Goldman Sachs Bank Europe SE

# Pillar 3 Disclosures

For the period ended December 31, 2024

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# Introduction

## Overview

Goldman Sachs Bank Europe SE (GSBE or the bank) is engaged in a wide range of activities primarily in the E.U., and to a lesser extent internationally, including underwriting and market making in debt and equity securities and derivatives, asset and wealth management services, deposit-taking, lending (including securities lending), advisory service and transaction banking services. The bank is a primary dealer for government bonds issued by E.U. sovereigns. The bank serves a diversified client base that includes corporations, financial institutions, governments, and individuals, from its registered office in Frankfurt am Main and branches in Amsterdam, Athens, Copenhagen, Dublin, London, Luxembourg, Madrid, Milan, Paris, Stockholm, and Warsaw. In March 2024, the bank also opened an office in Munich to expand its footprint in Germany. The London branch of the bank is currently in dormant status after it ceased its business activities during 2024. The bank is registered with the commercial register number HRB 114190 at the local district court in Frankfurt am Main, Germany.

The bank is directly supervised by the European Central Bank (ECB) and additionally by the Federal Financial Supervisory Authority (BaFin) and the Deutsche Bundesbank in the context of the E.U. Single Supervisory Mechanism.

The bank is a wholly owned subsidiary of Goldman Sachs Bank USA (GS Bank USA), a New York State-chartered bank and a member of the Federal Reserve System. The bank's ultimate parent undertaking and controlling entity is The Goldman Sachs Group, Inc. (Group Inc. or the firm). Group Inc. is a bank holding company and a financial holding company regulated by the Board of Governors of the Federal Reserve System. In relation to the bank, "group undertaking" means Group Inc. or any of its subsidiaries. Group Inc., together with its consolidated subsidiaries form "GS Group" (also referred to as the firm). 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 bank seeks to be the advisor of choice for its clients and a leading participant in financial markets. As part of GS Group, the bank also enters into transactions with affiliates in the normal course of business as part of its market-making activities and general operations.

The bank generates revenues from the following business activities: Investment Banking; Fixed Income, Currency, and Commodities (FICC); Equities; and Investment Management, which includes Asset management and Wealth management.

The bank's regulatory capital requirement has been calculated in accordance with the E.U. Capital Requirements Directive (CRD) and the E.U. Capital Requirements Regulation (CRR). These are largely based on the Basel Committee on Banking Supervision's (Basel Committee) final capital framework for strengthening international capital standards (Basel III), which is structured around three pillars: Pillar 1 "minimum capital requirements", Pillar 2 "supervisory review process" and Pillar 3 "market discipline".

The term "CRR" in this document refers to the applicable version of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012; as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements.

The bank's Pillar 3 disclosures for December 31, 2024 have been prepared in accordance with the European Banking Authority (EBA) Guidelines on disclosure requirements under Part Eight of the CRR.

All references to December 2024 and December 2023 refer to the dates as the context requires, December 31, 2024 and December 31, 2023, respectively. Any reference to a future year refers to a year ending on December 31 of that year. Any statements relating to future periods are subject to a high degree of uncertainty.

Information on the bank's 2024 Quarterly Pillar 3 disclosures, 2024 Annual Pillar 3 disclosures, 2024 Annual Financial Information prepared under International Financial Reporting Standards (IFRS) and 2024 Annual Financial Statements and Management Report prepared under German Commercial Code (HGB) can be accessed via the following links:

https://www.goldmansachs.com/disclosures/gsbank-europe-se-disclosures.html

https://www.goldmansachs.com/investor-relations/financials/subsidiary-financial-info/gsbe

For information on Group Inc.'s financial statements and regulatory capital ratios, please refer to the firm's Pillar 3 Disclosures and Annual Report on Form 10-K. References to the "2024 Form 10-K" are to the firm's Annual Report on Form 10-K for the period ended December 31, 2024. All references to December 2024 refer to the period ended, or the date, as the context requires, December 31, 2024.

https://www.goldmansachs.com/investor-relations/financials/10k/2024/2024-10-k.pdf

https://www.goldmansachs.com/investor-relations/financials/other-information/2024/4q-pillar3-2024.pdf

Measures of exposures and other metrics disclosed in this report may not be based on IFRS, may not be directly comparable to measures reported in the IFRS Financial Information, and may not be comparable to similar measures used by other companies.

The capital requirements are expressed as risk-based capital and leverage ratios that compare measures of regulatory capital to risk-weighted assets (RWAs), assets and off-balance-sheet exposures. Failure to comply with these capital requirements could result in restrictions being imposed by the bank's regulators and could limit the bank's ability to pay dividends and make certain discretionary compensation payments. The bank's capital levels are also subject to qualitative judgements by our regulators about components of capital, risk weightings and other factors.

## Basis of Consolidation

GSBE and its subsidiaries are directly and indirectly wholly owned by the immediate parent company, GS Bank USA and the ultimate parent company, Group Inc. respectively and included in their respective consolidated financial statements.

Due to immateriality of its subsidiaries pursuant to Section 296 (2) of HGB, GSBE waives its obligation from preparing consolidated financial statements.

The subsidiaries are:

- Goldman, Sachs & Co. Verwaltungs GmbH
- Goldman Sachs Gives gemeinnützige GmbH
- Goldman Sachs Management GP GmbH

The additional information to be disclosed in accordance with Section 26(a) of the German Banking Act (Kreditwesengesetz; in the following, "KWG") was also included in GSBE's 2024 Financial Statements as annexure "Country-by-country reporting".

GSBE is considered the parent company of a group under § 10a of KWG. Its subsidiary Goldman Sachs Management GP GmbH, Frankfurt am Main, a financial corporation according to § 1 Abs 3 KWG, may in line with Article 19 CRR be exempted from the scope of consolidation so that, in accordance with Article 11 of CRR, there is no requirement for a regulatory consolidation, and the rules on disclosure obligations on a consolidated basis under Article 13 do not apply. Therefore, these disclosures are prepared for the bank on a stand-alone basis.

## Restrictions on the Transfer of Funds or Regulatory Capital within the Firm

Group Inc. is a holding company and, therefore, utilises dividends, distributions, and other payments from its subsidiaries to fund dividend payments and other payments on its obligations, including debt obligations. Regulatory capital requirements, as well as other provisions of applicable law and regulations restrict Group Inc.'s and GS Bank USA's ability to withdraw capital from its regulated subsidiaries. Capital is considered transferable between GSBE and its subsidiaries without any significant restriction except to the extent it is required for regulatory purposes. Any transfer of funds between the bank and its subsidiaries is expected to be immaterial and therefore the bank does not elaborate on this further.

For information regarding the capital adequacy of GSBE, see "Risk Report - Capital Adequacy" within "Management Report" of GSBE's 2024 Financial Statements.

For further information about restrictions on the transfer of funds within Group Inc. and its subsidiaries, see "Note 20. Regulation and Capital Adequacy" in Part II, Item 8 "Financial Statements and Supplementary Data" and "Risk Management - Liquidity Risk Management" in Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the firm's 2024 Form 10-K.

## Definition of Risk-Weighted Assets

The risk weights used in the calculation of RWAs reflect an assessment of the riskiness of our assets and exposures. These risk weights and exposures are based on either predetermined levels set by regulators or on internal models which are subject to various qualitative and quantitative parameters that are subject to approval by our regulators. The relationship between available capital and capital requirements can be expressed in the form of a ratio and capital requirements are arrived at by dividing RWAs by 12.5.

## Fair Value

Financial assets that are not held for the collection of contractual cash flows or do not have cash flows that represent solely payments of principal and interest are mandatorily measured at fair value through profit or loss. Financial assets mandatorily measured at fair value are initially measured at fair value with transaction costs expensed in the income statement. Such financial assets are subsequently measured at fair value with gains or losses recognised in gains or losses from financial instruments at fair value through profit or loss.

Financial liabilities held for trading are initially measured at fair value and subsequently at fair value through profit or loss, with gains or losses recognised in gains or losses from financial instruments at fair value through profit or loss. The bank also designates certain financial liabilities at fair value through profit or loss. Financial liabilities designated at fair value through profit or loss are initially measured at fair value and subsequently at fair value through profit or loss, with Debt Valuation Adjustment (DVA) being recognised in other comprehensive income, if it does not create or enlarge an accounting mismatch, and the remaining changes in the fair value being recognised in net revenues. Amounts recognised in other comprehensive income attributable to own credit spreads are not subsequently transferred to the income statement, even upon derecognition of the financial liability. Gains or losses exclude contractual interest, which is included in interest income and interest expense, for all instruments other than hybrid financial instruments. The primary reasons for designating such financial liabilities at fair value through profit or loss are:

- To eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; and
- The group of financial liabilities, or financial assets and liabilities, is managed and its performance evaluated on a fair value basis.

For additional information regarding the fair value measurement of GSBE's assets and liabilities, see "Note 2. Material Accounting Policies - Financial Assets and Liabilities Measured at Fair Value Through Profit or Loss" in GSBE's IFRS Financial Information.

## Banking Book / Trading Book Classification

The bank has a comprehensive framework of policies, controls and reporting to meet the requirements of the CRR for inclusion of positions in the banking book and trading book. In order to determine the appropriate regulatory capital treatment for our exposures, positions must first be classified into either "banking book" or "trading book". Positions are classified as banking book unless they qualify to be classified as trading book.

Trading book positions generally meet the following criteria: they are assets or liabilities that are accounted for at fair value; they are risk managed using a Value-at-Risk (VaR) internal model; they are held as part of our market-making and underwriting businesses and are intended to be resold in the short term, or positions intended to benefit from actual or expected short-term price differences between buying and selling prices or from other price or interest rate variations (as defined in point (85) of Article 4(1) in CRR). Trading book positions are subject to market risk regulatory capital requirements, as are foreign exchange and commodity positions, whether or not they meet the other criteria for classification as trading book positions. Market risk is the risk of loss in value of these positions due to changes in market conditions. Some trading book positions, such as derivatives, are also subject to counterparty credit risk regulatory capital requirements.

Banking book positions are accounted for in line with the principles outlined in the bank's Financial Statements. Banking book positions are subject to credit risk regulatory capital requirements. Credit risk represents the potential for loss due to the default or deterioration in credit quality of a counterparty (e.g., an Over-The-Counter (OTC) derivatives counterparty or a borrower) or an issuer of securities or other instruments the bank holds.

## Regulatory Developments

The bank's businesses are subject to extensive regulation and supervision worldwide. New regulations have been adopted or are being considered by regulators and policymakers. Given that many of the new and proposed rules are highly complex, the full impact of regulatory reform will not be known until the rules are implemented and market practices develop under final E.U. regulations.

### Risk-Based Capital Ratios

In 2024, the E.U. adopted rules to implement the Basel III Revisions, through amendments to the CRR and CRD, referred to as CRR III and CRD VI. The amendments include the Fundamental Review of the Trading Book

(FRTB) rules, revised rules for credit risk capital, a new standardised approach for operational risk and Credit Valuation Adjustment (CVA) risk capital and a floor on internally modelled capital requirements under the standardised approach, commonly known as the “output floor”. Substantial parts of these rules became effective in January 2025, though certain provisions applied beginning July 2024. The FRTB rules are currently legislated to apply from January 2026. As of December 2024, the bank has considered the impact of the forthcoming changes in its broader Internal Capital Adequacy Assessment Process (ICAAP) and has taken action to ensure compliance with the rules.

The changes effective in January 1, 2025 have contributed to higher RWAs, which will be reflected in March 31, 2025 disclosures. Given the bank’s significant capital surplus, the bank did not require additional CET1 capital to meet its minimum capital requirements including combined buffer requirements. However, the bank has drawn on senior debt from GS Bank USA in December 2024 to meet the MREL requirements set by the Single Resolution Board (SRB).

### CRD VI Article 21c

CRD VI includes provisions which will restrict certain non-EU entities from providing core banking services, including lending, to EU clients. Whilst each EU Member State is required to transpose the Directive's minimum requirements into their national laws by January 10, 2026, the bank expects these specific provisions will take effect from January 11, 2027 with a grandfathering provision for transactions executed before July 10, 2026. The bank is analysing EU core banking services required to transition from affiliates, and incorporating this into its business, capital and liquidity planning.

### Minimum Requirements for Own Funds and Eligible Liabilities (MREL)

The CRR and the E.U. Bank Recovery and Resolution Directive (BRRD) are designed to, among other things, implement the Financial Stability Board’s (FSB) minimum Total Loss Absorbing Capacity (TLAC) requirement for global systemically important institutions (G-SII), such as GS Group.

The CRR requires material subsidiaries of non-E.U. G-SIIs such as the bank, to meet internal TLAC (iTLAC) requirements equivalent to 90% of the external TLAC requirement applicable to E.U. G-SIIs. The bank satisfies this requirement through its total capital and MREL eligible intercompany borrowings.

The BRRD, as amended by BRRD II, subjects institutions to a minimum requirement for own funds and eligible liabilities (MREL). The E.U. Single Resolution Board’s (SRB) internal MREL (iMREL) became applicable to the bank from January 1, 2024.

As of December 2024, the bank was in compliance with its iMREL requirements. The minimum iMREL requirement is subject to change by the SRB annually and on May 13, 2024, the SRB published its 2024 MREL policy. This policy broadened the scope of firms for which SRB intends to set a Market Confidence Charge and makes changes to its calibration, amongst other amendments. This will result in a 2.4% increase of the bank iMREL to RWAs minimum requirement, which is effective from March 2025.

The bank’s iMREL/iTLAC eligible intercompany borrowing is from its immediate parent undertaking, GS Bank USA and increased by €4.0bn during 2024.

**Swaps, Derivatives and Commodities Regulation.** The bank is a swap dealer registered with the Commodity Futures Trading Commission and a security-based swap dealer registered with the U.S. Securities Exchange Commissions. As of December 2024, the bank was subject to, and in compliance with, applicable capital requirements for swap dealers and security-based swap dealers.

### Business Outlook

The bank’s Executive Board continues to be cautiously optimistic about the business outlook for 2025. The Executive Board expects net revenues under IFRS in 2025 to be moderately higher and net income under IFRS in 2025 to remain essentially unchanged compared to 2024.

The bank’s Executive Board expects that the iMREL to RWAs ratio will decrease significantly compared to 2024 primarily driven by CRR III rules becoming effective in January 2025 as described in "Regulatory Capital" as well as an expected increase in business activity as described in "Management Report" of GSBE's 2024 Financial Statements. The bank will ensure that the iMREL to RWAs ratio remains conservatively above minimum requirements.

The business outlook is based on the current expectations of the bank’s Executive Board and the actual results could differ, possibly materially, to the anticipated results due to certain factors including those described in “Principal Risks and Uncertainties” within “Management Report” of GSBE’s 2024 Financial Statements.

## Business Environment

In 2024, the global economy grew, but was impacted throughout the year by broad macroeconomic and geopolitical concerns. Concerns regarding inflation and ongoing geopolitical stresses, including tensions with China and the conflicts in Ukraine and the Middle East, remained elevated. Despite these concerns, the economy in the Eurozone and U.K. showed some improvement from low levels, while in the U.S., the economy has remained resilient and equity markets have reacted favourably to the outcomes of national elections. Additionally, markets were focused on policy interest rate cuts by several central banks, including the European Central Bank, U.S. Federal Reserve and the Bank of England.

## Attestation

To the best of our knowledge, we attest that the Pillar 3 Disclosures of Goldman Sachs Bank Europe SE for the period ended December 31, 2024, prepared according to Part Eight of the CRR, have been prepared in accordance with the formal policies and internal processes, systems and controls agreed upon at the management body level.

Date: May 21, 2025

| | |
|---|---|
| Michael Holmes | Michael Trokoudes |
| Chief Financial Officer | Chief Risk Officer |
| Goldman Sachs Bank Europe SE | Goldman Sachs Bank Europe SE |

# Risk Management

## Overview

The bank believes that effective risk management is critical to its success. Accordingly, the bank has established an 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 bank's business are identified, assessed, monitored and managed.

These risks include credit, market, liquidity, operational, cybersecurity, climate, model, legal, compliance, conduct, regulatory, business environment and strategic risks, and reputational risks.

The bank has defined its Risk Strategy which together with its Risk Appetite Statement (RAS), and in conjunction with GS Bank USA's RAS and GS Group's RAS, lays out the primary risk management philosophy, objectives and principles on how risks are managed within its appetite. For all material risks, the bank articulates its risk appetite and how it manages the risk profile within that appetite using qualitative, and where applicable, quantitative measures, thresholds and/or limits.

Together with the bank's Executive Board, an adequate committee structure with representation from senior management of the bank is key to the risk management culture throughout the bank. The following section covers the bank's risk management structure which is consistent with GS Bank USA and GS Group and built around three core components: governance, processes and people.

## Governance

Risk management governance starts with the bank's Executive Board, which defines the risk strategy and risk appetite of the bank and, both directly and through established committees, including the GSBE Risk Committee, oversees the bank's approach to manage its risks through the enterprise risk management framework. The Executive Board is also responsible for the annual review and approval of the GSBE RAS. The RAS describes the levels and types of risk the bank is willing to assume within its risk capacity to achieve its strategic business objectives included in the bank's business plan, while remaining in compliance with regulatory requirements. The Executive Board approves the business plan and is ultimately responsible for overseeing and setting strategy and risk appetite. For more details on the GSBE RAS refer to the 'Risk Profile and Strategy'.

Enterprise Risk at firmwide level and the Regulatory Engagement department within the bank's Risk function at entity-level oversees the implementation of the firm's and the bank's risk governance structure and core risk management processes respectively and is responsible for ensuring that the enterprise risk management framework provides senior management and relevant governing bodies, including the GSBE Executive Board and Risk Committee, with a consistent and integrated approach to managing the various risks in a manner consistent with the firm's and the bank's risk appetite.

The bank's first line of defence consists of the bank's revenue-producing units that directly report to the respective Executive Board members, Controllers and Corporate Treasury that directly report to the bank's Chief Financial Officer (CFO), as well as Engineering and certain other corporate functions that directly report to the bank's Chief Operating Officer (COO). The first line of defence is responsible for its risk-generating activities, as well as for the design and execution of controls to mitigate such risks.

The bank's second line of defence consists of the Compliance function that directly reports to the bank's Chief Administrative Officer (CAO); and the bank's Risk functions that report to the bank's Chief Risk Officer (CRO). The second line of defence provides independent assessment, oversight and challenge of the risks taken by the bank's first line of defence, as well as lead and participate in risk management related committees.

The bank's third line of defence is Internal Audit which reports to the bank's Executive Board. Internal Audit includes professionals with a broad range of audit and industry experience, including risk management expertise. Internal Audit is responsible for independently assessing and validating the effectiveness of key controls, including those within the risk management framework, and providing timely reporting to the bank's Executive Board, senior management and regulators.

The three lines of defence structure promotes the accountability of first line risk takers, provides a framework for effective challenge by the second line and empowers independent review from the third line.

Consistent with the firm, the bank maintains strong and proactive communication about risk and it has a culture of collaboration in decision-making among the first and second lines of defence, committees and senior management. While the first line of defence is responsible for management of their risk, the bank dedicates extensive resources to the second line of defence in order to ensure a strong oversight structure and an appropriate segregation of duties. The firm regularly reinforces its strong culture of escalation and accountability across all functions.

Additional oversight is provided by the GSBE Supervisory Board including its committees which receives regular updates from the GSBE Executive Board on the bank's risk profile and other risk related matters.

### Processes

The bank maintains various processes that are critical components of its risk management framework, including (i) risk identification and assessment, (ii) risk appetite, limits, thresholds and alerts, (iii) control monitoring and testing, and (iv) risk reporting.

The bank has a comprehensive data collection process, including bank-wide policies and procedures that require all employees to report and escalate risk events. The bank's approach for risk identification and assessment is comprehensive across all risk types, is dynamic and forward-looking to reflect and adapt to the bank's changing risk profile and business environment, leverages subject matter expertise, and allows for prioritisation of the bank's most critical tasks.

The bank performs risk assessments periodically with the aim to ensure that its material financial and non-financial risks are mitigated through controls to an acceptable tolerance level in accordance with its risk appetite. The bank's approach leverages the GS Group identification process complemented by an entity-level process by which all material risks are determined on a regular basis with an overlay of materiality relative to the bank's size, scope of activities and associated risks.

To effectively assess and monitor risks, the bank maintains a daily discipline of marking substantially all of its inventory to current market levels. The bank does so because of its belief that this discipline is one of the most effective tools for assessing and managing risk and that it provides transparent and realistic insight into its inventory exposures. The bank also applies a comprehensive framework of limits, thresholds and alerts to control and monitor risk across transactions, products, businesses and markets. See "Credit Risk", "Market Risk" and "Liquidity Risk Management", "Operational Risk", "Model Risk", and "Climate Risk" for further information.

An important part of the bank's risk management process is stress testing. It allows the bank to quantify its exposure to tail risks, highlight potential loss concentrations, undertake risk/reward analysis, and assess and mitigate its risk positions. Stress tests are performed on a regular basis and ad-hoc as needed, and are designed to ensure a comprehensive analysis of the bank's vulnerabilities, and idiosyncratic risks combining financial and non-financial risks, including, but not limited to, credit, market, liquidity and funding, operational and compliance, climate, strategic, systemic and emerging risks into the bank's stress scenarios.

Ad-hoc stress tests are also performed in anticipation of market events or conditions. Stress testing is also used to assess capital and liquidity adequacy as part of the broader capital planning and stress testing process. See "Capital Adequacy" for further information.

The bank has defined a comprehensive risk limit framework reflective of its risk profile and risk appetite which are embedded into the risk decision making of the bank. Limits are set with the aim to ensure that the bank maintains an adequate capital and liquidity position, an overall risk taking on an ongoing basis.

The bank's control monitoring, testing and risk reporting processes are designed to take into account information about both existing and emerging risks, thereby enabling the bank's risk management related committees and senior management to perform their responsibilities with the appropriate level of insight into risk exposures. A detailed quarterly risk reporting to management is complemented by more frequent regular (daily, weekly or monthly) and ad-hoc reporting on the bank's material risks. Furthermore, the bank's early warning indicators, limit and threshold breach processes provide means for timely escalation. The bank evaluates changes in its risk profile and businesses, including changes in business mix and jurisdictions in which it operates, by monitoring risk factors at an entity level.

### People

Even the best technology serves only as a tool for helping to make informed decisions in real time about the risks GSBE is taking. Ultimately, effective risk management requires people to interpret risk data on an ongoing and timely basis and adjust risk positions accordingly. The experience of the bank's and the firm's professionals, and their understanding of the nuances and limitations of each risk measure, guides the bank in assessing exposures and maintaining them within prudent levels.

Consistent with GS Group, the bank reinforces a culture of effective risk management, consistent with its risk appetite, in its training and development programmes, as well as in the way it evaluates performance, recognises and rewards people. The firm's training and development programmes, including certain sessions led by the most senior leaders, are focused on the importance of risk management, client relationships and reputational excellence. As part of the firm's annual performance review process, the firm assesses reputational excellence, including how an employee exercises good risk management and reputational judgement, and adheres to the firm's code of conduct and compliance policies. The firm's review and reward processes are designed to communicate and reinforce to its professionals the link between behaviour and how people are recognised, the need to focus on clients and reputation, and the need to always act in accordance with the highest standards of the firm.

## Structure

The bank has a two-tier board structure consisting of the Supervisory Board and the Executive Board.

### Supervisory Board.

The Supervisory Board supervises and advises the Executive Board and performs specific statutory tasks. The Supervisory Board is supported and advised by the Supervisory Board Audit Committee, Supervisory Board Risk Committee, Supervisory Board Remuneration Committee and Supervisory Board Nomination Committee in fulfilling their duties and responsibilities.

The key committees with regard to risk management are described below.

**Supervisory Board Audit Committee.** The Audit Committee of the Supervisory Board is responsible for providing advice to the Supervisory Board and assisting the Supervisory Board by overseeing (i) the integrity of the bank's financial statements and financial reporting processes; (ii) management's processes for ensuring the appropriateness and effectiveness of systems and controls; (iii) the process in relation to the appointment, re-appointment or replacement of the bank's external auditor; and (iv) safeguarding the independence and integrity of the bank's compliance and internal audit functions.

**Supervisory Board Risk Committee.** The Risk Committee of the Supervisory Board is responsible for providing advice to the Supervisory Board on the bank's current and future risk appetite and assisting the Supervisory Board in overseeing the implementation of that risk appetite and risk strategy by the bank's Executive Board.

### Executive Board.

The Executive Board has ultimate responsibility for all activities in the bank, including oversight of risk, both directly and through delegation to various committees. A series of committees within the bank with specific risk management mandates covering important aspects of the bank's businesses also have oversight or decision-making responsibilities. The key committees and bodies with oversight of the bank's activities are described below.

**GSBE Risk Committee.** The GSBE Risk Committee is responsible for the ongoing monitoring and control of all financial and non-financial risks associated with the bank's activities. This includes reviewing key financial and risk metrics, including but not limited to profit and loss, capital (including the Internal Capital Adequacy Assessment Process (ICAAP)), funding, liquidity (including the Internal Liquidity Adequacy Assessment Process (ILAAP)), credit risk, market risk, operational risk, model risk, price verification and stress tests. Within its mandate, the GSBE Risk Committee approves market risk, credit risk and liquidity risk limits as well as operational risk, model risk and climate risk thresholds or articulates recommendations with regard to risk limits and thresholds which require Executive Board approval. Its membership includes senior managers from the revenue-producing divisions and independent risk oversight and control functions. The GSBE Risk Committee reports to the bank's Executive Board.

**GSBE Compliance and Operational Risk Committee.** The GSBE Compliance and Operational Risk Committee provides oversight of the ongoing development and implementation of operational risk policies, framework, and methodologies, with oversight from the GSBE Risk Committee, and monitors the effectiveness of operational risk and resilience management. This Committee is accountable for the implementation of business standards and practices, including reputational risk management, client service and conduct risk, within the scope of its mission. The GSBE Compliance and Operational Risk Committee reports to the GSBE Risk Committee.

**GSBE Asset Liability Committee.** The GSBE Asset Liability Committee (ALCO) reviews and approves the strategic direction for the bank's financial resources including capital, liquidity, funding and balance sheet. The committee has oversight responsibility for asset liability management, including interest rate and currency risk, funds transfer pricing, capital allocation and incentives, and credit ratings. This committee makes recommendations as to any adjustments to asset liability management and financial resource allocation in light of current events, risks, exposures, and regulatory requirements and approves related policies. Its membership includes senior managers from the first and second line of defence. The GSBE Asset Liability Committee reports to the bank's Executive Board.

**GS Group, Regional and GS Bank USA Risk Governance.** As an indirect wholly-owned subsidiary and integrated part of GS Group, the comprehensive regional and global risk governance framework in place forms an integral part of the strategy and risk management process of the bank. The integration into the firmwide risk management framework allows the bank to use the GS Group's methods and systems and a consistent implementation of firmwide structures and principles while considering the entity specificities and governance structure. GS Group has established a series of committees with specific risk management mandates, many of which include representation from bank's senior management.

Primary GS Group risk and oversight committees include the Management Committee, Firmwide Enterprise Risk Committee and Firmwide Asset Liability Committee.

Primary regional committees include the European Management Committee, EMEA Compliance and Operational Risk Committee and EMEA Conduct Committee.

As a direct wholly-owned subsidiary of GS Bank USA, the bank's risk management processes are also embedded in the oversight provided by relevant governance bodies of GS Bank USA which includes the Bank Management Committee and Bank Risk and Asset Liability Committee.

For more information regarding GS Group and regional risk and oversight committees which have also oversight of matters relevant for GSBE, see "Risk Report - Overview and Structure of Risk Management" within "Management Report" of GSBE's 2024 Financial Statements.

## Risk Profile and Strategy

In the normal course of activities in serving clients, the bank commits capital, engages in derivative and lending transactions, and otherwise incurs risk as an inherent part of its business. However, the bank endeavours not to undertake risk in form or amount that could potentially and materially impair its capital and liquidity position or the ability to generate revenues, even in a stressed environment. Where possible it employs mitigants and hedges, such as collateral, netting arrangements and other controls, in order to manage such risks and risk concentrations within the risk appetite levels.

The bank's overall risk appetite is established through an assessment of opportunities relative to potential losses, and is calibrated to, among others, GSBE's capital, liquidity and earnings capability, and reflective of its strategy. The primary means of evaluating risk-taking capacity is through the ICAAP. The bank's ICAAP is a comprehensive internal process which coherently integrates several key components including risk identification and materiality assessment, capital planning, and risk appetite, and is integrated into the broader risk management framework and decision making throughout the entity.

The RAS of GSBE is complemented by the GS Bank USA RAS and GS Group RAS, and articulates the risk philosophy, the identification of risks generated by its business activities, as well as the appetite, limits, thresholds and alerts set in order to manage effectively those risks. Consistent with this objective, the bank pays particular attention to evaluating risks that are concentrated, correlated, illiquid, or have other adverse characteristics. The intention is to mitigate or eliminate these risks, limiting them to such an extent that they could not, individually or collectively, materially and adversely affect GSBE. The bank regularly reviews risk exposure and risk appetite, and takes into consideration the key external stakeholders, in particular our clients, shareholders, creditors, rating agencies, and regulators. The long-term success of our business model is directly linked to the preservation of strong relationships with each of these key constituents.

The GSBE Executive Board, in coordination with the GSBE CRO and the GSBE Risk Committee and with further supervision from the GSBE Supervisory Board, is actively engaged in reviewing and approving our overall risk appetite, as well as in reviewing the risk profile.

The consideration of risk appetite and the underlying risk management framework ensures that GSBE's businesses are congruent with its strategy under both normal and stressed environments. The bank believes that the risk management framework and the associated risk policies, procedures and systems in place are comprehensive and effective with regard to our profile and strategy. The framework is evaluated on an ongoing basis and subject to independent internal audit assessments to ensure our risk management arrangements remain effective.

### Risk Measurement

On a day-to-day basis, risk measurement plays an important role in articulating the risk appetite of the firm and GSBE and in managing the risk profile as expressed in the RAS. Risk may be monitored against bank, firmwide, product, divisional or business level limits or thresholds, or against a combination of such attributes. The bank measures risk using a suite of metrics, as relevant to each type of risk, including stress metrics to calculate the potential loss from a wide range of scenarios and sensitivity analysis. These risks are tracked systematically, and they are monitored and reported to the relevant committees and Board on a regular basis.

A number of specialist committees and governance bodies sit within the broader risk management framework with responsibilities for the monitoring of specific risks against risk limits or thresholds and the escalation of any breaches as described above.

GSBE is fully integrated into the broader firmwide organisational structure and risk governance and applies a risk philosophy and risk management principles consistent with GS Group. For an overview of the GS Group risk management framework, including governance, processes and committee structure, see "Risk Management – Overview and Structure of Risk Management" in Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the firm's 2024 Form 10-K.

### Adequacy of Risk Management Arrangements

GSBE is satisfied that the risk management arrangements and systems, as described above, are appropriate given the strategy and risk profile of the bank. These elements are reviewed at least annually and, where appropriate, updated to reflect best practice, evolving market conditions and changing regulatory requirements.

# Key Metrics

The table below provides an overview of the bank's prudential regulatory position as measured by key regulatory metrics as of December 2024 and previously reported reference periods. In the table below and throughout the disclosure, audited profits for the period ending on the reference date are excluded from own funds except for December 2023 and December 2022.

## Table 1: EU KM1 - Key Metrics Table

| *€ in millions* | | As of December 2024 | As of June 2024 | As of December 2023 | As of June 2023 | As of December 2022 |
|---|---|---|---|---|---|---|
| | **Available own funds (amounts)** | | | | | |
| 1 | Common Equity Tier 1 (CET1) capital | € 12,660 | € 12,749 | € 12,872 | € 12,178 | € 8,911 |
| 2 | Tier 1 capital | € 12,660 | € 12,749 | € 12,872 | € 12,178 | € 8,911 |
| 3 | Total capital | € 12,680 | € 12,769 | € 12,892 | € 12,198 | € 8,931 |
| | **Risk-weighted exposure amounts** | | | | | |
| 4 | Total risk-weighted exposure amount | € 41,603 | € 39,093 | € 36,045 | € 31,721 | € 28,179 |
| | **Capital ratios (as a percentage of risk-weighted exposure amount)** | | | | | |
| 5 | Common Equity Tier 1 ratio (%) | 30.4% | 32.6% | 35.7% | 38.4% | 31.6% |
| 6 | Tier 1 ratio (%) | 30.4% | 32.6% | 35.7% | 38.4% | 31.6% |
| 7 | Total capital ratio (%) | 30.5% | 32.7% | 35.8% | 38.5% | 31.7% |
| | **Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)** | | | | | |
| EU 7a | Additional own funds requirements to address risks other than the risk of excessive leverage (%) | 2.8% | 2.8% | 3.0% | 3.0% | 3.0% |
| EU 7b | of which: to be made up of CET1 capital (percentage points) | 1.5% | 1.5% | 1.7% | 1.7% | 1.7% |
| EU 7c | of which: to be made up of Tier 1 capital (percentage points) | 2.1% | 2.1% | 2.3% | 2.3% | 2.3% |
| EU 7d | Total SREP own funds requirements (%) | 10.8% | 10.8% | 11.0% | 11.0% | 11.0% |
| | **Combined buffer requirement (as a percentage of risk-weighted exposure amount)** | | | | | |
| 8 | Capital conservation buffer (%) | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |
| EU 8a | Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 9 | Institution specific countercyclical capital buffer (%) | 1.0% | 1.1% | 0.8% | 0.7% | 0.3% |
| EU 9a | Systemic risk buffer (%) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 10 | Global Systemically Important Institution buffer (%) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| EU 10a | Other Systemically Important Institution buffer | 0.8% | 0.8% | 0.5% | 0.5% | 0.3% |
| 11 | Combined buffer requirement (%) | 4.3% | 4.3% | 3.8% | 3.7% | 3.0% |
| EU 11a | Overall capital requirements (%) | 15.0% | 15.1% | 14.8% | 14.7% | 14.0% |
| 12 | CET1 available after meeting the total SREP own funds requirements | 19.7% | 21.9% | 24.8% | 27.5% | 20.7% |
| | **Leverage ratio** | | | | | |
| 13 | Leverage ratio total exposure measure | € 136,882 | € 136,206[1] | € 112,901 | € 102,987 | € 84,006 |
| 14 | Leverage ratio % | 9.2% | 9.4% | 11.4% | 11.8% | 10.6% |
| | **Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)** | | | | | |
| EU 14a | Additional own funds requirements to address the risk of excessive leverage (%) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| EU 14b | of which: to be made up of CET1 capital (percentage points) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| EU 14c | Total SREP leverage ratio requirements (%) | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |
| | **Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)** | | | | | |
| EU 14d | Total SREP leverage ratio requirements (%) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| EU 14e | Overall leverage ratio requirements (%) | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |
| | **Liquidity Coverage Ratio** | | | | | |
| 15 | Total high-quality liquid assets (HQLA) (Weighted value - average) | € 22,152 | € 22,116 | € 19,903 | € 20,331 | € 19,623 |
| EU 16a | Cash outflows - Total weighted value | € 27,755 | € 25,470 | € 22,363 | € 24,306 | € 21,340 |
| EU 16b | Cash inflows - Total weighted value | € 11,995 | € 11,109 | € 9,773 | € 10,283 | € 10,165 |
| 16 | Total net cash outflows (adjusted value) | € 15,760 | € 14,359 | € 12,591 | € 14,023 | € 11,176 |
| 17 | Liquidity coverage ratio (%) | 142.0% | 160.0% | 161.0% | 145.0% | 189.0% |

[1] Amount previously disclosed for June 2024 has been updated to conform to the bank's restated common reporting submission.

| | Net Stable Funding Ratio | | | | | |
|---|---|---|---|---|---|---|
| 18 | Total available stable funding | € 39,416 | € 33,826 | € 28,185 | € 23,586 | € 18,997 |
| 19 | Total required stable funding | € 28,662 | € 27,694 | € 21,171 | € 17,356 | € 12,335 |
| 20 | NSFR ratio (%) | 137.5% | 122.1% | 133.1% | 135.9% | 154.0% |

**Notes:**

1. The capital ratios and leverage ratio as of December 2024 excluded the bank's profits for 2024, subject to approval by the bank’s shareholder on May 23, 2025 to be included as regulatory capital. Once approved, these profits would add 151 basis points and 54 basis points to the CET1 capital ratio and leverage ratio respectively for future reporting dates.

