Unaudited Half-yearly Financial Report

June 30, 2024

Goldman Sachs International (unlimited company)

Company Number: 02263951

INDEX

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. is a bank holding company and a financial holding company regulated by the Board of Governors of the Federal Reserve System (FRB). 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. Group Inc. together with its consolidated subsidiaries form "GS Group". GS Group is a leading global financial institution that delivers a broad range of financial services to a large and diversified client base that includes corporations, financial institutions, governments and individuals. The company's results prepared under United States Generally Accepted Accounting Principles (U.S. GAAP) are included in the consolidated financial statements of GS Group.

The company seeks to be the advisor of choice for its clients and a leading participant in global financial markets. As part of GS Group, the company also enters into transactions with affiliates in the normal course of business as part of its market-making activities and general operations.

The company generates revenues from the following business activities: Investment Banking; Fixed Income, Currency and Commodities (FICC); Equities; and Investment Management, which primarily consists of Wealth management.

On April 1, 2023, the company transferred its U.K. asset management business to Goldman Sachs Asset Management International (GSAMI) and recognised a gain of $1.57 billion in other income in the second quarter of 2023, equivalent to the fair value of this business (known hereafter as the "gain related to the transfer of the U.K. asset management business").

The company strives to maintain a work environment that fosters professionalism, excellence, high standards of business ethics, diversity, teamwork and cooperation among employees. The company recognises that it needs the most talented people to deliver outstanding results for clients. A diverse workforce in terms of gender, ethnicity, sexual orientation, background, culture and education ensures the development of better ideas, products and services. For further information about Goldman Sachs' people, culture and commitment to diversity, see www.goldmansachs.com/our-commitments/diversity-and-inclusion/.

References to "the financial statements" are to the unaudited financial statements as presented in Part II of this financial report.

All references to June 2024, March 2024, December 2023 and June 2023 refer to the periods ended, or the dates, as the context requires, June 30, 2024, March 31, 2024, December 31, 2023 and June 30, 2023, respectively. All references to December 2022 refer to the date December 31, 2022. All references to "the 2023 Annual Report" are to the company's Annual Report for the year ended December 31, 2023.

Executive Overview

The directors consider profit for the period, total assets and Common Equity Tier 1 (CET1) capital ratio as the company's key performance indicators.

The variance commentary related to net revenues and profits in "Executive Overview — Income Statement" and "Results of Operations — Investment Management" excludes the impact of the $1.57 billion gain related to the transfer of the U.K. asset management business recognised in the second quarter of 2023.

Income Statement

Three Months Ended June 2024 versus June 2023. The income statement is set out on page 14 of this financial report. The company's profit for the three months ended June 2024 was $578 million, a decrease of $5 million compared with the three months ended June 2023 (excluding the gain related to the transfer of the U.K. asset management business).

Net revenues were $2.42 billion for the three months ended June 2024, 3% lower than the three months ended June 2023 (excluding the gain related to the transfer of the U.K. asset management business), reflecting lower net revenues in Equities and Investment Management, partially offset by higher net revenues in FICC and Investment Banking.

Net operating expenses were $1.63 billion for the three months ended June 2024, 3% higher than the three months ended June 2023, primarily due to higher compensation and benefits, partially offset by lower management charges from GS Group affiliates.

Six Months Ended June 2024 versus June 2023. The company's profit for the six months ended June 2024 was $1.47 billion, a decrease of 8% compared with the six months ended June 2023 (excluding the gain related to the transfer of the U.K. asset management business).

Net revenues were $5.35 billion for the six months ended June 2024, 3% lower than the six months ended June 2023 (excluding the gain related to the transfer of the U.K. asset management business), reflecting lower net revenues in FICC and Investment Management and slightly lower net revenues in Equities, partially offset by significantly higher net revenues in Investment Banking.

Net operating expenses were $3.34 billion for the six months ended June 2024, 4% higher than the six months ended June 2023, primarily due to higher compensation and benefits, partially offset by lower management charges from GS Group affiliates and transaction based expenses.

See "Results of Operations" below for more information about net revenues and net operating expenses.

Capital Ratios

The company's CET1 capital ratio under the U.K. capital framework was 11.8% as of June 2024 and 12.6% as of December 2023.

Balance Sheet

The balance sheet is set out on page 15 of this financial report.

As of June 2024, total assets were $1.24 trillion, an increase of $39.08 billion from December 2023, primarily reflecting an increase in collateralised agreements of $43.84 billion (primarily due to changes in the company's and its clients' activity) and an increase in trading assets of $18.42 billion (primarily due to an increase in derivatives, partially offset by a decrease in trading cash instruments), partially offset by a decrease in cash and cash equivalents of $21.26 billion (primarily due to a change in the proportion of Global Core Liquid Assets (GCLA) held as cash deposits).

As of June 2024, total liabilities were $1.20 trillion, an increase of $38.66 billion from December 2023, primarily reflecting an increase in trading liabilities of $29.79 billion (primarily due to an increase in derivatives, partially offset by a decrease in trading cash instruments) and an increase in collateralised financings of $17.69 billion (primarily due to changes in the company's and its clients' activity), partially offset by a decrease in unsecured borrowings of $8.77 billion (primarily due to a decrease in intercompany loans).

As of June 2024, total shareholder's equity was $40.54 billion, an increase of $417 million from December 2023. The increase in shareholder's equity from the company's total comprehensive income of $1.44 billion for the six months ended June 2024 was partially offset by the payment of a cash dividend of $1.02 billion.

Total level 3 financial assets were $4.84 billion as of June 2024 and $4.95 billion as of December 2023. See Note 22 to the financial statements for further information about level 3 financial assets, including changes in level 3 financial assets and related fair value measurement.

Under U.S. GAAP, as of June 2024, total assets were $575.50 billion and total liabilities were $540.56 billion. Total assets and total liabilities under U.S. GAAP differ from those reported under International Financial Reporting Standards (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.

Business Environment

During the second quarter of 2024, economic activity continued to be impacted by concerns about inflation and ongoing geopolitical stresses, including tensions with China and the conflicts in Ukraine and the Middle East. Additionally, markets were focused on the potential timing and amount of policy interest rate cuts by central banks globally, as well as the potential outcomes of national elections. Whilst in the U.S., the economy remained resilient, in the U.K. and Eurozone, economic activity showed some signs of improvement from low levels. The U.S. Federal Reserve and the Bank of England held policy interest rates steady, while the European Central Bank decreased its main policy interest rate by 25 basis points.

Results of Operations

Net Revenues

Net revenues include the net profit arising from transactions, with both third parties and GS Group affiliates, in securities, foreign exchange and other financial instruments, and fees and commissions. This is inclusive of associated interest, dividends and returns on the company's GCLA.

The table below presents the company's net revenues by business activity.

	Three Months Ended June		Six Months Ended June	
$ in millions	**2024**	2023	**2024**	2023
Investment Banking	**$ 298**	$ 261	**$ 608**	$ 496
FICC	**743**	698	**1,790**	1,922
Equities	**1,258**	1,377	**2,622**	2,692
Investment Management	**121**	1,722	**326**	1,970
Total	**$ 2,420**	$ 4,058	**$ 5,346**	$ 7,080

In the table above, Investment Management net revenues for the three months and six months ended June 2023 included the gain of $1.57 billion related to the transfer of the U.K. asset management business.

Investment Banking

Investment Banking primarily generates revenues from the following:

Advisory. Includes strategic advisory engagements with respect to mergers and acquisitions, divestitures, corporate defence activities, restructurings and spin-offs.

Underwriting. Includes public offerings and private placements in both local and cross-border transactions of a wide range of securities and other financial instruments, including acquisition financing.

Corporate lending. Includes relationship lending and related hedges.

Three Months Ended June 2024 versus June 2023. Net revenues in Investment Banking were $298 million for the three months ended June 2024, 14% higher than the three months ended June 2023, primarily due to significantly higher net revenues in Underwriting (due to significantly higher net revenues in Equity underwriting and higher net revenues in Debt underwriting), partially offset by significantly lower net revenues in Advisory (reflecting a decrease in industry-wide completed mergers and acquisitions transactions in EMEA).

As of June 2024, the EMEA investment banking backlog was significantly higher compared with March 2024, primarily due to significantly higher estimated net revenues from potential advisory transactions and higher estimated net revenues from potential debt underwriting transactions, partially offset by lower estimated net revenues from potential equity underwriting transactions.

Six Months Ended June 2024 versus June 2023. Net revenues in Investment Banking were $608 million for the six months ended June 2024, 23% higher than the six months ended June 2023, primarily due to significantly higher net revenues in Underwriting (due to significantly higher net revenues in Equity underwriting and higher net revenues in Debt underwriting), partially offset by lower net revenues in Advisory (reflecting a decrease in industry-wide completed mergers and acquisitions transactions in EMEA).

As of June 2024, the EMEA investment banking backlog was significantly higher compared with December 2023, primarily due to significantly higher estimated net revenues from potential advisory transactions and higher estimated net revenues from potential debt underwriting transactions, partially offset by lower estimated net revenues from potential equity underwriting transactions.

The backlog represents an estimate of net revenues from future transactions where the company believes that future revenue realisation is more likely than not. The changes in backlog may be a useful indicator of client activity levels which, over the long term, impact net revenues. However, the time frame for completion and corresponding revenue recognition of transactions in the backlog varies based on the nature of the engagement, as certain transactions may remain in the backlog for longer periods of time. In addition, the backlog is subject to certain limitations, such as assumptions about the likelihood that individual client transactions will occur in the future. Transactions may be cancelled or modified, and transactions not included in the estimate may also occur.

FICC

FICC generates revenues from intermediation and financing activities.

- **FICC intermediation.** Includes client execution activities related to making markets in both cash and derivative instruments, as detailed below.

  Interest Rate Products. Government bonds (including inflation-linked securities) across maturities, other government-backed securities, and interest rate swaps, options and other derivatives.

  Credit Products. Investment-grade and high-yield corporate securities, credit derivatives, exchange-traded funds (ETFs), bank and bridge loans, municipal securities, distressed debt and trade claims.

  Mortgages. Commercial mortgage-related securities, loans and derivatives, residential mortgage-related securities, loans and derivatives, and other asset-backed securities, loans and derivatives.

  Currencies. Currency options, spot/forwards and other derivatives on G-10 currencies and emerging-market products.

  Commodities. Commodity derivatives and, to a lesser extent, physical commodities, involving crude oil and petroleum products, natural gas, agricultural, base, precious and other metals, electricity, including renewable power, environmental products and other commodity products.

- **FICC financing.** Includes (i) secured lending to the company's clients through structured credit and asset-backed lending, (ii) financing through securities purchased under agreements to resell (resale agreements) and (iii) commodity financing to clients through structured transactions.

Three Months Ended June 2024 versus June 2023. Net revenues in FICC were $743 million for the three months June 2024, 6% higher than the three months ended June 2023, due to higher net revenues in FICC financing (primarily driven by higher net revenues from structured credit) and slightly higher net revenues in FICC intermediation (due to significantly higher net revenues in currencies and higher net revenues in interest rate products, partially offset by lower net revenues in commodities, mortgages and credit products). The increase in FICC intermediation net revenues reflected improved market-making conditions on inventory, partially offset by lower client activity.

Six Months Ended June 2024 versus June 2023. Net revenues in FICC were $1.79 billion for the six months ended June 2024, 7% lower than the six months ended June 2023, primarily due to lower net revenues in FICC intermediation (due to lower net revenues in interest rate products, commodities and mortgages, partially offset by higher net revenues in currencies and credit products). Net revenues in FICC financing were essentially unchanged. The decrease in FICC intermediation net revenues primarily reflected lower client activity.

Equities

Equities generates revenues from intermediation and financing activities.

