Goldman Sachs Paris Inc. et Cie

Investment Firm Regulatory Disclosures Report

For the period ended December 31, 2024

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Introduction

Overview

The Goldman Sachs Group, Inc. (Group Inc. or parent company), a Delaware corporation, together with its consolidated subsidiaries (collectively, the firm), is a leading global financial institution that delivers a broad range of financial services across investment banking, securities, investment management and consumer banking to a large and diversified client base that includes corporations, financial institutions, governments, and individuals. Goldman Sachs Paris Inc. et Cie (GSPIC) is a majority owned subsidiary of Group Inc. When we use the terms “Goldman Sachs”, “GS Group”, "firmwide" and “the firm”, we mean Group Inc. and its consolidated subsidiaries and when we use the terms “GSPIC”, “the company”, “we”, “us” and “our”, we mean Goldman Sachs Paris Inc. et Cie.

Following classification by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) as a class II investment firm in December 2023, GSPIC is subject to the EU Investment Firms Regulation (IFR) and Investment Firms Directive (IFD) as transposed into French law by decree n° 2021-941 of July 15, 2021.

The IFR/IFD framework is a bespoke EU prudential regime for MiFID investment firms that became applicable from June 2021.

The following document sets out the qualitative and quantitative requirements set by the IFR. Additional information required under IFR Disclosures report may also be obtained from the Annual Report of The Goldman Sachs Group, Inc. (“GS Group”). The information published in the GS Group Annual Report on Risk Management (“Risk Management”) is applicable to GSPIC, an integrated subsidiary of GS Group.

For information on Group Inc.’s financial statements and regulatory capital ratios, please refer to the firm’s annual 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 year 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/other-information/2024/4q-pillar3-2024.pdf

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

The information published below relates to Goldman Sachs Paris Inc. et Cie, which has no subsidiaries and does not publish consolidated financial statements.

Regulatory Developments

The company’s businesses are subject to extensive regulation and supervision worldwide.

In 2024, GSPIC became subject to requirements under the IFR/IFD framework for own funds, liquid assets, remuneration, governance, reporting and disclosures.

GSPIC capital requirements are calculated by reference to a set of factors which capture Risk-To-Client (‘RtC’), Risk-to-Market (‘RtM’) and Risk-to-Firm (‘RtF’). These “K-factors” aim to measure the risks posed by the company to its customers, to the market generally and to the company itself.

Risk Management

Overview

The firm believes that effective risk management is critical to the success of the firm and its subsidiaries including GSPIC. Accordingly, the group has established a risk management framework that employs a comprehensive, integrated approach to risk management, and is designed to enable comprehensive risk management processes through which the risks associated with the company's business are identified, assessed, monitored and managed.

These risks include liquidity, market, credit, operational, cybersecurity, climate, model, legal, compliance, conduct, regulatory and reputational risks. The following section covers the risk management structure which is built around three core components: governance, processes and people.

Governance

Risk management governance of the Goldman Sachs Group starts with the Board of Directors of the firm (Board), which both directly and through its committees, including its Risk Committee, oversees the risk management policies and practices implemented through the enterprise risk management framework. The risk appetite statement of the GS Group describes the levels and types of risk the firm is willing to accept or to avoid, in order to achieve strategic business objectives included in the strategic business plan, while remaining in compliance with regulatory requirements. The GS Group Board reviews the strategic business plan and is ultimately responsible for overseeing and providing direction about strategy and risk appetite.

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

The firm's first line of defence consists of the revenue-producing units, Conflicts Resolutions, Controllers, Engineering, Corporate Treasury and certain other corporate functions. The first line of defence is responsible for its risk-generating activities, as well as for the design and execution of controls to mitigate those risks within the firm's risk appetite.

The firm's second line of defence consists of the Risk and Compliance functions and provides independent assessment, oversight and challenge of the risks taken by the firm's first line of defence, as well as lead and participate in risk committees.

Internal Audit is considered the third line of defence and reports to the directors of the entity. 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 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.

The firm 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 firm 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.

Processes

The firm maintains various processes that are critical components of its risk management framework, including (i) risk identification and control assessment, (ii) limits thresholds and alerts setting, (iii) risk metrics reporting and monitoring, and (iv) risk decision-making.

To effectively assess and monitor risks, the firm maintains a discipline of marking substantially all of its inventory to current market levels. The firm 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 firm also applies a rigorous framework of limits and thresholds to control and monitor risk across transactions, products, businesses and markets.

The firm's governance and processes, as described above, equally applies to GSPIC.

Identification and Assessment of Key Risks

GSPIC maintains various processes that are critical components of its risk management framework, including (i) risk identification and control assessment, (ii) limit and threshold setting, (iii) risk reporting and monitoring, and (iv) risk decision-making. GSPIC's approach for risk identification and assessment is comprehensive across all risk types, is dynamic and forward-looking to reflect and adapt to the company's changing risk profile and business environment, leverages subject matter expertise, and allows for prioritisation of the company's most critical risks. To effectively assess and monitor risks, GSPIC maintains a rigorous framework of limits and thresholds to control and monitor risk across the principal risk types, consistent with the company's risk appetite framework. The risk appetite framework and associated metrics of the company are reassessed at least annually, or more frequently in response to material changes to the nature of the business or its strategy.

Material Potential Harms

The company is required to identify, monitor and reduce all material potential harms/risks that may result from its ongoing operations, or the entity winding down. The company's risk management framework acts as a strong mitigant against the potential for harm associated with its business strategy. Risks and/or harms are identified through a risk identification process with mitigants/limits assigned against risk where appropriate. The selection of risks reviewed as part of the Internal Capital Adequacy and Risk Assessment Process (ICARAP) is subject to governance through the ICARAP Steering Group, GSPIC Compliance and Risk Committee, the GSPIC Management Board and ultimately the GSPIC Supervisory Board as part of the overall ICARAP.

Reputational Risk

Reputational risk is the potential risk that negative publicity regarding the company's business practices, whether true or not, will cause a decline in the company's customer base, costly litigation or revenue reductions. The company's reputation is critical to effectively serving the company's clients and fostering and maintaining long-term client relationships, and it is integral to how the company is viewed by the key stakeholders. In evaluating business opportunities, reputational risk is one of the most significant components the company considers. The company evaluates the ethics, suitability and transparency of transactions undertaken. The company's employees are responsible for considering the reputational impacts that the business activities may have. The company is included in a comprehensive programme designed to monitor reputational risk which GS Group has implemented.

Risk Appetite by Risk Type

The following sections articulate GSPIC's risk appetite for the key risk types as relevant to its activities.