2. The total capital ratio decreased by 2.2 percentage points (pp) vs. June 2024 to 30.5%, mainly driven by an increase in RWAs by €2.5bn to €41.6bn. The increase in RWAs resulted from increased credit risk and counterparty credit risk RWAs by €2.0bn primarily driven by an increase in derivatives by €1.6bn and loans by €0.9bn.

3. The leverage ratio decreased by 0.2pp vs. June 2024 to 9.2% mainly driven by an increase in leverage exposures by €0.7bn to €136.9bn, primarily due to an increase in on-balance sheet exposures by €5.7bn mainly within securities financing transactions and cash and cash equivalents and partially offset by a decrease in off-balance sheet exposures by €5.0bn mainly within commitments and derivatives potential future exposures.

4. The liquidity coverage ratio decreased by 18pp vs. June 2024 to 142.0%, mainly due to an increase in the net cash outflows by €1.4bn to €15.8bn, mainly due to an increase in secured wholesale funding.

5. The net stable funding ratio increased by 15.4pp vs. June 2024 to 137.5%, due to an increase in available stable funding by €5.6bn to €39.4bn, due to an increase in other wholesale funding. This was partially offset by an increase in required stable funding by €1.0bn to €28.7bn, mainly driven by increased loans and derivatives.

# EU iLAC

In accordance with the requirements of Article 92b of Regulation (EU) No 575/2013, the following table shows GSBE's minimum requirement for eligible liabilities, as a material subsidiary of a non-EU headquartered G-SII.

### Table 2: EU iLAC: Internal loss absorbing capacity: internal MREL and, where applicable, requirement for own funds and eligible liabilities for non-EU G-SIIs

| *€ in millions* | | | | **As of December 2024** |
|---|---|---|---|---|
| | | **a** | **b** | **c** |
| | | **Minimum requirement for own funds and eligible liabilities (internal MREL)** | **Non-EU G-SII Requirement for own funds and eligible liabilities (internal TLAC)** | **Qualitative information** |
| **Applicable requirement and level of application** | | | | |
| EU 1 | Is the entity subject to a Non-EU G-SII Requirement for own funds and eligible liabilities? (Y/N) | | | Y |
| EU 2 | If EU 1 is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I) | | | I |
| EU 2a | Is the entity subject to an internal MREL requirement? (Y/N) | | | Y |
| EU 2b | If EU 2a is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I) | | | I |
| **Own funds and eligible liabilities** | | | | |
| EU 3 | Common Equity Tier 1 capital (CET1) | € 12,660 | € 12,660 | |
| EU 4 | Eligible Additional Tier 1 instruments | - | - | |
| EU 5 | Eligible Tier 2 instruments | 20 | 20 | |
| EU 6 | Eligible own funds | € 12,680 | € 12,680 | |
| EU 7 | Eligible liabilities | 4,800 | 4,800 | |
| EU 8 | Of which permitted guarantees | - | | |
| EU 9a | (Adjustments) | - | | |
| EU 9b | Own funds and eligible liabilities items after adjustments | € 17,480 | € 17,480 | |
| **Total risk exposure amount and total exposure measure** | | | | |
| EU 10 | Total risk exposure amount | € 41,603 | € 41,603 | |
| EU 11 | Total exposure measure | € 136,882 | € 136,882 | |
| **Ratio of own funds and eligible liabilities** | | | | |
| EU 12 | Own funds and eligible liabilities (as a percentage of TREA) | 42.0 % | 42.0 % | |
| EU 13 | >>> of which permitted guarantees | 0.0 % | | |
| EU 14 | Own funds and eligible liabilities (as a percentage of leverage exposure) | 12.8 % | 12.8 % | |
| EU 15 | >>> of which permitted guarantees | 0.0 % | | |
| EU 16 | CET1 (as a percentage of TREA) available after meeting the entity's requirements | 20.0 % | 20.0 % | |
| EU 17 | Institution-specific combined buffer requirement[1] | | 4.3 % | |
| **Requirements** | | | | |
| EU 18 | Requirement expressed as a percentage of the total risk exposure amount | 22.0 % | 16.2 % | |
| EU 19 | >>> of which may be met with guarantees | N/A | | |
| EU 20 | Internal MREL expressed as percentage of the total exposure measure | 6.0 % | 6.1 % | |
| EU 21 | >>> of which may be met with guarantees | N/A | | |
| **Memorandum items** | | | | |
| EU 22 | Total amount of excluded liabilities referred to in Article 72a(2) CRR[2] | | **€ 182,475** | |

1. Row EU 17 requires reporting Institution-specific combined buffer requirement, but EBA template mapping refers to cell M 03.00, r0540, c0020 (O-SII requirement). The bank is reporting the Institution-specific combined buffer requirement in this row.
2. Row EU 22 requires reporting Total amount of excluded liabilities referred to in Article 72a(2) CRR, but EBA template mapping refers to cell M 03.00, r0590, c0020 (Other bailinable liabilities with residual maturity of >= 1 year and < 2 years). The bank is reporting Total amount of excluded liabilities in this row.

**In the table above:**

- Own funds and eligible liabilities as a percentage of TREA (EU 12) as of December 2024 increased by 10.4pp to 42.0% compared with September 2024. This was primarily driven by an increase in intercompany borrowing from its immediate parent undertaking, GS Bank USA which was increased by €4.0bn during December 2024 ahead of CRR3 go-live and new iMREL to RWAs minimum requirements, as mentioned in "Regulatory Development" section above, and a decrease in market risk RWAs by €0.9bn (mainly reflecting a decrease in European sovereign debt exposures).

- Own funds and eligible liabilities as a percentage of leverage exposure (EU 14) as of December 2024 increased by 3.3pp to 12.8% compared with September 2024. This was primarily driven by an increase in intercompany borrowing from its immediate parent undertaking, GS Bank USA which was increased by €4.0bn during December 2024 ahead of CRR3 go-live and new iMREL to RWAs minimum requirements, as mentioned in "Regulatory Development" section above, and by a decrease in leverage exposures by €6.8bn to €136.8bn, driven by a decrease in off balance sheet exposures (mainly reflecting a decrease in derivatives potential future exposures and commitments).

- Own funds and eligible liabilities as a percentage of TREA (EU 12) and Own funds and eligible liabilities as a percentage of leverage exposure (EU 14) excludes the bank's profit for 2024, subject to approval by the bank’s shareholder on May 23, 2025 to be included as regulatory capital. These profits would have contributed 142 basis points to Own funds and eligible liabilities as a percentage of TREA (EU 12) and 54 basis points to Own funds and eligible liabilities as a percentage of leverage exposure (EU 14).

# EU TLAC2a

### Table 3: EU TLAC2a: Creditor ranking - Entity that is not a resolution entity

Own funds as of December 2024 exclude the bank's profits for 2024, subject to approval by the bank's shareholder on May 23, 2025 to be included as regulatory capital.

| *€ in millions* | | | | | | | | | | As of December 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Insolvency Ranking | | | | | | | | |
| | | 1 | 1 | 2 | 2 | 3 | 4 | n | n | Sum of 1 to n |
| | | (Most junior) | (Most junior) | | | | | (Most senior) | (Most senior) | |
| | | Resolution Entity | Other | Resolution Entity | Other | Resolution Entity | Other | Resolution Entity | Other | |
| **1** | **Empty set in the EU** | | | | | | | | | |
| 2 | Description of insolvency rank (free text) | | Common equity Tier 1 instruments | | | Tier 2 Instruments | Claims subordinated by virtue of a contractual subordination clause not specifying the pertinent rank (other than Additional Tier 1 or Tier2 Instruments | | | |
| 3 | Liabilities and own funds including derivative liabilities | - | € 12,660 | - | - | € 20 | € 4,800 | - | - | **€ 17,480** |
| 4 | o/w excluded liabilities | - | 0 | - | - | 0 | 0 | - | - | **0** |
| 5 | Liabilities and own funds less excluded liabilities | - | 12,660 | - | - | 20 | 4,800 | - | - | **17,480** |
| 6 | Subset of liabilities and own funds less excluded liabilities that are own funds and eligible liabilities for the purpose of [choose as a appropriate: internal TLAC/internal MREL] | - | 12,660 | - | - | 20 | 4,800 | - | - | **17,480** |
| 7 | o/w residual maturity ≥ 1 year < 2 years | - | 0 | - | - | 0 | 0 | - | - | **0** |
| 8 | o/w residual maturity ≥ 2 year < 5 years | - | 0 | - | - | 0 | 0 | - | - | **0** |
| 9 | o/w residual maturity ≥ 5 years < 10 years | - | 0 | - | - | 0 | 4,800 | - | - | **4,800** |
| 10 | o/w residual maturity ≥ 10 years, but excluding perpetual securities | - | 0 | - | - | 0 | 0 | - | - | **0** |
| 11 | o/w perpetual securities | - | 12,660 | - | - | 20 | 0 | - | - | **€ 12,680** |

# Capital Framework

## Capital Structure

For regulatory capital purposes, a bank's total available capital has the following components:

- Common Equity Tier 1 capital (CET1), which is comprised of common shareholders' equity, after giving effect to deductions for disallowed items and other adjustments;
- Tier 1 capital which is comprised of CET1 capital and other qualifying capital instruments; and
- Tier 2 capital which is comprised of long-term qualifying subordinated debt and preference shares.

Certain components of GSBE's regulatory capital are subject to regulatory limits and restrictions under the rules. In general, to qualify as Tier 1 or Tier 2 capital, an instrument must be fully paid and unsecured. A qualifying Tier 1 or Tier 2 capital instrument must also be subordinated to all senior indebtedness of the organisation.

Under the rules, the minimum CET1, Tier 1 capital and Total capital ratio requirements (collectively the Pillar 1 capital requirements) are supplemented by:

- A capital conservation buffer of 2.5% of RWAs, consisting entirely of capital that qualifies as CET1 capital.
- A countercyclical capital buffer of up to 2.5% of RWAs (consisting entirely of CET1 capital) in order to counteract excessive credit growth as assessed by the jurisdiction in which the bank operates. The buffer only applies to the bank's exposures to certain types of counterparties and exposures based in jurisdictions which have announced and implemented a countercyclical buffer. The GSBE specific countercyclical capital buffer rate has increased to 1.03% as of December 2024 from 0.84% as of December 2023. This is primarily due to the increase of the existing buffer rates against Ireland and Netherlands and an increase in the exposures for France and United Kingdom.
- In addition to the existing capital requirement resulting from Pillar 1, the bank is subject to an annual Supervisory Review and Evaluation Process (SREP) by its regulators. As a result of this SREP process the supervisory authorities determine a SREP capital add-on. The SREP capital add-on is determined by the SREP process conducted by the ECB. This capital add-on consists of two components: a Pillar 2 Capital Requirement (P2R) and a Pillar 2 Capital Guidance (P2G). While the P2R is binding and breaches can have direct legal consequences for banks, the P2G signals to banks the supervisory view of the adequate level of capital to be maintained to provide a sufficient buffer to withstand stressed situations. Unlike the P2R, the P2G is not legally binding.
- GSBE's P2R capital add-on is set by the ECB to 2.75% of which 1.55% has to be held in CET1 capital. The P2R capital add-on applicable to the bank from January 1, 2025 is 2.5%. The SREP ratios in Table 1 incorporate P2R received from the ECB and excludes the P2G.
- An additional capital requirement according to the degree of systemic importance of the bank (O-SII buffer). The CRD and CRR provide that institutions that are systemically important at the E.U. or member state level, known as other systemically important institutions (O-SIIs), may be subject to O-SII buffers. BaFin identified the bank as an O-SII in Germany from January 1, 2022. The bank's O-SII buffer was 0.75% as of December 2024. The O-SII buffer applicable to the bank from January 1, 2025 is 1.0%.

## Minimum Regulatory Capital Ratios

The following table presents GSBE's risk based capital requirements as of December 2024.

### Table 4: Regulatory Risk Based Capital Ratios

| | As of December 2024 |
|---|---|
| | Minimum ratio |
| CET1 capital ratio | 10.3 % |
| Tier 1 capital ratio | 12.3 % |
| Total capital ratio | 15.0 % |

The ratios in the above table incorporate P2R received from the ECB and excludes the P2G, which represents the ECB's view of the capital that bank would require to absorb losses in stressed market conditions.

## Compliance with Capital Requirements

As of December 2024, GSBE had capital levels in excess of its overall capital requirements (OCR) which include the pillar 1 capital requirement, pillar 2 capital requirement, capital conservation buffer, countercyclical capital buffer and O-SII buffer.

# Regulatory Capital

## Overview

The following table presents a breakdown of GSBE's capital ratios under CRR as of December 2024. Table 5, Table 6 and Table 7 below excludes the bank's profits for 2024, subject to approval by the bank's shareholder on May 23, 2025 to be included as regulatory capital. These profits would have contributed 151 basis points to the risk-based capital ratios.

### Table 5: Regulatory Capital Ratios

| *€ in millions* | **As of December 2024** |
|---|---|
| CET1 Capital | € 12,660 |
| Tier 1 Capital | € 12,660 |
| Tier 2 Capital | € 20 |
| **Total Capital** | **€ 12,680** |
| **RWAs** | **€ 41,603** |
| **CET1 Capital Ratio** | **30.4 %** |
| **Tier 1 Capital Ratio** | **30.4 %** |
| **Total Capital Ratio** | **30.5 %** |

All capital, RWAs and ratios are based on current interpretation, expectations and understanding of the rules and may evolve in the future.

The following table contains information on the components of our regulatory capital structure.

### Table 6: Regulatory Capital

| *€ in millions* | **As of December 2024** |
|---|---|
| Ordinary share capital and related share premium accounts | € 355 |
| Audited retained earnings | 2,051 |
| Other capital reserves | 10,576 |
| Accumulated other comprehensive income | 2 |
| **CET1 Capital Before Regulatory Adjustments** | **€ 12,984** |
| CVA and DVA | (3) |
| Prudent Valuation Adjustments (PVAs) | (151) |
| Intangible assets | (37) |
| Net pension fund asset | (2) |
| Other CET1 deductions | (131) |
| **CET1 Capital After Regulatory Adjustments** | **€ 12,660** |
| **Tier 1 Capital After Regulatory Adjustments** | **€ 12,660** |
| Tier 2 Capital Before Regulatory Adjustments | 20 |
| **Tier 2 Capital After Regulatory Adjustments** | **€ 20** |
| **Total Capital Resources** | **€ 12,680** |

On March 31, 2023, the ECB published the results of its asset quality review of the bank, following which, on March 8, 2024, the ECB issued a decision requiring the bank to temporarily deduct €131m from its CET1 capital until certain findings were addressed. The deduction was implemented from the date of the decision on March 8, 2024. The deduction will remain in place until the ECB has confirmed in writing that their requirements have been fulfilled by GSBE (Refer row "Other CET1 deductions").

GSBE's total capital resources decreased by €0.2bn during 2024, primarily driven by an increase in prudential adjustments and capital deductions.

We set out below a reconciliation between the capital resources of GSBE and its balance sheet as per GSBE IFRS Financial Information.

### Table 7: Reconciliation to Balance Sheet

| *€ in millions* | **As of December 2024** |
|---|---|
| Total Shareholders' Equity | € 13,720 |
| 2024 profits subject to shareholder's approval | (730) |
| Accumulated other comprehensive income subject to shareholder's approval | (6) |
| Regulatory Adjustments | (324) |
| Tier 2 Capital | 20 |
| **Total Capital Resources** | **€ 12,680** |

## Risk-Weighted Assets

RWAs are calculated based on measures of credit risk, market risk and operational risk. The table below presents a summary of the RWAs and capital requirements by type as at December 2024 and December 2023. Total own funds requirements represents 8% of the total risk exposure amounts (TREA).

### Table 8: EU OV1 - Overview of RWAs

| *€ in millions* | | | | | |
|---|---|---|---|---|---|
| | | **Related table reference** | **Total risk exposure amounts (TREA)** | | **Total own funds requirements** |
| | | | **December 2024** | **December 2023** | **December 2024** |
| **1** | **Credit risk (excluding CCR)** | | **€ 9,681** | **€ 6,190** | **€ 774** |
| 2 | Of which the standardised approach | See EU CR4 | 9,681 | 6,190 | 774 |
| 3 | Of which the foundation IRB (FIRB) approach | | - | - | - |
| 4 | Of which: slotting approach | | - | - | - |
| EU 4a | Of which equity IRB under the simple risk-weighted approach | | - | - | - |
| 5 | Of which the Advanced IRB (A-IRB) approach | | - | - | - |
| **6** | **Counterparty credit risk - CCR** | | **€ 17,343** | **€ 15,953** | **€ 1,388** |
| 7 | Of which the standardised approach | See EU CCR1 | 523 | 804 | 42 |
| 8 | Of which internal model method (IMM) | See EU CCR1 | 13,735 | 11,647 | 1,099 |
| EU 8a | Of which exposures to a CCP | See EU CCR8 | 197 | 125 | 16 |
| EU 8b | Of which credit valuation adjustment - CVA | See EU CCR2 | 1,910 | 2,713 | 153 |
| 9 | Of which other CCR | | 978[1] | 664 | 78 |
| **15** | **Settlement risk** | | **€ 137** | **€ 92** | **€ 11** |
| **16** | **Securitisation exposures in the banking book (after the cap)** | | **€ 63** | **€ 79** | **€ 5** |
| 17 | Of which SEC-IRBA approach | | - | - | - |
| 18 | Of which SEC-ERBA (including IAA) | See EU SEC3 | - | - | - |
| 19 | Of which SEC-SA approach | See EU SEC3 | 63 | 79 | 5 |
| EU 19a | Of which 1250% | | **-** | **-** | **-** |
| **20** | **Position, foreign exchange and commodities risks (Market risk)** | | **€ 11,387** | **€ 10,739** | **€ 911** |
| 21 | Of which the standardised approach | See EU MR1 | 149 | 164 | 12 |
| 22 | Of which IMA | See EU MR2-A | 11,238 | 10,575 | 899 |
| **EU 22a** | **Large exposures** | | **-** | **-** | **-** |
| **23** | **Operational risk** | | **€ 2,992** | **€ 2,992** | **€ 239** |
| EU 23a | Of which basic indicator approach | See EU OR1 | 2,992 | 2,992 | 239 |
| EU 23b | Of which standardised approach | | - | - | - |
| EU 23c | Of which advanced measurement approach | | - | - | - |
| 24 | Amounts below the thresholds for deduction (subject to 250% risk weight) | | 262 | 249 | 21 |
| **29** | **Total** | | **€ 41,603** | **€ 36,045** | **€ 3,328** |

*EBA mapping rows from 10 to 14 and from 25 to 28 are described as “Not Applicable” and hence not shown in the table above.

For RWA drivers, please refer to respective section references provided in the table above.

[1] Includes €0.1bn of currency conversion add-ons on the CCR RWAs.

# Credit Risk

## 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 bank holds. The bank further differentiates between trading counterparty risk including credit valuation adjustment (CVA), lending risk, deposit placement risk and settlement risk within its risk management approach.

The bank's exposure to credit risk comes mostly from client transactions in OTC / Listed derivatives and loans and lending commitments. Credit risk also comes from cash placed with banks, securities financing transactions (i.e. resale and repurchase agreements and securities borrowing and lending activities) and customer and other receivables. In addition, the bank may hold other positions that give rise to credit risk (e.g., bonds held in trading book). These credit risks are captured as a component of market risk measures, which are monitored and managed by Market Risk, consistent with other inventory positions.

Credit Risk which is part of the second line of defence and reports to the bank's CRO, has primary responsibility for assessing, monitoring and managing the bank's credit risk by providing independent oversight and challenge across the bank's businesses.

The bank's framework for managing credit risk is consistent with the framework of GS Group. The bank's Credit Risk function is integrated with GS Group's Credit Risk function which reports to GS Group's CRO.

The bank's credit risk strategy during the year ended December 2024 aimed to maintain a high credit quality standard, to mitigate credit exposure as appropriate through the use of collateral or other forms of risk mitigation, and to avoid excessive concentration risks. The majority of counterparties which give risk to credit risk are generally of investment-grade quality.

## Credit Risk Management Process

The process for managing credit risk includes the critical components of the bank's risk management framework described in the "Overview and Structure of Risk Management" within "Management Report" of GSBE's 2024 Financial Statements, as well as the following:

- Setting of credit limits and monitoring compliance with established credit risk limits;
- Regular reporting (daily, weekly, monthly, quarterly) on the bank's credit exposures and credit concentrations to the bank's CRO, Chief Credit Officer (CCO), GSBE Credit Risk Council, GSBE Risk Committee, and the Executive Board of the bank;
- Assessing and determining internal credit ratings for counterparties and the associated likelihood that a counterparty will default on its payment obligations;
- Measuring our current and potential credit exposure and losses resulting from a counterparty default;
- Using credit risk mitigants, including netting, collateral, surety, sub participations and hedging; and
- Maximising recovery through active workout and restructuring of claims.

The bank performs credit analyses, which incorporate initial and ongoing evaluations of the capacity and willingness of a counterparty to meet its financial obligations. The bank employs well-defined underwriting standards and policies, which seek to mitigate credit risk through analysis of a borrower's credit history, financial information, cash flow, sustainability of liquidity and collateral quality adequacy, if applicable. For substantially all of the bank's credit exposures, the core of the process is an annual (or more frequently if deemed necessary as a result of events or changes in circumstances) counterparty credit evaluation. The bank determines an internal credit rating for the counterparty by considering the results of the credit evaluations and assumptions with respect to the nature of and outlook for the counterparty's industry and the economic environment. The internal credit rating does not take into consideration collateral received. Senior personnel, with expertise in specific industries, inspect and approve credit reviews and internal credit ratings.

The bank's risk assessment may also include, where applicable, reviewing certain key metrics, including, but not limited to, delinquency status, collateral values and other risk factors.

The credit risk management systems capture credit exposure to individual counterparties and on an aggregate basis to counterparties and their subsidiaries. These systems also provide management with comprehensive information about aggregate credit risk by product, internal credit rating, industry and country.

## Risk Measures

Credit risk is measured based on the potential loss in the event of non-payment by a counterparty using current and potential exposure. For loans and lending commitments, the primary measure is a function of the notional amount of the position. For derivatives and securities financing transactions, current exposure represents the amount presently owed to the bank after taking into account applicable netting and collateral arrangements, while potential exposure represents the bank's estimate of the future exposure that could arise over the life of a transaction. Potential exposure is calculated using internal models calibrated based on market movements within a specified confidence level (usually at the 95th-percentile). Potential exposure also takes into account netting and collateral arrangements. In addition, complementary metrics are used to identify concentrations, most notably 'Shortfall' defined as residual unsecured loss following an extreme market stress including portfolio liquidation after the application of any collateral held.

## Limits

Credit limits and thresholds are used at various levels (e.g. counterparty, economic group, industry and country, climate high risk sector, shadow banking) as well as underwriting standards to manage the size and nature of the bank's credit exposures. The bank's Executive Board and the GSBE Risk Committee approve credit risk limits at the bank-wide level, and where appropriate the business and product level, consistent with the bank's risk appetite. Furthermore, the Executive Board or GSBE Risk Committee (and the GSBE Credit Risk Council) approves the framework that governs the setting of credit risk sub-limits at the bank level, which is delegated to Credit Risk. The counterparty limits are assigned based on multiple factors, mainly internal credit rating, size of counterparty and tenor profile of the credit exposure.

Credit Risk is responsible for monitoring these limits and identifying and escalating to senior management and/or the appropriate risk committee, on a timely basis, instances where limits have been exceeded.

## Credit Exposures

For information on the bank's credit exposures, including the gross fair value, netting benefits and current exposure of the bank's derivative exposures and the bank's securities financing transactions, see "Note 5. Repurchase Agreements" and "Note 8. Trading Assets and Liabilities" and "Credit Risk Management" in "Management Report" in GSBE's 2024 Financial Statements.

## Credit Risk and Counterparty Credit Risk RWAs

Credit RWAs are calculated based on measures of credit exposure, which are then risk weighted. Below is a description of the methodology used to calculate RWAs for wholesale exposures, which generally include credit exposures to corporates, institutions, sovereigns or government entities (other than securitisation, retail or equity exposures). GSBE does not have regulatory permission to compute risk weights in accordance with the Advanced Internal Ratings Based (AIRB) approach, which utilises internal assessments of each counterparty's creditworthiness. Instead, it uses Standardised Risk Weights for which nominated External Credit Assessment Institutions (ECAI) ratings are used.

**Exposure at Default (EAD).** EAD represents the exposure amount that is risk weighted for regulatory capital calculations. For on-balance-sheet assets, such as receivables and cash, EAD is generally based on the balance sheet value. For the calculation of EAD for off-balance-sheet exposures, including commitments and guarantees, an equivalent exposure amount is calculated based on the notional amount of each transaction multiplied by a credit conversion factor in accordance with Article 166 of CRR.

For the measurement of substantially all counterparty credit exposure on OTC, cleared and listed derivative and securities financing transactions, GSBE was granted permission to use the Internal Model Method (IMM). The bank applied the IMM for purposes of its regulatory capital calculation throughout the reporting period. The models estimate Expected Exposures (EE) at various points in the future using risk factor simulations. The model parameters are derived from historical and implied market data using the most recent three-year period as well as a stressed three-year period. The models also estimate the Effective Expected Positive Exposure (EEPE) over the first year of the portfolio, which is the time-weighted average of non-declining positive credit exposure over the EE simulation. EAD is calculated by multiplying the EEPE by a supervisory multiplier, alpha factor which was set to 1.45.

The EAD detailed in the following tables represents the exposures used in computing capital requirements and is not a directly comparable metric to balance sheet amounts presented in the IFRS Financial Information of GSBE for the year ended December 31, 2024 due to differences in measurement methodology, counterparty netting and collateral offsets used.

As the bank calculates the majority of its counterparty credit exposure under the IMM, the impacts of netting and collateral are integral to the calculation of the exposure. The exposures disclosed below are presented on a net and collateralised basis where there is a legally enforceable netting and collateral opinion. They do not include the effect of any credit protection purchased on counterparties.

### Governance and Validation of Risk Parameters

Approaches and methodologies for quantifying EAD are monitored and managed by the Risk Engineering department within the Risk Division. Models are independently validated and approved by Model Risk Management. For further information, see "Model Risk". The performance of each IMM model used to quantify EAD is assessed quarterly via backtesting procedures, performed by comparing the predicted and realised exposure of a set of representative trades and portfolios at certain horizons. The bank's models are monitored and enhanced in response to backtesting.

**External Credit Rating Assessment Institutions.** The ECAIs used are Standard & Poor's Ratings Services (S&P), Moody's Investors Service (Moody's) and Fitch, Inc. (Fitch) for all types of exposure categories in accordance with Articles 135 and 444 of CRR.

The following table presents the methods used to calculate Counterparty Credit Risk (CCR) RWAs and main parameters used within each method for GSBE as of December 2024.

### Table 9: EU CCR1 - Analysis of CCR Exposure by Approach

| *€ in millions* | | | | | | | | | As of December 2024 |
|---|---|---|---|---|---|---|---|---|---|
| | | a | b | c | d | e | f | g | h |
| | | Replacement cost (RC) | Potential future exposure (PFE) | EEPE | Alpha used for computing regulatory exposure value | Exposure value pre-CRM | Exposure value post-CRM | Exposure value | RWA |
| EU1 | EU - Original Exposure Method (for derivatives) | - | - | | 1.4 | - | - | - | - |
| EU2 | EU - Simplified SA-CCR (for derivatives) | - | - | | 1.4 | - | - | - | - |
| 1 | SA-CCR (for derivatives) | **€ 297** | **€ 449** | | **1.4** | **€ 1,045** | **€ 1,045** | **€ 1,045** | **€ 523** |
| 2 | IMM (for derivatives and SFTs) | | | **14,336** | **1.45** | **122,171** | **20,787** | **20,787** | **13,735** |
| 2a | Of which securities financing transactions netting sets | | | 1,248 | | 92,276 | 1,809 | 1,809 | 875 |
| 2b | Of which derivatives and long settlement transactions netting sets | | | 13,088 | | 29,895 | 18,978 | 18,978 | 12,860 |
| 2c | Of which from contractual cross-product netting sets | | | - | | - | - | - | - |
| 3 | Financial collateral simple method (for SFTs) | | | | | - | - | - | - |
| 4 | Financial collateral comprehensive method (for SFTs) | | | | | **6,565** | **1,296** | **1,296** | **865** |
| 5 | VaR for SFTs | | | | | - | - | - | - |
| **6** | **Total** | | | | | **€ 129,781** | **€ 23,128** | **€ 23,128** | **€ 15,123** |

Total CCR RWA increased by €2.0bn over the course of 2024 mainly due to increased equity derivatives exposure by €2.5bn and listed derivatives by €0.9bn, partially offset by decreased securities financing transactions exposure primarily from fixed income funding by €1.7bn.

The following table presents GSBE's exposures subject to CVA capital charges and corresponding RWEAs as of December 2024.

### Table 10: EU CCR2 - Transactions subject to own funds requirements for CVA risk

| *€ in millions* | | | As of December 2024 |
|---|---|---|---|
| | | Exposure value | RWEAs |
| 1 | Total transactions subject to the Advanced method | **€ 13,977** | **€ 1,617** |
| 2 | (i) VaR component (including the 3× multiplier) | | 311 |
| 3 | (ii) Stressed VaR component (including the 3× multiplier) | | 1,306 |
| 4 | Transactions subject to the Standardised method | **725** | **293** |
| **5** | **Total transactions subject to own funds requirements for CVA risk** | **€ 14,702** | **€ 1,910** |

CVA decreased by €0.8bn over the course of 2024 mainly driven by a decrease in standardised CVA VaR by €0.5bn and advanced CVA VaR by €0.3bn mainly driven by a decrease in the 3-month average SVaR.

The following table presents annual flow statement of the RWEAs and capital requirements under the IMM as of December 2024.

### Table 11: EU CCR7 - RWEA Flow Statements of CCR Exposures under the IMM

| *€ in millions* | | As of December 2024 |
|---|---|---|
| | | **RWEA** |
| **1** | **RWEAs as at the end of the previous reporting period (Dec 2023)** | **€ 11,647** |
| 2 | Asset size | 3,729 |
| 3 | Credit quality of counterparties | (18) |
| 4 | Model updates (IMM only) | 120 |
| 5 | Methodology and policy (IMM only) | - |
| 6 | Acquisitions and disposals | - |
| 7 | Foreign exchange movements | (243) |
| 8 | Other | (1,500) |
| **9** | **RWEAs as at the end of the current reporting period (Dec 2024)** | **€ 13,735** |

Other category in row 8 mainly includes the impact on RWEA due to change in risk weight category and change in maturity.

The following table presents GSBE's EAD after credit risk mitigation and RWEAs on exposures to CCPs as of December 2024.

### Table 12: EU CCR8 - Exposures to CCPs

| *€ in millions* | | | As of December 2024 |
|---|---|---|---|
| | | **Exposure value** | **RWEA** |
| **1** | **Exposures to QCCPs (total)** | | **€ 197** |
| **2** | **Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which** | **€ 1,011** | **€ 20** |
| 3 | (i) OTC derivatives | 711 | 14 |
| 4 | (ii) Exchange-traded derivatives | 270 | 5 |
| 5 | (iii) SFTs | 30 | 1 |
| 6 | (iv) Netting sets where cross-product netting has been approved | - | - |
| 7 | Segregated initial margin | - | - |
| **8** | **Non-segregated initial margin** | **€ 2,085** | **€ 42** |
| **9** | **Prefunded default fund contributions** | **€ 597** | **€ 135** |
| **11** | **Exposures to non-QCCPs (total)** | | **-** |
| 12 | Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which | - | - |
| 13 | (i) OTC derivatives | - | - |
| 14 | (ii) Exchange-traded derivatives | - | - |
| 15 | (iii) SFTs | - | - |
| 16 | (iv) Netting sets where cross-product netting has been approved | - | - |
| 17 | Segregated initial margin | - | - |
| 18 | Non-segregated initial margin | - | - |
| 19 | Prefunded default fund contributions | - | - |
| 20 | Unfunded default fund contributions | - | - |

## Credit Risk Mitigation

To reduce the bank's credit exposures on loans and lending commitments, depending on the credit quality of the borrower and other characteristics of the transaction, the bank employs a variety of potential risk mitigants. Risk mitigants include collateral provisions, guarantees, covenants, structural seniority of the bank loan claims and, for certain lending commitments, provisions in the legal documentation that allow the bank to adjust loan amounts, pricing, structure and other terms as market conditions change. The type and structure of risk mitigants employed can significantly influence the degree of credit risk involved in a loan or lending commitment.

For derivatives and securities financing transactions, the bank may enter into netting agreements with counterparties that permit it to offset receivables and payables with such counterparties. The bank may also reduce credit risk with counterparties by entering into agreements that enable it to obtain collateral from them on an upfront or contingent basis and/or to terminate transactions if the counterparty's credit rating falls below a specified level. An enforceable credit support agreement grants the non-defaulting party exercising termination provisions the right to liquidate collateral and apply the proceeds to any amounts owed. In order to assess enforceability of our right to setoff under netting and credit support agreements, GSBE evaluates various factors, including applicable bankruptcy laws, local statutes and regulatory provisions in the jurisdiction of the parties to the agreement. The collateral held by GSBE consists primarily of cash and securities of high-quality government bonds (mainly E.U. and U.S.), subject to haircuts as deemed appropriate by the Credit Risk function. Credit Risk performs ongoing collateral monitoring to ensure the bank maintains an appropriate quality and level of diversification of collateral.

The bank's collateral is managed by certain functions within the firm which review exposure calculations, make margin calls with relevant counterparties, and ensure subsequent settlement of collateral movements. The bank monitors the fair value of the collateral on a daily basis to ensure credit exposures are appropriately collateralised.

As of December 2024, the aggregate amounts of additional collateral or termination payments related to the bank's net derivative liabilities under bilateral agreements that could have been called by our counterparties in the event of a one- and two-notch downgrade of our credit ratings are immaterial.

When the bank does not have sufficient visibility into a counterparty's financial strength or when it believes a counterparty requires support, the bank may obtain third-party guarantees of the counterparty's obligations. The bank may also seek to mitigate its credit risk using credit derivatives or participation agreements. As of December 2024, €0.2bn of credit default swap (CDS) hedges qualified as credit risk mitigants, with the hedge provider being Goldman Sachs International.

The following table presents GSBE's net carrying amount secured by different CRM techniques as of December 2024.