- **Equities intermediation.** The company makes markets in equity securities and equity-related products, including ETFs, convertible securities, options, futures and over-the-counter (OTC) derivative instruments. The company also structures and makes markets in derivatives on indices, industry sectors, financial measures and individual company stocks. The company's exchange-based market-making activities include making markets in stocks and ETFs, futures and options on major exchanges worldwide. In addition, the company generates commissions and fees from executing and clearing institutional client transactions on major stock, options and futures exchanges worldwide, as well as OTC transactions.
- **Equities financing.** Includes prime financing, which provides financing to the company's clients for their securities trading activities through margin loans that are collateralised by securities, cash or other collateral. Prime financing also includes services which involve lending securities to cover institutional clients' short sales and borrowing securities to cover the company's short sales and to make deliveries into the market. The company is also an active participant in broker-to-broker securities lending and third-party agency lending activities. In addition, the company executes swap transactions to provide its clients with exposure to securities and indices. Financing activities also include portfolio financing, which clients can utilise to manage their investment portfolios, and other equity financing activities, including securities-based loans to individuals.

Three Months Ended June 2024 versus June 2023. Net revenues in Equities were $1.26 billion for the three months ended June 2024, 9% lower than the three months ended June 2023, due to lower net revenues in Equities financing (primarily reflecting lower net revenues in prime financing and portfolio financing), partially offset by higher net revenues in Equities intermediation (due to significantly higher net revenues in derivatives, partially offset by lower net revenues in cash products).

Six Months Ended June 2024 versus June 2023. Net revenues in Equities were $2.62 billion for the six months ended June 2024, 3% lower than the six months ended June 2023, due to lower net revenues in Equities financing (primarily reflecting lower net revenues in prime financing and portfolio financing), partially offset by higher net revenues in Equities intermediation (due to significantly higher net revenues in derivatives, partially offset by lower net revenues in cash products).

Investment Management

Investment Management includes Asset management and Wealth management.

In the first quarter of 2023, Asset management included investment services provided to GS Group affiliates or funds managed by GS Group and direct investments made by the company, which were typically longer-term in nature. On April 1, 2023, the company transferred its U.K. asset management business to GSAMI. As a result, the company no longer performs any significant Asset management activity.

Wealth management includes wealth advisory services, including portfolio management and financial counselling, brokerage and other transaction services to high-net-worth individuals and families.

Three Months Ended June 2024 versus June 2023. Net revenues in Investment Management were $121 million for the three months ended June 2024, 19% lower than the three months ended June 2023 (excluding the gain related to the transfer of the U.K. asset management business), primarily due to lower net revenues in Wealth management. Net revenues in Asset management were essentially unchanged.

Six Months Ended June 2024 versus June 2023. Net revenues in Investment Management were $326 million for the six months ended June 2024, 18% lower than the six months ended June 2023 (excluding the gain related to the transfer of the U.K. asset management business), primarily due to lower net revenues in Asset management following the transfer of the company's U.K. asset management business and lower net revenues in Wealth management.

Net Operating Expenses

Net operating expenses are primarily influenced by compensation (including the impact of the Group Inc. share price on share-based compensation), headcount and levels of business activity. Compensation and benefits includes salaries, allowances, year-end discretionary compensation, amortisation of share-based compensation, changes in the fair value of share-based payment awards between grant date and delivery date and other items such as benefits. Discretionary compensation is significantly impacted by, among other factors, the level of net revenues, overall financial performance, prevailing labour markets, business mix, the structure of share-based compensation programmes and the external environment.

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").

The table below presents the company's net operating expenses and headcount.

	Three Months Ended June		Six Months Ended June	
$ in millions	**2024**	2023	**2024**	2023
Compensation and benefits	**$ 710**	$ 560	**$ 1,445**	$ 1,158
Transaction based	**440**	461	**820**	865
Market development	**15**	15	**28**	30
Communications and technology	**35**	34	**69**	67
Depreciation and amortisation	**67**	69	**139**	137
Professional fees	**26**	40	**59**	77
Management charges from GS Group affiliates	**213**	268	**514**	590
Other expenses	**197**	217	**415**	428
Operating expenses	**1,703**	1,664	**3,489**	3,352
Management charges to GS Group affiliates	**(73)**	(87)	**(154)**	(137)
Net operating expenses	**$ 1,630**	$ 1,577	**$ 3,335**	$ 3,215
Headcount at period-end	**3,395**	3,282		

In the table above:

- Compensation and benefits included a charge of $151 million for the three months ended June 2024, a credit of $12 million for the three months ended June 2023, a charge of $303 million for the six months ended June 2024 and a credit of $38 million for the six months ended June 2023 representing changes in the fair value of share-based payment awards recharged from Group Inc. during the period.
- Compensation and benefits includes 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 June 2024 versus June 2023. Net operating expenses were $1.63 billion for the three months ended June 2024, 3% higher than the three months ended June 2023.

Compensation and benefits were $710 million for the three months ended June 2024, 27% higher than the three months ended June 2023. Excluding the impact of changes in the fair value of share-based payment awards recharged from Group Inc. for both periods, compensation and benefits were $559 million for the three months ended June 2024, 2% lower than the three months ended June 2023.

Management charges from GS Group affiliates were $213 million, 21% lower than the three months ended June 2023, primarily reflecting a decrease in compensation and occupancy-related charges.

Six Months Ended June 2024 versus June 2023. Net operating expenses were $3.34 billion for the six months ended June 2024, 4% higher than the six months ended June 2023.

Compensation and benefits were $1.45 billion for the six months ended June 2024, 25% higher than the six months ended June 2023. Excluding the impact of changes in the fair value of share-based payment awards recharged from Group Inc. for both periods, compensation and benefits were $1.14 billion for the six months ended June 2024, 5% lower than the six months ended June 2023, primarily reflecting the transfer of certain asset management employees to GSAMI on April 1, 2023.

Transaction based expenses were $820 million for the six months ended June 2024, 5% lower than the six months ended June 2023, primarily reflecting a decrease in transaction taxes.

Management charges from GS Group affiliates were $514 million for the six months ended June 2024, 13% lower than the six months ended June 2023, primarily due to a decrease in compensation and occupancy-related charges.

Headcount was 3,395 as of June 2024, 2% higher than 3,332 as of December 2023 and 3% higher than 3,282 as of June 2023.

Income Tax Expense

The company's effective tax rate was 27.0% for the six months ended June 2024, which compares to the combined U.K. corporation tax rate (including banking surcharge) of 28.0%. The effective tax rate represents the company's income tax expense divided by its profit before taxation.

Balance Sheet and Funding Sources

Balance Sheet Management

The company leverages the firmwide balance sheet management process performed at the GS Group level to manage the size and composition of its balance sheet. While the asset base of the company changes due to client activity, market fluctuations and business opportunities, the size and composition of the company's balance sheet also reflects factors, including (i) overall risk tolerance, (ii) the amount of capital held and (iii) the company's funding profile, among other factors. See "Capital Management and Regulatory Capital — Capital Management" for information about the company's capital management process.

In order to ensure appropriate risk management, the company seeks to maintain a sufficiently liquid balance sheet and leverages GS Group's processes to dynamically manage its assets and liabilities, which include (i) balance sheet planning, (ii) balance sheet limits, (iii) monitoring of key metrics and (iv) scenario analyses.

Funding Sources

The company's primary sources of funding are collateralised financings, unsecured borrowings and shareholder's equity. The company raises this funding through a number of different products, including:

- Securities sold under agreements to repurchase (repurchase agreements) and securities loaned;
- Intercompany loans from GS Group affiliates;
- Debt securities issued including notes, certificates, commercial paper and warrants; and
- Other borrowings including funded derivatives and transfers of assets accounted for as financings rather than sales.

See "Balance Sheet and Funding Sources" in Part I of the 2023 Annual Report for further information about the company's balance sheet management process and funding sources.

Capital Management and Regulatory Capital

Capital adequacy is of critical importance to the company. The company has in place a comprehensive capital management policy that provides a framework, defines objectives and establishes guidelines to assist the company in maintaining the appropriate level and composition of capital in both business-as-usual and stressed conditions. See "Capital Management and Regulatory Capital" in Part I of the 2023 Annual Report for further information about the company's capital management process and regulatory capital.

Capital Management

The company determines the appropriate amount and composition of its capital by considering multiple factors, including the company's current and future regulatory capital requirements, the results of the company's capital planning and stress testing process, the results of resolution capital models and other factors, such as rating agency guidelines, the business environment and conditions in the financial markets.

Regulatory Capital

The company is subject to the U.K. capital framework prescribed in the PRA Rulebook and the U.K. Capital Requirements Regulation, which is largely based on the Basel Committee on Banking Supervision's (Basel Committee) capital framework for strengthening international capital standards (Basel III). The Basel Committee is the primary global standard setter for prudential bank regulation.

The risk-based capital requirements are expressed as capital ratios that compare measures of regulatory capital to risk-weighted assets (RWAs). The CET1 capital ratio is defined as CET1 capital divided by RWAs. The Tier 1 capital ratio is defined as Tier 1 capital divided by RWAs. The Total capital ratio is defined as Total capital divided by RWAs.

In the second quarter of 2024, the company paid a cash dividend of $1.02 billion to GSG UK.

Regulatory Risk-Based Capital Ratios

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

	As of	
	June 2024	December 2023
CET1 capital ratio	**9.1%**	9.1%
Tier 1 capital ratio	**11.1%**	11.0%
Total capital ratio	**13.7%**	13.7%

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

	As of	
$ in millions	**June 2024**	December 2023
Risk-based capital and RWAs		
CET1 capital	**$ 32,121**	$ 32,403
Additional Tier 1 notes	**$ 5,500**	$ 5,500
Tier 1 capital	**$ 37,621**	$ 37,903
Tier 2 capital	**$ 6,877**	$ 6,877
Total capital	**$ 44,498**	$ 44,780
RWAs	**$ 272,678**	$ 257,956
Risk-based capital ratios		
CET1 capital ratio	**11.8%**	12.6%
Tier 1 capital ratio	**13.8%**	14.7%
Total capital ratio	**16.3%**	17.4%

In the table above:

- The company's risk-based capital ratios as of June 2024 excluded the company's profits for the three months ended June 2024, all of which are expected to be distributed as dividends in the future, subject to approval by the board of directors after verification by the company's external auditors.
- The company's risk-based capital ratios as of June 2024 decreased compared with December 2023, primarily due to an increase in RWAs.

Risk-Based Capital

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

	As of	
	June	December
$ in millions	**2024**	2023
Share capital	**$ 598**	$ 598
Share premium account	**5,568**	5,568
Retained earnings	**29,243**	28,800
Accumulated other comprehensive income	**(373)**	(347)
Deductions	**(2,915)**	(2,216)
CET1 capital	**32,121**	32,403
Additional Tier 1 notes	**5,500**	5,500
Tier 1 capital	**$ 37,621**	$ 37,903
Tier 2 capital	**6,877**	6,877
Total capital	**$ 44,498**	$ 44,780

During both the six months ended June 2024 and the year ended December 2023, the company was in compliance with the capital requirements set by the PRA.

Risk-Weighted Assets

The table below presents information about the company's RWAs.

	As of	
	June	December
$ in millions	**2024**	2023
Credit RWAs	**$ 141,140**	$ 135,288
Market RWAs	**107,791**	98,921
Operational RWAs	**23,747**	23,747
Total	**$ 272,678**	$ 257,956

In the table above:

- Credit RWAs as of June 2024 increased by $5.85 billion compared with December 2023, primarily reflecting an increase in counterparty credit risk exposures.
- Market RWAs as of June 2024 increased by $8.87 billion compared with December 2023, primarily reflecting an increase in risk exposures.