Credit Risk

Credit risk is the risk incurred in the event of default by a counterparty or counterparties considered to be the same group of customers linked in accordance with Article 4 (1) of Regulation (EU) No 575/2013 (decree November 3, 2014). It can relate to all the elements appearing on the assets side of the balance sheet.

We manage credit risk by conducting analysis of the capacity and willingness of a counterparty to meet its financial obligations, which informs how much credit risk we are willing to take. We measure our credit risk based on the potential loss in the event of non-payment by a counterparty using current and potential exposures. As part of our risk assessment process, we evaluate the use of protections instruments, including collateral and hedging.

Each quarter, a complete analysis of the portfolio is carried out and presented to the Compliance and Risk Committee of GSPIC, which validates the level of credit risk and discusses important issues related to its management. This analysis is also presented to the GSPIC Management Board.

Market Risk

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

Derivative transactions entered into by GSPIC are systematically and immediately backed (back-to-back) with other affiliates in the Goldman Sachs group.

As of December 31, 2024, the market risk exposure in the entity is immaterial.

Liquidity and Funding Risk

Refer "Liquidity Risk" and "Own Funds" sections of this disclosures.

Compliance Risk

GSPIC is subject to compliance risk, which is comprised of the risk of legal or regulatory actions, financial loss, or damage to reputation that we may suffer because of a failure to comply with laws, regulations, standards, or codes of conduct applicable to our business lines. We strive to comply with all applicable laws and regulations and will not tolerate or commence business that presents levels of compliance risk that jeopardises our regulatory standing, which are quantitatively expressed through the company's compliance risk appetite metrics. We have zero tolerance for intentional non-compliance with legal or regulatory requirements, yet acknowledge that unintentional violations, actual or potential, may occur through our business activities. We recognise that such violations, and their associated compliance risks such as financial crimes, fair markets, consumer protection, and others, may arise from the execution of our strategy, the nature of the products and services we offer, our diverse client base, and the regulatory environments in the geographic locations in which we operate. We are committed to the timely prevention, detection, response, and orderly remediation if compliance risk levels exceed our stated appetite. Specifically, it leverages its compliance risk management framework and other firmwide capabilities (e.g., risk governance and three lines of defence models, and the established control environment) to manage its compliance risk and supervisory expectations within risk appetite. Additionally, the company utilises compliance risk appetite metrics to support ongoing monitoring, escalation, and reporting to the GSPIC Management Committee.

Operational Risk

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

Operational Risk, which is independent of the firm's revenue-producing units and reports to the firm's chief risk officer, has primary responsibility for developing and implementing a formalised framework for assessing, monitoring and managing operational risk with the goal of maintaining the firm's exposure to operational risk at levels that are within its risk appetite. Goldman Sachs Paris Inc. et Cie's framework for managing operational risk is consistent with and part of GS Group's framework.

The firm uses operational risk management applications to capture, analyse, aggregate and report operational risk event data and key metrics. One of the key risk identification and assessment tools is an operational risk and control self-assessment process, which is performed by the firm's managers. 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.

The main tool for identifying and assessing risk is a process of operational risk and control self-assessment ("Risk and Control Self-Assessment" or "RCSA"). RCSA is maintained for GSPIC in accordance with the group RCSA methodology.

Model Risk

GSPIC is subject to model risk, considered a type of operational risk, which is the risk of potential for adverse consequences from decisions made based on model outputs that may be incorrect or used inappropriately. Model Risk is inherent across various parts of the business due to the wide-ranging use and application of models, including but not limited to estimating asset values, measuring risk, estimating capital and liquidity, and informing decision making. Model risk may be realised through the production of inaccurate outputs when compared to the model's design objective and intended business use, and inadequate awareness of underlying model limitations and assumptions. Model risk increases with complexity, uncertainty about inputs and assumptions, extent of use, and potential impact. GSPIC seeks to minimise the level of model risk incurred through fundamental model errors and/or incorrect or inappropriate model use at both an aggregate and individual model level. Model Risk is mitigated by disciplined model development practices, independent validation and usage controls that are governed by firmwide policies and standards. The firm's level of appetite is further measured through performance of model risk appetite thresholds.

Climate Risk and Sustainability Risk

Please refer to Environmental, Social and Governance Risk section.

People

GSPIC relies on the global firmwide organisation and leverages firmwide resources to implement best controls and processes.

Even the best technology serves only as a tool for helping to make informed decisions in real time about the risks the firm 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 company's professionals, and their understanding of the nuances and limitations of each risk measure, guides the company in assessing exposures and maintaining them within prudent levels.

The firm 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, and 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

Ultimate oversight of risk in the company is the responsibility of GSPIC's Supervisory Board composed of shareholder's representatives, who oversee risk, at GSPIC level, both directly and through its committees, including GSPIC Management Board and GSPIC Compliance and Risk Committee. The key committees with oversight of our activities, at GSPIC's level, are described below.

Supervisory Board (SB). The SB through an appropriate supervisory framework set up for the company's activities, exercise its effective role as a supervisory body allowing to decide on the operational strategy, activity, risk appetite, overall risk limits, remuneration policies and internal control results.

Management Board (MB). The MB oversees all GSPIC activities. Their mission is the operational management of the company, including risk management. It is chaired by the directors of the entity and its membership includes senior managers from the revenue-producing divisions and control functions.

GSPIC Compliance and Risk Committee. The GSPIC Compliance and Risk Committee is responsible for the ongoing monitoring and control of all financial and non-financial risks associated with each entity's activities. This includes reviewing key financial and risk metrics, including but not limited to profit and loss, capital (including ICARAP), funding, liquidity, credit risk, market risk, compliance and operational risk, strategic and business environment risk. Its membership includes senior managers from control functions. The Compliance and Risk Committee report directly to the Management Board.

In addition to Committees referenced above, GSPIC benefits from the firm's broader governance forums, as detailed in the in the firm's 2024 Form 10-K.

Risk Profile and Strategy

In the normal course of activities in serving clients, we commit capital, engage in derivatives, and otherwise incur risk as an inherent part of our business. However, we endeavour not to undertake risk in form or amount that could potentially and materially impair our capital and liquidity position or the ability to generate revenues, even in a stressed environment. Where possible we employ mitigants and hedges, such as collateral, netting arrangements and other controls, in order to manage such risks and risk concentrations within our risk appetite levels.

The company's overall risk profile is established through an assessment of opportunities relative to potential loss, and is calibrated to GSPIC's respective capital, liquidity and earnings capability. The primary means of evaluating loss-taking capacity is through the ICARAP. The key aspects of risk management documented through the ICARAP process also form part of GSPIC's day-to-day decision making culture.