### Table 13: EU CR3 – CRM Techniques: Disclosure of the use of credit risk mitigation techniques

| *€ in millions* | | | | | | **As of December 2024** |
|---|---|---|---|---|---|---|
| | | **Unsecured carrying amount** | **Secured carrying amount** | | | |
| | | | | **Of which secured by collateral** | **Of which secured by financial guarantees** | |
| | | | | | | **Of which secured by credit derivatives** |
| | | **a** | **b** | **c** | **d** | **e** |
| 1 | Loans and advances | € 36,637 | € 22,761 | € 21,090 | € 1,671 | - |
| 2 | Debt securities | 8 | - | - | - | - |
| **3** | **Total** | **€ 36,645** | **€ 22,761** | **€ 21,090** | **€ 1,671** | **-** |
| 4 | Of which non-performing exposures | 68 | 3 | 3 | - | - |
| EU-5 | Of which defaulted | 68 | 3 | | | |

## Credit Derivatives

GSBE enters into credit derivative transactions primarily to facilitate client activity and to manage the credit risk associated with market-making.

GSBE may also use credit derivatives to hedge credit risk exposures associated with financing and lending activities as well as counterparty credit risk exposures resulting from derivatives activity. Some of these hedges may qualify as eligible credit risk mitigation under Part III, Title II, Chapter 4 of the CRR, allowing the firm to recognise the protection via risk weight substitution. Where the aggregate notional of credit derivatives hedging exposure to a loan obligor is less than the notional loan exposure, the substitution approach is only employed for the percentage of loan exposure covered by eligible credit derivatives.

For further information on the Credit Risk management process please refer to the "Credit Risk Management" within "Management Report" of GSBE's 2024 Financial Statements.

The following table presents GSBE's exposure to credit derivatives based on notional and fair values as of December 2024.

### Table 14: EU CCR6 – Credit Derivatives Exposures

| *€ in millions* | | | **As of December 2024** |
|---|---|---|---|
| | | **a** | **b** |
| | | **Protection bought** | **Protection sold** |
| **Notionals** | | | |
| 1 | Single-name credit default swaps | € 69,176 | € 67,539 |
| 2 | Index credit default swaps | 120,666 | 120,072 |
| 3 | Total return swaps | 596 | 556 |
| 4 | Credit options | 11,941 | 11,941 |
| 5 | Other credit derivatives | 4,106 | 4,112 |
| 6 | **Total notionals** | **€ 206,485** | **€ 204,220** |
| **Fair values** | | | |
| 7 | Positive fair value (asset) | € 534 | € 3,702 |
| 8 | Negative fair value (liability) | € (3,771) | € (414) |

### Wrong-way Risk

Wrong-way risk arises when there is a significant positive correlation between the probability of default of a counterparty and the bank's exposure to that counterparty (net of the market value of any collateral we receive). Wrong-way risk is commonly categorised into two types: specific wrong-way risk and general wrong-way risk. The bank categorises exposure as specific wrong-way risk when its counterparty and the issuer of the reference asset of the transaction are the same entity or are affiliates, or if the collateral supporting a transaction is issued by the counterparty or its affiliates. General wrong-way risk arises when there is a significant positive correlation between the probability of default of a counterparty and general market risk factors affecting the exposure to that counterparty. GSBE has procedures in place to actively identify, monitor and control specific and general wrong-way risk, beginning at the inception of a transaction and continuing through its life, including assessing the level of risk through stress tests. The bank ensures that material wrong-way risk is mitigated using collateral agreements or increases to initial margin, where appropriate.

### Credit Valuation Adjustment Risk-Weighted Assets

RWAs for CVA address the risk of losses related to changes in counterparty credit risk arising from OTC derivatives. The bank calculates RWAs for CVA primarily using the Advanced CVA approach set out in CRR, which permits the use of regulator approved VaR models. Consistent with the bank's Regulatory VaR calculation (see “Market Risk” for further details), the CVA RWAs are calculated at a 99% confidence level over a 10-day time horizon.

The CVA RWAs also include a stressed CVA component, which is also calculated at a 99% confidence level over a 10-day time horizon using both a stressed VaR period and stressed Expected Exposures. The CVA VaR model estimates the impact on the bank’s credit valuation adjustments of changes to counterparties’ credit spreads. It may reflect eligible CVA hedges (as defined in CRR), but it excludes those hedges that, although used for risk-management purposes, are ineligible for inclusion in the regulatory CVA VaR model. Examples of such hedges are interest rate hedges, or those that do not reference the specific exposures they are intended to mitigate but are nevertheless highly correlated to the underlying credit risk.

### Other Credit Risk-Weighted Assets

Credit RWAs may also include the following components:

### Cleared Transactions

RWAs for cleared transactions and default fund contributions (defined as payments made by clearing members to central clearing agencies pursuant to mutualised loss arrangements) are calculated based on specific rules within CRR. A majority of the bank’s exposures on centrally cleared transactions are to counterparties that are considered to be Qualifying Central Counterparties (QCCPs) in accordance with the European Market Infrastructure Regulation (EMIR). Such exposures may arise from OTC derivatives, exchange-traded derivatives, and securities financing transactions and are required to be risk weighted at either 2% or 4% based on the specified criteria.

### Other Assets

Other assets primarily include non-credit obligations like fixed assets. RWAs for other assets are generally based on the carrying value and are typically risk weighted at 100%.

### Equity Exposures in the Banking Book

The bank has direct investments in equity securities of its affiliated companies. These investments are typically long-term in nature and they are therefore classified for regulatory capital purposes as banking book equity investments.

### Default, past due exposures, impaired exposures and impairment provisions

A default is considered to have occurred when either or both of the following events have taken place: (i) GSBE considers that the obligor is unlikely to pay its credit obligations to the bank in full; or (ii) the exposure is considered past due.

The bank’s definition of unlikeliness to pay include:

- Bankruptcy, insolvency or local jurisdictional equivalent (e.g. conservatorship, winding-up, etc.) of a counterparty or commencement of an involuntary proceeding against the counterparty for bankruptcy or similar legal process.
- Distressed restructuring of an obligation due to the financial distress of a borrower, including bank loan obligations, where concessions granted result in a diminished obligation to GSBE, whether or not counterparty is in bankruptcy, insolvency or local jurisdictional equivalent.

- Estimated high probability of imminent / near-term risk of financial default, bankruptcy, distressed liquidation or distressed restructuring.
- Distressed fund liquidations to meet margin or other contractual obligations (excluding voluntary liquidation as a result of underperformance).
- Situation where we place an obligation on non-accrual, consider the obligation credit-impaired, or material mark down a facility as a result of significant perceived decline in credit quality.
- Situation where we experience a material credit-related economic loss from the sale of all or a part of an asset or from the transfer of an asset from held-for-investment to held-for-sale or fair value accounting.
- Cross-default to any of the above for a counterparty.

Payments aged more than 90 days on any material credit obligation to the bank and/or the payments beyond the agreed grace period are considered past due.

An exposure is considered impaired when it is probable that the borrower will be unable to pay all amounts due, including principal and interest, according to the contractual terms of the agreement.

Loans that are deemed to be impaired are evaluated individually to estimate impairment provisions based on one of the following methods: (i) The present value of expected future cash flows discounted at the loan’s effective interest rate, i.e. the Probability Weighted Enterprise Value (“EV”) Method (for non-collateral dependent loans), (ii) The fair value of the underlying collateral (for collateral-dependent loans), and (iii) The loan’s observable fair value market price.

The applicability of these methods may differ based on the loan characteristics, such as product type, primary source of repayment, industry, or region.

### Expected Credit Losses

The bank assesses the Expected Credit Losses (ECL) associated with financial assets measured at amortised cost on a forward-looking basis in accordance with the provisions of IFRS 9 ‘Financial Instruments’.

For information on GSBE’s ECL associated with financial assets measured at amortised cost, see "Note 2. Material Accounting Policies – Financial Assets and Liabilities – Impairment" of GSBE’s 2024 IFRS Financial Information.

# Securitisations

## Overview

CRR defines certain activities as securitisation transactions which attract capital requirements under the "Securitisation Framework." A securitisation is defined as a transaction or scheme, whereby the credit risk associated with an exposure or pool of exposures is tranched, having both of the following characteristics:

- Payments in the transaction or scheme are dependent upon the performance of the exposure or pool of exposures; and
- The subordination of tranches determines the distribution of losses during the ongoing life of the transaction or scheme.

The rules also distinguish between traditional and synthetic securitisations, the primary difference being that a traditional securitisation involves the transfer of assets from a bank's balance sheet into a securitisation vehicle, whereas a synthetic securitisation involves the transfer of credit risk through credit derivatives or guarantees.

The bank engages in business activities that use securitisations. The main objective is to provide clients with access to risk and returns related to specific portfolios of assets. The bank currently holds the risk retention portion of securitised mortgages issued by securitisation vehicles (e.g., trusts and special purpose vehicles) as part of the bank's role as the originator. Securitisation positions may qualify as simple, transparent and standardised securitisations (STS). As of December 2024, there are no STS positions in the bank. Risk retentions are subject to the standard monitoring process with risk management actions such as hedging or disposals constrained by regulatory requirements.

Beneficial interests issued by securitisation entities are debt or equity securities that give the investors rights to receive all or portions of specified cash inflows to a securitisation vehicle and include senior and subordinated interests in principal, interest and/or other cash inflows. The proceeds from the sale of beneficial interests are used to pay the transferor for the financial assets sold to the securitisation vehicle or to purchase securities which serve as collateral.

The bank accounts for a securitisation of assets as a sale when it has transferred the financial assets and, in a transaction, where substantially all of the risk and the reward of the financial assets is also transferred. Prior to securitisation, the bank accounts for assets pending transfer at fair value consistent with our IFRS 9 business model for those assets and therefore does not typically recognise significant gains or losses upon the transfer of assets.

## Banking Book Activity

All securitisation exposures as of December 2024 were classified in the banking book. The securitisation exposures in the banking book within GSBE that meet the regulatory definition of a securitisation are exposures that the bank holds with the objective of meeting the risk retention requirement as originator according to Regulation (EU) 2017/2402 that require to retain on an ongoing basis a material economic interest in the securitisation of not less than 5%. The list of legal entities that are affiliated with the bank and that may invest in securitisations originated by the bank primarily include Goldman Sachs International, Goldman Sachs International Bank, Goldman Sachs Bank USA, Goldman Sachs Lending Partners LLC, GS EMI Ireland Designated Activity Company.

By engaging in the banking book securitisation activities noted above, the bank is primarily exposed to credit risk and to the performance of the underlying assets where the bank is the originator and retention holder. Liquidity risk associated with securitisations is consistently managed as part of the bank's overall liquidity risk management framework. Part of the bank's securitisations exposure involve significant risk transfer from GSBE. For additional details on GSBE's risk management process and practices, see "Credit Risk" and "Market Risk" sections of this report, which also apply to securitisation positions covered in this chapter.

## Calculation of Risk-Weighted Assets

The current securitisation framework came into effect in 2019. All securitisation exposures held by the bank are capitalised under this securitisation framework.

The hierarchy consists of three primary methods, the SEC-IRBA (Internal Ratings Based Approach), SEC-SA (Standardised Approach), and SEC-ERBA (External Ratings Based Approach). The External Credit Assessment Institutions (ECAIs) used for the SEC-ERBA are Standard & Poor's Ratings Services (S&P), Moody's Investors Service (Moody's) and Fitch, Inc. (Fitch) for all types of exposures. For trading and banking book positions we follow the hierarchy of RWA approaches.

The RWAs for securitisation positions are calculated by multiplying the exposure amount by the specific risk-weighting factors assigned. The exposure amount is defined as the carrying value for securities, or the market value of the effective notional of the instrument or indices underlying derivative positions.

The following tables show our securitisation exposures in the banking book by type of exposure as of December 2024.

## Table 15: EU-SEC1 – Securitisation exposures in the non-trading book

| *€ in millions* | | | | | | | | | | | | | | | | As of December 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | a | b | c | d | e | f | g | h | i | j | k | l | m | n | o |
| | | Institution acts as originator | | | | | | | Institution acts as sponsor | | | | Institution acts as investor | | | |
| | | Traditional | | | | Synthetic | | | Traditional | | | | Traditional | | | |
| | | STS | | Non-STS | | | | | | | | | | | | |
| | | | of which SRT | | of which SRT | | of which SRT | Sub-total | STS | Non-STS | Synthetic | Sub-total | STS | Non-STS | Synthetic | Sub-total |
| **1** | **Total exposures** | **-** | **-** | **€ 31** | **€ 31** | **-** | **-** | **€ 31** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **2** | **Retail (total)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| 3 | Residential Mortgage | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | Credit Card | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Other Retail Exposures | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | Re-Securitisation | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **7** | **Wholesale (total)** | **-** | **-** | **€ 31** | **€ 31** | **-** | **-** | **€ 31** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| 8 | Loans To Corporates | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | Commercial Mortgage | - | - | 31 | 31 | - | - | 31 | - | - | - | - | - | - | - | - |
| 10 | Lease And Receivables | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | Other Wholesale | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | Re-Securitisation | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

## Table 16: EU-SEC3 – Securitisation exposures in the non-trading book and associated regulatory capital requirements – institution acting as originator or as sponsor

| *€ in millions* | | | | | | | | | | | | | | | | | | As of December 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | a | b | c | d | e | f | g | h | i | j | k | l | m | n | o | EU-p | EU-q |
| | | Exposure Values (by RW bands/deductions) | | | | | Exposure Value (by regulatory approach) | | | | RWA (by regulatory approach) | | | | Capital Charge after cap | | | |
| | | ≤20% RW | >20% to 50% RW | >50% to 100% RW | >100% to <1250% RW | 1250% RW | SEC-IRBA | SEC-ERBA (incl. IAA) | SEC-SA | Of which 1250% RW | SEC-IRBA | SEC-ERBA (incl. IAA) | SEC-SA | Of which 1250% RW | SEC-IRBA | SEC-ERBA (incl. IAA) | SEC-SA | Of which 1250% RW |
| **1** | **Total Exposure** | **-** | **-** | **-** | **€ 31** | **-** | **-** | **-** | **€ 31** | **-** | **-** | **-** | **€ 63** | **-** | **-** | **-** | **€ 5** | **-** |
| **2** | **Traditional Transactions** | **-** | **-** | **-** | **€ 31** | **-** | **-** | **-** | **€ 31** | **-** | **-** | **-** | **€ 63** | **-** | **-** | **-** | **€ 5** | **-** |
| **3** | **Securitisation** | **-** | **-** | **-** | **€ 31** | **-** | **-** | **-** | **€ 31** | **-** | **-** | **-** | **€ 63** | **-** | **-** | **-** | **€ 5** | **-** |
| 4 | Retail | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Of which STS | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | Wholesale | - | - | - | 31 | - | - | - | 31 | - | - | - | 63 | - | - | - | 5 | - |
| 7 | Of which STS | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | Re-securitisation | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **9** | **Synthetic Transactions** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **10** | **Securitisation** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| 11 | Retail underlying | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | Wholesale | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | Re-securitisation | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

## Table 17: EU-SEC5 – Exposures securitised by the institution – Exposures in default and specific credit risk adjustments

| *€ in millions* | | | | As of December 2024 |
|---|---|---|---|---|
| | | a | b | c |
| | | Exposures securitised by the institution – Institution acts as originator or as sponsor | | |
| | | Total outstanding nominal amount | | |
| | | | Of which exposures in default | Total amount of specific credit risk adjustments made during the period |
| **1** | **Total exposures** | **€ 637** | **-** | **-** |
| 2 | **Retail (total)** | **-** | **-** | **-** |
| 3 | Residential mortgage | - | - | - |
| 4 | Credit card | - | - | - |
| 5 | Other retail exposures | - | - | - |
| 6 | Re-securitisation | - | - | - |
| 7 | **Wholesale (total)** | **€ 637** | **-** | **-** |
| 8 | Loans to corporates | - | - | - |
| 9 | Commercial mortgage | 637 | - | - |
| 10 | Lease and receivables | - | - | - |
| 11 | Other wholesale | - | - | - |
| 12 | Re-securitisation | - | - | - |

# Market Risk

## Overview

Market risk is the risk of an adverse impact to the earnings due to changes in market conditions. The bank's assets and liabilities that give rise to market risk primarily include inventory in the trading book and banking book, as well as certain other financial assets and liabilities. The bank employs a variety of risk measures, each described in the respective sections below, to monitor market risk.

Categories of market risk include the following:

- Interest rate risk and credit spread risk: results from exposures to changes in the level, slope and curvature of yield curves, the volatilities of interest rates, prepayment speeds and credit spreads;
- Equity price risk: results from exposures to changes in prices and volatilities of individual equities, baskets of equities and equity indices;
- Currency rate risk: results from exposures to changes in spot prices, forward prices and volatilities of currency rates; and
- Commodity price risk: results from exposures to changes in spot prices, forward prices and volatilities of commodities, such as crude oil and metals.

Market Risk, which is part of the second line of defence and reports to the bank's CRO, has primary responsibility for assessing, monitoring and managing market risk by providing independent oversight and challenge across the bank's businesses.

GSBE's framework for managing market risk is consistent with and part of the framework of GS Group. The bank's Market Risk function is integrated with GS Group's Market Risk function which reports to GS Group's CRO.

Managers in revenue-producing units, Corporate Treasury and Market Risk discuss market information, positions and estimated loss scenarios on an ongoing basis. Managers in revenue-producing units and Corporate Treasury are accountable for managing risk within prescribed limits. The bank's Market Risk function monitors this risk against the bank's limits.

## Market Risk Management Process

The bank's process for managing market risk includes the critical components of the risk management framework described in the "Overview and Structure of Risk Management" within the "Management Report" of GSBE's 2024 Financial Statements, as well as the following:

- Monitoring compliance with established market risk limits and reporting our exposures;
- Diversifying exposures;
- Controlling position sizes; and
- Evaluating mitigants, such as economic hedges in related securities or derivatives.

The bank  produces risk measures and monitors them against established market risk limits. These measures reflect an extensive range of scenarios and the results are aggregated at product, business and bank-wide level. For additional information regarding market risk measures and risk limits, see "Market Risk Management" within "Management Report" of GSBE's 2024 Financial Statements.

## Market Risk-Weighted Assets

Trading book positions are subject to market risk capital requirements which are designed to cover the risk of loss in value of these positions due to changes in market conditions. These capital requirements are determined either by applying prescribed risk weighting factors in accordance with the standardised approach, or they are based on internal models which are subject to various qualitative and quantitative parameters. The CRR market risk capital rules require that a bank obtains prior written permission from its regulators before using any internal model to calculate its risk-based capital requirement. GSBE has been granted permission to use the Internal Model Approach (IMA).

For positions captured by the bank's model permission, the capital requirements for market risk are calculated using the following internal models: Value-at-Risk (VaR), Stressed VaR (SVaR), and Incremental Risk Charge (IRC). In addition, Standardised Rules, in accordance with Title IV of Part Three of CRR, are used to calculate capital requirements for market risk for certain securitised and non-securitised positions by applying risk-weighting factors predetermined by regulators to positions after applicable netting is performed. RWAs for market risk are the sum of each of these measures multiplied by 12.5. An overview of each of these measures is provided below.

### Regulatory VaR

VaR is the potential loss in value of trading assets and liabilities, as well as certain investments, loans, and other financial assets and liabilities accounted for at fair value, due to adverse market movements over a defined time horizon with a specified confidence level. For both risk management purposes (positions subject to VaR limits) and regulatory capital calculations, the bank uses a single VaR model, which captures risks including those related to interest rates, equity prices, currency rates, credit spreads and commodity prices. As such, VaR facilitates comparison across portfolios of different risk characteristics. VaR also captures the diversification of aggregated risk across GSBE.

VaR used for regulatory capital requirements (Regulatory VaR) differs from risk management VaR due to different time horizons and confidence levels (10-day and 99% for Regulatory VaR vs. one-day and 95% for risk management VaR), as well as differences in the scope of positions on which VaR is calculated. The 10-day VaR is based on scaling the 1-day VaR by the square root of 10. Moreover, Regulatory VaR is multiplied by a scaler to obtain an effective observation period of at least one year as per CRR market risk regulatory capital requirements.

VaR is calculated daily using historical simulations with full valuation of market factors, capturing both general and specific market risk. VaR is calculated at a positional level based on simultaneously shocking the relevant market risk factors for that position, using a mix of absolute and relative returns. The bank samples from five years of historical data to generate the scenarios for its VaR calculation. The historical data is weighted so that the relative importance of data reduces over time. This gives greater importance to more recent observations and reflects current asset volatilities.

In accordance with the CRR market risk regulatory capital requirements, the bank evaluates the accuracy of its Regulatory VaR model through daily backtesting. The results of the backtesting determine the size of the Regulatory VaR multiplier used to compute RWAs.

Table EU MR3 presents the period end, maximum, minimum and average daily GSBE 99% 10-day Regulatory VaR over the twelve-month period ended December 2024.

### Stressed VaR

SVaR is the potential loss in value of trading assets and liabilities, as well as certain investments, loans, and other financial assets and liabilities accounted for at fair value, during a period of significant market stress. SVaR is based on a full valuation at a 99% confidence level over a 10-day time horizon using market data inputs from a continuous 12-month period of stress. The 10-day SVaR is calculated as the 1-day SVaR scaled by the square root of 10. GSBE identifies the stressed period by comparing VaR using market data inputs from different historical periods.

Table EU MR3 presents the period end, maximum, minimum and average weekly GSBE 99% 10-day SVaR over the twelve-month period ended December 2024.

### Incremental Risk

Incremental risk is the potential loss in value of non-securitised positions due to the default or credit migration of issuers of financial instruments over a one-year time horizon. As required by the CRR market risk regulatory capital rules, this measure is calculated at a 99.9% confidence level over a one-year time horizon. The model is based on the assumption of a constant level of risk. The model uses a multifactor approach to simulate correlated rating migration and default events, and takes into account various characteristics, including region, industry, basis between different products, credit quality and maturity of the debt. The liquidity horizons are determined based on the speed at which issuer exposures can be reduced by hedging or unwinding, given our experience during a historical stress period, and the prescribed regulatory minimum. The average liquidity horizon as of December 2024 was 3 months.

Table EU MR3 below presents the period end, maximum, minimum and average weekly GSBE Incremental risk measure over the twelve-month period ended December 2024.

## Table 18: EU MR3 – IMA values for trading portfolios

| *€ in millions* | | **As of December 2024** |
|---|---|---|
| **VaR (10 day 99%)** | | |
| 1 | Maximum value | 58 |
| 2 | Average value | 32 |
| 3 | Minimum value | 14 |
| 4 | Period end | 18 |
| **SVaR (10 day 99%)** | | |
| 5 | Maximum value | 159 |
| 6 | Average value | 120 |
| 7 | Minimum value | 83 |
| 8 | Period end | 133 |
| **IRC (99.9%)** | | |
| 9 | Maximum value | 266 |
| 10 | Average value | 153 |
| 11 | Minimum value | 93 |
| 12 | Period end | 152 |
| **Comprehensive risk measure (99.9%)** | | |
| 13 | Maximum value | - |
| 14 | Average value | - |
| 15 | Minimum value | - |
| 16 | Period end | - |

The table below presents the own funds requirements and RWA under the IMA for Market Risk as of December 2024.

## Table 19: EU MR2-A - Market risk under the IMA

| *€ in millions* | | | **As of December 2024** |
|---|---|---|---|
| | | **RWEAs** | **Own funds requirements** |
| **1** | **VaR (higher of values a and b)** | **€ 1,583** | **€ 127** |
| (a) | Previous day's VaR (Article 365(1) of the CRR (VaRt-1)) | | 18 |
| (b) | Average of the daily VaR (Article 365(1)) of the CRR on each of the preceding 60 business days (VaRavg) x multiplication factor (mc) in accordance with Article 366 of the CRR | | 127 |
| **2** | **SVaR (higher of values a and b)** | **€ 7,066** | **€ 565** |
| (a) | Latest SVaR (Article 365(2) of the CRR (SVaRt-1)) | | 133 |
| (b) | Average of the SVaR (Article 365(2) of the CRR) during the preceding 60 business days (SVaRavg) x multiplication factor (ms) (Article 366 of the CRR) | | 565 |
| **3** | **IRC (higher of values a and b)** | **€ 2,031** | **€ 162** |
| (a) | Most recent IRC value (incremental default and migration risks calculated in accordance with Article 370 and Article 371 of the CRR) | | 152 |
| (b) | Average of the IRC number over the preceding 12 weeks | | 162 |
| **4** | **Comprehensive risk measure (higher of values a, b and c)** | | **-** |
| (a) | Most recent risk number for the correlation trading portfolio (Article 377 of the CRR) | | - |
| (b) | Average of the risk number for the correlation trading portfolio over the preceding 12 weeks | | - |
| (c) | 8% of the own funds requirement in the standardised approach on the most recent risk number for the correlation trading portfolio (Article 338(4) of the CRR) | | - |
| **5** | **Other** | **€ 558** | **€ 45** |
| **6** | **Total** | **€ 11,238** | **€ 899** |

"Other" (row 5) in the table above includes additional capital according to Article 101 of Directive 2013/36/EU.

## Table 20: EU MR2-B - RWEA flow statements of market risk exposures under the IMA

| *€ in millions* | | | | | | | | As of December 2024 |
|---|---|---|---|---|---|---|---|---|
| | | VaR | SVaR | IRC | Comprehensive risk measure | Other | Total RWAs | Total own funds requirements |
| **1** | **RWEAs at previous reporting period** | **€ 1,515** | **€ 7,399** | **€ 1,472** | **€ 0** | **€ 189** | **€ 10,575** | **€ 846** |
| 1a | Regulatory adjustment | (1,085) | (6,266) | (293) | (0) | (92) | (7,736) | (619) |
| **1b** | **RWEAs at previous reporting period** | **€ 430** | **€ 1,133** | **€ 1,179** | **-** | **€ 97** | **€ 2,839** | **€ 227** |
| 2 | Movement in risk levels | (204) | 528 | 726 | - | 122 | 1,172 | 94 |
| 3 | Model updates/changes | - | - | - | - | 2 | 2 | 0 |
| 4 | Methodology and policy | - | - | - | - | - | - | - |
| 5 | Acquisitions and disposals | - | - | - | - | - | - | - |
| 6 | Foreign exchange movements | - | - | - | - | - | - | - |
| 7 | Other | - | - | - | - | 186 | 186 | 15 |
| **8a** | **RWEAs at the end of the reporting period** | **€ 226** | **€ 1,661** | **€ 1,905** | **-** | **€ 407** | **€ 4,199** | **€ 336** |
| 8b | Regulatory adjustment | 1,357 | 5,405 | 126 | - | 151 | 7,039 | 563 |
| **8** | **RWEAs at the end of the reporting period** | **€ 1,583** | **€ 7,066** | **€ 2,031** | **-** | **€ 558** | **€ 11,238** | **€ 899** |

Movement in risk levels (line 2 in the table above) increased by €1.2bn, driven by increased equities exposure impacting IRC as well as increased rates exposure impacting SVaR. As part of the Internal Model Approach for market risk permission, GSBE includes an IRC add-on from June 2024 for which impacts are added in the 'Other' column and row.

### Model Review and Validation

The models discussed above, which are used to determine Regulatory VaR, SVaR and Incremental Risk, are independently validated and approved by Model Risk Management.

These models are regularly reviewed and enhanced in order to incorporate changes in the composition of positions included in market risk measures, as well as variations in market conditions. Prior to implementation in production, any changes to those models are subject to validation and approval by Model Risk Management.

### Regulatory VaR Backtesting Results

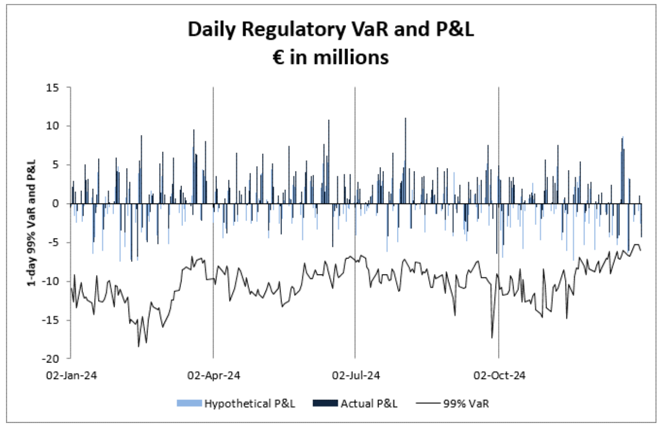
As required by the CRR market risk capital rules, the bank validates the accuracy of its Regulatory VaR models by backtesting the output of such models against daily loss results. The number of exceptions (that is, the higher of the number of overshootings based on comparing the positional or actual losses to the corresponding 99% one-day Regulatory VaR) over the most recent 250 business days is used to determine the size of the VaR multiplier, which could increase from a minimum of three to a maximum of four, depending on the number of exceptions.

As defined in the CRR market risk capital rules, hypothetical net revenues for any given day represent the impact of that day's price variation on the value of positions held at the close of business the previous day. As a consequence, these results exclude certain revenues associated with market-making businesses, such as bid/offer net revenues, which are more likely than not to be positive by their nature. In addition, hypothetical net revenues used in the bank's Regulatory VaR backtesting relate only to positions which are included in Regulatory VaR and as noted above, differ from positions included in the bank's risk management VaR. This measure of hypothetical net revenues is used to evaluate the performance of the Regulatory VaR model and is not comparable to the bank's actual daily net revenues.

The bank's hypothetical and actual losses observed on a single day did not exceed the 99% one-day Regulatory VaR during 12 months preceding December 31, 2024. Note that, although a one-day time horizon is used for backtesting purposes, a 10-day time horizon is used, as described earlier, to determine RWAs associated with Regulatory VaR.

The table below presents GSBE's 99% one-day Regulatory VaR and hypothetical and actual PnL during the previous 12 months.

### Table 21: EU MR4 – Comparison of VaR estimates with gains/losses




The table below summarises the number of reported excesses for GSBE for the previous 12 months.

| | | Number of reported excesses | |
|---|---|---|---|
| | **Multiplier** | **Hypothetical** | **Actual** |
| **Backtesting** | | | |
| GSBE | **3.00** | **0** | **0** |

### Stress Testing

Stress testing is a method of determining the effect of various hypothetical stress scenarios on the firm and the bank individually. Stress testing is used to examine risks of specific portfolios as well as the potential impact of significant risk exposures across the bank. A variety of stress testing techniques are used to calculate the potential loss from a wide range of market moves on portfolios, including stress tests, sensitivity analysis and scenario analysis.

For a detailed description of the bank's stress testing practices, see "Market Risk Management – Stress Testing" within "Management Report" of GSBE's 2024 Financial Statements.

The table below presents the components of RWAs under Standardised approach as of December 2024.

## Table 22: EU MR1 - Market risk under the standardised approach

| *€ in millions* | | As of December 2024 |
|---|---|---|
| | | **RWEAs** |
| | **Outright products** | |
| 1 | Interest rate risk (general and specific) | € 43 |
| 2 | Equity risk (general and specific) | - |
| 3 | Foreign exchange risk | 42 |
| 4 | Commodity risk | 64 |
| | **Options** | |
| 5 | Simplified approach | - |
| 6 | Delta-plus method | - |
| 7 | Scenario approach | - |
| 8 | Securitisation (specific risk) | - |
| 9 | **Total** | **€ 149** |

## Interest Rate Sensitivity

The bank monitors and sets limits on interest rate risk sensitivity on both trading and banking book activities. The bank's interest rate risk is managed dynamically in response to changing market conditions.

### Interest Rate Risk in the Trading Book

The bank's exposure to interest rate risk in the trading book arises mostly from positions held to support client market-making activities. These positions are accounted for at fair value and the interest rate risk is monitored as a component of Market risk. For additional information regarding interest rate risk, see "Risk Report – Market Risk Management" within "Management Report" of GSBE's 2024 Financial Statements.

### Interest Rate Risk in the Banking Book

The bank's exposure to interest rate risk in the banking book (IRRBB) arises from changes in the present value of assets and liabilities as interest rates change, as well as differences in interest earned or paid due to the reset characteristics of the bank's assets and liabilities. Changes in market interest rates on banking book assets and liabilities can have an adverse effect on our earnings and economic value.

The bank evaluates periodically the sensitivity to changes in interest rates across a range of interest rate scenarios, including parallel rally and sell-off scenarios, using different methodologies such as Net Interest Income (NII) and Economic Value of Equity (EVE) sensitivity analysis. NII sensitivity measures the impacts of changes in rates on the accrued interest of banking book assets and liabilities over a defined time horizon. EVE sensitivity measures the change in the present value of banking book assets and liabilities as a function of different interest rate assumptions.

The bank also measures and monitors exposure to credit spread risk in the banking book (CSRBB). CSRBB captures impacts also on EVE and NII but due to changes in market spreads.

The GSBE Asset Liability Committee and Risk Committee are the primary oversight bodies responsible for reviewing and managing the bank's IRRBB and overseeing the strategic implementation of risk management activities. IRRBB sensitivity is subject to stress testing and to limits.

In addition to monitoring the metrics shown in the table below, the bank manages to other scenarios such as instantaneous parallel shift in interest rates including unfloored scenarios.

The table below shows the change in banking book EVE and NII sensitivity under the supervisory scenarios and guidance defined by the EBA. The increase in the EVE sensitivity, as well as the increase in the projected NII sensitivity over the next 12 months using a static balance sheet assumption, in the parallel down scenario compared to the last period is primarily driven by an increase in fixed rate banking book liabilities. The majority of non-maturity deposits in the bank reprice overnight and therefore do not contribute materially to EVE sensitivity.

**Table 23: EU IRRBB1 - Interest rate risks of non-trading book activities**

| *€ in millions* | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | a | b | c | d | e | f |
| Supervisory shock scenarios | | Changes of the economic value of equity | | Changes of the net interest income | | Tier 1 capital | |
| | | December 2024 | December 2023 | December 2024 | December 2023 | December 2024 | December 2023 |
| 1 | Parallel up | € 69 | € 27 | € (13) | € 11 | | |
| 2 | Parallel down | (152) | (77) | (223) | (9) | | |
| 3 | Steepener | (31) | 9 | | | | |
| 4 | Flattener | 26 | (11) | | | | |
| 5 | Short rates up | 48 | 5 | | | | |
| 6 | Short rates down | (94) | (10) | | | | |
| | Maximum loss | **€ (152)** | **€ (77)** | | | **€ 12,660** | **€ 12,872** |

December 2024 EVE and NII results in the table above incorporate currency-specific haircuts on net gains reflecting the EBA Regulatory Technical Standards on Supervisory Outlier Tests implemented in 2024. The down shocks incorporate post-shock floors specified by the regulatory guidance for both NII and EVE. December 2023 EVE results incorporated currency-specific haircuts.

# Operational Risk

## Overview

Operational risk is the risk of an adverse outcome resulting from inadequate or failed internal processes, people, systems, or from external events. Exposure to operational risk arises from routine processing errors, as well as extraordinary incidents, such as major systems failures or legal and regulatory matters, that could occur for the bank or its third-party vendors.

Potential types of loss events related to internal and external operational risk include:

- Clients, products and business practices;
- Execution, delivery and process management;
- Business disruption and system failures;
- Employment practices and workplace safety;
- Third-party risk, including vendor risk;
- Damage to physical assets;
- Internal fraud; and
- External fraud.