See "Capital Management and Regulatory Capital" in Part I of the 2023 Annual Report for a description of each RWA component.

Leverage Ratio

The GSG UK Group, which includes the company, is subject to a minimum leverage ratio requirement. 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 table below presents information about the GSG UK Group's leverage ratio requirement, inclusive of buffers, and the company's leverage ratio.

	As of	
	June	December
	2024	2023
Leverage ratio requirement	**3.6%**	3.5%
Leverage ratio	**4.5%**	4.9%

In the table above, the leverage ratio as of June 2024 excluded the company's profits for the three months ended June 2024, all of which are expected to be distributed as dividends in the future, subject to approval by the board of directors after verification by the company's external auditors. The company's leverage ratio as of June 2024 decreased compared with December 2023, due to an increase in leverage exposures and a decrease in Tier 1 capital.

Minimum Requirement for Own Funds and Eligible Liabilities

The company is subject to a minimum requirement for own funds and eligible liabilities (MREL) issued to GS Group affiliates. As of both June 2024 and December 2023, the company was in compliance with this requirement. In the second quarter of 2024, the company increased its MREL-eligible senior intercompany borrowings by $1.70 billion.

The table below presents information about the company's MREL.

	As of	
	June	December
$ in millions	**2024**	2023
Total regulatory capital	**$ 44,498**	$ 44,780
Eligible senior intercompany borrowings	**18,390**	16,690
Total MREL	**$ 62,888**	$ 61,470

In the table above, eligible senior intercompany borrowings excludes accrued interest.

Swaps, Derivatives and Commodities Regulation

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 June 2024 and December 2023, the company was subject to and in compliance with applicable capital requirements for swap dealers and security-based swap dealers.

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. These risks and uncertainties are consistent with those described in the 2023 Annual Report.

Risk Management

Risks are inherent in the company's businesses and include liquidity, market, credit, operational, cybersecurity, model, legal, compliance, conduct, regulatory and reputational risks. For further information about the company's risk management processes, see "Overview and Structure of Risk Management" in Part I of the 2023 Annual Report, and for information about the company's areas of risk, see "Liquidity Risk Management", "Market Risk Management", "Credit Risk Management", "Operational Risk Management", "Model Risk Management" and "Other Risk Management" below and "Non-Financial and Sustainability Information Statement — Climate-Related and Environment Risk Management" in Part I of the 2023 Annual Report, and "Principal Risks and Uncertainties".

Overview and Structure of Risk Management

Overview

The company believes that effective risk management is critical to its success. Accordingly, the company utilises GS Group's enterprise risk management framework that employs a comprehensive, integrated approach to risk management and is designed to enable comprehensive risk management processes through which the risks associated with the company's business are identified, assessed, monitored and managed.

The implementation of the company's risk governance structure and core risk management processes are overseen by Enterprise Risk, which reports to the company's chief risk officer, and is responsible for ensuring that the company's enterprise risk management framework provides the company's board of directors, the company's risk committees and senior management with a consistent and integrated approach to managing the various risks in a manner consistent with the company's risk appetite.

Together with the company's board of directors, an extensive committee structure with representation from senior management of the company is central to the risk management culture throughout the company. The company's risk management structure, consistent with GS Group, is built around three core components: governance; processes; and people. See "Overview and Structure of Risk Management" in Part I of the 2023 Annual Report for further information.

Liquidity Risk Management

Overview

Liquidity risk is the risk that the company will be unable to fund itself or meet its liquidity needs in the event of company-specific, broader industry or market liquidity stress events. The company has in place a comprehensive and conservative set of liquidity and funding policies. The company's principal objective is to be able to fund itself and to enable its core businesses to continue to serve clients and generate revenues, even under adverse circumstances. See "Liquidity Risk Management" in Part I of the 2023 Annual Report for further information about the company's liquidity risk management process.

GCLA

GCLA is liquidity that the company maintains to meet a broad range of potential cash outflows and collateral needs in a stressed environment. In order to determine the appropriate size of the company's GCLA, the company models liquidity outflows over a range of scenarios and time horizons. See "Liquidity Risk Management" in Part I of the 2023 Annual Report for further information about the company's sources of GCLA, internal liquidity risk models and company-wide stress tests.

The table below presents information about the company's GCLA.

	Average for the Three Months Ended	
$ in millions	**June 2024**	March 2024
Overnight cash deposits	**$ 22,103**	$ 28,440
U.S. government obligations	**29,252**	34,770
Non-U.S. government obligations	**26,005**	13,835
Total	**$ 77,360**	$ 77,045

The GCLA held by the company is intended for use only by the company to meet its liquidity requirements and is assumed not to be available to Group Inc. or Goldman Sachs Funding LLC (Funding IHC). In addition to GCLA held in the company, GS Group holds a portion of global GCLA directly at Group Inc. or Funding IHC, which in some circumstances may be additionally provided to the company or other major subsidiaries.

Liquidity Regulatory Framework

The implementation of the Basel Committee's international framework for liquidity risk management, standards and monitoring calls for a liquidity coverage ratio (LCR) and a net stable funding ratio (NSFR).

The company is subject to a minimum LCR of 100% under the LCR rule approved by the U.K. regulatory authorities. The company's average monthly LCR for the trailing twelve-month period ended June 2024 and the trailing twelve-month period ended December 2023 exceeded the minimum requirement.

The NSFR is designed to promote medium- and long-term stable funding of the assets and off-balance sheet activities of banking organisations over a one-year time horizon. The Basel Committee's NSFR framework requires banking organisations to maintain a minimum NSFR of 100%. The company is subject to the applicable NSFR requirement implemented in the U.K. As of both June 2024 and December 2023, the company's NSFR exceeded the minimum requirement.

Amendments to these rules as adopted by the regulatory authorities could impact the company's liquidity and funding requirements and practices in the future.

Credit Ratings

The company relies on the debt capital markets to fund a significant portion of its day-to-day operations, and the cost and availability of debt financing is influenced by the company's credit rating and that of Group Inc. Credit ratings are also important when the company is competing in certain markets, such as OTC derivatives, and when it seeks to engage in longer-term transactions.

The table below presents the unsecured credit ratings and outlook of the company and Group Inc.

	As of June 2024		
	Fitch	**Moody's**	**S&P**
GSI			
Short-term debt	**F1**	**P-1**	**A-1**
Long-term debt	**A+**	**A1**	**A+**
Ratings outlook	**Stable**	**Stable**	**Stable**
Group Inc.			
Short-term debt	**F1**	**P-1**	**A-2**
Long-term debt	**A**	**A2**	**BBB+**
Subordinated debt	**BBB+**	**Baa2**	**BBB**
Trust preferred	**BBB-**	**Baa3**	**BB+**
Preferred stock	**BBB-**	**Ba1**	**BB+**
Ratings outlook	**Stable**	**Stable**	**Stable**

Certain of the company's derivatives have been transacted under bilateral agreements with counterparties who may require the company to post collateral or terminate the transactions based on changes in the credit ratings of either the company and/or Group Inc. The company assesses the impact of these bilateral agreements by determining the collateral or termination payments that would occur assuming a downgrade by all rating agencies of both Group Inc. and the company simultaneously and of each entity individually.

The table below presents the additional collateral or termination payments related to the company's net derivative liabilities under bilateral agreements that could have been called by counterparties in the event of a one- or two-notch downgrade in Group Inc.'s and/or the company's credit ratings.

	As of	
$ in millions	**June 2024**	December 2023
Additional collateral or termination payments:		
One-notch downgrade	**$ 163**	$ 142
Two-notch downgrade	**$ 807**	$ 1,144

Market Risk Management

Overview

Market risk is the risk of an adverse impact to the company's earnings due to changes in market conditions. The company employs a variety of risk measures, each described in the respective sections below, to monitor market risk. Categories of market risk include interest rate risk, equity price risk, currency rate risk and commodity price risk.

See "Market Risk Management" in Part I of the 2023 Annual Report for further information about the company's market risk management process.

Value-at-Risk (VaR)

VaR is the potential loss in value due to adverse market movements over a defined time horizon with a specified confidence level. See "Market Risk Management" in Part I of the 2023 Annual Report for further information about GS Group's VaR model, which is applied consistently by the company.

VaR is analysed at the company level and a variety of more detailed levels, including by risk category and business. Diversification effect in the tables below represents the difference between total VaR and the sum of the VaRs for the four risk categories. This effect arises because the four market risk categories are not perfectly correlated.

The table below presents the company's average daily VaR.

	Three Months Ended			Six Months Ended June	
$ in millions	**June 2024**	March 2024	June 2023	**2024**	2023
Categories					
Interest rates	**$ 27**	$ 28	$ 35	**$ 27**	$ 35
Equity prices	**21**	21	23	**21**	24
Currency rates	**10**	10	10	**10**	11
Commodity prices	**1**	1	2	**1**	2
Diversification effect	**(23)**	(24)	(25)	**(23)**	(26)
Total	**$ 36**	$ 36	$ 45	**$ 36**	$ 46

The company's average daily VaR of $36 million for the three months ended June 2024 remained unchanged compared with the three months ended March 2024. The decrease in the interest rates category was offset by a decrease in the diversification effect.

The company's average daily VaR decreased to $36 million for the three months ended June 2024 from $45 million for the three months ended June 2023, primarily due to lower levels of volatility. The total decrease was primarily driven by decreases in the interest rates and equity prices categories, partially offset by a decrease in the diversification effect.

The company's average daily VaR decreased to $36 million for the six months ended June 2024 from $46 million for the six months ended June 2023, primarily due to lower levels of volatility. The total decrease was primarily driven by decreases in the interest rates and equity prices categories, partially offset by a decrease in the diversification effect.

The table below presents the company's period-end VaR.

	As of		
$ in millions	**June 2024**	March 2024	June 2023
Categories			
Interest rates	**$ 26**	$ 35	$ 27
Equity prices	**23**	19	20
Currency rates	**10**	14	9
Commodity prices	**2**	1	2
Diversification effect	**(24)**	(30)	(21)
Total	**$ 37**	$ 39	$ 37

The company's period-end VaR decreased to $37 million as of June 2024 from $39 million as of March 2024, primarily due to positional changes. The total decrease was primarily driven by decreases in the interest rates and currency rates categories, partially offset by a decrease in the diversification effect and an increase in the equity prices category.

The company's period-end VaR of $37 million as of June 2024 remained unchanged compared with June 2023. The increases in the equity prices and currency rates categories were offset by an increase in the diversification effect and a decrease in the interest rates category.

The table below presents the company's high and low VaR.

	Three Months Ended					
	June 2024		March 2024		June 2023	
$ in millions	**High**	**Low**	High	Low	High	Low
Categories						
Interest rates	**$ 26**	**$ 20**	$ 44	$ 25	$ 44	$ 25
Equity prices	**$ 26**	**$ 16**	$ 45	$ 16	$ 26	$ 18
Currency rates	**$ 13**	**$ 7**	$ 15	$ 10	$ 17	$ 7
Commodity prices	**$ 2**	**$ 1**	$ 2	$ —	$ 3	$ 1
Company-wide						
VaR	**$ 42**	**$ 32**	$ 54	$ 33	$ 54	$ 37

Sensitivity Measures

Certain portfolios and individual positions are not included in VaR because VaR is not the most appropriate risk measure for these positions.

10% Sensitivity Measures. The table below presents the market risk for positions accounted for at fair value, that are not included in VaR, which is determined by estimating the potential reduction in net revenues of a 10% decline in the value of these positions.