The Risk Appetite Statement (RAS) of the firm articulates the risk philosophy, the identification of risks generated by its business activities, as well as the appetite limits and thresholds set in order to manage effectively those risks. Consistent with this objective, we pay 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 the firm, including its affiliates. GSPIC regularly reviews risk exposure at the entity level.

The GSPIC Management Board and Compliance and Risk Committee are actively engaged in reviewing and approving our overall risk limits, as well as in reviewing the risk profile. They receive quarterly updates on risk as well as ad-hoc updates, as appropriate.

The consideration of the risk management framework ensures that GSPIC's businesses are congruent with our strategy under both normal and stressed environments. We believe 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

We measure 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.

A number of specialist committees and governance bodies sit within the broader risk management framework with responsibilities for the monitoring of specific risks against limits or tolerances and the escalation of any breaches. Specific governance bodies are in place for the management of credit, market, liquidity, model and operational risk.

The firm's risk management framework, which relies on oversight from the Management Board, operates independently of revenue producing divisions and other non-revenue producing units such as compliance, finance, legal, internal audit and operations. GSPIC 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 firm's risk management framework, including Board 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

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

Own Funds Requirements

K-Factor Requirement and Fixed Overheads Requirements

As per the Investment Firms Regulation, the company is required to hold own funds in excess of the greater of the K-factors requirements, Fixed Overhead Requirements (“FOR”) or its Permanent Minimum Capital Requirement (“PMR”). The company is required to hold own funds consisting of Common Equity Tier 1 (CET1) capital, Additional Tier 1 (AT1) capital and Tier 2 capital in accordance with Article 11 and Article 9 of the regulation.

In addition, in accordance with Article 50 of the Investment Firms Regulation, a company must disclose its K-factor requirements and the amount of Fixed Overhead Requirements (“FOR”). The company's own funds composition and requirements are detailed in Table 1 below:

Table 1: Own Funds Requirements

Item	Total amount in EUR ('000s)
Common Equity Tier 1 Capital ("CET1")	1,300,146
Additional Tier 1 Capital ("AT1")	-
Tier 1 Capital	1,300,146
Tier 2 Capital	-
Total Own Funds	**€ 1,300,146**
Total K-Factor Requirement	**€ 102,390**
Risk to Market ("RtM")	2,213
Risk to Client ("RtC")	-
Risk to Firm ("RtF")	100,177
Fixed Overheads Requirement (“FOR”)	**€ 25,636**
Permanent Minimum capital requirement	**€ 750**
Own Funds Requirement	**€ 102,390**
CET1 Capital Ratio	**1,270 %**
Tier 1 Capital Ratio	**1,270 %**
Total Capital Ratio	**1,270 %**
Minimum Capital Requirement	**200 %**

Approach to assessing the adequacy of own funds

The objective of the Internal Capital Adequacy and Risk Assessment Process (ICARAP) is to ensure that GSPIC has sufficient capital and liquid assets given the risks it is exposed to as a result of its business operations and to ensure it can execute an orderly wind-down.

Risk Identification

In the ICARAP we identify all material risks to GSPIC with consideration of materiality relative to the entity's size, scope of activities and associated risks.

We consider risk identification as a prerequisite for effective risk management as it creates awareness and ensures the identification of material risks, which in turns informs the determination of an appropriate risk strategy and the design of key risk mitigants and control processes. Similar to GS Group, risks generated by GSPIC are identified consistently with the firmwide enterprise risk management framework and using the firmwide risk taxonomy.

Assessment of Capital Threshold Requirement

Capital Threshold Requirement

The capital threshold requirement is the amount of capital that GSPIC is required to hold and is calculated as the higher of:

- **Assessment from ongoing operations:** the higher of the permanent minimum capital requirement, K-factors and our internal assessment of the capital required for ongoing operations.
- **Assessment from wind-down:** the higher of the Fixed Overhead Requirement (“FOR”) and our internal assessment of capital required to execute an orderly wind-down.
- **Pillar 2 Requirement:** applicable from January 1, 2025, the ACPR have set GSPIC an additional Pillar 2 requirement which is calibrated as 100% of Pillar 1 (which reflects sum of K-factors and CVA capital requirements), capped at €129.3mn.

The Pillar 2 requirement is additive to Pillar 1 capital requirements, and the sum of Pillar 1 and Pillar 2 requirement forms GSPIC's capital threshold requirement.

These capital requirements must be met by at least 75% Tier 1 and 56% of CET1 capital.

Liquidity Risk

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

The role of the Liquidity Risk function, independent of the commercial and liquidity management functions, supervised by the risk management of Goldman Sachs (GS), is to identify, assess, monitor and manage the liquidity risk of GSPIC, through regular monitoring of activities, implementation of stress tests, and monitoring of the various liquidity ratios.

GSPIC has a robust liquidity risk management framework in place, which we consider adequate. It leverages this framework to maintain a sufficient amount of liquidity to ensure we remain appropriately funded and liquid in the event of stress.

Internal Stress Tests ("Stress Test")

In order to determine the appropriate size of the liquidity pool of GSPIC, an internal liquidity model is used, called the "Modelled Liquidity Outflow", which captures and quantifies the GSPIC's liquidity risks over a 30-day stress scenario.

We also consider other factors, including, but not limited to, an assessment of our potential intraday liquidity needs through an additional "Intraday Liquidity Model", and other applicable regulatory requirements and a qualitative assessment of our condition, as well as the financial markets.

Modelled Liquidity Outflow: This is based on conducting multiple scenarios that include combinations of market-wide and firm-specific stress. These scenarios are characterised by the following qualitative elements:

- Severely challenging market environments, which include low consumer and business confidence, financial and political instability and 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 and/or rating downgrades.

Modelled Liquidity Outflow (MLO) models the liquidity needs over a 30-day scenario. Key modelling element of MLO relevant for GSPIC is combination of contractual outflows and contingent outflows. Contingent outflows include, among other things, increase in variation margin requirements due to adverse changes in the value of our exchange-traded and OTC-cleared derivatives.

Intraday Liquidity Model: This measures GSPIC's intraday liquidity needs using a scenario analysis characterised by the same qualitative elements as our Modelled Liquidity Outflow. The model assesses the risk of increased intraday liquidity needs in a scenario where access to intraday liquidity sources may become constrained. The intraday liquidity model considers a variety of factors, including historical settlement activity.

Limits: We use liquidity risk limits at various levels to manage the size of our liquidity exposures. Limits are measured relative to acceptable levels of risk given our liquidity risk tolerance. See "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 for information about the limit approval process.