Operational Risk, which is part of second line of defence, and reports to the bank's CRO, has primary responsibility for developing and implementing a formalised framework for assessing, monitoring, and managing operational risk to support oversight and challenge across the bank's businesses, with the goal of maintaining the bank's exposure to operational risk at levels that are within its risk appetite.

The bank's framework for managing operational risk is consistent with the framework of GS Group. The bank's Operational Risk function is integrated with GS Group's Operational Risk function which reports to GS Group's CRO.

## Operational Risk Management Process

The bank's process for managing operational risk includes the critical components of the risk management framework described in "Overview and Structure of Risk Management" within "Management Report" within GSBE's 2024 Financial Statements.

Top-down and bottom-up approaches are combined to manage and measure operational risk. From a top-down perspective, senior management assesses firmwide as well as entity and business-level operational risk profiles, as appropriate. From a bottom-up perspective, the first and second lines of defence are responsible for risk identification and risk management on a day-to-day basis, including escalating operational risks and risk events to senior management.

The bank seeks to maintain a comprehensive control framework designed to provide a well-controlled environment to minimise operational risks. The GSBE Compliance and Operational Risk Committee provides oversight of the ongoing development and implementation of operational risk policies, framework and methodologies, and monitors the effectiveness of operational risk management with oversight from the Executive Board.

The operational risk management framework is designed to comply with the operational risk measurement rules under Basel III and has evolved based on changing needs of the bank's businesses and regulatory guidance.

Policies have been established that require all employees and consultants to report and escalate operational risk events. When operational risk events are identified, policies require that the events be documented and analysed to determine whether changes are required in the systems and/or processes to further mitigate the risk of future events.

Operational risk management applications are used to capture, analyse and report operational risk event data and key metrics. One of the bank's key risk identification and control assessment tools is an operational risk and control self-assessment process, which is performed by the bank's senior management. This process consists of the identification and rating of operational risks on a forward-looking basis, and the related controls. The results from this process are analysed to evaluate operational risk exposures and identify businesses, activities, or products with heightened levels of operational risk.

## Risk Measurement

The bank's operational risk exposure is measured using both statistical modelling and scenario analyses, which involves qualitative and quantitative assessments of internal and external operational risk event data, business environment and internal control factors for each of the bank's businesses.

The results from these scenario analyses are used to monitor changes in operational risk and to determine business lines that may have heightened exposure to operational risk. The bank also performs stress tests (sensitivity analysis), in which the elementary model parameters used for the determination of the bank’s internal operational risk capital, loss severity and frequency are varied to measure the sensitivity of the outputs. See “Capital Adequacy” for the results as of December 2024.

Operational risk measurement also incorporates an assessment of business environment factors, including:

- Evaluations of the complexity of business activities;
- The degree of automation in our processes;
- New activity information;
- The legal and regulatory environment; and
- Changes in the markets for the bank's products and services, including the diversity and sophistication of our customers and counterparties.

### Model Review and Validation

The models used to measure operational risk exposure are independently validated and approved by the Model Risk Management. See “Model Risk” for further information.

### Capital Requirements

The operational risk capital requirements for GSBE are calculated under the Basic Indicator Approach in accordance with the CRR.

### Table 24: EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts

| *€ in millions* | | | | | | **As of December 2024** |
|---|---|---|---|---|---|---|
| | | **a** | **b** | **c** | **d** | **e** |
| | **Banking activities** | **Relevant indicator** | | | **Own funds requirements** | **Risk exposure amount** |
| | | **Year-3** | **Year-2** | **Last year** | | |
| **1** | **Banking activities subject to basic indicator approach (BIA)** | **€ 1,443** | **€ 1,571** | **€ 1,772** | **€ 239** | **€ 2,992** |
| **2** | **Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches** | **-** | **-** | **-** | **-** | **-** |
| 3 | Subject to TSA: | - | - | - | | |
| 4 | Subject to ASA: | - | - | - | | |
| 5 | Banking activities subject to advanced measurement approaches AMA | - | - | - | - | - |

GSBE's Operational RWAs as of December 2024 reflect the latest audited financial statements of 2021, 2022 and 2023.

## Reputational Risk

Reputational risk is the potential risk that negative publicity regarding the bank's business practices, whether true or not, will cause a decline in the bank's customer base, costly litigation or revenue reductions. The bank's reputation is critical to effectively serving the bank's clients and fostering and maintaining long-term client relationships, and it is integral to how the bank is viewed by the key stakeholders.

In evaluating business opportunities, reputational risk is one of the most significant components the bank considers. The bank evaluates the ethics, suitability and transparency of transactions undertaken. The bank's employees are responsible for considering the reputational impacts that the business activities may have.

The bank is included in a comprehensive programme designed to monitor reputational risk which GS Group has implemented.

# Model Risk

## Overview

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

Model Risk, which is part of second line of defence, is independent of model developers, model owners and model users, and has primary responsibility for assessing, monitoring, and managing model risk by providing oversight and challenge across the bank's businesses. The head of the bank's Model Risk function has accountability to the bank's CRO for the management of the bank's model risk.

The model risk management framework is consistently applied across the GS Group, with the bank's Model Risk function being an integral part of the GS Group's Model Risk function which reports to GS Group's CRO.

The model risk management framework is managed through a governance structure and risk management controls, which encompass standards designed to ensure maintenance of a comprehensive model inventory, including risk assessment and classification, sound model development practices, independent review and model-specific usage controls. The Firmwide Model Risk Control Committee oversees the firm's model risk management framework. The GSBE Risk Committee, in coordination with Model Risk, is responsible for the ongoing oversight of the bank's model risk. Model Risk provides regular updates to the GSBE Risk Committee and the bank's Executive Board.

## Model Review and Validation Process

Model Risk consists of quantitative professionals who perform an independent review, validation and approval of models. This review includes an analysis of the model documentation, independent testing, an assessment of the appropriateness of the methodology used, and verification of compliance with model development and implementation standards.

GS Group regularly refines and enhances models to reflect changes in market or economic conditions and its business mix. All models are reviewed on an annual basis, and new models or significant changes to existing models and their assumptions are approved prior to implementation.

The model validation process incorporates a review of models and their assumptions in order to critically evaluate and verify the model's conceptual soundness, suitability of calculation techniques, accuracy and sensitivity to input parameters and assumptions, as well as the scope of testing performed by the model developers.

See "Liquidity Risk", "Market Risk", "Credit Risk", "Operational Risk" and "Capital Adequacy" for further information about the use of models within these areas.

## Leverage Ratio

GSBE is subject to the leverage ratio framework established by the CRR. This leverage ratio compares CRR's definition of 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 CRR sets the required minimum leverage ratio at 3.0%.

In addition to the 3.0% minimum, the bank's minimum leverage ratio requirement increased by 20 basis points effective January 1, 2025 due to a Pillar 2 capital leverage ratio requirement (P2R-LR) (an additional amount to cover ECB's assessment of the risk of excessive leverage in the bank).

GSBE's Tier 1 capital in the following tables excluded the bank's profits for 2024, subject to approval by the bank's shareholder on May 23, 2025 to be included as regulatory capital. These profits would have contributed 54 basis points to the leverage ratio.

### Table 25: Leverage Ratio

| *€ in millions* | **As of December 2024** |
|---|---|
| Tier 1 Capital | € 12,660 |
| Leverage Ratio Exposure | € 136,882 |
| **Leverage Ratio** | **9.25 %** |

The following tables present further information on the leverage ratio. Table EU LR1 below reconciles the exposure measure to the balance sheet of GSBE as per IFRS Financial Information. Table EU LR2 gives further details on the adjustments and drivers of the leverage ratio. Table EU LR3 breaks down the exposures from on-balance sheet assets by trading and banking book.

### Table 26: EU LR1 - Summary Reconciliation of Accounting Assets and Leverage Ratio Exposures

| *€ in millions* | | **As of December 2024** |
|---|---|---|
| **1** | **Total assets as per published financial statements** | **€ 230,384** |
| 2 | Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation | - |
| 3 | (Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference) | - |
| 4 | (Adjustment for temporary exemption of exposures to central banks (if applicable)) | - |
| 5 | (Adjustment for fiduciary assets recognized on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR) | - |
| 6 | Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting | - |
| 7 | Adjustment for eligible cash pooling transactions | - |
| 8 | Adjustments for derivative financial instruments | (95,987) |
| 9 | Adjustment for securities financing transactions (SFTs) | 869 |
| 10 | Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures) | 16,003 |
| 11 | (Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital) | (16) |
| EU-11a | (Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR) | - |
| EU-11b | (Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR) | - |
| 12 | Other adjustments | (14,371) |
| **13** | **Total exposure measure** | **€ 136,882** |

Adjustments for derivatives, securities financing transactions (SFTs) and off-balance sheet items above represent differences between accounting values recognised as assets on the IFRS balance sheet and the leverage ratio exposure values. See below EU LR2 for further breakdown of these differences.

## Table 27: EU LR2 - Leverage Ratio Common Disclosure

| *€ in millions* | | As of December 2024 | As of December 2023 |
|---|---|---|---|
| | | CRR leverage ratio exposures | CRR leverage ratio exposures |
| **On-balance sheet exposures (excluding derivatives and SFTs)** | | | |
| 1 | On-balance sheet items (excluding derivatives, SFTs, but including collateral) | € 64,435 | € 60,357 |
| 2 | Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework | - | - |
| 3 | (Deductions of receivables assets for cash variation margin provided in derivatives transactions) | (12,460) | (12,825) |
| 4 | (Adjustment for securities received under securities financing transactions that are recognised as an asset) | - | - |
| 5 | (General credit risk adjustments to on-balance sheet items) | - | - |
| 6 | (Asset amounts deducted in determining Tier 1 capital) | (320) | (109) |
| 7 | **Total on-balance sheet exposures (excluding derivatives and SFTs)** | **€ 51,655** | **€ 47,423** |
| **Derivative exposures** | | | |
| 8 | Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin) | € 10,889 | € 9,600 |
| EU-8a | Derogation for derivatives: replacement costs contribution under the simplified standardised approach | - | - |
| 9 | Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions | 32,728 | 25,094 |
| EU-9a | Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach | - | - |
| EU-9b | Exposure determined under Original Exposure Method | - | - |
| 10 | (Exempted CCP leg of client-cleared trade exposures) (SA-CCR) | - | - |
| EU-10a | (Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach) | - | - |
| EU-10b | (Exempted CCP leg of client-cleared trade exposures) (original Exposure Method) | - | - |
| 11 | Adjusted effective notional amount of written credit derivatives | 203,862 | 171,663 |
| 12 | (Adjusted effective notional offsets and add-on deductions for written credit derivatives) | (198,359) | (167,093) |
| 13 | **Total derivatives exposures** | **€ 49,120** | **€ 39,264** |
| **Securities financing transaction (SFT) exposures** | | | |
| 14 | Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions | € 31,667 | € 34,428 |
| 15 | (Netted amounts of cash payables and cash receivables of gross SFT assets) | (10,738) | (17,954) |
| 16 | Counterparty credit risk exposure for SFT assets | 869 | 2,637 |
| EU-16a | Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR | - | - |
| 17 | Agent transaction exposures | - | - |
| EU-17a | (Exempted CCP leg of client-cleared SFT exposure) | - | - |
| 18 | **Total securities financing transaction exposures** | **€ 21,798** | **€ 19,111** |
| **Other off-balance sheet exposures** | | | |
| 19 | Off-balance sheet exposures at gross notional amount | € 20,807 | € 11,035 |
| 20 | (Adjustments for conversion to credit equivalent amounts) | (6,482) | (3,919) |
| 21 | (General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures) | (16) | (13) |
| 22 | **Off-balance sheet exposures** | **€ 14,309** | **€ 7,103** |
| **Excluded exposures** | | | |
| EU-22a | (Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR) | - | - |
| EU-22b | (Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off balance sheet)) | - | - |
| EU-22c | (Excluded exposures of public development banks (or units) - Public sector investments) | - | - |
| EU-22d | (Excluded exposures of public development banks (or units)<br>- Promotional loans):<br>- Promotional loans granted by a public development credit institution<br>- Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State<br>- Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution) | - | - |
| EU-22e | (Excluded passing-through promotional loan exposures by non-public development banks (or units)):<br>- Promotional loans granted by a public development credit institution<br>- Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State<br>- Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution) | - | - |
| EU-22f | (Excluded guaranteed parts of exposures arising from export credits) | - | - |
| EU-22g | (Excluded excess collateral deposited at triparty agents) | - | - |
| EU-22h | (Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR) | - | - |

| | | | |
|---|---|---|---|
| EU-22i | (Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR) | - | - |
| EU-22j | (Reduction of the exposure value of pre-financing or intermediate loans) | - | - |
| EU-22k | (Total exempted exposures) | - | - |
| **Capital and total exposure measure** | | | |
| 23 | **Tier 1 capital** | **€ 12,660** | **€ 12,872** |
| 24 | **Total exposure measure** | **€ 136,882** | **€ 112,901** |
| **Leverage ratio** | | | |
| 25 | Leverage ratio | 9.2% | 11.4% |
| EU-25 | Leverage ratio excluding the impact of the exemption of public sector investments and promotional loans) (%) | 9.2% | 11.4% |
| 25a | Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) | 9.2% | 11.4% |
| 26 | Regulatory minimum leverage ratio requirement (%) | 3.0% | 3.0% |
| EU-26a | Additional own funds requirements to address the risk of excessive leverage (%) | 0.0% | 0.0% |
| EU-26b | of which: to be made up of CET1 capital (percentage points) | 0.0% | 0.0% |
| 27 | Leverage ratio buffer requirement (%) | 0.0% | 0.0% |
| EU-27a | Overall leverage ratio requirement (%) | 3.0% | 3.0% |
| **Choice on transitional arrangements and relevant exposures** | | | |
| EU-27b | Choice on transitional arrangements for the definition of the capital measure | NA | NA |
| **Disclosure of mean values** | | | |
| 28 | Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables | 18,681 | 18,456 |
| 29 | Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables | 20,929 | 16,473 |
| 30 | Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables) | 134,634 | 114,884 |
| 30a | Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables) | 134,634 | 114,884 |
| 31 | Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables) | 9.4% | 11.2% |
| 31a | Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables) | 9.4% | 11.2% |

### Table 28: EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

| *€ in millions* | | **As of December 2024** |
|---|---|---|
| **EU-1** | **Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:** | **€ 51,845** |
| **EU-2** | **Trading book exposures** | **€ 33,450** |
| **EU-3** | **Banking book exposures, of which:** | **€ 18,395** |
| EU-4 | Covered bonds | - |
| EU-5 | Exposures treated as sovereigns | 13,205 |
| EU-6 | Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns | - |
| EU-7 | Institutions | 884 |
| EU-8 | Secured by mortgages of immovable properties | - |
| EU-9 | Retail exposures | - |
| EU-10 | Corporate | 3,813 |
| EU-11 | Exposures in default | 69 |
| EU-12 | Other exposures (e.g. equity, securitisations, and other non-credit obligation assets) | 424 |

## Factors impacting the Leverage Ratio

The leverage ratio has decreased from 11.4% as of December 2023 to 9.2% as of December 2024 primarily due to increases in both on and off-balance sheet exposures reflecting increased balance sheet size and business activities throughout the year.

## Risk of Excessive Leverage

The risk of excessive leverage is the risk resulting from a vulnerability due to leverage or contingent leverage that may require unintended corrective measures to the bank's business plan, including distressed selling of assets which might result in losses or in valuation adjustments to our remaining assets.

The GSBE ALCO is the primary governance committee for the management of the bank's balance sheet. The GSBE Risk committee is responsible for maintaining the leverage ratio.

GSBE monitors the leverage ratio regularly and has processes in place to dynamically manage its assets and liabilities. Leverage ratio monitoring thresholds have been established for GSBE and reported to the ALCO, chief risk officer, chief financial officer, chief executive officer, Risk Committee and Executive Board if the ratio drops below these escalation thresholds.

Potential new transactions which could have a material impact on GSBE capital and/or leverage position are escalated to managers from independent control and support functions.

The bank has regularly assessed the risk of excessive leverage, and as of the reference date of these disclosures, the risk is considered well below the management buffers applied to the leverage ratio.

# Capital Adequacy

## Overview

Capital risk is the risk that the bank's capital is insufficient to support its business activities under normal and stressed market conditions, or it faces capital reductions or RWA increases, including from new or revised rules or changes in interpretations of existing rules, and is therefore unable to meet its internal capital targets or external regulatory capital requirements. Capital adequacy is of critical importance to the bank. Accordingly, the bank has in place a comprehensive capital management policy that provides a framework, defines objectives and establishes guidelines to maintain an appropriate level and composition of capital in both business-as-usual and stressed conditions. The internal capital management framework is designed to provide the bank with the information needed to identify and comprehensively manage risk, and develop and apply projected stressed scenarios that capture idiosyncratic vulnerabilities with a goal of holding sufficient capital to remain adequately capitalised even after experiencing a severe stress event.

The bank has established a comprehensive governance structure to manage and oversee its day-to-day capital management activities and compliance with capital rules and related policies. The bank's capital management activities are overseen by the Executive Board and its committees. The Executive Board is responsible for approving the bank's ICAAP framework and outcomes and its capital management policy. In addition, members of senior management are responsible for the ongoing monitoring of the bank's capital adequacy and evaluate current and future regulatory capital requirements, review the results of its capital planning and stress testing processes, and the results of its capital models, review its key capital adequacy metrics, including regulatory capital ratios, as well as capital plan metrics, and monitor risk limits and breaches. The bank's framework for capital risk management is consistent with, and part of, the GS Group framework.

## Internal Capital Adequacy Assessment Process

The bank undertakes regular internal capital adequacy assessments as part of its broader ICAAP framework with the objective of ensuring appropriate capitalisation relative to the bank's risks. The bank's ICAAP is a comprehensive internal process which coherently integrates several key components, including risk identification and materiality assessment, capital planning, and risk appetite.

In line with the "ECB Guide to the ICAAP", the ICAAP comprises two complementary perspectives, the Normative Perspective and the Economic Internal Perspective (EIP). The bank's limit and escalation framework incorporates metrics based on both perspectives.

## Normative Perspective

In the Normative Perspective, capital adequacy is considered from a regulatory and accounting view, and expressed in terms of regulatory metrics. The perspective includes determination of regulatory metrics as part of ongoing business-as-usual processes and integrates 3-year forward-looking projections of the bank's ability to meet regulatory capital requirements under baseline and adverse macro-economic conditions. Capital requirements are calculated in accordance with regulatory capital rules over the assessment time horizon, taking into account the permission to use internal models for market risk (Internal Model Approach), as well as internal models to calculate the counterparty credit risk exposure (Internal Model Method). The bank thereby leverages internal methodologies to project stress impacts reflective of the underlying scenario and consistent with the principles of the Normative Perspective. In all assessments performed during the year, the bank was projected to have sufficient capital to meet its regulatory capital requirements over the 3-year assessment period of the Normative Perspective.

## Economic Internal Perspective

The Economic Internal Perspective (EIP) consists of the definition and quantification of internal capital resources and the amount of capital that the bank needs to hold to mitigate risks that could have a material impact on its capital position from an economic view on risk.

The bank uses the regulatory definition of total capital resources as a starting point to quantify internal capital, and incorporates adjustments to reflect economic value considerations. The bank applies its internal risk quantification methodologies that are designed to capture an economic view on risk, targeting a risk horizon of one year and integrating a 3-year projection.

Economic capital requirements for market risk in the trading book are primarily quantified using Stressed Value at Risk (SVaR) and Incremental Risk Charge (IRC). SVaR is the potential loss in value of inventory positions during a period of significant market stress. SVaR is calculated at a 99% confidence level over a 10-day holding period, and is calibrated based on a historical stress period which is appropriate for the bank's portfolio. IRC estimates the 99.9% tail loss in the loss distribution due to events of rating migration or default over the capital horizon of one year for the portfolio of credit-sensitive instruments. Further stress-based methods are applied to quantify additional risks in the trading book, which were of comparatively lower significance in the reporting year. Banking book market risk capital requirements are primarily determined by IRRBB, quantified via accrual and economic value changes from +/-200bp shocks (no floor). The IRRBB EIP methodology incorporates a basis risk add-on, capturing spread variations relative to the currency benchmark curve. Shock scenario conservatism is calibrated to 99.9th percentile impacts. Risk concentration stress tests may be applied as needed.

Economic capital requirements for credit risk are mainly driven by simulated losses in the bank's derivative and loan portfolio which are calibrated to expected shortfall to a confidence level of 99.9% and assume a 1-year holding period. For other credit risk positions, the economic capital requirements are mainly determined using a credit risk model, which is based on internal assessments (including internal credit ratings). Additional stress testing and model-based approaches are applied to calculate further capital requirements for credit risk, which include among other metrics concentration risk, general wrong way risk and tail risk.

Economic capital requirements for operational risk are quantified using the bank's internal Advanced Measurement Approach (AMA) model, which is calibrated to a confidence level of 99.9% and assumes a 1-year holding period. The internal capital requirement thereby reflects the tail exposure posed by the bank's current and anticipated activities.

The bank has revenue sharing agreements with GS Group affiliates related to certain activities under which it receives revenues from, and transfer revenues to, such affiliates. While these agreements generally include clauses that restrict loss sharing across participating GS Group affiliates, any participating affiliate including the bank could be affected by both positive and negative contribution from risk originated in another participating GS Group affiliate. As of December 2024, the bank had no economic capital requirement for revenue sharing agreements as profits are only subject to transfer pricing until conclusion of the financial year.

The bank had assessed a zero economic capital requirement for Strategic and Business Environment Risk (SBER) as of December 2024 based on the bank's robust control framework in place and historical performance analysis, and non-materiality of climate change related risk.

Economic capital requirements are conservatively aggregated across material risk categories without taking benefit of diversification effects. The bank's limit system requires a minimum economic capital adequacy ratio of 100%. Capital is not deemed an adequate mitigant for liquidity risks which are managed in the course of the bank's liquidity management. The risk bearing capacity based on the EIP is assessed on a quarterly basis.

# Own Funds Template

The table below presents further information on the detailed capital position of GSBE.

## Table 29: EU CC1 - Composition of regulatory own funds

| *€ in millions* | | | As of December 2024 |
|---|---|---|---|
| | | (a) | (b) |
| | | **Amounts** | **Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation** |
| **Common Equity Tier 1 (CET1) capital: instruments and reserves** | | | |
| **1** | **Capital instruments and the related share premium accounts** | **€ 355** | Row 13 and 14 of CC2 template |
| | of which: Ordinary Shares | 355 | |
| | of which: Instrument type 2 | - | |
| | of which: Instrument type 3 | - | |
| 2 | Retained earnings | 2,051 | Column "(d)", Row 16 of CC2 template |
| 3 | Accumulated other comprehensive income (and other reserves) | 10,578 | Column "(d)" Row 15 and 17 of CC2 template |
| EU-3a | Funds for general banking risk | - | |
| 4 | Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1 | - | |
| 5 | Minority interests (amount allowed in consolidated CET1) | - | |
| EU-5a | Independently reviewed interim profits net of any foreseeable charge or dividend | - | |
| **6** | **Common Equity Tier 1 (CET1) capital before regulatory adjustments** | **€ 12,984** | |
| **Common Equity Tier 1 (CET1) capital: regulatory adjustments** | | | |
| 7 | Additional value adjustments (negative amount) | (151) | |
| 8 | Intangible assets (net of related tax liability) (negative amount) | (37) | |
| 9 | Not applicable | - | |
| 10 | Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount) | - | |
| 11 | Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value | - | |
| 12 | Negative amounts resulting from the calculation of expected loss amounts | - | |
| 13 | Any increase in equity that results from securitised assets (negative amount) | - | |
| 14 | Gains or losses on liabilities valued at fair value resulting from changes in own credit standing | 1 | |
| 15 | Defined-benefit pension fund assets (negative amount) | (2) | |
| 16 | Direct and indirect holdings by an institution of own CET1 instruments (negative amount) | - | |
| 17 | Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount) | - | |
| 18 | Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount) | - | |
| 19 | Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount) | - | |
| 20 | Not applicable | - | |
| EU-20a | Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative | - | |
| EU-20b | of which: qualifying holdings outside the financial sector (negative amount) | - | |
| EU-20c | of which: securitisation positions (negative amount) | - | |
| EU-20d | of which: free deliveries (negative amount) | - | |
| 21 | Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount) | - | |
| 22 | Amount exceeding the 17,65% threshold (negative amount) | - | |
| 23 | of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities | - | |
| 24 | Not applicable | - | |
| 25 | of which: deferred tax assets arising from temporary differences | - | |
| EU-25a | Losses for the current financial year (negative amount) | - | |
| EU-25b | Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount) | - | |
| 26 | Not applicable | - | |

| | | |
|---|---|---|
| 27 | Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount) | - |
| 27a | Other regulatory adjustments | (135) |
| 28 | **Total regulatory adjustments to Common Equity Tier 1 (CET1)** | **€ (324)** |
| 29 | **Common Equity Tier 1 (CET1) capital** | **€ 12,660** |
| **Additional Tier 1 (AT1) capital: instruments** | | |
| 30 | Capital instruments and the related share premium accounts | - |
| 31 | of which: classified as equity under applicable accounting standards | - |
| 32 | of which: classified as liabilities under applicable accounting standards | - |
| 33 | Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1 | - |
| EU-33a | Amount of qualifying items referred to in Article 494a(1) subject to phase out from AT1 | - |
| EU-33b | Amount of qualifying items referred to in Article 494b(1) subject to phase out from AT1 | - |
| 34 | Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties | - |
| 35 | of which: instruments issued by subsidiaries subject to phase out | - |
| **36** | **Additional Tier 1 (AT1) capital before regulatory adjustments** | - |
| **Additional Tier 1 (AT1) capital: regulatory adjustments** | | |
| 37 | Direct and indirect holdings by an institution of own AT1 instruments (negative amount) | - |
| 38 | Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount) | - |
| 39 | Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount) | - |
| 40 | Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount) | - |
| 41 | Not applicable | - |
| 42 | Qualifying T2 deductions that exceed the T2 items of the institution (negative amount) | - |
| 42a | Other regulatory adjustments to AT1 capital | - |
| **43** | **Total regulatory adjustments to Additional Tier 1 (AT1) capital** | - |
| **44** | **Additional Tier 1 (AT1) capital** | - |
| **45** | **Tier 1 capital (T1 = CET1 + AT1)** | **€ 12,660** |
| **Tier 2 (T2) capital: instruments** | | |
| 46 | Capital instruments and the related share premium accounts | 20 |
| 47 | Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2 as described in Article 486 (4) CRR | - |
| EU-47a | Amount of qualifying items referred to in Article 494a (2) subject to phase out from T2 | - |
| EU-47b | Amount of qualifying items referred to in Article 494b (2) subject to phase out from T2 | - |
| 48 | Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties | - |
| 49 | of which: instruments issued by subsidiaries subject to phase out | - |
| 50 | Credit risk adjustments | - |
| **51** | **Tier 2 (T2) capital before regulatory adjustments** | **€ 20** |
| **Tier 2 (T2) capital: regulatory adjustments** | | |
| 52 | Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount) | - |
| 53 | Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount) | - |
| 54 | Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount) | - |
| 54a | Not applicable | - |
| 55 | Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount) | - |
| 56 | Not applicable | - |
| EU-56a | Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount) | - |
| 56b | Other regulatory adjustments to T2 capital | - |
| **57** | **Total regulatory adjustments to Tier 2 (T2) capital** | **-** |
| **58** | **Tier 2 (T2) capital** | **€ 20** |
| **59** | **Total capital (TC = T1 + T2)** | **€ 12,680** |
| **60** | **Total risk exposure amount** | **€ 41,603** |
| **Capital ratios and requirements including buffers** | | |
| 61 | Common Equity Tier 1 | **30.4%** |

| | | |
|---|---|---|
| 62 | Tier 1 | **30.4%** |
| 63 | Total capital | **30.5%** |
| 64 | Institution CET1 overall capital requirements | **10.3%** |
| 65 | of which: capital conservation buffer requirement | **2.5%** |
| 66 | of which: countercyclical capital buffer requirement | **1.0%** |
| 67 | of which: systemic risk buffer requirement | **0.0%** |
| EU-67a | of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement | **0.8%** |
| EU-67b | of which: additional own funds requirements to address the risks other than the risk of excessive leverage | **1.6%** |
| **68** | **Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements** | **19.7%** |
| **National minima (if different from Basel III)** | | |
| 69 | Not applicable | - |
| 70 | Not applicable | - |
| 71 | Not applicable | - |
| **Amounts below the thresholds for deduction (before risk weighting)** | | |
| 72 | Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions) | 206 |
| 73 | Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions) | 1 |
| 74 | Not applicable | - |
| 75 | Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) are met) | 103 |
| **Applicable caps on the inclusion of provisions in Tier 2** | | |
| 76 | Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap) | - |
| 77 | Cap on inclusion of credit risk adjustments in T2 under standardised approach | - |
| 78 | Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap) | - |
| 79 | Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach | - |
| **Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)** | | |
| 80 | Current cap on CET1 instruments subject to phase out arrangements | - |
| 81 | Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities) | 0.0% |
| 82 | Current cap on AT1 instruments subject to phase out arrangements | 0.0% |
| 83 | Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) | 0.0% |
| 84 | Current cap on T2 instruments subject to phase out arrangements | - |
| 85 | Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) | - |

The capital ratios as of December 2024 excluded the bank's profits for 2024, subject to approval by the bank’s shareholder on May 23, 2025 to be included as regulatory capital. Once approved, these profits would add 151 basis points to the CET1 capital ratio.

GSBE does not make use of any transitional provisions for calculating its regulatory capital resources, including transitional arrangements on IFRS 9 and hence no further disclosures are made in this regard.

## Countercyclical Capital Buffer Template

The following tables present information on the impact of the countercyclical capital buffer as prescribed under CRR 440.

### Table 30: EU CCyB2 - Countercyclical Capital Buffer

| *€ in millions* | As of December 2024 |
|---|---|
| **Total risk exposure amount** | **€ 41,603** |
| Institution specific countercyclical capital buffer rate | 1.03 % |
| Institution specific countercyclical capital buffer requirement | € 429 |

As of December 2024, GSBE had recognised exposures to counterparties from below countries as implemented in the calculation of countercyclical capital buffer according to rates set by the European Systemic Risk Board (ESRB), Bank for International Settlements (BIS) and Bank of England. Breakdown by countries for their respective contributions to own funds requirements for GSBE are provided in below Table 31.

The GSBE specific countercyclical capital buffer rate has increased to 1.03% as of December 2024 from 0.84% as of December 2023. This is primarily due to the increase of the existing buffer rates against Ireland at 1.50% and the Netherlands at 2.00% and an increase in the exposures for France and United Kingdom.

The geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer is broken down in Table EU CCyB1 below.

### Table 31: EU CCyB1 Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

| *€ in millions* | | | | | | | | | | | | | As of December 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | a | b | c | d | e | f | g | h | I | j | k | l | m |
| | **General credit exposures** | | **Relevant credit exposures – Market risk** | | **Securitisation exposures - Exposure value for non-trading book** | **Total exposure value** | **Own fund requirements** | | | | **Risk-weighted exposure amounts** | **Own fund requirements weights (%)** | **Countercyclical buffer rate (%)** |
| | **Exposure value under the standardised approach** | **Exposure value under the IRB approach** | **Sum of long and short positions of trading book exposures for SA** | **Value of trading book exposures for internal models** | | | **Relevant credit risk exposures – Credit risk** | **Relevant credit exposures – Market risk** | **Relevant credit exposures – Securitisation positions in the non-trading book** | **Total** | | | |
| **Breakdown by country:** | | | | | | | | | | | | | |
| Belgium | € 110 | - | - | € 562 | - | € 672 | € 6 | € 3 | - | € 9 | € 108 | 0.40% | 1.00% |
| Bulgaria | - | - | - | 10 | - | 10 | - | 2 | - | 2 | 24 | 0.10% | 2.00% |
| Cyprus | 11 | - | - | 0 | - | 11 | 1 | 0 | - | 1 | 15 | 0.10% | 1.00% |
| Czech Republic | - | - | - | 0 | - | 0 | - | 0 | - | 0 | 1 | 0.00% | 1.25% |
| Denmark | 515 | - | - | 3,294 | - | 3,809 | 41 | 2 | - | 43 | 544 | 2.20% | 2.50% |
| Estonia | 3 | - | - | 2 | - | 5 | 0 | 0 | - | 0 | 4 | 0.00% | 1.50% |
| France | 5,183 | - | - | 10,067 | - | 15,250 | 199 | 8 | - | 207 | 2,585 | 10.50% | 1.00% |
| Germany | 5,556 | - | 235 | 128,829 | - | 134,620 | 246 | 38 | - | 284 | 3,545 | 14.40% | 0.75% |
| Hungary | 12 | - | - | - | - | 12 | 1 | 0 | - | 1 | 13 | 0.10% | 0.50% |
| Ireland | 3,018 | - | - | 368 | 25 | 3,411 | 155 | 2 | 4 | 161 | 2,015 | 8.20% | 1.50% |
| Latvia | - | - | - | - | - | - | - | - | - | - | - | 0.00% | 0.50% |
| Lithuania | 0 | - | - | - | - | 0 | 0 | - | - | 0 | 0 | 0.00% | 1.00% |
| Luxembourg | 2,482 | - | - | 124 | - | 2,606 | 156 | 2 | - | 158 | 1,972 | 8.00% | 0.50% |

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Netherlands | 3,177 | - | - | 2,567 | - | 5,744 | 194 | 5 | - | 199 | 2,487 | 10.10% | 2.00% |
| Norway | 107 | - | - | 101 | - | 208 | 9 | 0 | - | 9 | 115 | 0.50% | 2.50% |
| Romania | - | - | - | - | - | - | - | - | - | - | - | 0.00% | 1.00% |
| Slovakia | 0 | - | - | 21 | - | 21 | 0 | 0 | - | 0 | 2 | 0.00% | 1.50% |
| Slovenia | - | - | - | 45 | - | 45 | - | 0 | - | 0 | 3 | 0.00% | 0.50% |
| Sweden | 953 | - | - | 697 | - | 1,650 | 38 | 1 | - | 39 | 489 | 2.00% | 2.00% |
| United Kingdom | 8,138 | - | - | 32,965 | - | 41,103 | 322 | 7 | - | 329 | 4,114 | 16.80% | 2.00% |
| Armenia | - | - | - | - | - | - | - | - | - | - | - | 0.00% | 1.50% |
| Australia | 3 | - | - | 5 | - | 8 | 0 | 1 | - | 1 | 9 | 0.00% | 1.00% |
| Chile | 2 | - | - | - | - | 2 | 0 | - | - | 0 | 2 | 0.00% | 0.50% |
| Croatia | 0 | - | - | - | - | 0 | - | - | - | - | - | 0.00% | 1.50% |
| Hong Kong | 22 | - | - | - | - | 22 | 2 | 1 | - | 3 | 33 | 0.10% | 0.50% |
| Iceland | 4 | - | - | 20 | - | 24 | 0 | 1 | - | 1 | 8 | 0.00% | 2.50% |
| Korea | 1 | - | - | 574 | - | 575 | 0 | 0 | - | 0 | 3 | 0.00% | 1.00% |
| Other | 7,031 | - | - | 71,856 | 6 | 78,893 | 407 | 110 | 1 | 518 | 6,470 | 26.30% | 0.00% |
| **Total** | **€ 36,328** | **-** | **€ 235** | **€ 252,107** | **€ 31** | **€ 288,701** | **€ 1,777** | **€ 183** | **€ 5** | **€ 1,965** | **€ 24,561** | **100.00%** | |

## Prudential Valuation Adjustments

Prudent Valuation Adjustment ("PVA") represents the excess of valuation adjustments required to achieve prudent value, over any adjustment applied in the bank's fair value that addresses the same source of valuation uncertainty. GSBE has documented policies and maintains systems and controls for the calculation of Prudent Valuation Adjustment ("PVA") as required by the Commission Delegated Regulation (EU) No. 2016/101. For a valuation input where the range of plausible values is created from mid prices, prudent value represents the point within the range where the firm is 90% confident that the mid value which could be achieved in exiting the valuation exposure would be at that price or better. The bank's methodology addresses fair value uncertainties arising from a number of sources; market price uncertainty, close-out costs, model risk, unearned credit spreads, investing and funding cost, concentrated positions, future administrative costs, early termination and operational risk. Methodologies utilised by the independent control functions to calculate PVA are aligned with, and use the same external data sources as, those used when carrying out price verification of fair value.