	As of		
$ in millions	**June 2024**	March 2024	June 2023
10% sensitivity	**$ 13.2**	$ 12.8	$ 13.8

Credit Risk Management

Overview

Credit risk represents the potential for loss due to the default or deterioration in credit quality of a counterparty (e.g., an OTC derivatives counterparty or a borrower) or an issuer of securities or other instruments the company holds. The company's exposure to credit risk comes mostly from client transactions in OTC derivatives. Credit risk also comes from cash placed with banks, securities financing transactions (i.e., resale and repurchase agreements and securities borrowing and lending activities), customer and other receivables and other assets. In addition, the company holds other positions that give rise to credit risk (e.g., bonds). These credit risks are captured as a component of market risk measures, which are monitored and managed by Market Risk. See "Credit Risk Management" in Part I of the 2023 Annual Report for further information about the company's credit risk management process.

Credit Risk Exposure

The table below presents the company's gross credit exposure to financial assets and net credit exposure after taking account of assets captured by market risk in the company's risk management process, counterparty netting (i.e., the netting of financial assets and liabilities for a given counterparty when a legal right of set-off exists under an enforceable netting agreement), and cash and security collateral received and cash collateral posted under credit support agreements, which management considers when determining credit risk. See "Credit Risk Management" in Part I of the 2023 Annual Report for detailed descriptions of credit exposures for each financial asset category.

$ in millions	Fair value	Amortised cost	Total
As of June 2024			
Gross credit exposure	**$ 1,028,890**	**$ 212,609**	**$ 1,241,499**
Net credit exposure	**$ 22,870**	**$ 36,542**	**$ 59,412**
As of December 2023			
Gross credit exposure	$ 967,861	$ 234,519	$ 1,202,380
Net credit exposure	$ 21,221	$ 63,965	$ 85,186

Financial Instruments Measured at Fair Value. The table below presents the company's gross credit exposure to financial assets measured at fair value through profit or loss and net credit exposure after taking account of assets captured by market risk in the company's risk management process, counterparty netting, and cash and security collateral received and cash collateral posted under credit support agreements, which management considers when determining credit risk.

$ in millions	Collateralised agreements	Trading assets	Invest-ments	Loans	Other assets	Total
As of June 2024						
Gross credit exposure	**$ 181,530**	**$846,784**	**$ 246**	**$ 174**	**$ 156**	**$1,028,890**
Assets captured by market risk	**—**	**(110,899)**	**(246)**	**—**	**—**	**(111,145)**
Counterparty netting	**(50,498)**	**(658,365)**	**—**	**—**	**—**	**(708,863)**
Cash collateral	**(90)**	**(41,850)**	**—**	**—**	**—**	**(41,940)**
Security collateral received	**(129,984)**	**(13,971)**	**—**	**(117)**	**—**	**(144,072)**
Net credit exposure	**$ 958**	**$ 21,699**	**$ —**	**$ 57**	**$ 156**	**$ 22,870**
As of December 2023						
Gross credit exposure	$ 138,889	$828,362	$ 289	$ 174	$ 147	$ 967,861
Assets captured by market risk	—	(121,294)	(289)	—	—	(121,583)
Counterparty netting	(38,268)	(631,428)	—	—	—	(669,696)
Cash collateral	(109)	(40,617)	—	—	—	(40,726)
Security collateral received	(99,722)	(14,796)	—	(117)	—	(114,635)
Net credit exposure	$ 790	$ 20,227	$ —	$ 57	$ 147	$ 21,221

The table below presents the company's gross and net credit exposure to financial assets measured at fair value through profit or loss by internally determined public rating agency equivalents and other credit metrics.

	As of	
$ in millions	**June 2024**	December 2023
Gross credit exposure		
AAA	**$ 6,540**	$ 10,652
AA	**41,656**	78,738
A	**752,375**	647,143
BBB	**69,387**	68,636
BB or lower	**47,141**	40,575
Unrated	**646**	534
Assets captured by market risk	**111,145**	121,583
Total	**$ 1,028,890**	$ 967,861
Net credit exposure		
AAA	**$ 2,208**	$ 1,993
AA	**5,903**	2,329
A	**6,074**	5,540
BBB	**3,461**	4,056
BB or lower	**4,601**	6,840
Unrated	**623**	463
Total	**$ 22,870**	$ 21,221

In the table above:

- Unrated credit exposures relate to financial assets for which the company has not assigned an internally determined public rating agency equivalent.
- The net credit exposure primarily relates to derivatives.

Financial Instruments Measured at Amortised Cost. The company's financial assets measured at amortised cost are set out in Note 21 to the financial statements. These amounts represent the company's gross credit exposure to financial assets measured at amortised cost.

The company's financial assets measured at amortised cost were all classified within stage 1 of the company's impairment model, namely, they were not credit-impaired on initial recognition and there has been no significant increase in credit risk since initial recognition as of June 2024 and December 2023. The expected credit losses (ECL) on these financial assets were not material as of June 2024 and December 2023 as the majority of the company's financial assets measured at amortised cost are short-term in nature or collateralised. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

The table below presents the company's gross and net credit exposure to financial assets measured at amortised cost by internally determined public rating agency equivalents and other credit metrics.

	As of	
$ in millions	**June 2024**	December 2023
Gross credit exposure		
AAA	**$ 3,370**	$ 2,588
AA	**20,398**	43,838
A	**143,684**	149,170
BBB	**15,677**	14,999
BB or lower	**27,648**	22,129
Unrated	**1,832**	1,795
Total	**$ 212,609**	$ 234,519
Net credit exposure		
AAA	**$ 1,802**	$ 1,709
AA	**13,902**	35,634
A	**12,410**	18,233
BBB	**4,025**	4,106
BB or lower	**2,662**	2,624
Unrated	**1,741**	1,659
Total	**$ 36,542**	$ 63,965

In the table above:

- Unrated credit exposures relate to financial assets for which the company has not assigned an internally determined public rating agency equivalent.
- The net credit exposure primarily relates to cash and cash equivalents and customer and other receivables.

Operational Risk Management

Overview

Operational risk is the risk of an adverse outcome resulting from inadequate or failed internal processes, people, systems or from external events. The company's exposure to operational risk arises from routine processing errors, as well as extraordinary incidents, such as major systems failures or legal and regulatory matters.

See "Operational Risk Management" in Part I of the 2023 Annual Report for further information about the company's operational risk management process.

Model Risk Management

Overview

Model risk is the potential for adverse consequences from decisions made based on model outputs that may be incorrect or used inappropriately. The company relies on quantitative models across its business activities primarily to value certain financial assets and liabilities, to monitor and manage its risk, and to measure and monitor the company's regulatory capital.

See "Model Risk Management" in Part I of the 2023 Annual Report for further information about the company's model risk management process.

Other Risk Management

In addition to the areas of risks disclosed above, the company also manages other risks, including capital, compliance and conflicts. See "Other Risk Management" in Part I of the 2023 Annual Report for further information about these risks.

Directors

Sir Bradley Fried resigned from the board of directors on March 31, 2024.

Lord Paul Deighton KBE was appointed to the board of directors on May 21, 2024.

Responsibility Statement

The financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' and Article 5 of the Directive 2004/109/EC as amended by Directive 2013/50/EU. The directors confirm to the best of their knowledge:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company;
- The management report includes an indication of important events that have occurred during the first six months of the financial year, and their impact on the financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the financial year. The principal risks and uncertainties are consistent with those described in "Principal Risks and Uncertainties" in this management report and the 2023 Annual Report.

L. A. Donnelly
Director
August 9, 2024

Unaudited Financial Statements

GOLDMAN SACHS INTERNATIONAL (UNLIMITED COMPANY)

Income Statement
(Unaudited)

		Three Months Ended June		Six Months Ended June	
$ in millions	**Note**	**2024**	2023	**2024**	2023
Gains or losses from financial instruments at fair value through profit or loss		**$ 1,903**	$ 2,715	**$ 4,621**	$ 5,760
Fees and commissions		**494**	533	**1,006**	1,055
Other income		**—**	1,573	**—**	1,573
Non-interest income		**2,397**	4,821	**5,627**	8,388
Interest income from financial instruments measured at fair value through profit or loss		**3,719**	2,505	**6,681**	4,640
Interest income from financial instruments measured at amortised cost		**3,366**	3,082	**6,887**	5,720
Interest expense from financial instruments measured at fair value through profit or loss		**(2,815)**	(3,034)	**(5,636)**	(5,746)
Interest expense from financial instruments measured at amortised cost		**(4,247)**	(3,316)	**(8,213)**	(5,922)
Net interest income/(expense)		**23**	(763)	**(281)**	(1,308)
Net revenues	4	**2,420**	4,058	**5,346**	7,080
Net operating expenses		**(1,630)**	(1,577)	**(3,335)**	(3,215)
Profit before taxation		**790**	2,481	**2,011**	3,865
Income tax expense	5	**(212)**	(325)	**(542)**	(699)
Profit for the financial period		**$ 578**	$ 2,156	**$ 1,469**	$ 3,166

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)

		Three Months Ended June		Six Months Ended June	
$ in millions	**Note**	**2024**	2023	**2024**	2023
Profit for the financial period		**$ 578**	$ 2,156	**$ 1,469**	$ 3,166
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Actuarial gain/(loss) relating to the pension scheme		**2**	(72)	**6**	(63)
Debt valuation adjustment	13	**42**	(96)	**(45)**	(108)
U.K. deferred tax attributable to the components of other comprehensive income		**(14)**	47	**10**	48
U.K. current tax attributable to the components of other comprehensive income		**2**	—	**1**	—
Other comprehensive income/(loss) for the financial period, net of tax		**32**	(121)	**(28)**	(123)
Total comprehensive income for the financial period		**$ 610**	$ 2,035	**$ 1,441**	$ 3,043

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

Balance Sheet
(Unaudited)

		As of	
		June	December
$ in millions	**Note**	**2024**	2023
Assets			
Cash and cash equivalents		**$ 14,429**	$ 35,689
Collateralised agreements	6	**306,659**	262,817
Customer and other receivables	7	**71,342**	72,888
Trading assets (includes **$49,132** and $58,352 pledged as collateral)	8	**846,784**	828,362
Investments (includes **$13** and $25 pledged as collateral)	9	**246**	289
Loans		**174**	174
Other assets	10	**2,996**	3,336
Total assets		**$ 1,242,630**	$ 1,203,555
Liabilities			
Collateralised financings	11	**$ 233,169**	$ 215,476
Customer and other payables	12	**115,503**	115,201
Trading liabilities	8	**767,399**	737,610
Unsecured borrowings	13	**81,500**	90,267
Other liabilities	14	**4,523**	4,882
Total liabilities		**1,202,094**	1,163,436
Shareholder's equity			
Share capital	15	**598**	598
Share premium account		**5,568**	5,568
Other equity instruments	16	**5,500**	5,500
Retained earnings		**29,243**	28,800
Accumulated other comprehensive income		**(373)**	(347)
Total shareholder's equity		**40,536**	40,119
Total liabilities and shareholder's equity		**$ 1,242,630**	$ 1,203,555

The accompanying notes are an integral part of these financial statements.
Company number: 02263951

Statement of Changes in Equity (Unaudited)

$ in millions	Note	Six Months Ended June 2024	2023
Share capital			
Beginning balance		**$ 598**	$ 598
Ending balance		**598**	598
Share premium account			
Beginning balance		**5,568**	5,568
Ending balance		**5,568**	5,568
Other equity instruments			
Beginning balance		**5,500**	8,300
Repurchase of Additional Tier 1 notes	16	**—**	(2,800)
Ending balance		**5,500**	5,500
Retained earnings			
Beginning balance		**28,800**	27,870
Profit for the financial period		**1,469**	3,166
Transfer of realised debt valuation adjustment into retained earnings, net of tax	13	**(2)**	2
Difference between carrying value and fair value of repurchased Additional Tier 1 notes	16	**—**	527
Interest on Additional Tier 1 notes	16	**—**	(149)
Cash dividend paid	17	**(1,024)**	(655)
Share-based payments		**358**	285
Management recharge related to share-based payments		**(358)**	(285)
Ending balance		**29,243**	30,761
Accumulated other comprehensive income			
Beginning balance		**(347)**	(127)
Other comprehensive loss		**(28)**	(123)
Transfer of realised debt valuation adjustment into retained earnings, net of tax	13	**2**	(2)
Ending balance		**(373)**	(252)
Total shareholder's equity		**$ 40,536**	$ 42,175