Limits are monitored by Corporate Treasury and Liquidity Risk. Liquidity Risk is responsible for identifying and escalating to senior management and/or the appropriate risk committee, on a timely basis, instances where limits have been exceeded.

Liquidity Regulatory Framework

GSPIC is subject to the Investment Firms Regulation (IFR), Regulation (EU) 2019/2033, which requires GSPIC to hold an amount of liquid assets equivalent to at least one third of the Fixed Overhead Requirement (FOR). FOR amounts to at least one quarter of the fixed overheads of the preceding year.

Considering the liquidity needs generated by the structure of the business and its operations, internal assessment is also performed. Both internal and external metrics are monitored against respective limits.

The results of the IFR, Modelled Liquidity Outflow and Intraday Liquidity Model are regularly reported to GSPIC management.

Concentration Risk

Overview

Goldman Sachs Paris Inc. et Cie (GSPIC or “the company”) is subject to the Investment Firms Regulation with regards to the requirement to monitor concentration risk.

Concentration Risk Management

Concentration risk, as defined by over-reliance on an individual counterparty or a group of connected counterparties, is regularly monitored by the Credit Risk department (CR) and Controllers department . We also track the concentration of exposures by industry/sector.

Risk measurement, monitoring and reporting

Credit Risk Exposures are measured on the basis of Collateralised Potential Exposure (CPE), the potential maximum value of the exposure over the life of the portfolio measured with a confidence interval of 95%, taking into account the benefit of collateral received either directly from the external counterparty or from other entities of the Goldman Sachs Group. This exposure is measured every day, for each counterparty, and for all the products in the portfolio.

Regulatory exposures are calculated based on Exposure at Default (EAD) as per Standardised Approach for Counterparty Credit Risk (SA-CCR) methodology prescribed by EU regulation N°575/2013 according to Part 4 of IFR UE Regulation 2019/2033. In case of excess, capital requirement is calculated as per concentration risk K-factor (K-CON) and notification is submitted to the Regulator (ACPR).

Concentration Risk Mitigation

The legal documentation in place, such as ISDA and CSA, allows if necessary to proceed to a compensation ("netting") in the event of default of the counterparty and define the terms of collateral call by client.

Thus, the risks arising from transactions carried out with other entities of the Goldman Sachs Group are covered in whole or in part by collateral, received in the form of securities or cash. In addition, GSPIC has surety agreements with internal counterparties enabling cash collateral or guarantees from GS Group. These calls are made at the discretion of GSPIC in order to internally mitigate large or concentrated credit risk exposures to external counterparties.

Environmental, Social and Governance Risks

In response to article 35 of Directive (EU) 2019/2034 and the recently published EBA guidelines on Environmental, Social and Governance (ESG) risk management, GSPIC is in the process of enhancing its processes for risk identification, measurement, management and monitoring of ESG risks.

As a subsidiary of GS Group, GSPIC and its activities benefit from and are integrated in the firm's broader climate-related and environmental risk management framework.

Environmental risk[1] is the risk of any negative financial impact on GSPIC stemming from the current or prospective impacts of environmental factors on its counterparties or invested assets. Environmental risks may include air pollution, water pollution, biodiversity loss, climate change, and deforestation.

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

Social risk[1] is the risk of any negative financial impact on the institution stemming from the current or prospective impacts of social factors on its counterparties or invested assets. Social risks may include unsafe working conditions, human and labour rights violations, and modern slavery.

Environmental & Social Due Diligence Guidelines

GSPIC is part of the overall GS Group approach to the management of environmental and social risks. GS Group undertakes a robust review process to assess environmental and social considerations, as well as related risks including credit, operational, regulatory, or reputational risks, in transaction due diligence processes. The firm equips business teams with environmental and social due diligence guidelines for key sectors, as well as guidelines for specific cross-sector issues. Advisory, financing, and direct investing teams seek to integrate environmental and social criteria as part of their normal course, risk-based due diligence requirement, where relevant. While there are some activities GS Group generally will forgo due to the risks they present, the firm makes decisions, including for any such activities, on a case-by-case basis considering, among other things, all applicable laws as well as credit, operational, regulatory, and reputational risks.

Governance risk[1] is the risk of any negative financial impact on GSPIC stemming from the current or prospective impacts of governance factors on its counterparties or invested assets. Governance risk factors may include Management board independence, executive pay, audits, internal controls, shareholder rights, corruption and bribery.

GS Group employs a comprehensive approach to safeguarding the value of the firm, integrating governance, risk management, and regulatory preparedness efforts. From the oversight of the Board of Directors to internal governance structures, GS Group manages a broad spectrum of financial and non-financial risks across businesses. To support the company's oversight and review, GSPIC has additional governance ensuring appropriate consideration for the activities and jurisdictional implications including regulatory expectations, as outlined in its framework for risk management.

[1] Environmental, Social and Governance Risk definitions are sourced from EBA Report 2021/18 Management and Supervision of ESG Risks for Credit Institutions and Investment Firms as required by the Investment Firms Regulation (“IFR”) Article 53.

Own Funds

The table below presents information on the detailed capital position of GSPIC as at December 31, 2024.

Table 2: EU IF CC1.01 - Composition of regulatory own funds

€ in '000		**As of December 2024**	
		(a)	**(b)**
		Amounts	**Source based on reference numbers/letters of the balance sheet in the audited financial statements**
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	**OWN FUNDS**	**€ 1,300,146**	
2	**TIER 1 CAPITAL**	**€ 1,300,146**	
3	**COMMON EQUITY TIER 1 CAPITAL**	**€ 1,300,146**	
4	Fully paid up capital instruments	1,014,124	Row 10 of EU IF CC2
5	Share premium	65,422	Row 11 of EU IF CC2
6	Retained earnings	-	
7	Accumulated other comprehensive income	-	
8	Other reserves	220,601	Row 12 & 13 of EU IF CC2
9	Minority interest given recognition in CET1 capital	-	
10	Adjustments to CET1 due to prudential filters	-	
11	Other funds	-	
12	**(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1**	**€ (1)**	
13	(-) Own CET1 instruments	-	
14	(-) Direct holdings of CET1 instruments	-	
15	(-) Indirect holdings of CET1 instruments	-	
16	(-) Synthetic holdings of CET1 instruments	-	
17	(-) Losses for the current financial year	-	
18	(-) Goodwill	-	
19	(-) Other intangible assets	(1)	Row 3 of EU IF CC2
20	(-) Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	-	
21	(-) Qualifying holding outside the financial sector which exceeds 15% of own funds	-	
22	(-) Total qualifying holdings in undertaking other than financial sector entities which exceeds 60% of its own funds	-	
23	(-) CET1 instruments of financial sector entities where the institution does not have a significant investment	-	
24	(-) CET1 instruments of financial sector entities where the institution has a significant investment	-	
25	(-)Defined benefit pension fund assets	-	
26	(-) Other deductions	-	
27	CET1: Other capital elements, deductions and adjustments	-	
28	**ADDITIONAL TIER 1 CAPITAL**	**-**	
29	Fully paid up, directly issued capital instruments	-	
30	Share premium	-	
31	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	-	
32	(-) Own AT1 instruments	-	
33	(-) Direct holdings of AT1 instruments	-	
34	(-) Indirect holdings of AT1 instruments	-	
35	(-) Synthetic holdings of AT1 instruments	-	
36	(-) AT1 instruments of financial sector entities where the institution does not have a significant investment	-	
37	(-) AT1 instruments of financial sector entities where the institution has a significant investment	-	
38	(-) Other deductions	-	
39	Additional Tier 1: Other capital elements, deductions and adjustments	-	
40	**TIER 2 CAPITAL**	**-**	
41	Fully paid up, directly issued capital instruments	-	