On March 31, 2023, the ECB published the results of its asset quality review of the bank, following which, on March 8, 2024, the ECB issued a decision requiring the bank to temporarily deduct €131m from its CET1 capital until certain findings were addressed. The deduction was implemented from the date of the decision on March 8, 2024. The deduction will remain in place until the ECB has confirmed in writing that their requirements have been fulfilled by GSBE. Please refer "Table 6: Regulatory Capital" for further information.

### Table 32: EU PV1: Prudent valuation adjustments (PVA)

| *€ in millions* | | | | | | | | | | **As of December 2024** |
|---|---|---|---|---|---|---|---|---|---|---|
| | a | b | c | d | e | EU e1 | EU e2 | f | g | h |
| | **Risk category** | | | | | **Category level AVA - Valuation uncertainty** | | | | |
| **Category level AVA** | **Equity** | **Interest Rates** | **Foreign exchange** | **Credit** | **Commodities** | **Unearned credit spreads AVA** | **Investment and funding costs AVA** | **Total category level post-diversification** | **Of which: Total core approach in the trading book** | **Of which: Total core approach in the banking book** |
| Market price uncertainty | € 4 | € 31 | € 0 | € 39 | € 0 | € 13 | € 6 | € 47 | € 31 | € 16 |
| Not applicable | | | | | | | | | | |
| Close-out cost | 8 | 0 | 0 | 2 | 0 | 2 | 0 | 6 | 5 | 1 |
| Concentrated positions | 6 | 22 | 0 | 11 | 0 | NA | NA | 39 | 30 | 9 |
| Early termination | 1 | 4 | 0 | 0 | 0 | NA | NA | 5 | 5 | 0 |
| Model risk | 5 | 1 | 0 | 1 | 0 | 61 | 4 | 36 | 32 | 4 |
| Operational risk | 1 | 2 | 0 | 2 | 0 | NA | NA | 5 | 4 | 1 |
| Not applicable | | | | | | | | | | |
| Not applicable | | | | | | | | | | |
| Future administrative costs | 0 | 10 | 0 | 3 | 0 | NA | NA | 13 | 13 | 0 |
| Not applicable | | | | | | | | | | |
| **Total Additional Valuation Adjustments (AVAs)** | | | | | | | | **€ 151** | **€ 120** | **€ 31** |

## Capital Instruments

The following table summarises the main features of capital instruments for GSBE as of December 2024.

### Table 33: EU CCA: Main features of regulatory own funds instruments

| | | | | | As of December 2024 |
|---|---|---|---|---|---|
| *€ in millions* | | a | b | c | d |
| 1 | Issuer | **GSBE** | **GSBE** | **GSBE** | **GSBE** |
| 2 | Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement) | N/A | N/A | N/A | N/A |
| 2a | Public or private placement | Private | Private | Private | Private |
| 3 | Governing law(s) of the instrument | Germany | Germany | Germany | Germany |
| 3a | Contractual recognition of write down and conversion powers of resolution authorities | N/A | N/A | N/A | N/A |
| | *Regulatory treatment* | | | | |
| 4 | Current treatment taking into account, where applicable, transitional CRR rules | Common Equity Tier 1 | Tier 2 | MREL | MREL |
| 5 | Post-transitional CRR rules | Common Equity Tier 1 | Tier 2 | MREL | MREL |
| 6 | Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated | Solo | Solo | Solo | Solo |
| 7 | Instrument type (types to be specified by each jurisdiction) | Ordinary share capital | Subordinated debt | Subordinated debt | Subordinated debt |
| 8 | Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date) | € 329 | € 20 | € 800 | € 4,000 |
| 9 | Nominal amount of instrument | € 329 | € 20 | € 800 | € 4,000 |
| EU-9a | Issue price | At par | At par | At par | At par |
| EU-9b | Redemption price | At par | At par | At par | At par |
| 10 | Accounting classification | Shareholder's equity | Liability - amortised cost | Liability - amortised cost | Liability - amortised cost |
| 11 | Original date of issuance | 01/07/2011; 04/03/2019; 07/06/2020; 05/11/2020; 12/02/2021 | 22/03/2004; 15/04/2008 | 3/2/2021 | 10/12/2024 |
| 12 | Perpetual or dated | Perpetual | Perpetual | Dated | Dated |
| 13 | Original maturity date | No maturity | No maturity | 3/2/2031 | 10/12/2034 |
| 14 | Issuer call subject to prior supervisory approval | No | No | No | No |
| 15 | Optional call date, contingent call dates and redemption amount | N/A | N/A | N/A | N/A |
| 16 | Subsequent call dates, if applicable | N/A | N/A | N/A | N/A |
| | Coupons / dividends | | | | |
| 17 | Fixed or floating dividend/coupon | N/A | Floating | Floating | Floating |
| 18 | Coupon rate and any related index | No | 3m Euribor + 210 bps | 12m Euribor + 60bps | 12m Euribor + 125bps |
| 19 | Existence of a dividend stopper | No | No | No | No |
| EU-20a | Fully discretionary, partially discretionary or mandatory (in terms of timing) | Fully discretionary | Mandatory | Mandatory | Mandatory |
| EU-20b | Fully discretionary, partially discretionary or mandatory (in terms of amount) | Fully discretionary | Mandatory | Mandatory | Mandatory |
| 21 | Existence of step up or other incentive to redeem | No | No | No | No |
| 22 | Noncumulative or cumulative | Noncumulative | Noncumulative | Noncumulative | Noncumulative |
| 23 | Convertible or non-convertible | Non-convertible | Non-convertible | Non-convertible | Non-convertible |
| 24 | If convertible, conversion trigger(s) | N/A | N/A | N/A | N/A |
| 25 | If convertible, fully or partially | N/A | N/A | N/A | N/A |
| 26 | If convertible, conversion rate | N/A | N/A | N/A | N/A |
| 27 | If convertible, mandatory or optional conversion | N/A | N/A | N/A | N/A |
| 28 | If convertible, specify instrument type convertible into | N/A | N/A | N/A | N/A |
| 29 | If convertible, specify issuer of instrument it converts into | N/A | N/A | N/A | N/A |
| 30 | Write-down features | No | No | No | No |
| 31 | If write-down, write-down trigger(s) | N/A | N/A | N/A | N/A |
| 32 | If write-down, full or partial | N/A | N/A | N/A | N/A |
| 33 | If write-down, permanent or temporary | N/A | N/A | N/A | N/A |
| 34 | If temporary write-down, description of write-up mechanism | N/A | N/A | N/A | N/A |

| | | | | | |
|---|---|---|---|---|---|
| 34a | Type of subordination (only for eligible liabilities) | N/A | N/A | N/A | N/A |
| EU-34b | Ranking of the instrument in normal insolvency proceedings | 1 | 3 | 4 | 4 |
| 35 | Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | Tier 2 | Repayment of loan only after claims of other, non-subordinated creditors | Claims subordinated by virtue of a contractual subordination clause not specifying the pertinent rank (other than Additional Tier 1 or Tier 2 instruments) | Claims subordinated by virtue of a contractual subordination clause not specifying the pertinent rank (other than Additional Tier 1 or Tier 2 instruments) |
| 36 | Non-compliant transitioned features | No | No | No | No |
| 37 | If yes, specify non-compliant features | N/A | N/A | N/A | N/A |
| 37a | Link to the full term and conditions of the instrument (signposting) | N/A | https://www.goldmansachs.com/disclosures/pdfs/subordinated-loan-agreement.pdf | N/A | N/A |

## Key changes during the period

No highlights.

# Liquidity Risk Management

## Introduction

Liquidity risk is the risk that the bank will be unable to fund itself or meet its liquidity needs in the event of bank-specific, broader industry, or market liquidity stress events. The bank has in place a comprehensive and conservative set of liquidity and funding policies. The bank's principal objective is to be able to fund itself either through GS Group or external funding and to enable its core businesses to continue to serve clients and generate revenues, even under adverse circumstances.

Corporate Treasury, which reports to the bank's CFO, is responsible for the bank's liquidity, including developing and executing the bank's liquidity and funding strategy. The bank's Corporate Treasury function is integrated with GS Group's Corporate Treasury function.

Liquidity Risk, which is part of the bank's second line of defence and reports to the bank's CRO, has primary responsibility for identifying, assessing, monitoring and managing the bank's liquidity risk by providing independent oversight and challenge across the bank's businesses and the establishment of stress testing and limits frameworks.

The bank's framework for managing liquidity risk is consistent with, and part of, the GS Group framework. The bank's Liquidity Risk function is integrated with GS Group's Liquidity Risk function which reports to GS Group's CRO.

GSBE has a robust liquidity risk management framework in place, which the bank considers adequate. It leverages this framework to maintain a sufficient amount of liquidity to ensure GSBE remains appropriately funded and liquid in the event of stress.

The bank manages liquidity risk according to three principles: (i) hold sufficient excess liquidity in the highest quality to cover outflows during a stressed period, (ii) maintain appropriate Asset-Liability Management and (iii) maintain a viable Contingency Funding Plan.

## Liquid Assets

Global Core Liquid Assets (GCLA) is liquidity that the bank maintains to meet a broad range of potential cash outflows and collateral needs in a stressed environment. A primary liquidity principle is to pre-fund estimated potential cash and collateral needs during a liquidity crisis and hold this liquidity in the form of unencumbered, highly liquid securities and cash. The bank believes that the securities held in its GCLA would be readily convertible to cash in a matter of days, through liquidation, by entering into repurchase agreements or from maturities of resale agreements, and that this cash would allow it to meet immediate obligations without needing to sell other assets or depend on additional funding from credit- sensitive markets.

The bank's GCLA is distributed across asset types, issuers and clearing agents to provide sufficient operating liquidity to ensure timely settlement in all major markets, even in a difficult funding environment.

## Limits

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

The bank's Executive Board and the GSBE Risk Committee approve the bank's risk appetite and limits. Limits derived from the bank's RAS are reviewed at least annually and amended, with required approvals, on a permanent and temporary basis, as appropriate, to reflect changing market or business conditions.

Limits are monitored by Corporate Treasury and Liquidity Risk. Liquidity Risk is responsible for identifying and escalating to the Executive Board and/or the Risk Committee, on a timely basis, instances where limits have been exceeded.

## Contingency Funding Plan

GS Group maintains a contingency funding plan, which has a GSBE-specific addendum, to provide a framework for analysing and responding to a liquidity crisis situation or periods of market stress. The contingency funding plan outlines a list of potential risk factors, key reports and metrics that are reviewed on an ongoing basis to assist in assessing the severity of, and managing through, a liquidity crisis and/or market dislocation. The contingency funding plan also describes the bank's potential responses if assessments indicate that the bank has entered a liquidity crisis, which includes pre-funding for what the bank estimates will be its potential cash and collateral needs, as well as utilising secondary sources of liquidity. Mitigants and action items to address specific risks which may arise are also described and assigned to individuals responsible for execution.

The contingency funding plan identifies key groups of individuals and their responsibilities, which include fostering effective coordination, control, and distribution of information, implementing liquidity maintenance activities and managing internal and external communication, all of which are critical in the management of a crisis or period of market stress.

## Stress Testing

### Stress Tests

In order to determine the appropriate size of the bank's liquidity pool, an internal liquidity model is used, referred to as the Modelled Liquidity Outflow, which captures and quantifies the bank's liquidity risks over a 30-day stress scenario. Other factors are considered including, but not limited to, an assessment of potential intraday liquidity needs through an additional internal liquidity risk model, referred to as the Intraday Liquidity Model, the results of its long-term stress testing models, other applicable regulatory requirements and a qualitative assessment of the condition of the bank as well as the financial markets. The results of the Modelled Liquidity Outflow and the Intraday Liquidity Model are reported to the Executive Board and senior management on a regular basis.

### Modelled Liquidity Outflow

The Modelled Liquidity Outflow is based on conducting multiple scenarios that include combinations of market-wide stress and GS specific stress, characterised by the following qualitative elements:

- Severely challenged market environments, including low consumer and corporate confidence, financial and political instability, adverse changes in market values, including potential declines in equity markets and widening of credit spreads; and
- A GS Group specific crisis potentially triggered by material losses, reputational damage (including, as a result of the dissemination of negative information through social media), litigation, executive departure, and/or a ratings downgrade.

The following are key modelling elements of the Modelled Liquidity Outflow:

- Liquidity needs over a 30-day scenario;
- A two-notch downgrade of the long-term senior unsecured credit ratings of Group Inc. and its rated subsidiaries;
- Changing conditions in funding markets, which limit the bank's access to unsecured and secured funding;
- No support from additional government funding facilities. Although GSBE have access to central bank funding, the bank does not assume reliance on additional sources of funding in a liquidity crisis; and
- A combination of contractual outflows and contingent outflows arising from both the bank's on- and off-balance sheet arrangements. Contractual outflows include, among other things, upcoming maturities of unsecured debt, term deposits and secured funding. Contingent outflows include, among other things, increase in variation margin requirements due to adverse changes in the value of the bank's exchange-traded and OTC-cleared derivatives, draws on unfunded commitments and withdrawals of deposits that have no contractual maturity.

### Intraday Liquidity Model

The bank's Intraday Liquidity Model measures the bank's intraday liquidity needs in a scenario where access to sources of intraday liquidity may become constrained. The intraday liquidity model considers a variety of factors, including historical settlement activity.

### Long Term Stress Testing

The bank utilises long-term stress tests to take a forward view on its liquidity position through prolonged stress periods in which the bank experiences a severe liquidity stress and recovers in an environment that continues to be challenging. The bank is focused on ensuring conservative asset-liability management to prepare for a prolonged period of potential stress, seeking to maintain a diversified funding profile with an appropriate tenor, taking into consideration the characteristics and liquidity profile of its assets.

### Resolution Liquidity Models

In connection with GS Group's resolution planning efforts, GS Group has established a Resolution Liquidity Adequacy and Positioning framework, which estimates liquidity needs of its major subsidiaries, including GSBE, in a stressed environment. GS Group has also established a Resolution Liquidity Execution Need framework, which measures the liquidity needs of its major subsidiaries, including GSBE, to stabilise and wind-down following a Group Inc. bankruptcy filing in accordance with GS Group's preferred resolution strategy.

In addition, GS Group has established a triggers and alerts framework, which is designed to provide GS Group's Board of Directors with information needed to make an informed decision on whether and when to commence bankruptcy proceedings for Group Inc. GSBE has also established Resolution related liquidity triggers as part of its triggers and alerts framework.

The bank also has capabilities to run resolution liquidity models in accordance with guidance published by local resolution authorities (i.e. SRB).

## Liquidity Coverage Ratio

### Overview

The liquidity coverage ratio (LCR) is designed to ensure that a bank maintains an adequate amount of unencumbered high-quality liquid assets (HQLA) equal to or greater than the total net cash outflows (NCOs) over a prospective 30 calendar-day stress scenario. GSBE is subject to the liquidity requirements as set out in the European Commission Delegated Regulation 2018/1620 and Delegated Regulation 2015/61 to supplement Regulation No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for credit institutions. When we use the term “liquidity standards”, we refer to the aforementioned regulations.

CRR, as amended, which became effective from June 28, 2021, requires banks to disclose, on an annual basis, the average monthly LCR for the trailing twelve-months.

GSBE’s average monthly LCR for the trailing twelve-month period ended December 2024 was 142% compared to the minimum requirement of 100%. The calculation of the ratio is based on our current interpretation and understanding of the liquidity standards and may evolve in the future.

The table below presents a breakdown of the bank’s LCR calculated in accordance with the liquidity standards.

## Table 34: Liquidity Coverage Ratio

| *€ in millions* | Twelve months ended December 2024 |
|---|---|
| | Average Weighted |
| Total high-quality liquid assets | € 22,152 |
| Net cash outflows | € 15,760 |
| Liquidity coverage ratio | 142 % |

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

The bank expects business-as-usual fluctuations in its client activity, business mix and overall market environment to affect GSBE’s average LCR on an ongoing basis.

## High-Quality Liquid Assets

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

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

## Net Cash Outflows

### Overview

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

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

Table 34 above presents a summary of GSBE's NCOs, calculated in accordance with the regulatory requirements.

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

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

### Unsecured and Secured Funding

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

### Unsecured Net Cash Outflows

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

- Unsecured long-term borrowings, including registered bonds (Namensschuldverschreibungen), promissory notes (Schuldscheindarlehen), debt securities issued, which include notes certificates and warrants, and funding from Group Inc. and affiliates.
- Time deposits and demand deposits from private bank clients, transaction banking clients, institutional clients and affiliates.

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

The liquidity standards require that the NCOs calculation reflects a bank's upcoming maturities of unsecured long-term borrowing during a 30 calendar-day period, assuming no rollover of debt that matures. The liquidity standards also prescribe outflows related to a partial loss of deposits funding. Wholesale deposits include operational deposits held in an account that are empirically linked to operational services and do not provide an economic incentive to maintain excess balances.

Inflows from deposits placed with agent banks and lending activity are included as part of "Inflows from fully performing exposures" (see Table 35).

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

### Table 35: Unsecured Net Cash Outflows

| *€ in millions* | **Twelve months ended December 2024** | |
|---|---|---|
| | **Average Unweighted** | **Average Weighted** |
| **Outflows** | | |
| **Retail deposits and deposits from small business customers, of which:** | **€ 2,911** | **€ 524** |
| Stable deposits | - | - |
| Less stable deposits | 2,800 | 524 |
| **Unsecured wholesale funding, of which:** | **€ 7,040** | **€ 3,347** |
| Operational deposits | 42 | 11 |
| Non-operational deposits | 6,703 | 3,041 |
| Unsecured debt | 295 | 295 |
| **Inflows** | | |
| Inflows from fully performing exposures | **€ 354** | **€ 32** |
| **Net unsecured cash outflows/(inflows)** | **€ 9,597** | **€ 3,839** |

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

### Secured Net Cash Outflows

GSBE funds inventory on a secured basis, through various secured funding transactions including repurchase agreements, securities loaned and other secured financings. In addition, GSBE provides financing to its clients for their securities trading activities, as well as securities lending and other prime brokerage services.

The liquidity standards consider outflows and inflows related to secured funding and securities services together as part of "Secured wholesale funding" and "Secured lending".

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

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

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

### Table 36: Secured Net Cash Outflows

| *€ in millions* | Twelve months ended December 2024 | |
|---|---|---|
| | Average Unweighted | Average Weighted |
| **Outflows** | | |
| Secured wholesale funding | | € 6,489 |
| **Inflows** | | |
| Secured lending | 39,488 | 3,083 |
| **Net secured cash outflows/(inflows)** | | **€ 3,406** |

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

## Derivatives

### Overview

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

The bank is exposed to derivative risk through:

- **Market-Making.** As a market maker, GSBE enters into derivative transactions to provide liquidity to clients and to facilitate the transfer and hedging of their risks. In this role, GSBE typically acts as principal and is required to commit capital to provide execution, and maintains market-making positions in response to, or in anticipation of, client demand.
- **Risk Management.** GSBE also enters into derivatives to actively manage risk exposures that arise from its market-making and investing and lending activities in derivative and cash instruments. The bank's holdings and exposures are hedged, in many cases, on either a portfolio or risk-specific basis, as opposed to an instrument-by-instrument basis. In addition, the bank may enter into derivatives that are used to manage interest rate exposure in certain fixed-rate unsecured long-term and short-term borrowings, and deposits.

GSBE enters into various types of derivatives, including futures, forwards, swaps and options.

### Derivative Net Cash Outflows

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

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

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

### Table 37: Derivative Net Cash Outflows

| *€ in millions* | Twelve months ended December 2024 | |
|---|---|---|
| | Average Unweighted | Average Weighted |
| Outflows related to derivative exposures and other collateral requirements | € 3,484 | € 3,455 |

### Unfunded Commitments

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

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

### Table 38: Unfunded Commitments Net Cash Outflows

| *€ in millions* | Twelve months ended December 2024 | |
|---|---|---|
| | **Average Unweighted** | **Average Weighted** |
| Credit and liquidity facilities | € 10,303 | € 3,073 |

## Other Net Cash Outflows

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

### Table 39: Other Net Cash Outflows

| *€ in millions* | Twelve months ended December 2024 | |
|---|---|---|
| | **Average Unweighted** | **Average Weighted** |
| **Outflows** | **€ 22,798** | **€ 10,867** |
| Other contractual obligations | 21,066 | 10,007 |
| Other contingent funding obligations | 1,732 | 860 |
| **Inflows** | **€ 8,879** | **€ 8,880** |
| Other cash inflows | 8,879 | 8,880 |
| **Net other cash outflows/(inflows)** | **€ 13,919** | **€ 1,987** |

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

## Table 40: EU LIQ1 - Liquidity Coverage Ratio Summary

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Scope of consolidation (Consolidated)** | | **Total Unweighted Value** | | | | **Total Weighted Value** | | | |
| **Currency and units (€ in millions)** | | | | | | | | | |
| **Period ended** | | **March 2024** | **June 2024** | **September 2024** | **December 2024** | **March 2024** | **June 2024** | **September 2024** | **December 2024** |
| **Number of data points used in the calculation of averages** | | **12** | **12** | **12** | **12** | **12** | **12** | **12** | **12** |
| **HIGH-QUALITY LIQUID ASSETS** | | | | | | | | | |
| **1** | **Total high-quality liquid assets (HQLA)** | | | | | **€ 21,400** | **€ 22,116** | **€ 22,230** | **€ 22,152** |
| **CASH – OUTFLOWS** | | | | | | | | | |
| **2** | **Retail deposits and deposits from small business customers, of which:** | **2,411** | **2,649** | **2,764** | **2,911** | **395** | **441** | **478** | **524** |
| 3 | *Stable deposits* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | *Less stable deposits* | 2,339 | 2,565 | 2,664 | 2,800 | 395 | 441 | 478 | 524 |
| **5** | **Unsecured wholesale funding** | **6,048** | **6,481** | **6,841** | **7,040** | **2,873** | **3,096** | **3,248** | **3,347** |
| 6 | *Operational deposits (all counterparties) and deposits in networks of cooperative banks* | 12 | 15 | 20 | 42 | 3 | 4 | 5 | 11 |
| 7 | *Non-operational deposits (all counterparties)* | 5,818 | 6,201 | 6,561 | 6,703 | 2,652 | 2,826 | 2,983 | 3,041 |
| 8 | *Unsecured debt* | 218 | 265 | 260 | 295 | 218 | 266 | 260 | 295 |
| **9** | **Secured wholesale funding** | | | | | **4,553** | **5,243** | **5,962** | **6,489** |
| **10** | **Additional requirements** | **11,565** | **12,080** | **12,806** | **13,787** | **6,385** | **6,247** | **6,231** | **6,528** |
| 11 | *Outflows related to derivative exposures and other collateral requirements* | 3,999 | 3,575 | 3,394 | 3,484 | 3,970 | 3,544 | 3,366 | 3,455 |
| 12 | *Outflows related to loss of funding on debt products* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13 | *Credit and liquidity facilities* | 7,566 | 8,505 | 9,412 | 10,303 | 2,415 | 2,703 | 2,865 | 3,073 |
| **14** | **Other contractual funding obligations** | **18,710** | **19,801** | **20,623** | **21,066** | **9,079** | **9,687** | **10,186** | **10,007** |
| **15** | **Other contingent funding obligations** | **968** | **1,118** | **1,442** | **1,732** | **720** | **756** | **817** | **860** |
| **16** | **TOTAL CASH OUTFLOWS** | | | | | **€ 24,005** | **€ 25,470** | **€ 26,922** | **€ 27,755** |
| **CASH – INFLOWS** | | | | | | | | | |
| 17 | Secured lending (e.g. reverse repos) | 32,182 | 34,103 | 36,099 | 39,488 | 2,048 | 2,374 | 2,746 | 3,083 |
| 18 | Inflows from fully performing exposures | 897 | 621 | 476 | 354 | 296 | 285 | 146 | 32 |
| 19 | Other cash inflows | 8,079 | 8,450 | 9,044 | 8,879 | 8,078 | 8,450 | 9,044 | 8,880 |
| EU-19a | (Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies) | | | | | 0 | 0 | 0 | 0 |
| EU-19b | (Excess inflows from a related specialised credit institution) | | | | | 0 | 0 | 0 | 0 |
| **20** | **TOTAL CASH INFLOWS** | **€ 41,158** | **€ 43,174** | **€ 45,619** | **€ 48,721** | **€ 10,422** | **€ 11,109** | **€ 11,936** | **€ 11,995** |
| EU-20a | ***Fully exempt inflows*** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EU-20b | ***Inflows Subject to 90% Cap*** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EU-20c | ***Inflows Subject to 75% Cap*** | 41,061 | 42,920 | 45,242 | 48,306 | 10,422 | 11,109 | 11,936 | 11,995 |
| | | | | | | | | | **TOTAL ADJUSTED VALUE** |
| **21** | **LIQUIDITY BUFFER** | | | | | **€ 21,400** | **€ 22,116** | **€ 22,230** | **€ 22,152** |
| **22** | **TOTAL NET CASH OUTFLOWS** | | | | | **€ 13,583** | **€ 14,359** | **€ 14,986** | **€ 15,760** |
| **23** | **LIQUIDITY COVERAGE RATIO (%)** | | | | | **162.0%** | **160.0%** | **152.0%** | **142.0%** |

## Net Stable Funding Ratio

The Net Stable Funding Ratio (NSFR) is designed to promote medium and long-term stable funding of the assets and off-balance sheet activities over a one-year time horizon.

The NSFR is defined as the regulatory measurement of the bank's Available Stable Funding ("ASF") against its asset funding needs, or Required Stable Funding ("RSF"), over a one-year time horizon.

The ASF is calculated as the sum of carrying values of the firm's liabilities and regulatory capital, each multiplied by a standardised weighting ranging from zero to 100 percent to reflect the relative stability of such liabilities and capital over a one-year time horizon.

The RSF is calculated as: (1) the sum of the carrying value of assets, each multiplied by a standardised weight ranging from zero to 100 percent to reflect the relative need for funding over a one-year time horizon based on the liquidity characteristics of the asset, plus (2) RSF amounts based on the firm's committed facilities and derivative exposures.

The bank is subject to the applicable NSFR requirement in the E.U., which became effective in June 2021 and requires the bank to maintain an NSFR of 100%. As of December 2024, the bank's NSFR exceeded the regulatory minimum requirement. See tables 41a, 41b, 41c, 41d for more detail.

## Table 41a: EU LIQ2 - Net Stable Funding Ratio

| *€ in millions* | | | | | | As of December 2024 |
|---|---|---|---|---|---|---|
| | | a | b | c | d | e |
| | | Unweighted value by residual maturity | | | | Weighted value |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| **AVAILABLE STABLE FUNDING (ASF) ITEMS** | | | | | | |
| **1** | **Capital items and instruments** | **€ 12,984** | **-** | - | **€ 20** | **€ 13,004** |
| 2 | *Own funds* | 12,984[1] | - | - | 20 | 13,004 |
| 3 | *Other capital instruments* | | - | - | - | - |
| **4** | **Retail deposits** | | **3,103** | **25** | - | **2,815** |
| 5 | *Stable deposits* | | - | - | - | - |
| 6 | *Less stable deposits* | | 3,103 | 25 | - | 2,815 |
| **7** | **Wholesale funding:** | | **22,775** | **1,210** | **19,574** | **23,597** |
| 8 | *Operational deposits* | | 224 | - | - | 112 |
| 9 | *Other wholesale funding* | | 22,551 | 1,210 | 19,574 | 23,485 |
| **10** | **Interdependent liabilities** | | **2,179** | - | **-** | **-** |
| **11** | **Other liabilities:** | **-** | **25,836** | - | **-** | **-** |
| 12 | *NSFR derivative liabilities* | - | | | | |
| 13 | *All other liabilities and capital instruments not included in the above categories* | | 25,836 | - | - | - |
| **14** | **TOTAL AVAILABLE STABLE FUNDING (ASF)** | | | | | **€ 39,416** |
| **REQUIRED STABLE FUNDING (RSF) ITEMS** | | | | | | |
| **15** | **Total high-quality liquid assets (HQLA)** | | | | | **€ 717** |
| **EU-15a** | **Assets encumbered for a residual maturity of one year or more in a cover pool** | | **-** | - | **-** | **-** |
| **16** | **Deposits held at other financial institutions for operational purposes** | | **262** | - | **-** | **131** |
| **17** | **Performing loans and securities:** | | **20,184** | **362** | **16,377** | **15,794** |
| **18** | Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut | | 12,389 | - | - | 129 |
| **19** | Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions | | 5,603 | 152 | 1,163 | 1,532 |
| **20** | Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which: | | 858 | 116 | 3,457 | 3,425 |
| **21** | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk | | - | - | - | - |
| **22** | Performing residential mortgages, of which: | | - | - | - | - |
| **23** | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk | | - | - | - | - |
| **24** | Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products | | 1,334 | 94 | 11,757 | 10,708 |
| **25** | **Interdependent assets** | | **2,179** | **-** | **-** | **-** |
| **26** | **Other assets:** | | **16,208** | **-** | **10,897** | **11,289** |
| **27** | *Physical traded commodities* | | | | - | - |
| **28** | *Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs* | | 84 | - | 6,913 | 5,948 |
| **29** | *NSFR derivative assets* | | 573 | | | 573 |
| **30** | *NSFR derivative liabilities before deduction of variation margin posted* | | 14,813 | | | 741 |
| **31** | *All other assets not included in the above categories* | | 738 | - | 3,984 | 4,027 |
| **32** | **Off-balance sheet items** | | **44,029** | **11** | **87** | **731** |
| **33** | **TOTAL RSF** | | | | | **€ 28,662** |
| **34** | **NET STABLE FUNDING RATIO (%)** | | | | | **137.50 %** |

[1] Own funds in Row 2 of the table above for NSFR purposes corresponds to regulatory capital before any regulatory adjustments (Refer to Table EU CC1, Row 6).