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

Statement of Cash Flows
(Unaudited)

$ in millions	Note	Six Months Ended June 2024	Six Months Ended June 2023
Cash flows from operating activities			
Cash generated from/(used in) operations	18	**$ (21,165)**	$ 53,919
Taxation received		**3**	—
Taxation paid		**(245)**	(217)
Net cash from/(used in) operating activities		**(21,407)**	53,702
Cash flows from investing activities			
Capital expenditure for property, leasehold improvements and equipment and intangible assets		**(120)**	(101)
Purchase of investments		**(3)**	—
Proceeds from sales of investments		**78**	9
Net cash used in investing activities		**(45)**	(92)
Cash flows from financing activities			
Repurchase of Additional Tier 1 notes	16	**—**	(2,273)
Receipts from issuing MREL-eligible intercompany loans		**1,700**	—
Receipts from issuing long-term subordinated loans		**—**	1,500
Interest paid on Additional Tier 1 notes	16	**—**	(149)
Cash dividend paid	17	**(1,024)**	(655)
Payment for lease liabilities		**(1)**	(1)
Net cash from/(used) in financing activities		**675**	(1,578)
Net increase/(decrease) in cash and cash equivalents, net of overdrafts		**(20,777)**	52,032
Cash and cash equivalents, net of overdrafts, beginning balance		**35,452**	11,639
Foreign exchange gains/(losses) on cash and cash equivalents, net of overdrafts		**(263)**	1,800
Cash and cash equivalents, net of overdrafts, ending balance	18	**$ 14,412**	$ 65,471

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

Note 1.

General Information

The company is a private unlimited company and is incorporated and domiciled in England and Wales. The address of its registered office is Plumtree Court, 25 Shoe Lane, London, EC4A 4AU, United Kingdom.

The company's immediate parent undertaking is Goldman Sachs Group UK Limited (GSG UK), a company incorporated and domiciled in England and Wales. GSG UK together with its consolidated subsidiaries form "GSG UK Group".

The ultimate controlling undertaking and the parent company of the smallest and largest group for which consolidated financial statements are prepared is The Goldman Sachs Group, Inc., a company incorporated in the United States of America. Copies of its consolidated financial statements, as well as certain regulatory filings, for example Quarterly Reports on Form 10-Q and the Annual Report on Form 10-K, that provide further information about GS Group and its business activities, can be obtained from Investor Relations, 200 West Street, New York, NY 10282, United States of America, GS Group's principal place of business, or at www.goldmansachs.com/investor-relations.

Note 2.

Material Accounting Policies

Statement of Compliance

The company prepares financial statements under 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.) (IFRS as it applies in the E.U.), which are consistent. These financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' and Article 5 of the Directive 2004/109/EC as amended by Directive 2013/50/EU. These financial statements should be read in conjunction with the 2023 Annual Report, which were prepared in accordance with U.K.-adopted international accounting standards, the requirements of the Companies Act 2006, as applicable to companies reporting under those standards, and IFRS as it applies in the E.U.

Accounting Policies

The accounting policies are consistent with those described in the 2023 Annual Report.

Note 3.

Critical Accounting Estimates and Judgements

The company's critical accounting estimates and judgements are consistent with those described in the 2023 Annual Report with the exception of the below.

Estimated Year-End Discretionary Compensation

A substantial portion of the company's compensation and benefits represents 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.

Note 4.

Net Revenues

Net revenues include net interest income/(expense) and non-interest income. Net interest income/(expense) includes interest and dividends on financial instruments measured at fair value and amortised cost.

The table below presents the company's net revenues.

	Three Months Ended June		Six Months Ended June	
$ in millions	**2024**	2023	**2024**	2023
Non-interest income				
Financial instruments mandatorily measured at fair value through profit or loss	**$ 1,674**	$ 3,218	**$ 4,942**	$ 8,142
Financial instruments designated at fair value through profit or loss	**229**	(503)	**(321)**	(2,382)
Fees and commissions	**494**	533	**1,006**	1,055
Other income	**—**	1,573	**—**	1,573
Non-interest income	**2,397**	4,821	**5,627**	8,388
Interest income				
Financial instruments measured at fair value through profit or loss	**3,719**	2,505	**6,681**	4,640
Financial instruments measured at amortised cost	**3,366**	3,082	**6,887**	5,720
Total interest income	**7,085**	5,587	**13,568**	10,360
Interest expense				
Financial instruments measured at fair value through profit or loss	**(2,815)**	(3,034)	**(5,636)**	(5,746)
Financial instruments measured at amortised cost	**(4,247)**	(3,316)	**(8,213)**	(5,922)
Total interest expense	**(7,062)**	(6,350)	**(13,849)**	(11,668)
Net interest income/(expense)	**23**	(763)	**(281)**	(1,308)
Net revenues	**$ 2,420**	$ 4,058	**$ 5,346**	$ 7,080

In the table above:

- Non-interest income from financial instruments mandatorily measured at fair value through profit or loss primarily relates to non-interest gains and losses on trading assets, investments, loans, trading liabilities and certain collateralised agreements.
- Non-interest income from financial instruments designated at fair value through profit or loss primarily relates to non-interest gains and losses on certain unsecured borrowings and collateralised financings.
- Fees and commissions primarily relates to net revenues from certain financial advisory and underwriting engagements, executing and clearing client transactions and certain investment management services.
- Other income for the three months and six months ended June 2023 reflected the gain related to the transfer of the U.K. asset management business.
- Financial instruments designated at fair value through profit or loss are frequently economically hedged with financial instruments measured mandatorily at fair value through profit or loss. Accordingly, gains or losses that are reported in financial instruments designated at fair value through profit or loss can be partially offset by gains or losses reported in financial instruments measured mandatorily at fair value through profit or loss.
- Due to the nature of the company's business activities, revenue reported in non-interest income can be partially offset by revenue reported in interest income/(expense). For example, cash instruments that generate interest income are in some cases hedged or funded by derivatives for which changes in fair value are reflected in non-interest income. Also, certain activities produce non-interest income but incur interest expense related to the funding of the related inventory.

Note 5.

Income Tax Expense

The table below presents the company's income tax expense.

	Three Months Ended June		Six Months Ended June	
$ in millions	**2024**	2023	**2024**	2023
Current tax	**$ 309**	$ 362	**$ 549**	$ 581
Deferred tax	**(97)**	(37)	**(7)**	118
Total income tax expense	**$ 212**	$ 325	**$ 542**	$ 699

Note 6.

Collateralised Agreements

The table below presents the company's collateralised agreements.

	As of	
$ in millions	**June 2024**	December 2023
Resale agreements	**$ 174,834**	$ 126,309
Securities borrowed	**131,825**	136,508
Total	**$ 306,659**	$ 262,817

Note 7.

Customer and Other Receivables

The table below presents the company's customer and other receivables.

	As of	
$ in millions	**June 2024**	December 2023
Receivables from broker/dealers and clearing organisations	**$ 12,070**	$ 14,536
Receivables from customers and counterparties	**59,272**	58,352
Total	**$ 71,342**	$ 72,888

In the table above, total customer and other receivables primarily consists of receivables resulting from collateral posted in connection with certain derivative transactions, customer margin loans and balances related to listed derivative activity.

Note 8.

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, including securities held for liquidity risk management purposes. Trading assets includes assets pledged as collateral.

The table below presents the company's trading assets.

	As of	
$ in millions	**June 2024**	December 2023
Trading cash instruments		
Money market instruments	**$ 31**	$ 20
Government and agency obligations	**34,064**	48,747
Mortgage and other asset-backed loans and securities	**177**	225
Corporate debt instruments	**31,356**	25,998
Equity securities	**55,496**	57,360
Commodities	**340**	312
Total trading cash instruments	**121,464**	132,662
Derivatives		
Interest rates	**536,353**	509,246
Credit	**19,451**	20,668
Currencies	**86,129**	95,575
Commodities	**10,743**	9,002
Equities	**72,644**	61,209
Total derivatives	**725,320**	695,700
Total trading assets	**$ 846,784**	$ 828,362

The table below presents the company's trading liabilities.

	As of	
$ in millions	**June 2024**	December 2023
Trading cash instruments		
Government and agency obligations	**$ 19,474**	$ 27,935
Corporate debt instruments	**7,120**	4,868
Equity securities	**37,138**	32,936
Commodities	**—**	11
Total trading cash instruments	**63,732**	65,750
Derivatives		
Interest rates	**515,971**	486,163
Credit	**17,470**	18,200
Currencies	**84,868**	97,849
Commodities	**10,439**	8,826
Equities	**74,919**	60,822
Total derivatives	**703,667**	671,860
Total trading liabilities	**$ 767,399**	$ 737,610

In the tables above:

- Corporate debt instruments includes corporate loans, debt securities, convertible debentures, prepaid commodity transactions and transfers of assets accounted for as secured loans rather than purchases.
- Equity securities includes public equities and exchange-traded funds.

Note 9.

Investments

Investments includes debt instruments and equity securities that are accounted for at fair value and are generally held by the company in connection with its long-term investing activities. Investments includes assets pledged as collateral.

The table below presents information about the company's investments.

	As of	
$ in millions	**June 2024**	December 2023
Corporate debt instruments	**$ 50**	$ 51
Equity securities	**196**	238
Total	**$ 246**	$ 289

In the table above:

- Corporate debt instruments primarily includes senior, mezzanine and distressed debt.
- Equity securities consists of the company's public and private equity-related investments in corporate entities.

Note 10.

Other Assets

The table below presents the company's other assets by type.

	As of	
$ in millions	**June 2024**	December 2023
Intercompany loans	**$ 467**	$ 532
Investment in subsidiary	**123**	114
Miscellaneous receivables and other	**1,275**	1,515
Total financial assets	**1,865**	2,161
Property, leasehold improvements and equipment	**3**	5
Intangible assets	**502**	518
Right-of-use assets	**6**	7
Deferred tax assets	**473**	456
Prepayments and accrued income	**41**	35
Tax-related assets	**100**	150
Miscellaneous receivables and other	**6**	4
Total non-financial assets	**1,131**	1,175
Total	**$ 2,996**	$ 3,336

In the table above:

- The company's investment in subsidiary has been measured at fair value in accordance with IFRS 9.
- Miscellaneous receivables and other included in financial assets primarily includes receivables from GS Group affiliates, including receivables for allocation of net revenues among GS Group affiliates for their participation in GS Group's business activities.

Note 11.

Collateralised Financings

The table below presents the company's collateralised financings.

	As of	
	June	December
$ in millions	**2024**	2023
Repurchase agreements	**$ 126,156**	$ 124,125
Securities loaned	**84,851**	76,018
Intercompany loans	**12,034**	7,884
Debt securities issued	**1,649**	2,004
Bank loans	**1,121**	71
Other borrowings	**7,358**	5,374
Total	**$ 233,169**	$ 215,476

In the table above:

- Current collateralised financings were $164.30 billion as of June 2024 and $160.25 billion as of December 2023 and non-current collateralised financings were $68.87 billion as of June 2024 and $55.23 billion as of December 2023.
- Intercompany loans, debt securities issued, bank loans and other borrowings are secured by securities which have been pledged as collateral. This pledged collateral is either recognised in trading assets or collateralised agreements.

