Goldman Sachs International (unlimited company)

Unaudited Quarterly Financial Information

March 31, 2023

Introduction

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

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

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

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

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

Business Environment

During the first quarter of 2023, broad macroeconomic and geopolitical concerns that began in the prior year continued to weigh on global economic activity. Financial markets were positively impacted by improvement in inflationary measures and a slowdown in the pace of monetary policy tightening in the U.S., which contributed to an increase in global equity and bond prices compared with the end of 2022. In March, momentum was disrupted by stress in the banking sector, including the failure of two regional banks in the U.S. and the planned combination of Switzerland's two largest financial institutions, which resulted in a period of high interest rate volatility.

The economic outlook remains uncertain, reflecting concerns about geopolitical risks, inflation and stress in the banking sector.

Results of Operations

Income Statement

Three Months Ended March 2023 versus March 2022. The company's profit for the three months ended March 2023 was $1.01 billion, a decrease of 30% compared with the three months ended March 2022.

Net Revenues

The company generates revenues from the following business activities: Investment Banking; Fixed Income, Currency and Commodities (FICC); Equities; and Investment Management, which includes Asset management and Wealth management. See "Results of Operations — Net Revenues" in Part I of the 2022 Annual Report for a description of each business activity.

The table below presents net revenues by business activity.

	Three Months Ended March	
$ in millions	**2023**	2022
Investment Banking	**$ 235**	$ 305
FICC	**1,224**	1,723
Equities	**1,315**	1,179
Investment Management	**248**	324
Total	**$3,022**	$3,531

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

Net revenues were $3.02 billion for the three months ended March 2023, 14% lower than the three months ended March 2022, primarily due to significantly lower net revenues in FICC, compared with a strong prior year period, and lower net revenues in Investment Management and Investment Banking. These decreases were partially offset by higher net revenues in Equities.

Investment Banking

Net revenues in Investment Banking were $235 million for the three months ended March 2023, 23% lower than the three months ended March 2022, primarily due to significantly lower net revenues in Advisory and lower net revenues in Underwriting. Advisory net revenues were significantly lower reflecting a decrease in industry-wide completed mergers and acquisitions transactions. The decrease in Underwriting reflected lower net revenues in Debt underwriting, partially offset by slightly higher net revenues in Equity underwriting.

FICC

Net revenues in FICC were $1.22 billion for the three months ended March 2023, 29% lower than the three months ended March 2022, due to significantly lower net revenues in FICC intermediation, partially offset by an increase in FICC financing. The decrease in FICC intermediation reflected significantly lower net revenues in currencies and commodities, partially offset by significantly higher net revenues in interest rate products and higher net revenues in mortgages. Net revenues in credit products were essentially unchanged. The increase in FICC financing reflected higher net revenues in structured credit and repos.

Equities

Net revenues in Equities were $1.32 billion for the three months ended March 2023, 12% higher compared with the three months ended March 2022, due to significantly higher net revenues in Equities financing, partially offset by lower net revenues in Equities intermediation. The increase in Equities financing reflected an increase in net revenues in securities services. The decrease in Equities intermediation primarily reflected lower net revenues in derivatives.

Investment Management

Net revenues in Investment Management were $248 million for the three months ended March 2023, 23% lower than the three months ended March 2022, primarily due to significantly lower net revenues in Asset management, partially offset by higher net revenues in Wealth management.

Net Operating Expenses

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

	Three Months Ended March	
$ in millions	**2023**	2022
Compensation and benefits	**$ 598**	$ 539
Transaction based	**404**	427
Market development	**15**	12
Communication and technology	**33**	37
Depreciation and amortisation	**68**	63
Professional fees	**37**	41
Management charges from GS Group affiliates	**322**	289
Other expenses	**211**	184
Operating expenses	**1,688**	1,592
Management charges to GS Group affiliates	**(50)**	(45)
Net operating expenses	**$1,638**	$1,547
Headcount at period-end	**3,632**	3,792

In the table above:

- Compensation and benefits included a credit of $26 million for the three months ended March 2023 and a credit of $184 million for the three months ended March 2022 representing changes in the fair value of share-based payment awards recharged from Group Inc. during the period.
- Compensation and benefits include staff costs related to the company's employees. Management charges from GS Group affiliates includes staff costs recharged to the company by other GS Group affiliates. Management charges to GS Group affiliates includes staff costs recharged by the company to other GS Group affiliates.

Net operating expenses were $1.64 billion for the three months ended March 2023, 6% higher than the three months ended March 2022.