## Table 41b: EU LIQ2 - Net Stable Funding Ratio

| *€ in millions* | | | | | | As of September 2024 |
|---|---|---|---|---|---|---|
| | | a | b | c | d | e |
| | | Unweighted value by residual maturity | | | | Weighted value |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| **AVAILABLE STABLE FUNDING (ASF) ITEMS** | | | | | | |
| **1** | **Capital items and instruments** | **€ 12,984** | **-** | **-** | **€ 20** | **€ 13,004** |
| 2 | *Own funds* | 12,984 | - | - | 20 | 13,004 |
| 3 | *Other capital instruments* | | - | - | - | - |
| **4** | **Retail deposits** | | **2,865** | **4** | **-** | **2,582** |
| 5 | *Stable deposits* | | - | - | - | - |
| 6 | *Less stable deposits* | | 2,865 | 4 | - | 2,582 |
| **7** | **Wholesale funding:** | | **28,581** | **969** | **18,177** | **23,088** |
| 8 | *Operational deposits* | | 33 | - | - | 16 |
| 9 | *Other wholesale funding* | | 28,548 | 969 | 18,177 | 23,072 |
| **10** | **Interdependent liabilities** | | **1,436** | **-** | **-** | **-** |
| **11** | **Other liabilities:** | **-** | **24,664** | **-** | **-** | **-** |
| 12 | *NSFR derivative liabilities* | - | | | | |
| 13 | *All other liabilities and capital instruments not included in the above categories* | | 24,664 | - | - | - |
| **14** | **TOTAL AVAILABLE STABLE FUNDING (ASF)** | | | | | **€ 38,674** |
| **REQUIRED STABLE FUNDING (RSF) ITEMS** | | | | | | |
| **15** | **Total high-quality liquid assets (HQLA)** | | | | | **€ 660** |
| **EU-15a** | **Assets encumbered for a residual maturity of one year or more in a cover pool** | | **-** | - | **-** | **-** |
| **16** | **Deposits held at other financial institutions for operational purposes** | | **284** | - | **-** | **142** |
| **17** | **Performing loans and securities:** | | **18,122** | **1,207** | **14,973** | **14,804** |
| 18 | Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut | | 10,929 | 11 | - | 329 |
| 19 | Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions | | 6,006 | 61 | 1,637 | 1,978 |
| 20 | Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which: | | 768 | 137 | 2,482 | 2,562 |
| 21 | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk | | - | - | - | - |
| 22 | Performing residential mortgages, of which: | | - | - | - | - |
| 23 | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk | | - | - | - | - |
| 24 | Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products | | 419 | 998 | 10,854 | 9,935 |
| **25** | **Interdependent assets** | | **1,436** | **-** | **-** | **-** |
| **26** | **Other assets:** | | **21,847** | **-** | **12,987** | **13,675** |
| 27 | *Physical traded commodities* | | | | - | - |
| 28 | *Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs* | | 18 | - | 7,846 | 6,685 |
| 29 | *NSFR derivative assets* | | 776 | | | 776 |
| 30 | *NSFR derivative liabilities before deduction of variation margin posted* | | 20,507 | | | 1,025 |
| 31 | *All other assets not included in the above categories* | | 546 | - | 5,141 | 5,189 |
| **32** | **Off-balance sheet items** | | **47,971** | **3** | **87** | **875** |
| **33** | **TOTAL RSF** | | | | | **€ 30,156** |
| **34** | **NET STABLE FUNDING RATIO (%)** | | | | | **128.20 %** |

## Table 41c: EU LIQ2 - Net Stable Funding Ratio

| *€ in millions* | | | | | | As of June 2024 |
|---|---|---|---|---|---|---|
| | | a | b | c | d | e |
| | | Unweighted value by residual maturity | | | | Weighted value |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| **AVAILABLE STABLE FUNDING (ASF) ITEMS** | | | | | | |
| **1** | **Capital items and instruments** | **€ 12,984** | **-** | **-** | **€ 20** | **€ 13,004** |
| 2 | *Own funds* | 12,984 | - | - | 20 | 13,004 |
| 3 | *Other capital instruments* | | - | - | - | - |
| **4** | **Retail deposits** | | **2,948** | **40** | **-** | **2,689** |
| 5 | *Stable deposits* | | - | - | - | - |
| 6 | *Less stable deposits* | | 2,948 | 40 | - | 2,689 |
| **7** | **Wholesale funding:** | | **25,465** | **951** | **14,070** | **18,133** |
| 8 | *Operational deposits* | | 30 | - | - | 15 |
| 9 | *Other wholesale funding* | | 25,435 | 951 | 14,070 | 18,118 |
| **10** | **Interdependent liabilities** | | **1,235** | **-** | **-** | **-** |
| **11** | **Other liabilities:** | **223** | **24,722** | **-** | **-** | **-** |
| 12 | *NSFR derivative liabilities* | 223 | | | | |
| 13 | *All other liabilities and capital instruments not included in the above categories* | | 24,722 | - | - | - |
| **14** | **TOTAL AVAILABLE STABLE FUNDING (ASF)** | | | | | **€ 33,826** |
| **REQUIRED STABLE FUNDING (RSF) ITEMS** | | | | | | |
| **15** | **Total high-quality liquid assets (HQLA)** | | | | | **€ 740** |
| **EU-15a** | **Assets encumbered for a residual maturity of one year or more in a cover pool** | | **-** | **-** | **-** | **-** |
| **16** | **Deposits held at other financial institutions for operational purposes** | | **418** | **-** | **-** | **209** |
| **17** | **Performing loans and securities:** | | **15,011** | **1,736** | **14,031** | **13,878** |
| 18 | *Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut* | | 9,598 | 12 | - | 166 |
| 19 | *Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions* | | 4,623 | 209 | 1,666 | 2,043 |
| 20 | *Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:* | | 737 | 16 | 2,566 | 2,558 |
| 21 | *With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk* | | - | - | - | - |
| 22 | *Performing residential mortgages, of which:* | | - | - | - | - |
| 23 | *With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk* | | - | - | - | - |
| 24 | *Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products* | | 53 | 1,499 | 9,799 | 9,111 |
| **25** | **Interdependent assets** | | **1,235** | **-** | **-** | **-** |
| **26** | **Other assets:** | | **23,205** | **-** | **12,007** | **12,222** |
| 27 | *Physical traded commodities* | | | | - | - |
| 28 | *Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs* | | 6 | - | 6,578 | 5,596 |
| 29 | *NSFR derivative assets* | | - | | | - |
| 30 | *NSFR derivative liabilities before deduction of variation margin posted* | | 22,547 | | | 1,127 |
| 31 | *All other assets not included in the above categories* | | 652 | - | 5,429 | 5,499 |
| **32** | **Off-balance sheet items** | | **39,656** | **5** | **66** | **645** |
| **33** | **TOTAL RSF** | | | | | **€ 27,694** |
| **34** | **NET STABLE FUNDING RATIO (%)** | | | | | **122.10 %** |

## Table 41d: EU LIQ2 - Net Stable Funding Ratio

| *€ in millions* | | | | | | As of March 2024 |
|---|---|---|---|---|---|---|
| | | a | b | c | d | e |
| | | Unweighted value by residual maturity | | | | Weighted value |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| **AVAILABLE STABLE FUNDING (ASF) ITEMS** | | | | | | |
| **1** | **Capital items and instruments** | **€ 12,984** | **-** | **-** | **€ 20** | **€ 13,004** |
| 2 | *Own funds* | 12,984 | - | - | 20 | 13,004 |
| 3 | *Other capital instruments* | | - | - | - | - |
| **4** | **Retail deposits** | | **2,995** | **6** | **-** | **2,700** |
| 5 | *Stable deposits* | | - | - | - | - |
| 6 | *Less stable deposits* | | 2,995 | 6 | - | 2,700 |
| **7** | **Wholesale funding:** | | **34,417** | **1,304** | **13,889** | **18,013** |
| 8 | *Operational deposits* | | 11 | - | - | 5 |
| 9 | *Other wholesale funding* | | 34,406 | 1,304 | 13,889 | 18,008 |
| **10** | **Interdependent liabilities** | | **1,187** | **-** | **-** | **-** |
| **11** | **Other liabilities:** | **-** | **24,395** | **-** | **-** | **-** |
| 12 | *NSFR derivative liabilities* | - | | | | |
| 13 | *All other liabilities and capital instruments not included in the above categories* | | 24,395 | - | - | - |
| **14** | **TOTAL AVAILABLE STABLE FUNDING (ASF)** | | | | | **€ 33,717** |
| **REQUIRED STABLE FUNDING (RSF) ITEMS** | | | | | | |
| **15** | **Total high-quality liquid assets (HQLA)** | | | | | **€ 1,142** |
| **EU-15a** | **Assets encumbered for a residual maturity of one year or more in a cover pool** | | **-** | **-** | **-** | **-** |
| **16** | **Deposits held at other financial institutions for operational purposes** | | **413** | **-** | **-** | **207** |
| **17** | **Performing loans and securities:** | | **15,295** | **783** | **14,206** | **13,326** |
| 18 | Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut | | 10,152 | - | - | 12 |
| 19 | Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions | | 4,384 | 436 | 1,332 | 1,818 |
| 20 | Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which: | | 732 | 4 | 3,355 | 3,219 |
| 21 | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk | | - | - | - | - |
| 22 | Performing residential mortgages, of which: | | - | - | - | - |
| 23 | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk | | - | - | - | - |
| 24 | Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products | | 27 | 343 | 9,519 | 8,277 |
| **25** | **Interdependent assets** | | **1,187** | **-** | **-** | **-** |
| **26** | **Other assets:** | - | **28,717** | **-** | **11,026** | **11,860** |
| 27 | *Physical traded commodities* | | | | - | - |
| 28 | *Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs* | | 39 | - | 5,505 | 4,713 |
| 29 | *NSFR derivative assets* | | 175 | | | 175 |
| 30 | *NSFR derivative liabilities before deduction of variation margin posted* | | 27,862 | | | 1,393 |
| 31 | *All other assets not included in the above categories* | | 641 | - | 5,521 | 5,579 |
| **32** | **Off-balance sheet items** | | **29,871** | **12** | **-** | **469** |
| **33** | **TOTAL RSF** | | | | | **€ 27,004** |
| **34** | **NET STABLE FUNDING RATIO (%)** | | | | | **124.90 %** |

# Asset Encumbrance

## Overview

Asset encumbrance refers to the pledging or use of an asset as a means to secure, collateralise or credit-enhance any on-balance-sheet or off-balance-sheet transaction from which it cannot be freely withdrawn. The majority of the encumbrance in GSBE is driven by derivatives and secured funding activity. A portion of the bank's assets are encumbered in currencies other than Euros. Asset encumbrance is an integral part of GSBE's liquidity, funding, and collateral management process.

The table in this section identify components of GSBE's encumbered and unencumbered assets for the period ended December 31, 2024. Median values are computed over the preceding 4 quarterly data points[1]. This disclosure is being made in accordance with the format outlined in CRR.

### Table 42: EU AE1 - Encumbered and Unencumbered Assets[1]

| | | Carrying amount of encumbered assets | | Fair value of encumbered assets | | Carrying amount of unencumbered assets | | Fair value of unencumbered assets | |
|---|---|---|---|---|---|---|---|---|---|
| | | | of which notionally eligible EHQLA[2] and HQLA | | of which notionally eligible EHQLA and HQLA[2] | | of which EHQLA and HQLA | | of which EHQLA and HQLA |
| **10** | **Assets of the disclosing institution** | **€ 38,874** | **€ 11,601** | | | **€ 220,085** | **€ 13,918** | | |
| **30** | **Equity instruments[3]** | **€ 3,688** | **€ 1,041** | **€ 3,688** | **€ 1,041** | **€ 6,102** | **€ 52** | **€ 6,102** | **€ 52** |
| **40** | **Debt securities[3]** | **€ 11,496** | **€ 10,376** | **€ 11,496** | **€ 10,376** | **€ 3,929** | **€ 1,856** | **€ 3,929** | **€ 1,856** |
| 50 | of which: covered bonds | 527 | - | 527 | - | 2 | - | 2 | - |
| 60 | of which: securitisations | - | - | - | - | - | - | - | - |
| 70 | of which: issued by general governments | 9,696 | 9,488 | 9,696 | 9,488 | 2,602 | 1,819 | 2,602 | 1,819 |
| 80 | of which: issued by financial corporations | 1,683 | 818 | 1,683 | 818 | 1,583 | - | 1,583 | - |
| 90 | of which: issued by non-financial corporations | - | - | - | - | 383 | 15 | 383 | 15 |
| **120** | **Other assets[4]** | **-** | **-** | | | **€ 175,675** | **-** | | |

2. Liquidity standards define Level 1 assets as extremely high liquidity and credit quality (EHQLA) and Level 2 assets as assets of high liquidity and credit quality (HQLA).
3. Fair value is the same as carrying value for Debt Securities and Equity Instruments.
4. The majority of unencumbered Other Assets relate to derivative instruments.

[1] Median values are calculated using the following 4 month-end values – March 2024, June 2024, September 2024 and December 2024.

The bank receives securities collateral in respect of securities purchased under agreement to resell, secured borrowings, margin loans and derivatives. The table below break down securities collateral received into the portion which has been treated as encumbered and the portion which is available for encumbrance.

## Table 43: EU AE2 - Collateral Received and own debt securities issued

| € in millions | Fair Value of Encumbered Collateral Received or Own Debt Securities Issued | | Fair Value of Collateral Received or Own Debt Securities Issued Available for Encumbrance | |
|---|---|---|---|---|
| | | Of which notionally eligible EHQLA and HQLA | | Of which notionally eligible EHQLA and HQLA |
| **Collateral received by the disclosing institution[1]** | **€ 50,774** | **€ 43,246** | **€ 7,967** | **€ 7,052** |
| Loans on demand | - | - | - | - |
| Equity instruments | 5,338 | 775 | 316 | 25 |
| Debt securities | 45,527 | 42,565 | 7,394 | 7,004 |
| of which: covered bonds | 174 | - | 2 | - |
| of which: securitisations | - | - | - | - |
| of which: issued by general governments | 41,945 | 41,317 | 6,992 | 6,984 |
| of which: issued by financial corporations | - | - | - | - |
| of which: issued by non-financial corporations | 3,287 | 1,247 | 238 | 13 |
| Loans and advances other than loans on demand | - | - | 56 | - |
| Other collateral received | 188 | - | 6 | - |
| **Own debt securities issued other than own covered bonds or securitisations** | **-** | **-** | **-** | **-** |
| **Own covered bonds and asset-backed securities issued and not yet pledged** | | | **-** | **-** |
| **TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED** | **€ 89,405** | **€ 54,170** | | |

1. Collateral Received by GSBE does not include cash collateral which is included as an on-balance-sheet assets in Table 42.

The table below shows the extent to which liabilities have been matched to encumbered assets.

### Table 44: EU AE3 - Sources of Encumbrance

| *€ in millions* | Matching Liabilities, Contingent Liabilities or Securities Lent | Assets, Collateral Received and Own Debt Securities Issued other than Covered Bonds and ABSs Encumbered |
|---|---|---|
| **Carrying amount of selected financial liabilities[1]** | **€ 190,092** | **€ 71,023** |

1. There may be a mismatch between liabilities and encumbered assets and collateral received driven by the accounting standard presentation of derivatives.

### Commentary

In the above Asset Encumbrance disclosure, derivative instruments are reported in accordance with the applicable accounting standard. In addition, total assets include collateralised lending where the receivable is reported as a balance sheet asset in Table 42 and the underlying collateral received is reported in Table 43 resulting in double counting of these assets.

GSBE primarily adopts standard collateral agreements and collateralises based on industry standard contractual agreements (mostly Deutscher Rahmenvertrag für Finanztermingeschäfte (DRV), Credit Support Annexes (CSA) and Global Master Repurchase Agreements (GMRAs)). The rights and obligations on collateral posted to counterparties for derivatives are dependent on the counterparty and the nature and jurisdiction of the CSA. Derivative liabilities are collateralised primarily using G10 currencies and government bonds.

## Climate Risk

### Overview

Climate risk is the risk of adverse outcomes arising from the long and/or short-term impacts of climate change. GSBE categorises climate risk into physical risk and transition risk. Physical risk is the risk that asset values may decline as a result of changes in the climate, while transition risk is the risk that asset values may decline because of changes in climate policies or changes in the underlying economy due to de-carbonisation.

Informed by the results of the bank's risk identification process, the bank has developed and implemented methodologies for both physical and transition risk, to assess the potential impact of climate-related and environmental (C&E) risks and perform scenario analysis to identify vulnerabilities and risks. This foundation of quantification propels robust integration of climate-related risk into relevant risk management processes and transaction considerations.

**Physical Risk.** In both the bank's physical and transition risk scenario analysis, GSBE leverages open-source data and models used by the scientific and climate policy communities. For physical risk scenario analysis, the bank employs a combination of open-source General Circulation Models (GCMs), meteorological variable projections, publicly available local historical data and internal hazard severity projection methodologies to project how climate variables may evolve over time at different geographical locations for GSBE. The bank has developed a climate scoring approach for a number of significant physical risks, such as flooding, water stress, wildfire, etc. For each of these physical climate risk indices, and based on the chosen scenario, the bank is able to quantify physical risk stress loss of the relevant assets in GSBE's portfolio. The bank continues to monitor the severity of impacts to ensure resiliency.

GSBE analyses concentrations of commercial real estate loan exposure, residential loans and real estate investments in cities with extremely high physical risk as projected under the climate change scenarios. Also, the bank recognises that through its own operational footprint in the EU, foreign branch offices, and GS service entities across the world, GSBE may have exposure to physical risk. The bank monitors its people and buildings closely to ensure efficient cooling systems and appropriate infrastructure are in place.

**Transition Risk.** Transition risk emerges from policy, legal, technology and market changes resulting from the shift to a lower carbon economy. For example, under certain scenarios that implement new policies and regulations supportive of the Paris Agreement, carbon-intensive sectors may suffer from transition risk especially as the market experiences changed preferences. In GSBE's transition risk scenario analysis, the bank uses scenario-specific variable pathways sourced from Network for Greening the Financial System (NGFS) scenario suite and utilised in an internally developed factor-based model. NGFS scenarios leveraged are open-source models used by the climate policy community, which align with industry best-practices for transition risk.

GSBE projects the effects of climate policy changes from a base case to other more stringent climate policy scenarios. As a result, the bank models transition risk by generating risk factor shocks such as equity shocks, credit spread shocks and credit rating shocks by country and by industry under different climate policy scenarios. Once shocks have been developed, the bank applies them to relevant portfolios to produce stress tests and assess impacts.

Under the current approach, GSBE has estimated the magnitude of potential losses in equity investments and wholesale loans across climate scenario pathways. These estimates assume that changes in climate policies have an immediate impact on market prices and related economic and market variables. The bank actively monitors the estimated loss impact from transition risk to the bank but deems the impact to be currently non-material for the entity. GSBE continues to refine estimates and methodologies as the industry and regulatory landscape evolve.

**Risk Identification and Appetite.** The bank identifies risks, assesses materiality through scenario analysis and stress testing, integrates considerations into transaction and risk management decisions, and continues to evaluate impacts during ongoing monitoring. The bank is continuously evaluating relevant enhancements to its approach as industry-wide capabilities, including data availability, advance.

GSBE evaluates multiple scenarios which consider macroeconomic assumptions to understand the potential range of impacts. The scenarios, with varying implementation dates of policy changes and probabilities of temperature change, provide insight into the financial risks that may arise. A key component of the bank's climate-related and environmental risk program has included establishing Risk Appetite Statement (RAS) thresholds on the financial risks generated by physical risk and transition risk. Through scenario analysis and risk appetite, GSBE monitors the results of physical and transition risk to understand the materiality of its most exposed portfolios. The bank continues to enhance climate risk assessments through developing versatile stress testing capabilities and integrating considerations of the broader climate-related framework at relevant stages of the transaction underwriting process.

**Climate Risk Integration.** For GSBE, climate-related risks manifest in different ways across businesses. The bank has continued to make significant enhancements to its climate risk management program, which include incorporating climate risk considerations into the first and second lines of defence.

**First Line Integration.** A significant focus of the bank's climate risk management program is appropriate integration in the first line business strategy. The firm, including GSBE, incorporates climate-related and environmental risk assessments in select transaction underwriting decisions and continues to further strengthen business adoption of climate-related and environmental risk management. The bank's upfront business selection and due diligence processes include sector and geographical guidelines and are overseen through designated committee review processes. Enhanced considerations for assessing climate-related and environmental risk during underwriting have been established, including a dedicated section to document physical and transition risk exposure and potential mitigation within select investment committee reporting. Targeted trainings have been conducted with teams most frequently impacted by these changes, and we continue to enhance ongoing monitoring.

In the assessment of the bank's climate risk drivers and their transmission channels, GSBE also recognise the importance of categorising climate risks and their integration into existing risk practices across risk categories (credit, market, liquidity, operational) and has integrated climate change into risk management processes and procedures.

**Second Line Integration.** GSBE has processes in place to assess materiality of climate-related and environmental risk per risk category. As follows, we detail how climate-related and environmental risks are assessed and managed across categories.

- Credit Risk: incorporates climate risk into credit evaluations and underwriting processes for select industries and in select loan commitments. For a counterparty within a high-emitting sector and meeting the eligibility criteria, Credit Risk analyses the company's ability to mitigate the risk associated with their transition to a low-carbon economy. Credit Risk assesses the counterparty's disclosures and available public statements on emission reduction targets and assigns an appropriate mitigation score. This score is incorporated into the overall credit rating of the counterparty.
- Market Risk: considers climate-related and environmental impacts in the bank's equity investments through the current physical climate risk assessment performed as a part of transaction due diligence. In addition, GSBE has enhanced its climate risk measurement capabilities by developing comprehensive market scenarios with granular risks relevant to trading book positions that reflect physical and transition risk stresses. Climate risk impacts are obtained by repricing these scenarios for GSBE trading book positions. The outcomes are compared to materiality thresholds at a monthly frequency. The bank is committed to continue enhancing its climate risk quantification methodologies.
- Operational Risk: The Environmental Risk unit reviews physical climate risk data for equity and credit investments in real estate transactions, including those relating to GSBE, and instructs the business to evaluate mitigants for transactions with high risk factors, including for biodiversity and broader environmental risks. Also, the Operational Risk team conducts comprehensive assessments to identify, measure, and mitigate potential operational risks stemming from various sources, including climate related and external events. To this regard, no Climate risk related Operational Risk incidents - nor any complaints, have been recorded during 2024.
- Liquidity Risk: uses climate scenario analysis to quantitatively assess the impact of transition risk on GSBE's liquidity. This climate scenario analysis assessment specifically measures the liquidity impacts in a scenario where government policy changes result in more expensive access to capital markets for high emission intensity companies. In this high transition risk scenario, the reduced access to capital markets leads to increased reliance on funding from the bank, including revolver draws and withdrawal of deposits, resulting in liquidity outflows[1].

[1] Due to a lack of historical climate-specific liquidity stress periods, the stress outflow calibration incorporates management judgment and is informed by the relative severity of non-climate specific liquidity stress periods.

Consistent with the firmwide governance structure from senior management to the GS Group Board and its committees, including the Risk Committee of the Board and Public Responsibilities Committee of the Board, we have integrated oversight of climate-related risks into GSBE's risk management governance structure. This includes oversight by the bank's Executive Board and Risk Committee. These governing and management bodies regularly receive reporting of climate risk appetite metrics and updates on the risk management approach to climate risk, as the firm continues to enhance its framework. In general, GSBE is integrated into and thereby benefits from the broader firmwide risk management and control framework supporting climate change risk management commensurate with the bank's activities. As of December 2024, climate change related risks were identified as relevant but based on the quantification analysis and risk category (credit, market, liquidity, operational) assessments, they have been assessed as non-material risks to GSBE.

In accordance with Regulation (EU) 2019/2088 (the "Sustainable Finance Disclosure Regulation" or "SFDR"), a Statement on Principal Adverse Impacts of Investment Decisions on Sustainability Factors is published annually for GSBE's in-scope Investment Management business, see https://www.goldmansachs.com/disclosures/gsbank-europe-se-disclosures.html for more information.

## Governance Arrangements

GSBE is managed by its Executive Board which carries the full responsibility for the management of the bank in accordance with the German Stock Corporation Act. Its members are appointed and dismissed by the Supervisory Board, an independent body which oversees the Executive Board.

### Recruitment and Diversity

As part of the Goldman Sachs Group, GSBE implements the global principles for diversity at Goldman Sachs.

In the selection of the members of the Executive Board and Supervisory Board, candidates for each role are considered based on their professional and personal competence in addition to the specific knowledge, capabilities and experience required by regulations. GSBE thereby only considers highly qualified candidates for selection.

GSBE recognises that it needs the most talented people to deliver outstanding results for clients, and that the diversity of its workforce, including a diversity of perspectives, enhances its performance-based culture and is critical to its commercial success. For further information about Goldman Sachs' people, culture and commitment to diversity, see www.goldmansachs.com/our-firm/diversity.

As of December 31, 2024, in accordance with the GSBE Diversity Policy, GSBE has a target to have at least 40% women representation on the Supervisory Board and at least 15% women representation on the Executive Board with the aspirational goal to increase women representation on the Executive Board to 25% over time. As of December 31, 2024, female members comprised 37.5% of the Supervisory Board. The Executive Board currently has no women members and GSBE is actively focused on meeting the representation targets for the Executive Board.

We have set out below the biographies of the members of the Executive Board and the Supervisory Board as of December 31, 2024, together with the positions and number of directorships they held at that date.

### Committees

The Supervisory Board has established the Audit Committee, Risk Committee, Remuneration Committee and Nomination Committee to the Supervisory Board for the purpose of advising and supporting the Supervisory Board in fulfilling its duties and responsibilities. The Supervisory Board Risk Committee is responsible for providing advice to the Supervisory Board on GSBE's current and future risk appetite and assists the Supervisory Board in overseeing the implementation of that risk appetite and strategy by the Executive Board. The Supervisory Board Risk Committee meets at least four times a year although meetings may occur more frequently as necessary to enable the Supervisory Board Risk Committee to perform its functions.

The Supervisory Board Risk Committee held 5 individual meetings and, together with other committees, 4 joint meetings in 2024 in fulfilment of these responsibilities.

### Description of the information flow on risk to the Executive Board and/or Supervisory Board

For a description of the information flow on risk to the Executive Board and/or Supervisory Board please refer to "Risk Management" section of this document.

In accordance with Article 91(3), (4) and (5) of Directive 2013/36/EU, for the purpose of the below tables 45a and 45b, GSBE counted directorships within the same group as a single directorship and did not count directorships in organisations which do not pursue predominantly commercial objectives.

## Table 45a: GSBE Executive Board

| Name | Background | Directorships |
|---|---|---|
| Dr. Fink[1] | Wolfgang Fink is the chief executive officer of GSBE, having joined the Executive Board in April 2015. He is responsible for GSBE´s Investment Banking, Asset Management and Transaction Banking businesses, Executive Office and Legal. In addition, he is a member of the European Management Committee and the head of Goldman Sachs in Germany and Austria. Dr. Fink also serves as a board member of the German Banking Association, Deutsches Aktieninstitut, American institute for contemporary German studies, the American Academy in Berlin, African Parks Deutschland Stiftung and as an advisory board member of Foerderverein fuer das Festival Theater der Welt. He joined Goldman Sachs in Mergers and Acquisitions in London in 1993 and later worked in the Principal Investment Area. He subsequently, from 2006, served as the co-head of Investment Banking for Russia and Central and Eastern Europe before heading the European Industrials Group in Investment Banking. Dr. Fink was named managing director in 2004 and partner in 2008. Dr. Fink earned a MSc from Vienna University and a PhD in Economics from the European Business School. | 1 |
| P. Hermann | Peter Hermann has joined the Executive Board in August 2021, responsible for GSBE's FICC and Equities Sales, Private Wealth Management and Global Investment Research businesses. In addition to his role as the co-head of GSBE's FICC and Equities, he serves as the co-head of the Nordic Region for Global Markets, including managing the firm's presence in Denmark, Finland, Norway and Sweden. Mr. Hermann is the branch manager of the GSBE Copenhagen branch. Prior to his current role, Mr. Hermann was the head of the European Pension and Insurance Strategy Group. He joined the firm in 2009 and was named managing director in 2012 and partner in 2016. Mr. Hermann earned a MSc in Economics and Finance from the Aarhus University in 2002. | 1 |
| R. Charnley[2] | Robert Charnley is the chief administrative officer of GSBE, having joined the Executive Board in April 2023. He is responsible for GSBE's Compliance and Anti-Money Laundering and has oversight responsibility for the EMEA Financial Crime Compliance function. He is further a director of the board of OOO Goldman Sachs Bank. Mr. Charnley is also global head of the Business Intelligence Group, chair of the EMEA Conduct Committee as well as the EMEA Regional Vetting group. Mr. Charnley is also a member of various GS committees including the Firmwide Conduct Committee, the Firmwide Sustainability Committee and the Asia Pacific Suitability Committee. Prior to assuming his current role, Mr. Charnley served as co-head of EMEA Compliance. Before that, he was head of the Regulatory Reporting and New Products department in Controllers with responsibility for Europe and Asia. Mr. Charnley joined Goldman Sachs in 1993 as an associate in the Management Controls Department and transferred to Controllers in 1994. He was named managing director in 2004 and partner in 2022. Prior to joining the firm, Mr. Charnley worked as a regulator with the London Stock Exchange and with the UK Securities and Futures Authority. He earned a bachelor's degree in law from Kings College, London, in 1987. | 1 |
| L. Janiv | Lear Janiv has joined the Executive Board in October 2023, becoming responsible there for GSBE's FICC and Equities Trading. In addition, Mr. Janiv manages exotics trading and contingent liquidity solutions for the EMEA interest rate products (IRP) trading business. He is also responsible for supervising credit valuation adjustment trading within the IRP business. Further, Mr. Janiv serves as co-chair of the EMEA Global Banking and Markets – Public Best Execution Committee and as a member of the GSBE Asset Liability Committee. Mr. Janiv is a member of the OTCDeriv and OTCDerivnet board and is a managing director sponsor for Women in Trading. Prior to his current role, he managed EMEA exotics trading, credit valuation adjustment trading. Mr. Janiv joined Goldman Sachs in 2007 as an analyst, was named managing director in 2015 and partner in 2022. He earned a BA in Astrophysics from Princeton University in 2007. | 1 |
| J. Bury | Jonathan Bury is the chief operating officer of GSBE, having joined the Executive Board in August 2024. He is responsible for GSBE's Operations, Engineering, Human Capital Management, Corporate Workplace Solutions, Cross Divisional Projects and Third Party Risk Management functions. He is also a member of the board of Goldman Sachs Poland Services Spółka z Ograniczoną Odpowiedzialnością and head of the Warsaw Office. He is co-chair of the EMEA Client Assets Steering Committee, the EMEA Compliance and Operational Risk Committee and also a member of the GS Bank Management Committee, the EMEA Conduct Committee, the GSBE Asset Liability Committee and the GSBE Risk Committee. Mr. Bury also served as the branch manager of GSBE Warsaw branch from August 2023 until September 2024. Prior to that, he held various senior Operations roles in Goldman Sachs, most recently, in the period from 2018 to 2019, he served as chief operating officer for the Operations functions of GSI and was also global co-head of enterprise operations of GSI from 2017 to 2018. Mr. Bury joined Goldman Sachs in 1997 as an analyst and was named managing director in 2009. He earned a BA (Hons) in Geography from the University of Nottingham in 1996. | 1 |

[1] Responsibility for Asset Management custody business that remains in GSBE has been moved to Jonathan Bury in April 2025.

[2] Mr. Charnley stepped down from his role as director of the board of OOO Goldman Sachs Bank in April 2025.

| | | |
|---|---|---|
| M. Holmes[3] | Michael Holmes is the chief financial officer of GSBE, having joined the Executive Board in May 2022. Mr. Holmes is responsible for GSBE's Controllers, Corporate Treasury and Tax. He is also the chair of the board of OOO Goldman Sachs Bank and a non-executive director of Goldman Sachs Realty Management Europe GmbH and Goldman Sachs International Service Entities Holdings Ltd. Further, he serves as a member of the board of the Association of Foreign Banks in Germany (VAB). In addition, Mr. Holmes is a member of various GS committees, including the GS Bank Risk and Asset Liability Committee, the GS Bank Management Committee, the GSBE Risk Committee and co-chair of the GSBE Asset Liability Committee and the GSBE Recovery and Resolution Steering Group. Mr. Holmes has held various senior positions in GS's Controllers and Financial Reporting teams. From 2013 to 2022 he was a managing director at GSI and served as Legal Entity Controller with oversight of other EMEA Financial Reporting teams. He gained professional experience in the DACH region as Head of Operations, Finance, Technology and Services (OFT&S) at Goldman Sachs Bank AG, Zurich from 2011 to 2013 and as Regional Controller at Goldman Sachs and Co. OHG, Frankfurt from 2001 to 2004. Mr. Holmes joined Goldman Sachs in 2001 as an associate in Frankfurt and was named managing director in 2012. He earned a BA (Hons) and a MMath in Mathematics from the University of Cambridge in 1992 and 1996 respectively and an ACA from the Institute of Chartered Accountants in England and Wales in 1997. | 1 |
| M. Trokoudes | Michael Trokoudes is the chief risk officer of GSBE, having joined the Executive Board in August 2024. Mr. Trokoudes is responsible for Risk and also has senior oversight responsibility as EMEA head of liquidity risk for the EMEA region. He is a member of various GS committees, including the GSBE Asset Liability Committee, the GS Bank Risk and Asset Liability Committee and chair of the GSBE Risk Committee. Mr. Trokoudes has held various senior positions in GS's Risk divisions, most notably, he served as chief operating officer for Risk for EMEA in GSI from 2016 to 2024 and as EMEA head of enterprise risk in GSI from 2016 to 2021. He joined Goldman Sachs in 2003 as an analyst and was named managing director in 2019. He earned a BA (Hons) in Economics from the University of Cambridge in 2003. | 1 |

[3] Mr. Holmes stepped down from his role as chair of the board of OOO Goldman Sachs Bank in April 2025.

## Table 45b: GSBE Supervisory Board

| Name | Background | Directorships |
|---|---|---|
| J.F.W. Rogers | John F.W. Rogers is the chair of the Supervisory Board, having joined the Supervisory Board in November 2022 and having served as its deputy Chair until January 2024. Mr. Rogers serves as the executive vice president and secretary to the board of directors of The Goldman Sachs Group, Inc. and Goldman Sachs & Co. LLC and was the firm's chief of staff until September 2023. He is a member of various GS committees including the Firmwide Management Committee and the Firmwide Reputational Risk Committee. He is also member of the board of the Goldman Sachs Charitable Gift Fund, the chairman of the Goldman Sachs Foundation and of the board of the Atlantic Council. Mr. Rogers also serves as the chairman of the board of the White House Historical Association. In addition, he is a member of the board of directors of the Securities Industry and Financial Markets Association. Mr. Rogers joined Goldman Sachs in 1994. He was named managing director in 1997 and partner in 2000. Previously, Mr. Rogers served as the under secretary of state for management at the United States Department of State. He was the executive vice president of the Oliver Carr Company. Earlier, Mr. Rogers served as the assistant secretary of the Treasury and as an assistant to the president of the United States. In 1985, he received the Presidential Citizens Medal. He earned a BA degree in Public Affairs from the George Washington University in USA. | 1 |
| R. J. Gnodde[4] | Richard J. Gnodde is the deputy chair of the Supervisory Board, having joined the Supervisory Board in October 2022 and having served as its chair until January 2024. Mr. Gnodde is also the chief executive officer of GSI, having joined the GSI Board in October 2006. As of January 2023, Mr. Gnodde also serves as the chief executive officer and board director of GSIB. He has been a member of the Firmwide Management Committee since 2003 and is also the chair of the European Management Committee, the co-chair of the EMEA Inclusion and Diversity Committee and a member of the Firmwide Reputational Risk Committee. Mr. Gnodde joined Goldman Sachs in 1987. He was named managing director in 1996 and partner in 1998. He also serves as a trustee of the University of Cape Town Trust and is on the Campaign Board of Cambridge University. Mr. Gnodde earned a BA from the University of Cape Town and an MA from Cambridge University. | 1 |
| L. Donnelly | Lisa Donnelly joined the Supervisory Board in January 2022. Ms. Donnelly also serves as a director on the boards of GSI and GSIB. Ms. Donnelly is the chief administrative officer for EMEA and oversees the global Operations functions, where she is responsible for coordinating common practices, standards and protocols. She is also Head of EMEA Operations and Global Head of Core Operations. Ms. Donnelly is the chair of the EMEA Federation Leadership Group, the Operations Leadership Group, the chair of the Firmwide Compliance and Operational Risk Committee, a member of the European Management Committee, the Firmwide Data Governance Committee, the Firmwide Conduct Committee and the EMEA Inclusion and Diversity Committee. Ms. Donnelly joined Goldman Sachs in 2000. She was named managing director in 2010 and partner in 2020. Prior to joining the firm, she worked at Deloitte Consulting. Ms. Donnelly earned a BA in English Literature from the University of Cambridge. | 1 |
| M. Rollins[5] | Monique Rollins joined the Supervisory Board in November 2023. She is the chief operating officer of GS Bank and international treasurer of Goldman Sachs for Corporate Treasury. Ms. Rollins also serves as a board director of Goldman Sachs (Cayman) Holding Company and MCLP Asset Company, Inc. and as board manager of MCP Holding Company, LLC and MCP UK Holding Company, LLC. She is a member of various GS committees, including the Firmwide Asset Liability Committee, GS Bank Management Committee, GS Bank New Activity Committee, GS Bank Risk and Asset Liability Committee and the Structured Products Committee. Previously, Ms. Rollins was global head of Resource Allocation for Corporate Treasury. She has also led unsecured funding and regulatory policy teams for Corporate Treasury. Ms. Rollins first joined Goldman Sachs in 2001 as an analyst in Credit Capital Markets. She rejoined the firm as a managing director in 2018 and was named partner in January 2025. Prior to returning to the firm, Ms. Rollins spent six years at the United States Department of the Treasury, where she most recently served as the acting assistant secretary of financial markets, overseeing all aspects of Treasury debt management. Ms. Rollins earned a BA in Economics and International Relations from Brown University and an MBA from the Wharton School of the University of Pennsylvania. | 1 |
| S. Morris | Simon Morris joined the Supervisory Board as an independent Supervisory Board member in November 2022. Mr. Morris is also a non-executive director of GS Bank and Chaarat Gold Holding as well as a sole director and beneficiary of Boltons Place Capital Management Ltd. and SPM Capital Management Ltd. Previously, from 2004 to 2017 he was a partner in GSI with various leadership roles across the global FICC and Credit Franchise Divisions. He earned a BA degree in Geography and Economics from the London School of Economics. | 3 |
| U. Pukropski | Ulrich Pukropski joined the Supervisory Board as an independent Supervisory Board member in April 2021. Mr. Pukropski also serves as an independent member of the Risk Monitoring Committee for Deposit Insurance Scheme for „Landesbanken" in Germany and as a supervisory board member of Deutsche Apotheker- und Ärztebank. He served as Partner in Financial Services at KPMG Germany for 26 years, heading the Financial Services Practice as Managing Partner from 2013 to 2018. He was also a member of the KPMG Global Financial Services Leadership Team in that period. Mr. Pukropski earned his MBA at the University of Cologne and is a CPA in Germany. | 2 |

[4] Since January 2025, Mr. Gnodde is also acting as the firm's vice chairman.