Note 12.

Customer and Other Payables

The table below presents the company's customer and other payables.

	As of	
	June	December
$ in millions	**2024**	2023
Payables to broker/dealers and clearing organisations	**$ 1,878**	$ 1,305
Payables to customers and counterparties	**113,625**	113,896
Total	**$ 115,503**	$ 115,201

In the table above, total customer and other payables primarily consists of cash collateral received in connection with certain derivative transactions, customer credit balances related to the company's prime brokerage activities and balances related to listed derivative activity.

Note 13.

Unsecured Borrowings

The table below presents the company's unsecured borrowings.

	As of	
	June	December
$ in millions	**2024**	2023
Bank loans	**$ 100**	$ 100
Overdrafts	**17**	237
Intercompany loans – non-MREL-eligible	**20,584**	32,474
Intercompany loans – MREL-eligible	**19,101**	16,791
Debt securities issued	**23,046**	25,022
Subordinated loans	**7,206**	6,924
Other borrowings	**11,446**	8,719
Total	**$ 81,500**	$ 90,267

In the table above:

- Current unsecured borrowings were $22.80 billion as of June 2024 and $19.17 billion as of December 2023 and non-current unsecured borrowings were $58.70 billion as of June 2024 and $71.10 billion as of December 2023.
- Payments on debt securities issued and other borrowings instruments are typically referenced to underlying financial assets, which are predominately interest rates, equities and currencies-related.
- Subordinated loans consists of long-term loans of $6.88 billion as of both June 2024 and December 2023 from GSG UK and associated accrued interest. These loans are unsecured and carry interest at a margin over the U.S. Federal Reserve's Federal Funds rate. These loans constitute Tier 2 regulatory capital as approved by the PRA and are repayable subject to PRA approval. These loans are repayable between December 26, 2029 and September 9, 2030.

Debt Valuation Adjustment

The company calculates the fair value of debt securities issued that are designated at fair value through profit or loss by discounting future cash flows at a rate which incorporates GS Group's credit spreads. The table below presents information about the company's cumulative net pre-tax DVA gains/(losses) on debt securities issued that are designated at fair value through profit or loss, which is included in accumulated other comprehensive income.

	Three Months Ended June		Six Months Ended June	
$ in millions	**2024**	2023	**2024**	2023
Beginning balance	**$ (165)**	$ 97	**$ (76)**	$ 111
Debt valuation adjustment	**42**	(96)	**(45)**	(108)
Transfer to retained earnings	**5**	—	**3**	(2)
Ending balance	**$ (118)**	$ 1	**$ (118)**	$ 1

The table below presents information about the company's DVA gains/(losses) net of tax, realised upon early redemption of certain debt securities issued that are designated at fair value through profit or loss, which are transferred from accumulated other comprehensive income to retained earnings.

	Three Months Ended June		Six Months Ended June	
$ in millions	**2024**	2023	**2024**	2023
Realised DVA gains/(losses) net of tax	**$ (3)**	$ —	**$ (2)**	$ 2

Note 14.

Other Liabilities

The table below presents the company's other liabilities by type.

	As of	
	June	December
$ in millions	**2024**	2023
Compensation and benefits	**$ 1,898**	$ 1,981
Income tax-related liabilities	**331**	294
Lease liabilities	**7**	7
Accrued expenses and other	**1,565**	1,952
Total financial liabilities	**3,801**	4,234
Income tax-related liabilities	**251**	197
Other taxes and social security costs	**395**	371
Pension deficit	**76**	80
Total non-financial liabilities	**722**	648
Total	**$ 4,523**	$ 4,882

Note 15.

Share Capital

The table below presents the company's share capital.

Allotted, called up and fully paid	Ordinary shares of $1 each	$ in millions
As of June 2024	**598,182,053**	**$ 598**
As of December 2023	598,182,053	$ 598
As of December 2022	598,182,053	$ 598

Note 16.

Other Equity Instruments

The table below presents information about the company's unsecured Additional Tier 1 notes (AT1 notes).

	As of	
	June	December
$ millions	**2024**	2023
AT1 notes	**$ 5,500**	$ 5,500

As of both June 2024 and December 2023, the company had issued 5,500 AT1 notes of $1 million each to GSG UK. The interest rate on these AT1 notes, which were issued in June 2017, is 9% per annum. These AT1 notes have no fixed maturity date and are not callable.

The AT1 notes will be irrevocably written-down in the event that the CET1 capital ratio of the company or the GSG UK Group falls below 7%.

In the second quarter of 2023, the company repurchased and cancelled $2.80 billion of its AT1 notes at their fair value of $2.27 billion. The difference between the carrying value and fair value of these repurchased notes of $527 million was recognised in retained earnings.

In addition, the company paid interest of $149 million in the second quarter of 2023 on the repurchased notes, which was recognised directly in retained earnings. The associated tax effect was recognised in income tax expense.

Note 17.

Dividends

In the second quarter of 2024, the company declared and paid a cash dividend of $1.02 billion to GSG UK, representing $1.71 per share.

In the second quarter of 2023, the company declared and paid a cash dividend of $655 million to GSG UK, representing $1.09 per share.

Note 18.

Statement of Cash Flows Reconciliations

The table below presents the company's cash and cash equivalents, net of overdrafts for the purpose of the statement of cash flows. Overdrafts have been included as they are a part of the company's cash management.

	As of June	
$ in millions	**2024**	2023
Cash and cash equivalents	**$ 14,429**	$ 65,551
Overdrafts (see Note 13)	**(17)**	(80)
Total	**$ 14,412**	$ 65,471

In the table above, cash and cash equivalents included cash that is restricted for use by the company of $2.06 billion as of June 2024 and $2.47 billion as of June 2023.

Reconciliation of Cash Generated From/(Used In) Operations

The table below presents a reconciliation of cash generated from/(used in) operations.

	Six Months Ended June	
$ in millions	**2024**	2023
Profit before taxation	**$ 2,011**	$ 3,865
Adjustments for		
Depreciation and amortisation	**139**	137
Debit for defined benefit plan	**2**	—
Foreign exchange losses/(gains)	**263**	(1,786)
Share-based compensation expense	**413**	66
Interest on subordinated loans and MREL-eligible intercompany loans	**892**	768
Losses/(gains) on investments	**(32)**	5
Cash generated before changes in operating assets and liabilities	**3,688**	3,055
Changes in operating assets		
Increase in collateralised agreements	**(43,842)**	(3,095)
Decrease in customer and other receivables	**1,546**	3,625
Increase in trading assets	**(18,422)**	(19,671)
Decrease in loans	**—**	40
Decrease/(increase) in other assets	**291**	(11,679)
Changes in operating assets	**(60,427)**	(30,780)
Changes in operating liabilities		
Increase in collateralised financings	**17,693**	77,498
Increase in customer and other payables	**302**	15,215
Increase/(decrease) in trading liabilities	**29,789**	(28,886)
Increase/(decrease) in unsecured borrowings	**(11,186)**	18,087
Decrease in other liabilities	**(1,024)**	(270)
Changes in operating liabilities	**35,574**	81,644
Cash generated from/(used in) operations	**$ (21,165)**	$ 53,919

In the table above, foreign exchange losses/(gains) primarily relate to the non-cash revaluation of British pounds and Euro cash balances, primarily held in central banks for liquidity management purposes. The revaluation of cash balances and other monetary assets and liabilities is recognised in profit before taxation.

Cash generated from/(used in) operations included interest paid of $14.79 billion for the six months ended June 2024 and $9.10 billion for the six months ended June 2023 (comparative has been restated to update interest paid for the six months ended June 2023), and interest received of $13.39 billion for the six months ended June 2024 and $10.19 billion for the six months ended June 2023.

Note 19.

Contingent Liabilities

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. In December 2014, September 2015 and December 2015, the Bank of Portugal (BoP) rendered decisions 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 response, the company and, with respect to the BoP's December 2015 decision, Goldman Sachs International Bank commenced actions beginning in February 2015 against Novo Banco S.A. (Novo Banco) in the English Commercial Court and the BoP in the Portuguese Administrative Court. 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 the 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.

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. On December 15, 2023, the court denied the plaintiffs' motion for class certification, and on December 28, 2023, the plaintiffs filed a petition with the U.S. Court of Appeals for the Second Circuit seeking interlocutory review of the district court's denial of class certification. On July 11, 2024, the court preliminarily approved a settlement among the plaintiffs and certain defendants, including GSI and certain of its affiliates, to resolve the class action. GSI will not be required to contribute to the settlement. The individual actions remain pending.

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. On April 19, 2024, the parties reached a settlement in principle, subject to final documentation and court approval, to resolve the class action. The company has reserved the full amount of its proposed 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. On January 24, 2024, the court granted the defendants' motion to stay the proceedings pending the resolution of the motion filed by the defendants on November 3, 2023 in the U.S. District Court for the Southern District of New York to enforce a 2015 settlement and release among the parties. On January 26, 2024, the U.S. District Court for the Southern District of New York granted the defendants' motion to enforce the settlement and release and enjoined the plaintiffs from pursuing any claims against the defendants in the New Mexico action for any alleged violation of law based on conduct before June 30, 2014, and on February 23, 2024, the plaintiffs appealed to the U.S. Court of Appeals for the Second Circuit.

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.

Note 20.

Related Party Disclosures

Parties are considered to be related if one party has the ability to directly or indirectly control the other party or exercise significant influence over the party in making financial or operational decisions. The company's related parties include:

- The company's parent entities;
- Other GS Group affiliates;
- Key management personnel of the company;
- Key management personnel of the company's parent entities; and
- Other related parties, which includes the company's defined benefit scheme and associates of GS Group.

The company enters into transactions with related parties in the normal course of business as part of its market-making activities and general operations. These transactions primarily relate to risk management and market-making activity, funding activity, cash management services, commitments and guarantees, transfer pricing and management charges, taxation, share-based payments and transactions with key management personnel, including compensation paid and payable.

The nature of these transactions for the six months ended June 2024 are consistent with those disclosed in Note 28 "Related Party Disclosures" in Part II of the company's 2023 Annual Report.

Note 21.

Financial Instruments

Financial Assets and Liabilities by Category

The tables below present the carrying value of company's financial assets and liabilities by category.

	Financial Assets		
$ in millions	Mandatorily at fair value	Amortised cost	Total
As of June 2024			
Cash and cash equivalents	**$ —**	**$ 14,429**	**$ 14,429**
Collateralised agreements	**181,530**	**125,129**	**306,659**
Customer and other receivables	**—**	**71,342**	**71,342**
Trading assets	**846,784**	**—**	**846,784**
Investments	**246**	**—**	**246**
Loans	**174**	**—**	**174**
Other assets	**156**	**1,709**	**1,865**
Total	**$ 1,028,890**	**$ 212,609**	**$ 1,241,499**
As of December 2023			
Cash and cash equivalents	$ —	$ 35,689	$ 35,689
Collateralised agreements	138,889	123,928	262,817
Customer and other receivables	—	72,888	72,888
Trading assets	828,362	—	828,362
Investments	289	—	289
Loans	174	—	174
Other assets	147	2,014	2,161
Total	$ 967,861	$ 234,519	$ 1,202,380

	Financial Liabilities			
$ in millions	Held for trading	Designated at fair value	Amortised cost	Total
As of June 2024				
Collateralised financings	**$ —**	**$ 113,814**	**$ 119,355**	**$ 233,169**
Customer and other payables	**—**	**—**	**115,503**	**115,503**
Trading liabilities	**767,399**	**—**	**—**	**767,399**
Unsecured borrowings	**—**	**47,280**	**34,220**	**81,500**
Other liabilities	**—**	**—**	**3,801**	**3,801**
Total	**$767,399**	**$ 161,094**	**$ 272,879**	**$1,201,372**
As of December 2023				
Collateralised financings	$ —	$ 106,784	$ 108,692	$ 215,476
Customer and other payables	—	—	115,201	115,201
Trading liabilities	737,610	—	—	737,610
Unsecured borrowings	—	54,936	35,331	90,267
Other liabilities	—	—	4,234	4,234
Total	$737,610	$ 161,720	$ 263,458	$1,162,788

Note 22.