42	Share premium	-
43	(-) TOTAL DEDUCTIONS FROM TIER 2	-
44	(-) Own T2 instruments	-
45	(-) Direct holdings of T2 instruments	-
46	(-) Indirect holdings of T2 instruments	-
47	(-) Synthetic holdings of T2 instruments	-
48	(-) T2 instruments of financial sector entities where the institution does not have a significant investment	-
49	(-) T2 instruments of financial sector entities where the institution has a significant investment	-
50	Tier 2: Other capital elements, deductions and adjustments	-

Following table represents balance sheet as in published consolidated French GAAP financial information prepared in accordance with the applicable accounting framework and under regulatory scope of consolidation. There are no differences in consolidation methodology under the accounting and regulatory frameworks.

Table 3: EU IF CC2 - Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements

		a	b	c
		Balance sheet as in published/audited financial statements	**Under regulatory scope of consolidation**	**Cross reference to EU IF CC1.01**
€ in '000		**As at period end**	**As at period end**	
Assets - Breakdown by asset classes according to the balance sheet in the published/audited financial statements				
1	Cash, central banks, post office accounts & receivables from credit institutions	74,071	74,071	
2	Transactions with customers	49,270	49,270	
3	Intangible Assets	1	1	Row 19 of EU IF CC1.01
4	Property, plant and equipment	17,909	17,909	
5	Other Assets	1,579,820	1,579,820	
6	Prepayments and Derivatives	910,882	910,882	
	Total Assets	**€ 2,631,953**	**€ 2,631,953**	
Liabilities - Breakdown by liability classes according to the balance sheet in the published/audited financial statements				
7	Transactions with customers	257,908	257,908	
8	Other liabilities	156,319	156,319	
9	Accrued expenses and Derivatives	917,580	917,580	
	Total Liabilities	**€ 1,331,807**	**€ 1,331,807**	
Shareholders' Equity				
10	Subscribed capital	1,014,124	1,014,124	Row 4 of EU IF CC1.01
11	Issue premiums	65,422	65,422	Row 5 of EU IF CC1.01
12	Reserves	183,355	183,355	Row 8 of EU IF CC1.01
13	Current year profit and Loss	37,246	37,246	Row 8 of EU IF CC1.01
	Total shareholder's equity	**€ 1,300,146**	**€ 1,300,146**	
	Total liabilities and shareholder's equity	**€ 2,631,953**	**€ 2,631,953**	

The following tables summarises the main features of capital instruments issued by GSPIC as of December 2024.

Table 4: EU IF CCA - Own funds: main features of own instruments issued by the company

€ in '000		**As of December 2024**
1	Issuer	N/A
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
3	Public or private placement	Private Placement
4	Governing law(s) of the instrument	N/A
5	Instrument type (types to be specified by each jurisdiction)	Ordinary Shares
6	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	€ 1,014,124
7	Nominal amount of instrument	€ 1
8	Issue price	€ 1
9	Redemption price	N/A
10	Accounting classification	Shareholder's Equity
11	Original date of issuance	Sep 03, 1987
12	Perpetual or dated	Perpetual
13	Original maturity date	No Maturity
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	Coupons / dividends	N/A
17	Fixed or floating dividend/coupon	N/A
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	N/A
20	Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A
21	Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A
22	Existence of step up or other incentive to redeem	N/A
23	Noncumulative or cumulative	N/A
24	Convertible or non-convertible	N/A
25	If convertible, conversion trigger(s)	N/A
26	If convertible, fully or partially	N/A
27	If convertible, conversion rate	N/A
28	If convertible, mandatory or optional conversion	N/A
29	If convertible, specify instrument type convertible into	N/A
30	If convertible, specify issuer of instrument it converts into	N/A
31	Write-down features	N/A
32	If write-down, write-down trigger(s)	N/A
33	If write-down, full or partial	N/A
34	If write-down, permanent or temporary	N/A
35	If temporary write-down, description of write-up mechanism	N/A
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A
38	Link to the full term and conditions of the instrument (signposting)	N/A

Governance Arrangements

Supervisory body

The Supervisory Body of GSPIC, is composed of representatives of our limited shareholders (The Goldman Sachs Group, Inc.) and our general shareholders (Goldman Sachs Global Holdings L.L.C.). The General Meetings of Shareholders are organised at least three times a year to ensure appropriate supervision of the entity and to debate risk and control framework of the entity.

Management and Management Board

Management, which includes the Executive Managers within the meaning of the decree of November 3, 2014 (all Managers being Executive Managers), is responsible for defining GSPIC's policy in terms of risk management and measurement (market risks, counterparty credit risks, etc.) and, to this end, to assess the risks incurred by GSPIC and to set the overall limits. Management is also responsible for setting up an internal control system. It ensures the consistency and efficiency of this system. In particular, it ensures that periodic checks are carried out on the validity and consistency of the parameters and assumptions used to assess the various risks.

Since June 2002, a Management Board has been in place to facilitate and formalise collective management action. It is made up of Managers representing the various divisions of GSPIC and meets once a quarter.

During the year 2024, the college of GSPIC Managers consisted of Petra Leveton, Marc d'Andlau and, Pierre Brunet.

The effective Management of GSPIC is ensured by Marc d'Andlau, Pierre Brunet, both based in Paris and by Petra Leveton, based in London.