[5] In January 2025, Ms. Rollins stepped down from her role as the chief operating officer of GS Bank and international treasurer of GS for Corporate Treasury. She assumed the role of firm's head of finance risk, overseeing GS Liquidity Risk, Capital Risk and Accrual Risk across GS group and legal entities. Ms. Rollins also stepped down as a board director of Goldman Sachs (Cayman) Holding Company in February 2025 and of MCP UK Holding Company, LLC in April 2025.

| | | |
|---|---|---|
| Dr. Feuring | Wolfgang Feuring joined the Supervisory Board as an independent Supervisory Board member in February 2020. Mr. Feuring is Of Counsel at Sullivan and Cromwell LLP. Before joining Sullivan and Cromwell as a partner in 2001, Dr. Feuring was a partner of Freshfields Bruckhaus Deringer and predecessor firms and worked in the legal department of Deutsche Bank AG. He was admitted to the bar in 1981. | 1 |
| M. Better | Manuela Better joined the Supervisory Board as an independent Supervisory Board member in March 2024. Ms. Better also serves as the managing director of Dr. Ingrid Better Vermögensverwaltungs GmbH & Co. KG, Better GmbH and BetterScholzBau GmbH & Co. KG, Better Scholz GmbH. She further serves as managing director of FineVest AG. Prior to joining GSBE, Ms. Better served as chief financial offer and chief risk officer and Executive Board member of M.M. Warburg & Co., as chair of the Supervisory Board of M.M. Warburg & Co Hypothekenbank AG, Marcard Stein & Co, Warburg Invest KAG and as a member of the Supervisory Board of Warburg Invest AG. Between June 2015 and May 2020, she served as an Executive Board member and chief risk officer of DekaBank Deutsche Girozentrale and held various non-executive Supervisory Board member roles within DekaBank Group. Ms. Better started her career at Bayerische Vereinsbank AG and holds a degree in Business Administration of Ludwig Maximilian University, Munich. | 2 |

# Remuneration

## Introduction

The following disclosures are made by GSBE in accordance with CRR and Section 16 of the German Remuneration Ordinance for Institutions (Institutsvergütungsverordnung, "IVV").

## Remuneration Programme Philosophy

Retention of talented employees is critical to executing the firm's business strategy successfully. Remuneration is, therefore, a key component of the costs the firm incurs to generate revenues, similar to cost of goods sold or manufacturing costs in other industries.

The remuneration philosophy and the objectives of the remuneration programme for the firm are reflected in the Compensation Principles for The Goldman Sachs Group, Inc. ("GS Group"), as posted on the Goldman Sachs public website:

http://www.goldmansachs.com/investor-relations/corporate-governance/corporate-governance-documents/compensation-principles.pdf

In particular, effective remuneration practices should:

i. Encourage a real sense of teamwork and communication, binding individual short-term interests to the institution's long-term interests;

ii. Evaluate performance on a multi-year basis;

iii. Discourage excessive or concentrated risk-taking;

iv. Allow an institution to attract and retain proven talent;

v. Align aggregate remuneration for the firm with performance over the cycle; and

vi. Promote a strong risk management & control environment.

## Remuneration Framework

The Firmwide Performance Management and Incentive Compensation Framework, as amended from time to time ("Firmwide PM-IC Framework"), formalises the variable remuneration practices of the firm.

The primary purpose of this Firmwide PM-IC Framework is to assist the firm in assuring that its variable compensation programme does not provide "Covered Employees" (i.e., senior executives as well as other employees of the firm who, either individually or as part of a group, have the ability to expose the firm to material amounts of risk) with incentives to take imprudent risks and is consistent with the safety and soundness of the firm. For the purposes of GSBE, all Material Risk Takers ("MRTs") are considered Covered Employees.

The firm's Remuneration and Compensation Policies are gender neutral and are based on equal remuneration of male and female employees for equal or equivalent work.

## Remuneration Governance

### The Board Compensation Committee

The Board of Directors of GS Group (the "Group Board") oversees the development, implementation and effectiveness of the firm's global remuneration practices and it generally exercises this responsibility directly or through delegation to the Compensation Committee of the Group Board (the "Board Compensation Committee"). The responsibilities of the Board Compensation Committee include:

- Review and approval of (or recommendation to the Group Board to approve) the firm's variable remuneration structure, including the portion to be paid as equity-based awards, all year-end equity-based grants for eligible employees (including those employed by GSBE), and the terms and conditions of such awards.
- Assisting the Group Board in its oversight of the development, implementation and effectiveness of policies and strategies relating to the Human Capital Management ("HCM") function, including recruiting, retention, career development and progression, management succession (other than that within the purview of the Corporate Governance and Nominating Committee) and diversity.

The Board Compensation Committee held 11 meetings in 2024 to discuss and make determinations regarding remuneration.

The members of the Board Compensation Committee at the end of 2024 were Kimberley D. Harris (Chair), M. Michele Burns, John B. Hess, Kevin R. Johnson, Ellen J. Kullman, Lakshmi N. Mittal and David A. Viniar (ex-officio). None of the members of the Board Compensation Committee was an employee of the firm. All members of the Board Compensation Committee were "independent" within the meaning of the New York Stock Exchange Rules and the Group Board Policy on Director Independence.

#### External Consultants

The Board Compensation Committee recognises the importance of using a remuneration consultant that is appropriately qualified and is determined to be independent. The independence of the remuneration consultant is reviewed and confirmed annually by the Board Compensation Committee.

For 2024, the Board Compensation Committee received the advice of a remuneration consultant from Frederic W. Cook & Co. ("FW Cook").

#### Other Group Stakeholders

In carrying out the responsibilities of the Board Compensation Committee, the Chair of the Board Compensation Committee met multiple times with senior management during the year, including the firm’s Chief Executive Officer (“CEO”), President and Chief Operating Officer (“COO”), the Executive Vice President and Secretary to the Board of Directors, the Global Head of HCM and Corporate and Workplace Solutions and other members of senior management.

#### The GSBE Remuneration Committee

The GSBE Remuneration Committee is responsible for providing advice to the GSBE Supervisory Board and assisting the Supervisory Board in overseeing the design of GSBE´s remuneration systems, including the implementation of the GSBE remuneration policy and related practices of GSBE in accordance with the relevant provisions in KWG, the IVV, the IVV FAQs, the EBA Guidelines on Sound Remuneration Systems (“EBA/GL/2021/04”) (“EBA Guidelines”) and any other applicable law and regulation. In particular, the Committee is responsible for:

- monitoring the appropriateness of the remuneration system for the members of the GSBE Executive Board and the employees including, in particular, the GSBE head of control functions and other MRTs;
- preparing the Supervisory Board’s resolutions on the remuneration of the members of the Executive Board, having regard to GSBE's performance and risk management among other factors;
- supporting the Supervisory Board in monitoring the proper involvement of control functions and all other relevant functions in designing the remuneration systems; and
- supporting the Supervisory Board in monitoring the framework of identifying the MRTs in accordance with Sec. 25a (5b) of the KWG.

The Remuneration Committee held 9 meetings in 2024 in fulfilment of these responsibilities.

At the end of 2024:

– the members of the Remuneration Committee were Wolfgang Feuring (Chair), Ulrich Pukropski, Simon Morris and John F. W. Rogers;

– none of the members of the Remuneration Committee was an employee of GSBE.

#### GSBE Remuneration Officer

The Remuneration Officer oversees the design and implementation of remuneration systems applicable to all GSBE employees, and provides support to the Supervisory Board and to the Remuneration Committee related to their respective supervisory tasks and design monitoring in relation to all remuneration systems in the entity.

#### GSBE Board Governance

The Executive Board is responsible for overseeing the development and implementation of the GSBE Remuneration Policy in alignment with GSBE’s business and risk strategies. The Executive Board will ensure that the GSBE Remuneration Policy is subject to an independent internal review at least annually and, as far as it applies to the remuneration of the Executive Board, by the Supervisory Board. The Executive Board will at least annually update the Supervisory Board on the GSBE Remuneration Policy. In 2024, the Executive Board held 46 meetings.

### Compensation-related Risk Assessment

The firm’s Chief Risk Officer (“CRO”) presents an annual compensation-related risk assessment to the Board Compensation Committee, meeting jointly with the Risk Committee of the Group Board, to assist the Board Compensation Committee in its assessment of the effectiveness of the firm’s remuneration programme, and particularly, whether the programme is consistent with the principle that variable remuneration does not encourage employees to expose the firm to imprudent risk. This assessment most recently occurred in December 2024.

The CRO for GSBE also provides a compensation-related risk assessment to the Executive Board and Remuneration Committee.

## Remuneration Recommendations for GSBE employees

The firm's global process for setting variable remuneration (including the requirement to consider risk and compliance issues) applies to employees of GSBE in the same way as to employees in other regions and is subject to oversight by the senior management of the firm in the region. The firm uses a highly disciplined and robust process for setting variable remuneration across all regions following the processes outlined in the Firmwide PM-IC Framework.

This process involves compensation managers and compensation committees, at various levels in the firm, along with the business and business unit heads, HCM and the Firmwide Management Committee (the firm's most senior leaders), as appropriate.

In addition, as part of the remuneration determination process, members of the firm's HCM, Compliance, Risk, and Internal Audit functions make arrangements for business and business unit management to take into consideration certain compliance, risk or control matters when determining remuneration of individuals. Before any individual remuneration decisions are finalised, HCM and Legal review remuneration recommendations to identify discrepancies or anomalies that may appear to relate to protected characteristics.

Remuneration recommendations for individual GSBE employees developed via the global remuneration determination process are presented for approval to the relevant Executive Board members or their delegates for each GSBE business, and recommendations developed for Executive Board members are presented to the Supervisory Board for approval.

## Link Between Pay and Performance

In 2024, annual remuneration for employees comprised fixed remuneration (including base salary) and variable remuneration. The firm's remuneration practices provide for variable remuneration determinations to be made on a discretionary basis. Variable remuneration is based on multiple factors and is not set as a fixed percentage of revenue or by reference to any other formula, consistent with the process outlined in the Firmwide PM-IC Framework. Firmwide performance is a key factor in determining variable remuneration.

The firm is committed to aligning variable remuneration with performance, across several financial and non-financial factors. These factors include business specific performance (as applicable), along with the performance of the firm and the individual over the past year, as well as over prior years.

The firm believes that the firm's senior leaders have responsibility for overall performance and, as a result, senior employees have experienced more volatility in their remuneration year-over-year, particularly in periods when the firm's performance declined significantly.

The firm does not award multi-year guarantees as they risk misaligning remuneration and performance, and guaranteed variable remuneration should only be awarded in exceptional circumstances and limited to new hires within their first year of employment.

The firm ensures that any severance payments made to employees relating to the termination of employment is in line with the GSBE Compensation Policy and does not reward failure or misconduct.

## Performance Measurement

### Firmwide Performance

The following metrics are among the firmwide financial performance measures considered in determining overall remuneration amounts, although the firm does not use specific measures/targets as part of a formula[1].

- Net revenues;
- Provision for credit losses;
- Revenues net of provision for credit losses;
- Compensation and benefits expense;
- Non-compensation expenses;
- Total operating expenses;
- Pre-tax earnings;
- Taxes;
- Net earnings;
- Net earnings applicable to common shareholders;
- Ratio of compensation and benefits to revenues net of provision for credit losses;
- Pre-tax margins;
- Efficiency ratio;

[1] In certain cases, financial information was reviewed both including and excluding selected items and the Federal Deposit Insurance Corporation (the "FDIC") special assessment fee, where applicable. Selected items include those that the firm has sold or is selling related to the narrowing of the firm's ambitions in consumer-related activities and related to the transitioning of Asset & Wealth Management to a less capital-intensive business.

- Diluted earnings per share;
- Return on average common equity;
- Return on average tangible common equity;
- Change in book value per common share; and
- Standardised CET1 Ratio.

### Business, Business Unit, Desk Performance

Additionally, at both the business and business unit level, quantitative and/or qualitative metrics specific to such levels, respectively, are used to evaluate the performance of the business/business unit and their respective employees. GSBE performance and risk metrics are also considered.

### Individual Performance

Employees are evaluated annually as part of the performance review feedback process. This process reflects input from a number of employees, including supervisors, peers and those who are junior to the employee, regarding an array of performance measures. The performance evaluations for 2024 included assessments of: 1) Culture as measured by adherence to our Core Values (i.e., Partnership, Client Service, Integrity, and Excellence); and 2) Compliance and Risk Management.

Since 2023, the firm has implemented a number of Risk Management and Control enhancements to drive greater accountability for the quality of the firm's Risk and Control environment by strengthening the link with remuneration outcomes. These enhancements supplement the GSBE Risk and Control metrics and have included a suite of non-financial Risk and Control metrics, which were reflected in performance assessments and considered in remuneration recommendations for Covered Employees.

As part of the performance review feedback process, managers with three or more direct reports are assessed and receive feedback on their performance as a manager.

## Risk Management and Adjustment

Prudent risk management is a hallmark of the firm's culture and sensitivity to risk and risk management are key elements in assessing employee performance and variable remuneration, including as part of the performance review feedback process noted above.

The firm takes risk, including conduct risk, into account both on an ex-ante and ex-post basis when setting the amount and form of variable remuneration for employees. As indicated in the Firmwide PM-IC Framework, different lines of business have different risk profiles that inform remuneration decisions. These include credit, market, liquidity, operational, reputational, legal, compliance and conduct risks.

Guidelines are provided to assist compensation managers when exercising discretion during the remuneration process to promote appropriate consideration of the different risks presented by the firm's businesses. Further, to ensure the independence of control function employees, remuneration for those employees is not determined by individuals in revenue-producing positions but rather by the management of the relevant control function.

Consistent with prior years, for 2024 certain employees received a portion of their variable remuneration as an equity-based award that is subject to a number of terms and conditions that could result in forfeiture or recapture. For further details, see "Structure of Remuneration" below.

In the 2024 annual compensation-related risk assessment presented to the Board Compensation Committee, meeting jointly with the Risk Committee of the Group Board, the GS Group's CRO confirmed that the various components of the firm's remuneration programmes and policies (for example, process, structure and governance) balanced risk and incentives in a manner that does not encourage imprudent risk-taking. In addition, the CRO stated that the firm has a risk management process that, among other things, is consistent with the safety and soundness of the firm and focuses on our:

i. Risk management culture: the firm's culture emphasises continuous and prudent risk management;

ii. Risk-taking authority: there is a formal process for identifying employees who, individually or as part of a group, have the ability to expose the firm to material amounts of risk;

iii. Upfront risk management: the firm has controls on the allocation, utilisation and overall management of risk-taking, as well as comprehensive profit and loss and other management information which provide ongoing performance feedback. In addition, in determining variable remuneration, the firm reviews performance metrics that incorporate ex-ante risk adjustments; and

iv. Governance: the oversight of the Group Board, management structure and the associated processes all contribute to a strong control environment and control functions have input into remuneration structure and design.

## Structure of Remuneration

In accordance with a resolution of the shareholders of GSBE, the variable component of remuneration paid to GSBE employees and to the Executive Board shall not exceed 200% of the fixed component (for control function employees, the variable component shall not exceed 50% of the fixed component unless in exceptional circumstances whereby the total variable component shall be less than 100% of the fixed component). The resolution concluded that the variable remuneration ratio does not incentivise inappropriate risk taking and is consistent with the prudential management of fixed remuneration.

Employees who meet the criteria set out in Commission Delegated Regulation (EU) 2021/923 ("Risk Taker Regulation") and all Supervisory Board and Executive Board members have been identified as MRTs.

### Fixed Remuneration

The firm has a global salary approach to ensure consistency in salary levels and to achieve an appropriate balance between fixed and variable remuneration.

For certain employees additional fixed remuneration is awarded in the form of an allowance generally paid in cash. The selection of recipients and the value of allowances awarded are determined as a result of an evaluation of role and level of organisational responsibility.

### Variable Remuneration

For employees with total remuneration and variable remuneration above specific thresholds, variable remuneration is generally paid in a combination of cash and equity-based remuneration. In general, the portion paid in the form of an equity-based award increases as variable remuneration increases and, for MRTs, is set to ensure compliance with the KWG, IVV and EBA Guidelines. From time to time the firm makes additional awards (e.g., carried interest awards) in accordance with the GSBE Compensation Policy and the aforementioned regulatory guidelines.

The variable remuneration programme is flexible to allow the firm to respond to changes in market conditions and to maintain its pay-for-performance approach. Variable remuneration is discretionary (even if paid consistently over a period of years).

### Equity-Based Remuneration

The firm believes that remuneration should encourage a long-term, firmwide approach to performance and discourage imprudent risk-taking. One way the firm achieves this approach is to pay a significant portion of variable remuneration in the form of equity-based remuneration that delivers over time, changes in value according to the price of GS Group shares of common stock and is subject to forfeiture or recapture. GS Group Inc. issues awards in the form of Restricted Stock Units ("RSUs") to the firm's employees. This approach encourages a long-term, firmwide focus because the value of the share-based remuneration is realised with a dependency on long-term responsible behaviour and the financial performance of the firm.

The firm imposes transfer restrictions (in certain cases), retention requirements, and anti-hedging policies to further align the interests of the firm's employees with those of the firm's shareholders and investors. The firm's retention and transfer restriction policies, coupled with the practice of paying senior employees a significant portion of variable remuneration in the form of equity-based awards, ensures a high degree of alignment with the longer-term financial performance of the firm.

- **Deferral Policy:** The deferred portion of fiscal year 2024 annual variable remuneration was generally awarded in the form of RSUs. GS Group Inc. issues awards in the form of RSUs to GSBE's employees in exchange for employee services. An RSU is an unfunded, unsecured promise to deliver a share on a predetermined date. RSUs awarded in respect of fiscal year 2024 generally deliver in three equal instalments on or about each of the first, second and third anniversaries of the grant date, assuming the employee has satisfied the terms and conditions of the award at each such date. Where required under the KWG, IVV and EBA Guidelines, RSUs awarded in respect of fiscal year 2024 for MRTs generally deliver in four equal instalments on or about each of the first, second, third and fourth anniversaries of the grant date, or, for members of GSBE Senior Management in five equal instalments on or about each of the first, second, third, fourth and fifth anniversaries of the grant date, assuming in each case, the employee has satisfied the terms and conditions of the award at each such date.
- **Transfer Restrictions:** The firm generally requires certain individuals to hold a material portion of the shares they receive in respect of RSUs granted as part of their year-end remuneration according to the firm's global deferral table. These transfer restrictions apply to the lower of 50% of the shares delivered before reduction for tax withholding, or the number of shares received after reduction for tax withholding.

An employee generally cannot sell, exchange, transfer, assign, pledge, hedge or otherwise dispose of any RSUs or shares that are subject to transfer restrictions.

- **Retention Requirement:** All shares delivered to employees designated as MRTs in relation to their variable remuneration are subject to retention in accordance with the requirements of the KWG, IVV and EBA Guidelines.

- **Forfeiture and Recapture Provisions:** The RSUs and shares delivered thereunder in relation to variable remuneration are subject to forfeiture or recapture if the Board Compensation Committee or its delegate(s) determine(s) that during 2024 the employee participated (or otherwise oversaw or was responsible for, depending on the circumstances, another individual's participation) in the structuring or marketing of any product or service, or participated on behalf of the firm or any of its clients in the purchase or sale of any security or other property, in any case without appropriate consideration of the risk to the firm or the broader financial system as a whole (for example, if the employee were to improperly analyse risk or fail sufficiently to raise concerns about such risk) and, as a result of such action or omission, the Board Compensation Committee or its delegate(s) determine(s) there has been, or reasonably could be expected to be, a material adverse impact on the firm, the employee's business unit (or other relevant group structured under the business unit) or the broader financial system.

  This provision is not limited to financial risks, is in addition to the KWG and IVV requirements and is designed to encourage the consideration of the full range of risks associated with the activities (for example, legal, compliance or reputational). The provision also does not require that a material adverse impact actually occur but rather may be triggered if the firm determines that there is a reasonable expectation of such an impact.

  The Board Compensation Committee previously adopted guidelines that set forth a formal process regarding determinations to forfeit or recapture awards for failure to consider risk appropriately upon the occurrence of certain pre-determined events (for example, in the event of annual losses at the firmwide, business unit (or other relevant group structured under the business unit) or individual level). The review of whether forfeiture or recapture is appropriate includes input from the CRO, as well as representatives from Legal and Compliance, as appropriate. Determinations are made by the Board Compensation Committee or its delegates, with any determinations made by delegates reported to the Board Compensation Committee.

  RSUs granted to all MRTs in relation to variable remuneration are generally subject to forfeiture until delivery of the underlying shares if GS Group is determined by US bank regulators to be "in default" or "in danger of default" as defined under the US Dodd-Frank Wall Street Reform and Consumer Protection Act 2010, or fails to maintain for 90 consecutive business days, the required "minimum tier 1 capital ratio" (as defined under Federal Reserve Board regulations).

  Additionally, RSUs and shares delivered thereunder in relation to variable remuneration are generally subject to forfeiture or recapture if it is determined to be appropriate to hold a Risk Taker accountable in whole or in part for an "adjustment event" that occurred during 2024. This may include conduct which resulted in a material loss of capital or a material relevant regulatory sanction for the firm.

  An employee's RSUs may also be forfeited, and shares delivered thereunder recaptured if the employee engages in conduct constituting "cause" at any time before the RSUs are delivered and any applicable transfer restrictions lapse. Cause includes, among other things, any material violation of any firm policy, any act or statement that negatively reflects on the firm's name, reputation or business interests and any conduct detrimental to the firm.

  With respect to all of the forfeiture conditions, if the firm determines after delivery or release of transfer restrictions that an RSU, or share delivered thereunder should have been forfeited or recaptured, the firm can require return of any shares delivered or repayment to the firm of the fair market value of the shares when delivered (including those withheld to pay taxes) or any other amounts paid or delivered in respect thereof.

- **Severance:** Except as may be required by applicable law (such as contractual notice pay), severance pay is discretionary and the severance terms for departing employees are generally agreed with employees and will depend on the circumstances of the particular case.

- **Hedging:** The firm's anti-hedging policy ensures employees maintain the intended exposure to the firm's stock performance. In particular, all employees are prohibited from hedging RSUs, shares that are subject to transfer restrictions, and, to the extent applicable, retention shares. In addition, executive officers of GS Group (as defined under the Securities Exchange Act of 1934) are prohibited from hedging any shares that they can freely sell. Employees, other than executive officers, may hedge only shares that they can otherwise sell.

However, no employee may enter into uncovered hedging transactions or sell short any shares. Employees may only enter into transactions or otherwise make investment decisions with respect to shares during applicable "window periods".

- **Treatment upon Termination or Change-in-Control:** As a general matter, delivery schedules are not accelerated, and transfer restrictions are not removed, when an employee leaves the firm. The limited exceptions include death and "conflicted employment." A change in control alone is not sufficient to trigger acceleration of any deliveries or removal of transfer restrictions; only if the change in control is followed within 18 months by a termination of employment by the firm without "cause" or by the employee for "good reason" will delivery and release of transfer restrictions be accelerated.

## Quantitative Disclosures

The following tables show aggregate quantitative remuneration information for 197 individuals, categorised as MRTs for the purposes of the KWG, IVV, and EBA Guidelines.

During the financial year, GSBE paid overall:

| | |
|---|---|
| Total Remuneration | € 422m |
| • of which fixed remuneration | € 253m |
| • of which variable remuneration | € 169m<br>to 1,222 individuals |

A more detailed overview of the MRT quantitative information is presented in the below tables.

MRTs are also eligible to receive certain general non-discretionary ancillary payments and benefits on a similar basis to other employees. These payments and benefits are not included in the disclosures below.

## Table 46: EU REM1 - Remuneration awarded for the financial year

| *€ in millions* | | | MB Supervisory function | MB Management function | Other senior management | Other identified staff |
|---|---|---|---|---|---|---|
| 1 | Fixed remuneration | Number of identified staff | **9** | **9** | **15** | **164** |
| 2 | | Total fixed remuneration | **€ 1** | **€ 14** | **€ 21** | **€ 115** |
| 3 | | Of which cash-based | 1 | 14 | 21 | 115 |
| 4 | | (Not applicable in the EU) | | | | |
| EU-4a | | Of which shares or equivalent ownership interests | - | - | - | - |
| 5 | | Of which share-linked instruments or equivalent non-cash instruments | - | - | - | - |
| EU-5x | | Of which: other instruments | - | - | - | - |
| 6 | | (Not applicable in the EU) | | | | |
| 7 | | Of which: other forms | - | - | - | - |
| 8 | | (Not applicable in the EU) | | | | |
| 9 | Variable remuneration | Number of identified staff | **9** | **9** | **15** | **164** |
| 10 | | Total variable remuneration | - | **€ 15** | **€ 16** | **€ 86** |
| 11 | | Of which: cash-based | - | 1 | 1 | 13 |
| 12 | | Of which: deferred | - | - | - | - |
| EU-13a | | Of which: shares or equivalent ownership interests | - | 14 | 15 | 72 |
| EU-14a | | Of which deferred | - | 13 | 15 | 59 |
| EU-13b | | Of which share-linked instruments or equivalent non-cash instruments | - | - | - | - |
| EU-14b | | Of which deferred | - | - | - | - |
| EU-14x | | Of which other instruments | - | - | - | - |
| EU-14y | | Of which deferred | - | - | - | - |
| 15 | | Of which other forms | - | 0 | 0 | 1 |
| 16 | | Of which deferred | - | 0 | 0 | 1 |
| 17 | **Total remuneration (2 + 10)** | | **€ 1** | **€ 29** | **€ 37** | **€ 201** |

## Table 47: EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

| *€ in millions* | | MB Supervisory function | MB Management function | Other senior management | Other identified staff |
|---|---|---|---|---|---|
| | **Guaranteed variable remuneration awards** | | | | |
| 1 | Guaranteed variable remuneration awards - Number of identified staff | - | - | - | - |
| 2 | Guaranteed variable remuneration awards -Total amount | - | - | - | - |
| 3 | Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap | - | - | - | - |
| | **Severance payments awarded in previous periods, that have been paid out during the financial year** | | | | |
| 4 | Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff | - | - | - | - |
| 5 | Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount | - | - | - | - |
| | **Severance payments awarded during the financial year** | | | | |
| 6 | Severance payments awarded during the financial year - Number of identified staff | - | - | 1 | 1 |
| 7 | Severance payments awarded during the financial year - Total amount | - | - | | |
| 8 | Of which paid during the financial year | - | - | | |
| 9 | Of which deferred | - | - | - | - |
| 10 | Of which severance payments paid during the financial year, that are not taken into account in the bonus cap | - | - | - | - |
| 11 | Of which highest payment that has been awarded to a single person | - | - | - | |

## Table 48: EU REM3 - Deferred remuneration

| *€ in millions* | Deferred and retained remuneration | Total amount of deferred remuneration awarded for previous performance periods | Of which due to vest in the financial year | Of which vesting in subsequent financial years | Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year | Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years | Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e.changes of value of deferred remuneration due to the changes of prices of instruments) | Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year | Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods |
|---|---|---|---|---|---|---|---|---|---|
| 1 | **MB Supervisory function** | - | - | - | - | - | - | - | - |
| 2 | Cash-based | - | - | - | - | - | - | - | - |
| 3 | Shares or equivalent ownership interests | - | - | - | - | - | - | - | - |
| 4 | Share-linked instruments or equivalent non-cash instruments | - | - | - | - | - | - | - | - |
| 5 | Other instruments | - | - | - | - | - | - | - | - |
| 6 | Other forms | - | - | - | - | - | - | - | - |
| 7 | **MB Management function** | **€ 22** | **€ 9** | **€ 13** | - | - | **€ 4** | **€ 9** | **€ 9** |
| 8 | Cash-based | - | - | - | - | - | - | - | - |
| 9 | Shares or equivalent ownership interests | 22 | 9 | 13 | - | - | 4 | 9 | 9 |
| 10 | Share-linked instruments or equivalent non-cash instruments | - | - | - | - | - | - | - | - |
| 11 | Other instruments | - | - | - | - | - | - | - | - |
| 12 | Other forms | - | - | - | - | - | - | - | - |
| 13 | **Other senior management** | **€ 42** | **€ 12** | **€ 30** | - | - | **€ 9** | **€ 12** | **€ 12** |
| 14 | Cash-based | - | - | - | - | - | - | - | - |
| 15 | Shares or equivalent ownership interests | 42 | 12 | 30 | - | - | 9 | 12 | 12 |
| 16 | Share-linked instruments or equivalent non-cash instruments | - | - | - | - | - | - | - | - |
| 17 | Other instruments | - | - | - | - | - | - | - | - |
| 18 | Other forms | - | - | - | - | - | - | - | - |
| 19 | **Other identified staff** | **€ 183** | **€ 69** | **€ 114** | - | - | **€ 34** | **€ 69** | **€ 69** |
| 20 | Cash-based | - | - | - | - | - | - | - | - |
| 21 | Shares or equivalent ownership interests | 183 | 69 | 114 | - | - | 34 | 69 | 69 |
| 22 | Share-linked instruments or equivalent non-cash instruments | - | - | - | - | - | - | - | - |
| 23 | Other instruments | - | - | - | - | - | - | - | - |
| 24 | Other forms | - | - | - | - | - | - | - | - |
| 25 | **Total amount** | **€ 247** | **€ 90** | **€ 157** | - | - | **€ 47** | **€ 90** | **€ 90** |

## Table 49: EU REM4 - Remuneration of 1 million EUR or more per year

| | EUR | Identified staff that are high earners as set out in Article 450(i) CRR |
|---|---|---|
| 1 | 1 000 000 to below 1 500 000 | 37 |
| 2 | 1 500 000 to below 2 000 000 | 21 |
| 3 | 2 000 000 to below 2 500 000 | 9 |
| 4 | 2 500 000 to below 3 000 000 | 10 |
| 5 | 3 000 000 to below 3 500 000 | 3 |
| 6 | 3 500 000 to below 4 000 000 | 0 |
| 7 | 4 000 000 to below 4 500 000 | 2 |
| 8 | 4 500 000 to below 5 000 000 | 1 |
| 9 | 5 000 000 and above | 9 |

## Table 50: EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

| *€ in millions* | | Management body remuneration | | | Business areas | | | | | | - |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | MB Supervisory function | MB Management function | Total MB | Investment banking | Retail banking | Asset management | Corporate functions | Ind. internal control functions | All other | Total |
| **1** | **Total number of identified staff** | | | | | | | | | | **197** |
| 2 | Of which members of the MB | 9 | 9 | 18 | | | | | | | |
| 3 | Of which other senior management | | | | 6 | - | 2 | 3 | 4 | - | |
| 4 | Of which other identified staff | | | | 130 | - | 17 | 9 | 8 | - | |
| **5** | **Total remuneration of identified staff** | **€ 1** | **€ 29** | **€ 30** | **€ 201** | - | **€ 28** | **€ 5** | **€ 4** | - | |
| 6 | Of which variable remuneration | - | 15 | 15 | 85 | - | 14 | 2 | 1 | - | |
| 7 | Of which fixed remuneration | 1 | 14 | 15 | 116 | - | 14 | 3 | 3 | - | |

## Cautionary Note on Forward-Looking Statements

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

It is possible that our actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Important factors that could cause our actual results and financial condition to differ from those indicated in the forward-looking statements include, among others, those discussed in "Forecast and Opportunities Report" within "Management Report" of GSBE's 2024 Financial Statements.

## Glossary

- **Central Counterparty (CCP).** A counterparty, such as a clearing house, that facilitates trades between counterparties.

- **Climate Risk.** Climate risk is the risk of adverse outcomes arising from the long and/or short-term impacts of climate change.

- **Credit Risk.** 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 we hold.

- **Credit Valuation Adjustment (CVA).** An adjustment applied to uncollateralised OTC derivatives to cover the risk of mark-to-market losses of bilateral credit risk (i.e. counterparty and own) in uncollateralised derivatives.

- **Default Risk.** The risk of loss on a position that could result from failure of an obligor to make timely payments of principal or interest on its debt obligation, and the risk of loss that could result from bankruptcy, insolvency, or similar proceedings.

- **Effective Expected Positive Exposure (EEPE).** The time-weighted average of non-declining positive credit exposure over the EE simulation. EEPE is used in accordance with the IMM as the exposure measure that is then risk weighted to determine counterparty risk capital requirements.

- **Event Risk.** The risk of loss on equity or hybrid equity positions as a result of a financial event, such as the announcement or occurrence of a company merger, acquisition, spin-off, or dissolution.

- **Expected Exposure (EE).** The expected value of the probability distribution of non-negative credit risk exposures to a counterparty at any specified future date before the maturity date of the longest-term transaction in a netting set.

- **Exposure at Default (EAD).** The exposure amount that is risk weighted for regulatory capital calculations. For on-balance-sheet assets, such as receivables and cash, EAD is generally based on the balance sheet value. For the calculation of EAD for off-balance-sheet items, including commitments and guarantees, an equivalent exposure amount is calculated based on rules-based credit conversion factors (CCF), which typically depend on whether the commitment is less than one year (20%), greater than one year (50%) or are unconditionally cancellable or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness (0%).

  For substantially all the counterparty credit risk arising from OTC derivatives, exchange-traded derivatives and securities financing transactions, internal models calculate the distribution of exposure upon which the EAD calculation is based.

- **Incremental Risk.** The potential loss in value of non-securitised positions due to the default or credit migration of issuers of financial instruments over a one-year time horizon. This measure is calculated at a 99.9% confidence level over a one-year time horizon using a multi-factor model.

- **Internal Models Methodology (IMM).** The IMM establishes a methodology for entities to use their internal models to estimate exposures arising from OTC derivatives, securities financing transactions and cleared transactions, subject to qualitative and quantitative requirements and supervisory approval.

- **Liquidity Risk.** Liquidity risk is the risk that the bank will be unable to fund itself or meet its liquidity needs in the event of bank-specific, broader industry, or market liquidity stress events.

- **Market Risk.** Market risk is the risk of an adverse impact to the earnings due to changes in market conditions.

- **Model Risk.** Model risk is the potential for adverse consequences from decisions made based on model outputs that may be incorrect or used inappropriately.

- **Net Stable Funding Ratio (NSFR).** The NSFR is defined as the regulatory measurement of the bank's available stable funding ("ASF") against its asset funding needs, or required stable funding ("RSF"), over a one-year time horizon.

- **Operational Risk.** The risk of an adverse outcome resulting from inadequate or failed internal processes, people, systems or from external events.

- **Other Systemically Important Institutions.** Institutions identified by national regulators as those whose failure or malfunction could potentially lead to serious negative consequences for the domestic financial systems and real economy.

- **Prudent Valuation Adjustment (PVA).** A deduction from CET1 capital where the prudent value of trading assets or other financial assets measured at fair value is materially lower than the fair value recognised in the financial information.

- **Regulatory Value-at-Risk (VaR).** The potential loss in value of trading positions due to adverse market movements over a 10-day time horizon with a 99% confidence level.

- **Regulatory VaR Backtesting.** Comparison of daily positional loss results to the Regulatory VaR measure calculated as of the end of the prior business day.

- **Reputational Risk.** Reputational risk is the potential risk that negative publicity regarding the bank's business practices, whether true or not, will cause a decline in the bank's customer base, costly litigation or revenue reductions.

- **Resecuritisation Position.** Represents an on or off-balance-sheet transaction in which the risk associated with an underlying pool of exposures is tranched and at least one of the underlying exposures is a securitisation position.

- **SA-CCR.** Effective from June 2021, the new standardised approach to counterparty credit risk (SA-CCR) replaces the mark-to-market method to determine the exposure value for derivatives. The approach is used for the purposes of determining the exposure value for derivatives that are not in scope of the internal model method, for leverage and for large exposure purposes.

- **Securitisation Position.** Represents a transaction or scheme in which the credit risk associated with an exposure or pool of exposures is tranched and both payments in the transaction or scheme are dependent upon the performance of the exposure or pool of exposures and the subordination of tranches determines the distribution of losses during the ongoing life of the transaction or scheme.