Fair Value Measurement

The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets are marked to bid prices and financial liabilities are marked to offer prices. Fair value measurements do not include transaction costs. The company measures certain financial assets and liabilities as a portfolio (i.e., based on its net exposure to market and/or credit risks).

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

The fair value hierarchy is as follows:

Level 1. Inputs are unadjusted quoted prices in active markets to which the company had access at the measurement date for identical, unrestricted assets or liabilities.

Level 2. Inputs to valuation techniques are observable, either directly or indirectly.

Level 3. One or more inputs to valuation techniques are significant and unobservable.

The fair values for substantially all of the company's financial assets and liabilities that are fair valued on a recurring basis are based on observable prices and inputs and are classified in levels 1 and 2 of the fair value hierarchy. Certain level 2 and level 3 financial assets and liabilities may require valuation adjustments that a market participant would require to arrive at fair value for factors such as counterparty and the company's and GS Group's credit quality, funding risk, transfer restrictions, liquidity and bid/offer spreads. Valuation adjustments are generally based on market evidence.

Valuation Techniques and Significant Inputs

The valuation techniques and significant inputs used in determining the fair value of the company's financial assets and liabilities disclosed below are consistent with those described in Note 30 "Fair Value Measurement" in Part II of the 2023 Annual Report.

Fair Value of Financial Assets and Liabilities by Level

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

$ in millions	Level 1	Level 2	Level 3	Total
As of June 2024				
Financial assets				
Collateralised agreements	**$ —**	**$ 181,420**	**$ 110**	**$ 181,530**
Trading cash instruments	**78,376**	**42,432**	**656**	**121,464**
Derivatives	**162**	**721,143**	**4,015**	**725,320**
Trading assets	**78,538**	**763,575**	**4,671**	**846,784**
Investments	**3**	**222**	**21**	**246**
Loans	**—**	**140**	**34**	**174**
Other assets	**—**	**156**	**—**	**156**
Total	**$ 78,541**	**$ 945,513**	**$ 4,836**	**$ 1,028,890**
Financial liabilities				
Collateralised financings	**$ —**	**$ 113,450**	**$ 364**	**$ 113,814**
Trading cash instruments	**55,181**	**8,526**	**25**	**63,732**
Derivatives	**56**	**700,715**	**2,896**	**703,667**
Trading liabilities	**55,237**	**709,241**	**2,921**	**767,399**
Unsecured borrowings	**—**	**42,946**	**4,334**	**47,280**
Total	**$ 55,237**	**$ 865,637**	**$ 7,619**	**$ 928,493**
Net derivatives	**$ 106**	**$ 20,428**	**$ 1,119**	**$ 21,653**
As of December 2023				
Financial assets				
Collateralised agreements	$ —	$ 138,777	$ 112	$ 138,889
Trading cash instruments	92,278	39,739	645	132,662
Derivatives	1	691,614	4,085	695,700
Trading assets	92,279	731,353	4,730	828,362
Investments	4	216	69	289
Loans	—	140	34	174
Other assets	—	147	—	147
Total	$ 92,283	$ 870,633	$ 4,945	$ 967,861
Financial liabilities				
Collateralised financings	$ —	$ 106,295	$ 489	$ 106,784
Trading cash instruments	59,775	5,955	20	65,750
Derivatives	37	669,492	2,331	671,860
Trading liabilities	59,812	675,447	2,351	737,610
Unsecured borrowings	—	49,273	5,663	54,936
Total	$ 59,812	$ 831,015	$ 8,503	$ 899,330
Net derivatives	$ (36)	$ 22,122	$ 1,754	$ 23,840

In the table above, trading assets included derivative instruments designated as hedges of $6 million as of June 2024 and $2 million as of December 2023.

Significant Unobservable Inputs Used in Level 3 Fair Value Measurements

Trading Cash Instruments, Investments and Loans. The table below presents the company's level 3 trading cash instrument assets, investments and loans and ranges and weighted averages of significant unobservable inputs used to value level 3 trading cash instruments, investments and loans.

	As of June 2024		As of December 2023	
$ in millions, except inputs	Amount or Range	Weighted Average	Amount or Range	Weighted Average
Trading cash instruments				
Mortgages and other asset-backed loans and securities				
Level 3 assets	**$ 24**		$ 41	
Yield	**7.8% to 22.2%**	**15.7%**	4.0% to 26.1%	11.9%
Recovery rate	**32.7% to 93.5%**	**60.2%**	35.5% to 76.0%	44.6%
Duration (years)	**1.5 to 11.9**	**4.1**	1.4 to 7.0	4.2
Corporate debt instruments and government and agency obligations				
Level 3 assets	**$ 620**		$ 573	
Yield	**5.0% to 32.0%**	**11.2%**	5.0% to 46.0%	12.8%
Recovery rate	**7.3% to 92.5%**	**30.2%**	7.3% to 95.9%	26.6%
Duration (years)	**0.4 to 7.4**	**3.5**	0.9 to 27.0	3.4
Equity securities				
Level 3 assets	**$ 12**		$ 31	
Duration (years)	**N/A**	**N/A**	4.8 to 4.8	4.8
Total	**$ 656**		$ 645	
Investments				
Corporate debt instruments				
Level 3 assets	**$ 2**		$ 5	
Recovery rate	**N/A**	**N/A**	7.3% to 7.3%	7.3%
Equity securities				
Level 3 assets	**$ 19**		$ 64	
Multiples	**0.4x to 5.0x**	**3.5x**	0.4x to 7.0x	6.0x
Total	**$ 21**		$ 69	
Loans				
Corporate				
Level 3 assets	**$ 34**		$ 34	
Recovery rate	**15.0% to 15.0%**	**15.0%**	15.0% to 15.0%	15.0%

In the table above:

- Ranges represent the significant unobservable inputs that were used in the valuation of each type of cash instrument and weighted averages are calculated by weighting each input by the relative fair value of the instrument.
- The ranges and weighted averages of these inputs are not representative of the appropriate inputs to use when calculating the fair value of any one trading instrument. For example, the highest yield for mortgages and other asset-backed loans and securities is appropriate for valuing a specific mortgage but may not be appropriate for valuing any other mortgages. Accordingly, the ranges of inputs do not represent uncertainty in, or possible ranges of, fair value measurements of level 3 trading cash instruments.
- Increases in yield or duration used in the valuation of level 3 instruments would have resulted in a lower fair value measurement, while increases in recovery rate or multiples would have resulted in a higher fair value measurement as of June 2024 and December 2023. Due to the distinctive nature of each level 3 instrument, the interrelationship of inputs is not necessarily uniform within each product type.

- Mortgages and other asset-backed loans and securities, corporate debt instruments and government and agency obligations and loans are valued using discounted cash flows, and equity securities are valued using market comparables and discounted cash flows.
- The fair value of any one instrument may be determined using multiple valuation techniques. For example, market comparables and discounted cash flows may be used together to determine fair value. Therefore, the level 3 balance encompasses both of these techniques.
- Duration was not significant to the valuation of level 3 equity securities in trading cash instruments as of June 2024 and recovery rate was not significant to the valuation of level 3 corporate debt instruments in investments as of June 2024.

Derivatives and Unsecured Borrowings. The table below presents the company's level 3 net derivatives and unsecured borrowings and ranges, averages and medians of significant unobservable inputs used to value level 3 derivatives and unsecured borrowings.

	As of June 2024		As of December 2023	
$ in millions, except inputs	**Amount or Range**	**Average/ Median**	Amount or Range	Average/ Median
Derivatives				
Interest rates, net	**$ 70**		$ 151	
Correlation	**(10)% to 95%**	**34%/25%**	(10)% to 26%	13%/25%
Volatility (bps)	**42 to 62**	**49/48**	41 to 62	48/48
Credit, net	**$ 1,740**		$ 1,835	
Credit spreads (bps)	**7 to 1,787**	**144/81**	7 to 1,750	134/90
Upfront credit points	**(1) to 90**	**21/6**	0 to 90	18/7
Recovery rates	**20% to 50%**	**44%50%**	20% to 50%	43%/40%
Currencies, net	**$ (55)**		$ (104)	
Correlation	**20% to 23%**	**21%/21%**	20% to 90%	24%/23%
Equities, net	**$ (648)**		$ (140)	
Correlation	**(30)% to 100%**	**56%/56%**	(70)% to 100%	66%/69%
Volatility	**4% to 58%**	**13%/13%**	0% to 80%	14%/13%
Commodities, net	**$ 12**		$ 12	
Total	**$ 1,119**		$ 1,754	
Unsecured borrowings				
Level 3 liabilities	**$ 4,334**		$ 5,663	
Interest rates correlation	**25% to 26%**	**25%/25%**	25% to 26%	25%/25%
Credit spreads (bps)	**191 to 191**	**191/191**	183 to 183	183/183
Currencies correlation	**20% to 68%**	**34%/23%**	20% to 68%	34%/23%
Equities correlation	**(23)% to 99%**	**51%/48%**	(16)% to 96%	51%/52%
Equities volatility	**6% to 103%**	**20%/17%**	2% to 106%	18%/15%

In the table above:

- Net derivative assets are shown as positive amounts and net derivative liabilities are shown as negative amounts.
- Significant unobservable inputs used to value level 3 commodities derivatives have not been included as net level 3 commodities derivatives were not material as of both June 2024 and December 2023.
- Ranges represent the significant unobservable inputs that were used in the valuation of each type of derivative. Averages represent the arithmetic average of the inputs and are not weighted by the relative fair value or notional of the respective financial instruments. An average greater than the median indicates that the majority of inputs are below the average.
- The ranges, averages and medians of these inputs are not representative of the appropriate inputs to use when calculating the fair value of any one derivative. For example, the highest correlation for equity derivatives is appropriate for valuing a specific equity derivative but may not be appropriate for valuing any other equity derivative. Accordingly, the ranges of inputs do not represent uncertainty in, or possible ranges of, fair value measurements of level 3 derivatives.
- Interest rates, currencies and equities derivatives are valued using option pricing models, and credit derivatives are valued using option pricing, correlation and discounted cash flow models.
- The fair value of any one instrument may be determined using multiple valuation techniques. For example, option pricing models and discounted cash flows models are typically used together to determine fair value. Therefore, the level 3 balance encompasses both of these techniques.
- Correlation within currencies and equities includes cross-product type correlation.

Range of Significant Unobservable Inputs and Sensitivity of Fair Value Measurement to Changes in Significant Unobservable Inputs

The range of significant unobservable inputs used to value the company's level 3 derivatives and unsecured borrowings and the directional sensitivity of the company's level 3 instruments to changes in significant unobservable inputs are consistent with the information described in Note 30 "Fair Value Measurement" in Part II of the 2023 Annual Report.

Collateralised Agreements. As of June 2024 and December 2023, the significant unobservable inputs used to value level 3 collateralised agreements are incorporated into the trading cash instruments disclosures related to unobservable inputs. See "Trading Cash Instruments, Investments and Loans" above.

Collateralised Financings. As of June 2024 and December 2023, the significant unobservable inputs used to value level 3 collateralised financings are incorporated into the derivatives disclosures related to unobservable inputs. See "Derivatives and Unsecured Borrowings" above.

Transfers Between Level 1 and Level 2 of the Fair Value Hierarchy

During both the six months ended June 2024 and six months ended June 2023, there were no significant transfers between level 1 and level 2 financial assets and liabilities measured at fair value on a recurring basis.