Compensation and benefits were $598 million for the three months ended March 2023, 11% higher than the three months ended March 2022. Excluding the impact of recharges from Group Inc. equivalent to changes in the fair value of share-based payment awards for both periods, compensation and benefits were $624 million for the three months ended March 2023, 14% lower than the three months ended March 2022, reflecting a decrease in estimated annual discretionary compensation.

As of March 2023, headcount was 6% lower compared with December 2022, primarily reflecting a headcount reduction initiative during the quarter.

Income Tax Expense

The company's effective tax rate was 27.0% for the three months ended March 2023, which compares to the combined U.K. corporation tax rate (including banking surcharge) of 27.75%. The effective tax rate represents the company's income tax expense divided by its profit before taxation.

Balance Sheet

As of March 2023, total assets were $1.19 trillion, a decrease of $13.34 billion from December 2022, primarily reflecting a decrease in trading assets of $51.89 billion (primarily due to a decrease in derivatives, principally as a result of a decrease in interest rates and currencies derivatives, partially offset by an increase in trading cash instruments), partially offset by an increase in cash and cash equivalents of $31.48 billion (primarily due to a change in the proportion of Global Core Liquid Assets (GCLA) held as cash deposits).

As of March 2023, total liabilities were $1.15 trillion, a decrease of $14.35 billion from December 2022, primarily reflecting a decrease in trading liabilities of $81.18 billion (primarily due to a decrease in derivatives, principally as a result of a decrease in interest rates and currencies derivatives), partially offset by an increase in collateralised financings of $50.04 billion (primarily due to changes the company's and its clients' activity).

Under U.S. GAAP, as of March 2023, the company's total assets were $563.10 billion and total liabilities were $528.29 billion. Total assets and total liabilities under U.S. GAAP differ from those reported under IFRS primarily due to the company presenting derivative balances gross under IFRS if they are not net settled in the normal course of business, even where it has a legally enforceable right to offset those balances.

Regulatory Matters and Other Developments

Stress in the Banking Sector

During the first quarter of 2023, Silicon Valley Bank and Signature Bank, two regional banks in the U.S., experienced large deposit outflows that ultimately resulted in the failure of these banks in March 2023 and the appointment of the Federal Deposit Insurance Corporation (FDIC) as receiver for them. On May 1, 2023, First Republic Bank was placed under FDIC receivership, and the FDIC entered into a purchase and assumption agreement with JPMorgan Chase Bank, N.A. under which JPMorgan Chase Bank, N.A. will assume all of the deposits, including uninsured deposits, and substantially all of the assets of First Republic Bank.

In addition, concerns about the solvency of Credit Suisse Group AG, a globally systemically important bank (G-SIB) based in Switzerland, escalated rapidly and, as a result, UBS Group AG and Credit Suisse Group AG, working in conjunction with Swiss regulators, entered into an agreement under which UBS Group AG will acquire Credit Suisse Group AG.

A more systemic spread of concerns regarding the financial stability or solvency of banks could negatively impact the company's results of operations and financial condition.

These events have placed heightened focus on the impact that rising interest rates have had on the market values of securities portfolios of banks measured at amortised cost. The company's securities measured at amortised cost were $5 million as of March 2023 and $4 million as of December 2022. All other securities held by the company were measured at fair value through profit or loss.

The company's liquidity position during the first quarter of 2023 remained strong, as the company's GCLA averaged $74.90 billion for the quarter.

Principal Risks and Uncertainties

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

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

Directors

J. M. D. Barroso resigned from the board of directors on March 31, 2023.

Sir Bradley Fried was appointed as chair of the company on April 13, 2023.

Date of Issue

This financial information was issued on May 9, 2023.

Income Statement
(Unaudited)

$ in millions	Three Months Ended March 2023	2022
Gains or losses from financial instruments at fair value through profit or loss	**$ 3,045**	$ 3,193
Fees and commissions	**522**	518
Non-interest income	**3,567**	3,711
Interest income from financial instruments measured at fair value through profit or loss	**2,135**	608
Interest income from financial instruments measured at amortised cost	**2,638**	391
Interest expense from financial instruments measured at fair value through profit or loss	**(2,712)**	(683)
Interest expense from financial instruments measured at amortised cost	**(2,606)**	(496)
Net interest expense	**(545)**	(180)
Net revenues	**3,022**	3,531
Net operating expenses	**(1,638)**	(1,547)
Profit before taxation	**1,384**	1,984
Income tax expense	**(374)**	(549)
Profit for the financial period	**$ 1,010**	$ 1,435