- **Specific Risk.** The risk of loss on a position that could result from factors other than broad market movements and includes event risk, default risk and idiosyncratic risk. The specific risk add-on is applicable for both securitisation positions and for certain non-securitised debt and equity positions, to supplement the model-based measures.

- **Stress Testing.** Stress testing is a method of determining the effect of various hypothetical stress scenarios.

- **Stressed VaR (SVaR).** The potential loss in value of trading assets and liabilities, as well as certain investments, loans, and other financial assets and liabilities, during a period of significant market stress. SVaR is calculated at a 99% confidence level over a 10-day horizon using market data inputs from a continuous 12-month period of stress.

- **Synthetic Securitisation.** Defined as a securitisation transaction in which the tranching is achieved by the use of credit derivatives or guarantees, and the pool of exposures is not removed from the balance sheet of the originator.

- **Traditional Securitisation.** Defined as a securitisation transaction which involves the economic transfer of the exposures being securitised to a securitisation special purpose entity which issues securities; and so that this must be accomplished by the transfer of ownership of the securitised exposures from the originator or through sub-participation; and the securities issued do not represent payment obligations of the originator.

- **Value-at-Risk (VaR).** The potential loss in value of trading assets and liabilities, certain investments, loans, and other financial assets and liabilities accounted for at fair value, due to adverse market movements over a defined time horizon with a specified confidence level. Risk management VaR is calculated at a 95% confidence level over a one-day horizon.

- **Wholesale Exposure.** A term used to refer collectively to credit exposures to companies, sovereigns, or government entities (other than Securitisation, Retail or Equity exposures).

# Appendix I: Scope of Consolidation Tables

## Consolidated Balance Sheet under the Regulatory Scope of Consolidation

The following table provides a reconciliation of GSBE's balance sheet as of December 2024 on an accounting consolidation basis to the GSBE's balance sheet under the regulatory scope of consolidation. It also breaks down how carrying values under the scope of regulatory consolidation are allocated to the different risk frameworks laid out in Part Three of the CRR.

### Table 51: EU LI1 - Differences Between Accounting and Regulatory Scopes of Consolidation and Mapping of Financial Statement Categories with Regulatory Risk Categories

Carrying values under the scope of regulatory consolidation shown in the third column below may not be the sum of the carrying values shown in the remaining columns as some items are subject to capital requirements in one or more risk frameworks.

| *€ in millions* | | | | | | | **As of December 2024** |
|---|---|---|---|---|---|---|---|
| | | | **Carrying values of items:** | | | | |
| | **Carrying values as reported in published financial statements** | **Carrying values under scope of prudential consolidation** | **Subject to the credit risk framework** | **Subject to the CCR framework** | **Subject to the securitisation framework** | **Subject to the market risk framework** | **Not subject to capital requirements or subject to deduction from capital** |
| **Assets** | | | | | | | |
| Cash and cash equivalents | € 13,296 | € 13,296 | € 13,296 | - | - | - | - |
| Collateralised agreements | 19,266 | 19,266 | - | 19,266 | - | - | - |
| Customer and other receivables | 23,122 | 23,122 | 2,710 | 20,412 | - | - | - |
| Trading Assets | 170,530 | 170,530 | - | 145,107 | - | 170,530 | - |
| Loans | 3,273 | 3,273 | 3,242 | - | 31 | - | - |
| Other assets | 897 | 897 | 859 | - | - | - | 38 |
| **Total assets** | **€ 230,384** | **€ 230,384** | **€ 20,107** | **€ 184,785** | **€ 31** | **€ 170,530** | **€ 38** |
| **Liabilities** | | | | | | | |
| Collateralised financings | € 14,364 | € 14,364 | - | € 14,364 | - | - | - |
| Customer and other payables | 13,534 | 13,534 | - | 11,020 | - | - | 2,514 |
| Trading liabilities | 155,602 | 155,602 | - | 144,867 | - | 155,602 | - |
| Deposits | 12,145 | 12,145 | - | - | - | - | 12,145 |
| Unsecured borrowings | 20,041 | 20,041 | - | - | - | - | 20,041 |
| Other liabilities | 978 | 978 | - | - | - | - | 978 |
| **Total liabilities** | **€ 216,664** | **€ 216,664** | **-** | **€ 170,251** | **-** | **€ 155,602** | **€ 35,678** |

## Regulatory Balance Sheet Assets Reconciliation to Exposure at Default (EAD)

The following table presents a reconciliation of the consolidated regulatory balance sheet to EAD for items subject to credit risk, CCR and securitisation frameworks.

### Table 52: EU LI2 - Main Sources of Differences Between Regulatory Exposures Amounts and Carrying Values in IFRS Financial Information

| *€ in millions* | | | | | | As of December 2024 |
|---|---|---|---|---|---|---|
| | | a | b | c | d | e |
| | | | | Items subject to | | |
| | | **Total** | **Credit risk framework** | **Securitisation framework** | **CCR framework** | **Market risk framework[1]** |
| **1** | **Assets carrying value amount under the scope of prudential consolidation (as per template LI1)** | **€ 375,453** | **€ 20,107** | **€ 31** | **€ 184,785** | **€ 170,530** |
| 2 | Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1) | (325,853) | - | - | (170,251) | (155,602) |
| 3 | Total net amount under the scope of prudential consolidation | 49,600 | 20,107 | 31 | 14,534 | 14,928 |
| 4 | Off-balance-sheet amounts[2] | 12,271 | 12,271 | - | - | |
| 5 | Differences in valuations | - | - | - | - | |
| 6 | Differences due to different netting rules, other than those already included in row 2 | - | - | - | - | |
| 7 | Differences due to consideration of provisions | - | - | - | - | |
| 8 | Differences due to the use of credit risk mitigation techniques (CRMs) | - | - | - | - | |
| 9 | Differences due to credit conversion factors | (5,545) | (5,545) | - | - | |
| 10 | Differences due to Securitisation with risk transfer | - | - | - | - | |
| 11 | Other differences[3] | 9,070 | (2,621) | - | 11,691 | |
| **12** | **Exposure amounts considered for regulatory purposes** | **€ 50,468** | **€ 24,212** | **€ 31** | **€ 26,225** | |

1. Exposure amounts considered for regulatory purposes under row 12 in the table above are not disclosed for market risk framework given exposure amounts are more relevant for credit, counterparty credit and securitisation frameworks.
2. Off-balance sheet amounts in row 4 above are stated gross and primarily consist of undrawn committed facilities and guarantees.
3. Other differences mainly contain difference due to netting of collateral, haircut and EAD modelling.

## Explanations of differences between accounting and regulatory exposure amounts

The carrying value of assets is usually measured at amortised cost or fair value as at the balance sheet date. For on-balance-sheet assets, such as receivables and cash, the EAD is generally based on the carrying value. For the calculation of EAD for off-balance-sheet exposures, including commitments and guarantees, a credit equivalent exposure amount is calculated based on the notional amount of each transaction multiplied by a credit conversion factor in accordance with Article 166 of CRR.

As GSBE calculates the majority of its credit exposure under the IMM, the impacts of netting and collateral are integral to the calculation of the exposure. The exposures considered for regulatory purposes are presented on a net and collateralised basis where there is a legally enforceable netting and collateral opinion. Under IFRS, netting is permitted if legal right of set-off exists and the cash flows are intended to be settled on a net basis.

### Table 53: EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements

Following table represents balance sheet as in published consolidated IFRS financial information prepared in accordance with the applicable accounting framework and under regulatory scope of consolidation. GSBE's regulatory scope of consolidation excluded the bank's profits for 2024, subject to approval by the bank's shareholder on May 23, 2025 to be included as regulatory capital.

| *€ in millions* | | | | **As of December 2024** |
|---|---|---|---|---|
| (a) | (b) | (c) | (d) | (e) |
| | | **Balance sheet as in published IFRS Financial Information** | **Under regulatory scope of consolidation** | **Reference** |
| | | **As at period end** | **As at period end** | |
| **Assets - Breakdown by asset classes according to the balance sheet in the published financial statements** | | | | |
| 1 | Cash and cash equivalents | € 13,296 | € 13,296 | |
| 2 | Collateralised agreements | 19,266 | 19,266 | |
| 3 | Customer and other receivables | 23,122 | 23,122 | |
| 4 | Trading assets | 170,530 | 170,530 | |
| 5 | Loans | 3,273 | 3,273 | |
| 6 | Other assets | 897 | 897 | |
| | **Total assets** | **€ 230,384** | **€ 230,384** | |
| **Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements** | | | | |
| 7 | Collateralised financings | € 14,364 | € 14,364 | |
| 8 | Customer and other payables | 13,534 | 13,534 | |
| 9 | Trading liabilities | 155,602 | 155,602 | |
| 10 | Deposits | 12,145 | 12,145 | |
| 11 | Unsecured borrowings | 20,041 | 20,041 | |
| 12 | Other liabilities | 978 | 978 | |
| | **Total liabilities** | **€ 216,664** | **€ 216,664** | |
| **Shareholders' Equity** | | | | |
| 13 | Share capital | € 329 | € 329 | Row 1 of CC1 template |
| 14 | Share premium account | 26 | 26 | Row 1 of CC1 template |
| 15 | Other equity instruments | 10,576 | 10,576 | Row 3 of CC1 template |
| 16 | Retained earnings | 2,781 | 2,051 | Row 2 of CC1 template |
| 17 | Accumulated other comprehensive income | 8 | 2 | Row 3 of CC1 template |
| | **Total shareholders' equity** | **€ 13,720** | **€ 12,984** | |
| | **Total liabilities and shareholder's equity** | **€ 230,384** | **€ 230,384** | |

## Appendix II: Credit Risk Tables

The following table presents GSBE's credit risk exposures by exposure classes and by CCF and CRM impacts, by risk weights and by maturity respectively as of December 2024.

### Table 54: EU CR4 - Standardised Approach - Credit Risk Exposure and CRM Effects

| *€ in millions* | | | | | | | As of December 2024 |
|---|---|---|---|---|---|---|---|
| | | Exposures before CCF and CRM | | Exposures post CCF and CRM | | RWEAs and RWEA density | |
| | Exposure classes | On-balance-sheet amount | Off-balance-sheet amount | On-balance-sheet amount | Off-balance-sheet amount | RWEA | RWEA density |
| 1 | Central governments or central banks | € 13,178 | - | € 13,178 | - | € 258 | 1.96% |
| 2 | Regional government or local authorities | 19 | - | 19 | - | - | 0.00% |
| 3 | Public sector entities | 7 | - | 7 | - | - | 0.00% |
| 4 | Multilateral development banks | - | - | - | - | - | 0.00% |
| 5 | International organisations | 1 | - | 1 | - | - | 0.00% |
| 6 | Institutions | 885 | 80 | 885 | 1,514 | 737 | 30.71% |
| 7 | Corporates | 5,295 | 12,091 | 3,813 | 4,334 | 8,182 | 100.43% |
| 8 | Retail | - | - | - | - | - | 0.00% |
| 9 | Secured by mortgages on immovable property | 217 | 96 | - | - | - | 0.00% |
| 10 | Exposures in default | 113 | 4 | 69 | - | 104 | 150.00% |
| 11 | Exposures associated with particularly high risk | 11 | - | 11 | - | 17 | 150.00% |
| 12 | Covered bonds | - | - | - | - | - | 0.00% |
| 13 | Institutions and corporates with a short-term credit assessment | - | - | - | - | - | 0.00% |
| 14 | Collective investment undertakings | - | - | - | - | - | 0.00% |
| 15 | Equity | 2 | - | 2 | - | 4 | 186.94% |
| 16 | Other items | 379 | - | 379 | - | 379 | 100.00% |
| **17** | **TOTAL** | **€ 20,107** | **€ 12,271** | **€ 18,364** | **€ 5,848** | **€ 9,681** | **39.98%** |

Total credit RWAs increased by €3.5bn over the course of 2024 due to an increase in lending activities.

### Table 55: EU CR1-A – Maturity of Exposures

| *€ in millions* | | | | | | | As of December 2024 |
|---|---|---|---|---|---|---|---|
| | | Net exposure value | | | | | |
| | | On demand | <= 1 year | > 1 year <= 5 years | > 5 years | No stated maturity | Total |
| 1 | Loans and advances | € 30,365 | € 12,701 | € 2,984 | € 73 | - | € 46,123 |
| 2 | Debt securities | - | - | 8 | - | - | 8 |
| ***3*** | ***Total*** | **€ 30,365** | **€ 12,701** | **€ 2,992** | **€ 73** | **-** | **€ 46,131** |

## Table 56: EU CR5 – Standardised Approach

| *€ in millions* | | | | | | | | | | | | | | As of December 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Exposure classes** | | **Risk weight** | | | | | | | | | | | **Total** | **Of which unrated** |
| | | **0%** | **2%** | **20%** | **35%** | **50%** | **75%** | **100%** | **150%** | **250%** | **1250%** | **Others** | | |
| 1 | Central governments or central banks | € 13,075 | - | - | - | - | - | - | - | € 103 | - | - | € 13,178 | - |
| 2 | Regional government or local authorities | 19 | - | - | - | - | - | - | - | - | - | - | 19 | - |
| 3 | Public sector entities | 7 | - | - | - | - | - | - | - | - | - | - | 7 | - |
| 4 | Multilateral development banks | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | International organisations | 1 | - | - | - | - | - | - | - | - | - | - | 1 | - |
| 6 | Institutions | 34 | 348 | 929 | - | 1,088 | - | - | - | - | - | - | 2,399 | - |
| 7 | Corporates | - | - | 195 | - | 913 | - | 6,418 | 590 | - | 31 | - | 8,147 | 4,772 |
| 8 | Retail | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | Secured by mortgages on immovable property | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | Exposures in default | - | - | - | - | - | - | - | 69 | - | - | - | 69 | 8 |
| 11 | Exposures associated with particularly high risk | - | - | - | - | - | - | - | 11 | - | - | - | 11 | 11 |
| 12 | Covered bonds | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | Institutions and corporates with a short-term credit assessment | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | Unit or shares in collective investment undertakings | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 15 | Equity | - | - | - | - | - | - | 1 | - | 1 | - | - | 2 | 2 |
| 16 | Other items | - | - | - | - | - | - | 379 | - | - | - | - | 379 | 379 |
| **17** | **TOTAL** | **€ 13,136** | **€ 348** | **€ 1,124** | **-** | **€ 2,001** | **-** | **€ 6,798** | **€ 670** | **€ 104** | **€ 31** | **-** | **€ 24,212** | **€ 5,172** |

# Appendix III: Counterparty Credit Risk Tables

## Table 57: EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights[1]

| *€ in millions* | | | | | | | | | | | | | As of December 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Risk weight | | | | | | | | | | | |
| | Exposure classes | a | b | c | d | e | f | g | h | i | j | K | l |
| | | 0% | 2% | 4% | 10% | 20% | 50% | 70% | 75% | 100% | 150% | Others | Total exposure value |
| 1 | Central governments or central banks | € 33 | - | - | - | - | - | - | - | € 2 | - | - | € 35 |
| 2 | Regional government or local authorities | 386 | - | - | - | - | - | - | - | - | - | - | 386 |
| 3 | Public sector entities | 254 | - | - | - | 4 | - | - | - | - | - | - | 258 |
| 4 | Multilateral development banks | 14 | - | - | - | - | - | - | - | - | - | - | 14 |
| 5 | International organisations | 36 | - | - | - | - | - | - | - | - | - | - | 36 |
| 6 | Institutions | - | 3,096 | - | - | 2,202 | 3,255 | - | - | 63 | - | - | 8,616 |
| 7 | Corporates | - | - | - | - | 115 | 7,672 | - | - | 9,017 | 31 | - | 16,835 |
| 8 | Retail | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | Institutions and corporates with a short-term credit assessment | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | Other items | - | - | - | - | - | - | - | - | - | 45 | - | 45 |
| 11 | **Total exposure value** | **€ 723** | **€ 3,096** | **-** | **-** | **€ 2,321** | **€ 10,927** | **-** | **-** | **€ 9,082** | **€ 76** | **-** | **€ 26,225** |

1. The table above includes the exposure to CCPs.

## Table 58: EU CCR5 – Composition of Collateral for CCR Exposures

| *€ in millions* | | | | | | | | | As of December 2024 |
|---|---|---|---|---|---|---|---|---|---|
| | | Collateral used in derivative transactions | | | | Collateral used in SFTs | | | |
| | | Fair value of collateral received | | Fair value of posted collateral | | Fair value of collateral received | | Fair value of posted collateral | |
| | Collateral type | Segregated | Unsegregated | Segregated | Unsegregated | Segregated | Unsegregated | Segregated | Unsegregated |
| 1 | Cash – domestic currency | € 1,720 | € 11,397 | - | € 23,642 | - | € 91 | - | € 3 |
| 2 | Cash – other currencies | 409 | 12,926 | 1,398 | 16,747 | - | 14 | - | 2 |
| 3 | Domestic sovereign debt | 3,367 | 1,027 | 1,163 | 91 | - | 5,789 | - | 2,819 |
| 4 | Other sovereign debt | 3,480 | 2,416 | 2,218 | 1,014 | - | 41,162 | - | 34,612 |
| 5 | Government agency debt | 7 | - | - | - | - | - | - | - |
| 6 | Corporate bonds | 323 | - | 76 | - | - | 2,006 | - | 2,260 |
| 7 | Equity securities | 1,356 | 23 | - | - | - | 2,734 | - | 6,214 |
| 8 | Other collateral | 5 | - | 3 | - | - | 1,134 | - | 1,241 |
| 9 | **Total** | **€ 10,667** | **€ 27,789** | **€ 4,858** | **€ 41,494** | **-** | **€ 52,930** | **-** | **€ 47,151** |

# Appendix IV: Past Due Exposures, Impaired Exposures, and Impairment Provisions Tables

## Table 59: EU CR1 – Performing and non-performing exposures and related provisions

| *€ in millions* | | | | | | | | | | | | | | | | As of December 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Gross carrying amount/nominal amount | | | | | | Accumulated Impairment, accumulated negative changes in fair value due to credit risk and provisions | | | | | | | Collateral and financial guarantees received | |
| | | Performing exposures | | | Non-performing exposures | | | Performing exposures – accumulated impairment and provisions | | | Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions | | | Accumulated partial write-off | On performing exposures | On non-performing exposures |
| | | | Of which stage 1 | Of which stage 2 | | Of which stage 2 | Of which stage 3 | | Of which stage 1 | Of which stage 2 | | Of which stage 2 | Of which stage 3 | | | |
| 1 | **Cash balances at central banks and other demand deposits** | **€ 13,296** | **€ 13,296** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| 2 | **Loans and advances** | **€ 46,051** | **€ 37,855** | **€ 111** | **€ 72** | **-** | **€ 72** | **€ (15)** | **€ (9)** | **€ (6)** | **€ (6)** | **-** | **€ (6)** | **€ (3)** | **€ 22,758** | **€ 3** |
| 3 | Central banks | 0 | 0 | - | - | - | - | - | - | - | - | - | - | - | 0 | - |
| 4 | General governments | 775 | 775 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Credit institutions | 10,797 | 5,989 | - | - | - | - | (0) | (0) | - | - | - | - | - | 8,016 | - |
| 6 | Other financial corporations | 31,056 | 27,821 | 3 | - | - | - | (1) | (1) | (0) | - | - | - | - | 12,636 | - |
| 7 | Non-financial corporations | 3,043 | 2,890 | 108 | 69 | - | 69 | (14) | (8) | (6) | (6) | - | (6) | (3) | 1,740 | - |
| 8 | Of which SMEs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | Households | 380 | 380 | - | 3 | - | 3 | (0) | (0) | - | - | - | - | - | 366 | 3 |
| 10 | **Debt securities** | **€ 3** | **-** | **-** | **€ 5** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| 11 | Central banks | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | General governments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | Credit institutions | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | Other financial corporations | 3 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 15 | Non-financial corporations | - | - | - | 5 | - | - | - | - | - | - | - | - | - | - | - |
| 16 | **Off-balance-sheet exposures** | **€ 26,491** | **€ 26,383** | **€ 108** | **€ 0** | **-** | **€ 0** | **€ (16)** | **€ (15)** | **€ (1)** | **-** | **-** | **-** | | **-** | **-** |
| 17 | Central banks | - | - | - | - | - | - | - | - | - | - | - | - | | - | - |
| 18 | General governments | - | - | - | - | - | - | - | - | - | - | - | - | | - | - |
| 19 | Credit institutions | 105 | 105 | - | - | - | - | (0) | (0) | - | - | - | - | | - | - |
| 20 | Other financial corporations | 18,525 | 18,525 | - | - | - | - | (1) | (1) | - | - | - | - | | - | - |
| 21 | Non-financial corporations | 7,856 | 7,748 | 108 | 0 | - | 0 | (15) | (14) | (1) | - | - | - | | - | - |
| 22 | Households | 5 | 5 | - | - | - | - | (0) | (0) | - | - | - | - | | - | - |
| 23 | **Total** | **€ 85,841** | **€ 77,534** | **€ 219** | **€ 77** | **-** | **€ 72** | **€ (31)** | **€ (24)** | **€ (7)** | **€ (6)** | **-** | **€ (6)** | **€ (3)** | **€ 22,758** | **€ 3** |

## Table 60: EU CQ3 – Credit quality of performing and non-performing exposures by past due days

| *€ in millions* | | | | | | | | | | | | | As of December 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **Gross carrying amount / Nominal amount** | | | | | | | | | | | |
| | | **Performing exposures** | | | **Non-performing exposures** | | | | | | | | |
| | | | **Not past due or Past due <= 30 days** | **Past due > 30 days <= 90 days** | | **Unlikely to pay that are not past-due or past-due <= 90 days** | **Past due > 90 days <= 180 days** | **Past due > 180 days <= 1 year** | **Past due > 1 year <= 2 years** | **Past due > 2 year <= 5 years** | **Past due > 5 year <= 7 years** | **Past due > 7 years** | **Of which defaulted** |
| 005 | **Cash balances at central banks and other demand deposits** | **€ 13,296** | **€ 13,296** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| 010 | **Loans and advances** | **€ 46,051** | **€ 46,051** | **-** | **€ 72** | **€ 72** | **-** | **-** | **-** | **-** | **-** | **-** | **€ 72** |
| 020 | *Central banks* | 0 | 0 | - | - | - | - | - | - | - | - | - | - |
| 030 | *General governments* | 775 | 775 | - | - | - | - | - | - | - | - | - | - |
| 040 | *Credit institutions* | 10,797 | 10,797 | - | - | - | - | - | - | - | - | - | - |
| 050 | *Other financial corporations* | 31,056 | 31,056 | - | - | - | - | - | - | - | - | - | - |
| 060 | *Non-financial corporations* | 3,043 | 3,043 | - | 69 | 69 | - | - | - | - | - | - | 69 |
| 070 | *Of which SMEs* | - | - | - | - | - | - | - | - | - | - | - | - |
| 080 | *Households* | 380 | 380 | - | 3 | 3 | - | - | - | - | - | - | 3 |
| 090 | **Debt Securities** | **€ 3** | **€ 3** | **-** | **€ 5** | **€ 5** | **-** | **-** | **-** | **-** | **-** | **-** | **€ 5** |
| 100 | *Central banks* | - | - | - | - | - | - | - | - | - | - | - | - |
| 110 | *General governments* | - | - | - | - | - | - | - | - | - | - | - | - |
| 120 | *Credit institutions* | - | - | - | - | - | - | - | - | - | - | - | - |
| 130 | *Other financial corporations* | 3 | 3 | - | - | - | - | - | - | - | - | - | - |
| 140 | *Non-financial corporations* | - | - | - | 5 | 5 | - | - | - | - | - | - | 5 |
| 150 | **Off-balance sheet exposures** | **€ 26,491** | | | **€ 0** | | | | | | | | **€ 0** |
| 160 | *Central banks* | - | | | - | | | | | | | | - |
| 170 | *General governments* | - | | | - | | | | | | | | - |
| 180 | *Credit institutions* | 105 | | | - | | | | | | | | - |
| 190 | *Other financial corporations* | 18,525 | | | - | | | | | | | | - |
| 200 | *Non-financial corporations* | 7,856 | | | 0 | | | | | | | | 0 |
| 210 | *Households* | 5 | | | - | | | | | | | | - |
| **220** | ***Total*** | **€ 85,841** | **€ 59,350** | **-** | **€ 77** | **€ 77** | **-** | **-** | **-** | **-** | **-** | **-** | **€ 77** |

## Table 61: EU CQ1 – Credit quality of forborne exposures

| *€ in millions* | | | | | | | | | As of December 2024 |
|---|---|---|---|---|---|---|---|---|---|
| | | Gross carrying amount/nominal amount of exposures with forbearance measures | | | | Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions | | Collateral received and financial guarantees received on forborne exposures | |
| | | Performing forborne | Non-performing forborne | | | On performing forborne exposures | On non-performing forborne exposures | | Of which collateral and financial guarantees received on non-performing exposures with forbearance measures |
| | | | | Of which defaulted | Of which impaired | | | | |
| 005 | **Cash balances at central banks and other demand deposits** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| 010 | **Loans and advances** | **€ 6** | **-** | **-** | **-** | **€ (0)** | **-** | **-** | **-** |
| *020* | *Central banks* | - | - | - | - | - | - | - | - |
| *030* | *General governments* | - | - | - | - | - | - | - | - |
| *040* | *Credit institutions* | - | - | - | - | - | - | - | - |
| *050* | *Other financial corporations* | - | - | - | - | - | - | - | - |
| *060* | *Non-financial corporations* | 6 | - | - | - | (0) | - | - | - |
| *070* | *Households* | - | - | - | - | - | - | - | - |
| 080 | **Debt Securities** | **-** | **€ 5** | **€ 5** | **-** | **-** | **-** | **-** | **-** |
| 090 | **Loan commitments given** | **€ 6** | **-** | **-** | **-** | **€ (0)** | **-** | **-** | **-** |
| **100** | **Total** | **€ 12** | **€ 5** | **€ 5** | **-** | **€ (0)** | **-** | **-** | **-** |

## Table 62: EU CQ4 - Quality of non-performing exposures by geography

| *€ in millions* | | | | | | | | As of December 2024 |
|---|---|---|---|---|---|---|---|---|
| | | Gross carrying/Nominal amount | | | | Accumulated impairment | Provisions on off-balance sheet commitments and financial guarantee given | Accumulated negative changes in fair value due to credit risk on non-performing exposures |
| | | | of which: non-performing | | of which: subject to impairment | | | |
| | | | | of which: defaulted | | | | |
| **010** | **On balance sheet exposure** | **€ 46,131** | **-** | **€ 77** | **-** | **€ (21)** | | **-** |
| 020 | United Kingdom | 17,201 | - | 3 | - | (3) | | - |
| 030 | United States | 9,557 | - | - | - | (0) | | - |
| 040 | France | 7,195 | - | 5 | - | (5) | | - |
| 050 | Netherlands | 2,520 | - | 6 | - | (4) | | - |
| 060 | Ireland | 1,718 | - | - | - | (1) | | - |
| 070 | Luxembourg | 1,591 | - | - | - | (1) | | - |
| 080 | Italy | 1,449 | - | - | - | (1) | | - |
| 090 | Germany | 1,416 | - | - | - | (1) | | - |
| 100 | Finland | 819 | - | - | - | - | | - |
| 110 | Singapore | 544 | - | - | - | - | | - |
| 120 | Other countries | 2,121 | - | 63 | - | (5) | | - |
| 130 | **Off balance sheet exposures** | **€ 26,491** | - | **€ 0** | | | **€ (16)** | |
| 140 | United Kingdom | 16,536 | - | - | | | (1) | |
| 150 | France | 2,438 | - | - | | | (3) | |
| 160 | Germany | 1,858 | - | - | | | (2) | |
| 170 | United States | 1,842 | - | - | | | (0) | |
| 180 | Ireland | 810 | - | - | | | (0) | |
| 190 | Italy | 799 | - | - | | | (3) | |
| 200 | Netherlands | 758 | - | - | | | (2) | |
| 210 | Sweden | 403 | - | 0 | | | (1) | |
| 220 | Luxembourg | 334 | - | - | | | (2) | |
| 230 | Jersey | 166 | - | - | | | (0) | |
| 240 | Other countries | 547 | - | - | | | (2) | |
| **250** | **Total** | **€ 72,622** | **-** | **€ 77** | **-** | **€ (21)** | **€ (16)** | **-** |

Higher of top 10 countries or countries representing greater than 50% of total exposure have been specifically reported in the table above.

## Table 63: EU CQ5 - Credit quality of loans and advances to non-financial corporations by industry

| *€ in millions* | | | | | | | As of December 2024 |
|---|---|---|---|---|---|---|---|
| | | Gross carrying amount | | | | | |
| | | | Of which non-performing | | Of which loans and advances subject to impairment | Accumulated impairment | Accumulated negative changes in fair value due to credit risk on non-performing exposures |
| | | | | Of which defaulted | | | |
| 010 | Agriculture, forestry and fishing | € 21 | - | - | - | € (0) | - |
| 020 | Mining and quarrying | 4 | - | - | - | - | - |
| 030 | Manufacturing | 460 | - | 6 | - | (6) | - |
| 040 | Electricity, gas, steam and air conditioning supply | 123 | - | - | - | (0) | - |
| 050 | Water supply | 0 | - | - | - | - | - |
| 060 | Construction | 37 | - | - | - | (0) | - |
| 070 | Wholesale and retail trade | 266 | - | - | - | (3) | - |
| 080 | Transport and storage | 29 | - | - | - | - | - |
| 090 | Accommodation and food service activities | 2 | - | - | - | (0) | - |
| 100 | Information and communication | 1,662 | - | - | - | (1) | - |
| 110 | Financial and insurance activities | - | - | - | - | - | - |
| 120 | Real estate activities | 83 | - | 45 | - | (3) | - |
| 130 | Professional, scientific and technical activities | 239 | - | - | - | (3) | - |
| 140 | Administrative and support service activities | 69 | - | 18 | - | (1) | - |
| 150 | Public administration and defence, compulsory social security | - | - | - | - | - | - |
| 160 | Education | 0 | - | - | - | - | - |
| 170 | Human health services and social work activities | 40 | - | - | - | (2) | - |
| 180 | Arts, entertainment and recreation | 77 | - | - | - | (1) | - |
| 190 | Other services | - | - | - | - | - | - |
| ***200*** | ***Total*** | **€ 3,112** | **-** | **€ 69** | **-** | **€ (20)** | **-** |

## Table 64: EU CR2 – Changes in the stock of non-performing loans and advances

| *€ in millions* | | As of December 2024 |
|---|---|---|
| | | **Gross carrying amount** |
| **010** | **Initial stock of non-performing loans and advances** | **€ 116** |
| 020 | Inflows to non-performing portfolios | 27 |
| 030 | Outflows from non-performing portfolios | (71) |
| 040 | Outflows due to write-offs | (4) |
| 050 | Outflow due to other situations | (67) |
| **060** | **Final stock of non-performing loans and advances** | **€ 72** |

## Appendix V: Acronyms

| Acronyms | Description |
|---|---|
| AIRB | Advanced Internal Ratings Based |
| ALCO | Asset Liability Committee |
| AMA | Advanced Measurement Approach |
| ASF | Available Stable Funding |
| BIS | Bank for International Settlements |
| BRRD | Bank Recovery and Resolution Directive |
| CAO | Chief Administrative Officer |
| CCF | Credit Conversion Factor |
| CCO | Chief Credit Officer |
| CCP | Central Counterparty |
| CCR | Counterparty Credit Risk |
| CDS | Credit Default Swap |
| CEO | Chief Executive Officer |
| CFO | Chief Financial Officer |
| COO | Chief Operating Officer |
| CRD | Capital Requirements Directive |
| CRM | Credit Risk Mitigation |
| CRO | Chief Risk Officer |
| CRR | Capital Requirements Regulation |
| CSA | Credit Support Annexes |
| CSRBB | Credit Spread Risk in the Banking Book |
| CVA | Credit Valuation Adjustment |
| DVA | Debt Valuation Adjustment |
| EAD | Exposure at Default |
| EBA | European Banking Authority |
| ECAI | External Credit Assessment Institution |
| ECB | European Central Bank |
| ECL | Expected Credit Loss |
| EE | Expected Exposure |
| EEPE | Effective Expected Positive Exposure |
| EIP | Economic Internal Perspective |
| EMEA | Europe, Middle East and Africa |
| EMIR | European Market Infrastructure Regulation |
| ERBA | External Ratings Based Approach |
| ESRB | European Systemic Risk Board |
| EU | European Union |
| EVE | Economic Value of Equity |
| FDIC | Federal Deposit Insurance Corporation |
| FICC | Fixed Income, Currency and Commodities |
| FRTB | Fundamental Review of Trading Book |
| FSB | Financial Stability Board |
| G-SII | Global Systemically Important Institutions |
| GCLA | Global Core Liquid Asset |
| GCM | General Circulation Model |
| GMRA | Global Master Repurchase Agreement |
| GSBE | Goldman Sachs Bank Europe SE |
| HCM | Human Capital Management |
| HQLA | High Quality Liquid Asset |
| ICAAP | Internal Capital Adequacy Assessment Process |
| IFRS | International Financial Reporting Standard |

| | |
|---|---|
| ILAAP | Internal Liquidity Adequacy Assessment Process |
| IMA | Internal Model Approach |
| IMM | Internal Model Method |
| IRBA | Internal Ratings Based Approach |
| IRC | Incremental Risk Charge |
| IRP | Interest Rate Product |
| IRRBB | Interest Rate Risk in the Banking Book |
| LCR | Liquidity Coverage Ratio |
| MREL | Minimum Requirement for Own Funds and Eligible Liabilities |
| MRT | Material Risk Taker |
| NCO | Net Cash Outflow |
| NGFS | Network for Greening the Financial System |
| NII | Net Interest Income |
| NSFR | Net Stable Funding Ratio |
| O-SII | Other Systemically Important Institution |
| PM-IC | Performance Management and Incentive Compensation Framework |
| PVA | Prudent Valuation Adjustment |
| RAS | Risk Appetite Statement |
| RSF | Required Stable Funding |
| RSU | Restricted Stock Unit |
| RWEA | Risk Weighted Exposure Amount |
| SA-CCR | Standardised Approach for Counterparty Credit Risk |
| SBER | Strategic and Business Environment Risk |
| SFDR | Sustainable Finance Disclosure Regulation |
| SFT | Securities Financing Transaction |
| SRB | Single Resolution Board |
| SREP | Supervisory Review and Evaluation Process |
| STS | Simple, Transparent and Standardised Securitisation |
| TLAC | Total Loss Absorbing Capacity |
| TREA | Total Risk Exposure Amount |

# Appendix VI: Index of Tables to EBA Templates

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1. These templates have not been disclosed as GSBE has no reportable values.
2. These templates have not been disclosed as GSBE does not have permission to use IRB.
3. These templates have not been disclosed pursuant to guidance on disclosure as per EBA/GL/2018/06 and pursuant to Article 8 of Commission Implementing Regulation (EU) 2021/637.
4. Information pertaining to this template has been disclosed within the Basis of Consolidation section of the document.
5. These templates have not been disclosed as GSBE has not met the criteria for applicability of a resolution entity.

Templates disclosed in this document are according to Implementing Technical Standards on institutions' public disclosures of the information referred to in Titles II and III of Part Eight of CRR.