Compliance and Risk Committee

The management of GSPIC has set up a “Compliance and Risk Committee” (CRC), made up of members belonging to different departments of the Goldman Sachs group, whose main responsibility is to monitor compliance with risk limits. The CRC can also make any recommendation or proposal useful to management in terms of risk management and monitoring. The Compliance Manager is responsible for coordinating it.

The CRC is also responsible for assessing the impact on GSPIC of changes in activity, as well as the impact of legislative or regulatory changes or any other factor likely to have an effect on the risks incurred by GSPIC. In this regard, the CRC may also make any recommendation or proposal useful to management.

The CRC meets at least quarterly with the aim in particular of reviewing the risks associated with the activity of GSPIC, including those related to outsourced functions within the Goldman Sachs group, and to monitor compliance with the limits set. There were 4 CRC meetings in the course of 2024.

More generally, risk monitoring in GSPIC is carried out by dedicated Risk Officers (in the second line of defence) who are mainly located in London and New York, and also rely on resources from the Risk division at the Group scale. They are supervised by the GSPIC Chief Risks Officer based in Paris who has been appointed in June 2024.

The Remuneration Committee

The Partners of GSPIC have set up a "Remuneration Committee" ("RemCo"), made up of members belonging to different departments of the Goldman Sachs group, whose main responsibility is to monitor compensation proposals and identify persons having a significant impact on the risks for GSPIC and qualified as material risk takers (MRT) in accordance with EU Investment Firms Directive 2019/2034 (IFD), and to verify that the remuneration of these persons is in accordance with the principles of GSPIC's remuneration policy. The RemCo can also make any useful recommendation or proposal to the Shareholders and the Management on all elements related to remuneration.

The RemCo is also responsible for assessing the impact on GSPIC of legislative or regulatory changes or any other factor likely to influence GSPIC's compliance with remuneration. In this regard, the RemCo may also make any useful recommendation or proposal to the Shareholders and the Management.

The RemCo generally meets as needed for the purpose of reviewing compensation and compliance with policies and procedures and regulatory requirements related to GSPIC business. It meets at least once a year before the communication of compensation to employees. The RemCo reports to GSPIC shareholders and present their conclusion during the general assembly meetings.

The Nominations Committee

The Partners of GSPIC have set up a "Nominations Committee" ("NomCo"), made up of members belonging to different departments of the Goldman Sachs group. They are responsible for providing guidance and recommendations to the Management and shareholders of GSPIC concerning the new appointments of Managers of GSPIC, who make up the Management Board of GSPIC, and to evaluate the performance of the Management Board and other Committees of GSPIC at least once a year.

The committee is responsible for compliance with standards and practices, including those relating to reputational risk management.

Description of the risk information flow

Supervisory body

Based on the information provided to it by the management and by the key control function representatives being the Chief Financial Officer, the Chief Compliance Officer and the Chief Risk Officer, they examines:

- the activity of GSPIC;
- overall risk limits set by management;
- the parameters and assumptions used to assess market risks and other risks, and
- the results of internal control.

Compliance and Risk Committee and Management Board

The CRC includes representatives from the following departments:

- Regulatory Reporting and Financial Control
- Credit Risk (Credit risk management)
- Market Risk (Market risk management)
- Liquidity Risk (Liquidity risk management)
- Operational Risk
- Compliance (representing the Compliance groups assigned to the various businesses)
- Legal
- Tax
- Corporate Treasury
- Operations (Middle/Back Office)
- Technology (IT)
- The holders of the various control functions (Internal Controller and Chief Risk Officer, Head of Compliance)
- Third Party Risk Management (Outsourcing)
- Internal Audit, as an observer.

Recruitment and diversity policy

During the selection of the members of the Management and the Supervisory body, a candidate for each function is taken into consideration when, in addition to the actual knowledge, abilities and experience required by the regulations, the professional and personal competence of the candidates is also demonstrated. GSPIC thus places the highest demands on those who are considered for selection. GSPIC considers diversity a priority to ensure the representation of qualified women in leadership positions. As part of the Goldman Sachs group, GSPIC implements the Global Diversity Principles, Measures and Goals at Goldman Sachs. Women and men candidates are treated on an equal footing. There are no targets to achieve a specific ratio of women members of the Management and Supervisory body.

Management of GSPIC

Name	Background	Number of management positions
Marc d'Andlau	Marc is a Participating Managing Director, is co-head of the Goldman Sachs Paris office and is the head of Global Banking Markets ("GBM") Public division in France. Marc is a gérant of GSPIC and a registered branch manager for GSI Paris which, like GSPIC, only carries out GBM Public activities.	1
Petra Leveton	Petra is a Managing Director and is head of EMEA Regulatory Controllers within the Controllers Division, based in London. Petra is a control side gérant and a registered branch manager for GSI Paris which, like GSPIC, only carries out GBM Public activities.	1
Pierre Brunet	Pierre is a Managing Director and is responsible for physical commodities activities in France within the Global Banking Markets ("GBM") Public division. Pierre is gérant of GSPIC.	1

Investment Policy

In accordance with Article 52 of the Investment Firms Regulation, a company is only required to make disclosures regarding its investment policy in the following circumstances:

- Where its holdings relate to a company whose shares have been admitted to trading on a regulated market;
- Only in respect of shares in that company to which voting rights are attached;
- Where the proportion of voting rights that the investment firm directly or indirectly holds exceed the threshold of 5% of all voting rights attached to the shares issued by the company.

As the company does not have any holdings that meet these criteria, the company is not required to make the disclosures required in the Investment Firms Regulation.

Remuneration Disclosures

Introduction

These disclosures are made by Goldman Sachs Paris Inc. et Cie ("GSPIC") in accordance with the Capital Requirements Regulation ("CRR") and the Investment Firms Regulation ("IFR") as applicable. GSPIC became subject to the IFR on April 1, 2024, having been subject to the CRR before this date. The disclosures reflect GSPIC's implementation of the two regulatory regimes. It identified the people having a significant impact on GSPIC's risk profile (the "Material Risk Takers" or "MRTs") according to the criteria defined in the Delegated Regulation (EU) 2021/923 and Delegated Regulation (EU) 2019/2034.

The decision of the GSPIC general meeting on January 15, 2024 re-affirmed the implementation within GSPIC of the Compensation Policy Statement and Compensation Principles of The Goldman Sachs Group, Inc. ("GS Group").

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 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 compensation 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 compensation for the firm with performance over the cycle; and

vi. Promote a strong risk management & control environment.

Firmwide 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 remuneration 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.

