaintiffs' antitrust claims and vacated the district court's dismissal of the plaintiffs' Commodity Exchange Act claim. On April 12, 2023, the defendants' petition for rehearing or rehearing en banc with the U.S. Court of Appeals for the Second Circuit was denied. On July 21, 2023, the defendants filed a motion for judgment on the pleadings.

The company is among the defendants in a number of putative class and individual actions filed beginning on August 1, 2013 and consolidated in the U.S. District Court for the Southern District of New York. The complaints generally allege violations of federal antitrust laws and state laws in connection with the storage of aluminium and aluminium trading. The complaints seek declaratory, injunctive and other equitable relief, as well as unspecified monetary damages, including treble damages. In December 2016, the district court granted defendants' motions to dismiss and on August 27, 2019, the Second Circuit vacated the district court's dismissals and remanded the case to district court for further proceedings. On July 23, 2020, the district court denied the class plaintiffs' motion for class certification, and on December 16, 2020 the Second Circuit denied leave to appeal the denial. On February 17, 2021, the district court granted defendants' motion for summary judgment with respect to the claims of most of the individual plaintiffs. On April 14, 2021, the plaintiffs appealed to the U.S. Court of Appeals for the Second Circuit. On May 31, 2022, the two remaining individual plaintiffs entered into a settlement with the defendants. The company has paid the full amount of its contribution to the settlement.

**Credit Default Swap Antitrust Litigation.** The company is among the defendants named in a putative antitrust class action relating to the settlement of credit default swaps, filed on June 30, 2021 in the U.S. District Court for the District of New Mexico. The complaint generally asserts claims under federal antitrust law and the Commodity Exchange Act in connection with an alleged conspiracy among the defendants to manipulate the benchmark price used to value credit default swaps for settlement. The complaint also asserts a claim for unjust enrichment under state common law. The complaint seeks declaratory and injunctive relief, as well as unspecified amounts of treble and other damages. On November 15, 2021, the defendants filed a motion to dismiss the complaint. On February 4, 2022, the plaintiffs filed an amended complaint and voluntarily dismissed Group Inc. from the action. On June 5, 2023, the court dismissed the claims against certain foreign defendants for lack of personal jurisdiction but denied the defendants' motion to dismiss with respect to Goldman Sachs & Co. LLC, the company and the remaining defendants.

## Supplementary Notes

### (Unaudited)

**Regulatory Investigations and Reviews and Related Litigation.** Group Inc. and certain of its affiliates, including the company, are subject to a number of other investigations and reviews by, and in some cases have received subpoenas and requests for documents and information from, various governmental and regulatory bodies and self-regulatory organisations and litigation relating to various matters relating to GS Group's businesses and operations, including:

- The securities offering process and underwriting practices;
- Investment management and financial advisory services;
- Conflicts of interest;
- Transactions involving government-related financings and other matters;
- The offering, auction, sales, trading and clearance of corporate and government securities, currencies, commodities and other financial products and related sales and other communications and activities, as well as GS Group's supervision and controls relating to such activities, including compliance with applicable short sale rules, algorithmic, high-frequency and quantitative trading, futures trading, options trading, when-issued trading, transaction and regulatory reporting, technology systems and controls, securities lending practices, prime brokerage activities, trading and clearance of credit derivative instruments and interest rate swaps, commodities activities and metals storage, private placement practices, allocations of and trading in securities, and trading activities and communications in connection with the establishment of benchmark rates, such as currency rates;
- Compliance with the U.K. Bribery Act and the U.S. Foreign Corrupt Practices Act;
- Hiring and compensation practices;
- System of risk management and controls; and
- Insider trading, the potential misuse and dissemination of material non-public information regarding corporate and governmental developments and the effectiveness of insider trading controls and information barriers.

In addition, investigations, reviews and litigation involving the company's affiliates and such affiliates' businesses and operations, including various matters referred to above but also other matters, may have an impact on the company's businesses and operations.