Fair Value Financial Assets and Liabilities Valued Using Techniques That Incorporate Unobservable Inputs

The fair value of financial assets and liabilities may be determined in whole or part using a valuation technique based on assumptions that are not supported by prices from observable current market transactions in the same instrument or based on available observable market data and changing these assumptions will change the resultant estimate of fair value.

In determining reasonably possible alternative unfavourable assumptions, a detailed business and position level review has been performed to identify and quantify instances where potential uncertainty exists. This has taken into account the positions' fair value as compared to the range of available market information.

The table below presents the potential impact of using reasonable possible alternative assumptions for financial assets and liabilities valued using techniques that are unobservable.

	As of	
	June	December
$ in millions	**2024**	2023
Favourable changes		
Trading cash instruments	**$ 87**	$ 102
Investments	**1**	9
Loans	**3**	3
Others	**390**	387
Total	**$ 481**	$ 501
Unfavourable changes		
Trading cash instruments	**$ 25**	$ 15
Investments	**1**	2
Loans	**2**	11
Others	**137**	178
Total	**$ 165**	$ 206

In the table above:

- Others include the favourable and unfavourable changes related to derivatives, unsecured borrowings, collateralised agreements and collateralised financings. These have been presented net, consistent with their net risk being used in the calculation of favourable and unfavourable changes due to economic hedging between these instruments.
- As of both June 2024 and December 2023, the impact for favourable changes was primarily driven by changes in valuation adjustments related to equity and fixed income derivatives and changes in assumptions related to the valuation of secured funding spreads and equity securities.
- As of both June 2024 and December 2023, the impact for unfavourable changes was primarily driven by changes in the assumptions related to the valuation of secured funding spreads, volatility and correlation inputs, and credit spreads.

The table below presents the amounts not recognised in the income statement relating to the difference between the fair value of the company's financial assets and liabilities at initial recognition using the valuation techniques and the transaction price (day 1 P&L).

	Six Months Ended June	
$ in millions	**2024**	2023
Beginning balance	**$ 260**	$ 206
New transactions	**146**	131
Amounts recognised in the income statement during the period	**(116)**	(113)
Ending balance	**$ 290**	$ 224

Level 3 Rollforward

The table below presents a summary of the changes in fair value for all level 3 financial assets and liabilities measured at fair value on a recurring basis.

	Six Months Ended June	
$ in millions	**2024**	2023
Total financial assets		
Beginning balance	**$ 4,945**	$ 4,728
Gains/(losses)	**456**	449
Purchases	**539**	306
Sales	**(172)**	(258)
Settlements	**(761)**	(607)
Transfers into level 3	**201**	239
Transfers out of level 3	**(372)**	(332)
Ending balance	**$ 4,836**	$ 4,525
Total financial liabilities		
Beginning balance	**$ (8,503)**	$ (7,875)
Gains/(losses)	**(361)**	(747)
Purchases	**6**	11
Sales	**(358)**	(239)
Issuances	**(1,219)**	(1,369)
Settlements	**2,207**	1,603
Transfers into level 3	**(495)**	(310)
Transfers out of level 3	**1,104**	602
Ending balance	**$ (7,619)**	$ (8,324)

In the table above:

- If a financial asset or financial liability was transferred to level 3 during a reporting period, its entire gain or loss for the period is classified in level 3. For level 3 financial assets, increases are shown as positive amounts, while decreases are shown as negative amounts. For level 3 financial liabilities, increases are shown as negative amounts, while decreases are shown as positive amounts.
- Transfers between levels of the fair value hierarchy are recognised at the beginning of the reporting period in which they occur. Accordingly, the tables do not include gains or losses for level 3 financial assets and liabilities that were transferred out of level 3 prior to the end of the period.

- Level 3 financial assets and liabilities are frequently economically hedged with level 1 and level 2 financial assets and liabilities. Accordingly, level 3 gains or losses that are reported for a particular class of financial asset or financial liability can be partially offset by gains or losses attributable to level 1 or level 2 in the same class of financial asset or financial liability or gains or losses attributable to level 1, level 2 or level 3 in a different class of financial asset or financial liability. As a result, gains or losses included in the level 3 rollforward do not necessarily represent the overall impact on the company's results of operations, liquidity or capital resources.
- Gains/(losses) are predominately attributable to changes in unrealised gains or losses relating to level 3 financial assets and financial liabilities.
- The net gains/(losses) on level 3 financial assets for both the six months ended June 2024 and June 2023 are reported in "Net revenues" in the income statement.
- The net losses on level 3 financial liabilities of $361 million for the six months ended June 2024 included losses of $340 million reported in "Net revenues" in the income statement and losses of $21 million reported in "Debt valuation adjustment" in the statement of comprehensive income. The net losses on level 3 financial liabilities of $747 million for the six months ended June 2023 included losses of $707 million reported in "Net revenues" in the income statement and losses of $40 million reported in "Debt valuation adjustment" in the statement of comprehensive income.

The table below disaggregates, by the balance sheet line items, the information for the company's financial assets included in the summary table above.

	Six Months Ended June	
$ in millions	**2024**	2023
Collateralised agreements		
Beginning balance	**$ 112**	$ 118
Gains/(losses)	**3**	(2)
Settlements	**(5)**	—
Ending balance	**$ 110**	$ 116
Trading assets		
Beginning balance	**$ 4,730**	$ 4,485
Gains/(losses)	**442**	450
Purchases	**539**	306
Sales	**(127)**	(258)
Settlements	**(742)**	(603)
Transfers into level 3	**201**	239
Transfers out of level 3	**(372)**	(332)
Ending balance	**$ 4,671**	$ 4,287
Investments		
Beginning balance	**$ 69**	$ 71
Gains/(losses)	**11**	—
Sales	**(45)**	—
Settlements	**(14)**	(4)
Ending balance	**$ 21**	$ 67
Loans		
Beginning balance	**$ 34**	$ 54
Gains/(losses)	**—**	1
Ending balance	**$ 34**	$ 55

The table below disaggregates, by the balance sheet line items, the information for the company's financial liabilities included in the summary table above.

	Six Months Ended June	
$ in millions	**2024**	2023
Collateralised financings		
Beginning balance	**$ (489)**	$ (395)
Gains/(losses)	**27**	(20)
Issuances	**(11)**	(327)
Settlements	**110**	102
Transfers into level 3	**(1)**	—
Ending balance	**$ (364)**	$ (640)
Trading liabilities		
Beginning balance	**$ (2,351)**	$ (2,332)
Gains/(losses)	**(442)**	(332)
Purchases	**6**	11
Sales	**(358)**	(239)
Settlements	**266**	298
Transfers into level 3	**(270)**	(132)
Transfers out of level 3	**228**	315
Ending balance	**$ (2,921)**	$ (2,411)
Unsecured borrowings		
Beginning balance	**$ (5,663)**	$ (5,148)
Gains/(losses)	**54**	(395)
Issuances	**(1,208)**	(1,042)
Settlements	**1,831**	1,203
Transfers into level 3	**(224)**	(178)
Transfers out of level 3	**876**	287
Ending balance	**$ (4,334)**	$ (5,273)

Transfers Between Level 2 and Level 3 of the Fair Value Hierarchy

Transfers between level 2 and level 3 generally occur due to changes in the transparency of level 3 inputs. A lack of market evidence leads to reduced transparency, whereas an increase in the availability of market evidence leads to an increase in transparency.

Financial Assets

Six Months Ended June 2024

Trading Assets. Transfers into level 3 trading assets primarily reflected transfers of certain equity derivatives from level 2, principally due to reduced transparency of certain volatility and correlation inputs, transfers of certain credit derivatives from level 2, principally due to reduced transparency of certain credit spread inputs, and transfers of certain cash instruments from level 2, principally due to reduced transparency of certain yield inputs.

Transfers out of level 3 trading assets primarily reflected transfers of certain equity derivatives to level 2, principally due to increased transparency of certain volatility and correlation inputs, transfers of certain credit derivatives to level 2, principally due to increased transparency of certain credit spread inputs, and transfers of certain cash instruments to level 2, principally due to increased transparency of certain yield inputs.

Six Months Ended June 2023

Trading Assets. Transfers into level 3 trading assets primarily reflected transfers of certain equity derivatives from level 2, principally due to reduced transparency of certain volatility and correlation inputs, transfers of certain credit derivatives from level 2, principally due to reduced transparency of certain credit spread inputs, and transfers of certain trading cash instruments from level 2, principally due to reduced transparency of certain yield inputs.

Transfers out of level 3 trading assets primarily reflected transfers of certain equity derivatives to level 2, principally due to increased transparency of certain volatility and correlation inputs, and transfers of certain cash instruments to level 2, principally due to increased transparency of certain yield inputs.

Financial Liabilities

Six Months Ended June 2024

Trading Liabilities. Transfers into level 3 trading liabilities primarily reflected transfers of certain equity derivatives from level 2, principally due to reduced transparency of certain volatility and correlation inputs, and transfers of certain credit derivatives from level 2, principally due to reduced transparency of certain credit spread inputs.

Transfers out of level 3 trading liabilities primarily reflected transfers of certain equity derivatives to level 2, principally due to increased transparency of certain volatility and correlation inputs, and transfers of certain interest rates derivatives to level 2, principally due to increased transparency of certain swap rates.

Unsecured Borrowings. Transfers into level 3 unsecured borrowings primarily reflected transfers of certain hybrid financial instruments from level 2, principally due to reduced transparency of certain volatility and correlation inputs.

Transfers out of level 3 unsecured borrowings primarily reflected transfers of certain hybrid financial instruments to level 2, principally due to increased transparency of certain volatility and correlation inputs.

Six Months Ended June 2023

Trading Liabilities. Transfers into level 3 trading liabilities primarily reflected transfers of certain equity derivatives from level 2, principally due to reduced transparency of certain volatility and correlation inputs, and transfers of certain credit derivatives from level 2, principally due to reduced transparency of certain credit spread inputs.

Transfers out of level 3 trading liabilities primarily reflected transfers of certain equity derivatives to level 2, principally due to increased transparency of certain volatility and correlation inputs, and transfers of certain credit derivatives due to increased transparency of certain credit spread inputs.

Unsecured Borrowings. Transfers into level 3 unsecured borrowings primarily reflected transfers of certain hybrid financial instruments from level 2, principally due to reduced transparency of certain volatility and correlation inputs.

Transfers out of level 3 unsecured borrowings primarily reflected transfers of certain hybrid financial instruments to level 2, principally due to increased transparency of certain volatility and correlation inputs.

Fair Value of Financial Assets and Liabilities Not Measured at Fair Value

The company had financial assets of $212.61 billion as of June 2024 and $234.52 billion as of December 2023 that are not measured at fair value. Given that substantially all of these balances are short-term in nature, their carrying values in the balance sheet are a reasonable approximation of fair value.

The table below presents the company's financial liabilities that are not measured at fair value by expected maturity.

	As of	
	June	December
$ in millions	**2024**	2023
Current	**$ 204,101**	$ 198,299
Non-current	**68,778**	65,159
Total	**$ 272,879**	$ 263,458

In the table above:

- Current financial liabilities are short-term in nature and therefore their carrying values in the balance sheet are a reasonable approximation of fair value.
- Non-current financial liabilities primarily related to long-term intercompany loans and repurchase agreements. The interest rates of these instruments are variable in nature and approximate prevailing market interest rates for instruments with similar terms and characteristics. As such, their carrying values in the balance sheet are a reasonable approximation of fair value.

Note 23.

Financial Risk Management and Capital Management

Certain disclosures in relation to the company's financial risk management and capital management have been presented alongside other risk management and regulatory information in Part I of this financial report.