The firm's remuneration 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 "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 Board (the "Board Compensation Committee"). The responsibilities of the Board Compensation Committee include:

- Review and approval of (or recommendation to the Board to approve) the firm's variable remuneration structure, including the portion to be paid as share-based awards, all year-end share-based grants for eligible employees (including those employed by GSPIC), and the terms and conditions of such awards.
- Assisting the 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 GS 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 compensation 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 firm’s Chief Risk Officer (“CRO”) presented an annual compensation-related risk assessment to the Board Compensation Committee, meeting jointly with the Risk Committee of the GS 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 GSPIC Remuneration Committees

The responsibilities of the GSPIC Remuneration Committee, include:

- Overseeing the development and implementation of the remuneration policies of GSPIC;
- Overseeing compliance of the GSPIC remuneration policies with the relevant provisions of the IFR and the French Monetary and Financial Code (the "FMFC"), including in particular that:
    i. the remuneration policies appropriately take into account the long-term interests of shareholders, investors and other stakeholders in GSPIC; and
    ii. the remuneration policies are consistent with and promote sound and effective risk management and do not encourage risk-taking that exceeds the level of tolerated risk of GSPIC.
- Making recommendations to the Supervisory Board at the General Meeting for approval and adoption of the remuneration policies once satisfied that the policies are in accordance with the FMFC.

The GSPIC Remuneration Committee held a meeting on January 9, 2025, to approve 2024 remuneration and confirmed that it was in accordance with Goldman Sachs' remuneration policy and principles. The members of the GSPIC Remuneration Committee were Robert Charnley (Chair) and Kristin Anschau.

Global Remuneration Determination Process

The firm’s global process for setting variable remuneration (including the requirement to consider risk and compliance issues) applies to GSPIC employees in the same way as to employees in other regions and is subject to oversight by senior management of the firm in the region. The process to set variable remuneration is not formulaic; rather the firm uses a highly disciplined and robust process for setting variable remuneration across all regions following the process outlined in the Firmwide PM-IC Framework.

This process involves remuneration 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 divisional 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.

Link Between Pay and Performance

In 2024, annual remuneration for employees generally comprised fixed remuneration (including base salary and, for certain roles, role-based allowances) 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 changed significantly.

Guaranteed variable remuneration

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.

Severance

Except as may be required by applicable law (such as contractual notice pay, and any legal indemnities which are due pursuant to French statute or the applicable (Banking) Collective Bargaining Agreement), severance is discretionary and the terms for dismissals in cases such as redundancy or poor performance are generally agreed with employees and will depend on the circumstances of the particular case.

Performance Measurement

Firmwide performance

The following metrics are among the firmwide financial performance measures, considered in determining 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;
- Diluted earnings per share;
- Return on average common equity;
- Return on average tangible common equity;
- 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.

Individual performance

Employees are evaluated annually as part of the performance review feedback process. This process reflects input from a number of employees, including managers, 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 & Control enhancements to drive greater

[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.

accountability for the quality of the firm's risk and control environment by strengthening the link with remuneration outcomes. These enhancements have included a suite of non-financial risk and control metrics which were reflected in performance assessments for covered employees of GSPIC.

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 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 receive a portion of their variable remuneration as a share-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 GS Group Board, and separately to the Compensation Committees, the CRO confirmed that the various components of the firm's compensation 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 tight 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

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 paid in cash. The selection of recipients and the value of allowances awarded are determined as a result of an evaluation of professional experience, 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 share-based remuneration. In general, the portion paid in the form of a share-based award increases as variable remuneration increases.

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).

Maximum ratio of fixed to variable compensation

GSPIC must set in advance an appropriate ratio(s) between the variable and fixed components of total remuneration that will apply to the remuneration of each individual staff member identified as an MRT, pursuant to Article 94 of the Capital Requirements Directive (EU) 2013/36 and Article L. 511-78 of the FMFC. These regulations applied to GSPIC at the start of the performance year. The maximum permitted ratio is 100% of variable to fixed remuneration unless shareholders approve an increase in the ratio of up to 200%. GSPIC obtained unanimous approval from its shareholders for variable remuneration to be up to 200% of fixed remuneration for each MRT.

Share-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 share-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, retention requirements, and anti-hedging policies to further align the interests of the firm’s employees with those of the firm’s shareholders. 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 share-based awards, leads to a considerable investment in shares of GS Group over time.

In addition, from time to time, the firm may make awards consisting of unfunded, unsecured promises to deliver other instruments on terms and conditions that are substantially similar to those applicable to RSUs described below.

- **Deferral Policy:** The deferred portion of fiscal year 2024 annual variable remuneration was generally awarded in the form of RSUs. 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 applicable regulations, 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 MRTs who are senior management, 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.

  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 applicable regulatory requirement.

- **Forfeiture and Recapture Provisions:** The RSUs and underlying shares in relation to variable remuneration are subject to forfeiture or recapture if the Board Compensation Committee or its delegate(s) determines 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 improperly analyses risk or fails 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 the broader financial system.

This provision is not limited to financial risks 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 appropriate upon the occurrence of certain pre-determined events (for example, in the event of annual firmwide, divisional, business unit or individual losses). The review of whether forfeiture or recapture is appropriate includes input from the CRO, as well as representatives from Legal Division, 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 US bank regulators recommend the appointment of a receiver under the US Dodd-Frank Wall Street Reform and Consumer Protection Act 2010 (“Dodd-Frank”) based on its determination that GS Group is “in default” or “in danger of default” as defined under Dodd-Frank, or fails to maintain for 90 consecutive business days, the required “minimum tier 1 capital ratio” (as defined under Federal Reserve Board regulations).

All variable remuneration granted to MRTs is subject to forfeiture or recapture in the event of a “material failure of risk management”, or in the event that the employee engages in “serious misconduct”, at any time during the seven year period after grant (equity-based awards) or payment (cash).

Additionally, RSUs and shares delivered thereunder in relation to variable remuneration are subject to forfeiture or recapture if it is determined to be appropriate to hold an MRT accountable in whole or in part for “serious misconduct” related to compliance, control or risk that occurred during 2024 by an individual for whom the MRT had supervisory responsibility as a result of direct or indirect reporting lines or management responsibility for an office or a business unit.

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.

- **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 individuals categorised as MRTs pursuant to the EU Capital Requirements Regulation No 575/2013 ("CRR") and the Investment Firms Directive ("IFD") (EU) 2019/2034, effective from April 1, 2024, in respect of their duties for GSPIC. The tables exclude the remuneration awarded to additional individuals who are considered MRTs for both GSPIC and a UK or German regulated company. These individuals are not employed by GSPIC and their total annual remuneration is included in the public disclosure pertaining to the UK or German company.

Aggregate remuneration: split between fixed and variable remuneration and forms of variable remuneration

Remuneration paid or awarded for the financial year ended December 31, 2024 comprised fixed remuneration and variable remuneration.

As required by Article 450(1)(h) and (2) of CRR, Article 51 of the IFD, and the applicable European Banking Authority ("EBA") Guidelines on sound remuneration policies and disclosures (EBA/GL/2021/04 and EBA/GL/2021/13), quantitative information has been provided separately for the major business area, internal control and corporate functions, and at the level of the management body in its management and supervisory function of GSPIC (i.e., members of the GSPIC Board). In addition, the deferred remuneration shown in the table below includes remuneration subject to deferral. The amounts relate only to those employees who were MRTs at the end of the fiscal year, December 31, 2024. All elements of remuneration are disclosed in USD in millions, unless otherwise stated.

Table 5: EU REM1 - Remuneration awarded for the financial year

All figures in USD ($) in millions

			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	**Fixed Remuneration**	**Number of identified staff**	**-**	**4**	**-**	**7**
2		**Total fixed remuneration**	**-**	**1.55**	**-**	**1.67**
3		Of which: cash-based	-	1.55	-	1.67
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**	**-**	**4**	**-**	**7**
10		**Total variable remuneration**	**-**	**0.52**	**-**	**0.46**
11		Of which: cash-based	-	-	-	0.21
12		Of which: deferred	-	-	-	-
EU-13a		Of which: shares or equivalent ownership interests	-	0.52	-	0.25
EU-14a		Of which: deferred	-	0.52	-	0.18
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	-	-	-	-
16		Of which: deferred	-	-	-	-
17	**Total remuneration (2 + 10)**		**-**	**2.07**	**-**	**2.13**

Table 6: EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

		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	-	-	-	2
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	-	-	-	-
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 7: EU REM3 - Deferred remuneration

All figures in USD ($) 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**	**2.77**	**1.05**	**1.72**	**-**	**-**	**0.56**	**1.05**	**1.05**
8	Cash-based	-	-	-	-	-	-	-	-
9	Shares or equivalent ownership interests	2.77	1.05	1.72	-	-	0.56	1.05	1.05
10	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
11	Other instruments	-	-	-	-	-	-	-	-
12	Other forms	-	-	-	-	-	-	-	-
13	**Other senior management**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
14	Cash-based	-	-	-	-	-	-	-	-
15	Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
16	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
17	Other instruments	-	-	-	-	-	-	-	-
18	Other forms	-	-	-	-	-	-	-	-
19	**Other identified staff**	**0.30**	**0.14**	**0.16**	**-**	**-**	**0.05**	**0.14**	**0.08**
20	Cash-based	-	-	-	-	-	-	-	-
21	Shares or equivalent ownership interests	0.30	0.14	0.16	-	-	0.05	0.14	0.08
22	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
23	Other instruments	-	-	-	-	-	-	-	-
24	Other forms	-	-	-	-	-	-	-	-
25	**Total amount**	**3.07**	**1.19**	**1.88**	**-**	**-**	**0.61**	**1.19**	**1.13**

EU REM4 and EU REM5 tables have been omitted from this disclosure for data privacy reasons. For more information on remuneration awarded to Material Risk Takers, please see EU REM1.

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 of our control. These statements may relate to, among other things, (i) our future plans and results, (ii) the objectives and effectiveness of our risk management and liquidity policies, and (iii) the effect of changes to the regulations, and our future status, activities or reporting under banking and financial regulation.

It is possible that our actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition in these forward-looking statements. Important factors that could cause our actual results and financial condition to differ from those in these statements include, among others, those discussed in “Risk Factors” in Part I, Item 1A in the firm’s 2024 Form 10-K.

Glossary

- **Concentration risk or (CON).** K-factor considering the exposures in the trading book of an investment firm to a client or a group of connected clients the value of which exceeds the limits in Article 37(1).

- **Daily Trading Flow (DTF).** K-factor evaluating the daily value of transactions that an investment firm enters through dealing on own account or the execution of orders on behalf of clients in its own name, excluding the value of orders that an investment firm handles for clients through the reception and transmission of client orders and through the execution of orders on behalf of clients which are already taken into account in the scope of client orders handled.

- **Investment firm.** means an investment firm as defined in point (1) of Article 4(1) of Directive 2014/65/EU.

- **K-factor Requirement.** part of own funds requirements set out in Title II of Part three for risks that an investment firms poses to clients, markets and to itself.

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

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

- **Net Position Risk (NPR).** K-factor assessing the value of transactions recorded in the trading book of an investment firm.

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

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

- **Trading Counterparty Default (TCD).** K-factor calculating the exposures in the trading book of an investment firm in instruments and transactions referred to in Article 25 giving rise to the risk of trading counterparty default.

Glossary of Acronyms

Acronyms	Description
ACPR	Autorité de Contrôle Prudentiel et de Résolution
CEO	Chief Executive Officer
CON	Concentration Risk
COO	Chief Operating Officer
CPE	Collateralised Potential Exposure
CRC	Compliance and Risk Committee
CRD	Capital Requirements Directive
CRO	Chief Risk Officer
CRR	Capital Requirements Regulation
CSA	Credit Support Annex
CVA	Credit Valuation Adjustment
DTF	Daily Trading Flow
EAD	Exposure at Default
EBA	European Banking Authority
EMEA	Europe, Middle East and Africa
ESG	Environmental, Social and Governance Risk
ESMA	European Securities and Markets Authority
FDIC	Federal Deposit Insurance Corporation
FMFC	French Monetary and Financial Code
FOR	Fixed Overhead Requirement
GAAP	Generally Accepted Accounting Principles
GSPIC	Goldman Sachs Paris Inc. et Cie
HCM	Human Capital Management
ICARAP	Internal Capital Adequacy and Risk Assessment Process
IFD	Investment Firms Directive
IFR	Investment Firms Regulation
ISDA	International Swaps and Derivatives Association
MB	Management Board
MiFID	Markets in Financial Instruments Directive
MLO	Modelled Liquidity Outflow
MRTs	Material Risk Takers
NGFS	Network for Greening the Financial System
NPR	Net Position Risk
PM-IC	Performance Management and Incentive Compensation Framework
PMR	Permanent Minimum Capital Requirement
RAS	Risk Appetite Statement
RCSA	Risk and Control Self-Assessment
RSU	Restricted Stock Unit
SB	Supervisory Board
TCD	Trading Counterparty Default