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

Statement of Comprehensive Income
(Unaudited)

$ in millions	Three Months Ended March 2023	2022
Profit for the financial period	**$ 1,010**	$ 1,435
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Actuarial gain/(loss) relating to the pension scheme	**9**	(18)
Debt valuation adjustment	**(12)**	187
U.K. deferred tax attributable to the components of other comprehensive income	**1**	(52)
Other comprehensive income/(loss) for the financial period, net of tax	**(2)**	117
Total comprehensive income for the financial period	**$ 1,008**	$ 1,552

Balance Sheet
(Unaudited)

		As of	
		March	December
$ in millions	**Note**	**2023**	2022
Assets			
Cash and cash equivalents		**$ 43,185**	$ 11,707
Collateralised agreements	2	**238,623**	235,796
Customer and other receivables		**76,298**	78,967
Trading assets (includes **$35,961** and $20,708 pledged as collateral)	3	**820,921**	872,810
Investments (includes **$31** and $3 pledged as collateral)		**272**	280
Loans		**179**	222
Other assets		**10,224**	3,259
Total assets		**$1,189,702**	$1,203,041
Liabilities			
Collateralised financings	4	**$ 174,779**	$ 124,735
Customer and other payables		**118,715**	110,983
Trading liabilities	3	**763,131**	844,313
Unsecured borrowings	5	**85,745**	76,205
Other liabilities		**4,115**	4,596
Total liabilities		**1,146,485**	1,160,832
Shareholder’s equity			
Share capital		**598**	598
Share premium account		**5,568**	5,568
Other equity instruments		**8,300**	8,300
Retained earnings		**28,882**	27,870
Accumulated other comprehensive income		**(131)**	(127)
Total shareholder’s equity		**43,217**	42,209
Total liabilities and shareholder’s equity		**$1,189,702**	$1,203,041

Supplementary Notes (Unaudited)

Note 1.

Basis of Preparation

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

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

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

Note 2.

Collateralised Agreements

The table below presents collateralised agreements.

$ in millions	As of March 2023	As of December 2022
Resale agreements	**$121,005**	$129,433
Securities borrowed	**117,618**	106,363
Total	**$238,623**	$235,796

Note 3.

Trading Assets and Liabilities

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

The table below presents trading assets.

$ in millions	As of March 2023	As of December 2022
Trading cash instruments		
Money market instruments	**$ 17**	$ 20
Government and agency obligations	**26,804**	18,301
Mortgage and other asset-backed loans and securities	**275**	198
Corporate debt instruments	**22,892**	20,092
Equity securities	**52,954**	33,670
Commodities	**114**	148
Total trading cash instruments	**103,056**	72,429
Derivatives		
Interest rates	**534,716**	599,737
Credit	**23,269**	19,782
Currencies	**88,994**	111,249
Commodities	**15,251**	19,647
Equities	**55,635**	49,966
Total derivatives	**717,865**	800,381
Total trading assets	**$820,921**	$872,810

The table below presents trading liabilities.

$ in millions	As of March 2023	As of December 2022
Trading cash instruments		
Government and agency obligations	**$ 21,553**	$ 14,109
Corporate debt instruments	**5,244**	5,532
Equity securities	**34,301**	37,037
Commodities	**25**	16
Total trading cash instruments	**61,123**	56,694
Derivatives		
Interest rates	**519,191**	585,621
Credit	**20,862**	17,453
Currencies	**91,518**	114,335
Commodities	**15,383**	20,207
Equities	**55,054**	50,003
Total derivatives	**702,008**	787,619
Total trading liabilities	**$763,131**	$844,313

Note 4.

Collateralised Financings

The table below presents collateralised financings.

	As of	
	March	December
$ in millions	**2023**	2022
Repurchase agreements	**$124,922**	$ 80,172
Securities loaned	**34,864**	31,019
Intercompany loans	**6,280**	7,027
Debt securities issued	**4,186**	2,393
Other borrowings	**4,527**	4,124
Total	**$174,779**	$124,735

In the table above, total collateralised financings included non-current collateralised financings of $44.24 billion as of March 2023 and $38.52 billion as of December 2022.

Note 5.

Unsecured Borrowings

The table below presents unsecured borrowings.

	As of	
	March	December
$ in millions	**2023**	2022
Bank loans	**$ 100**	$ 100
Overdrafts	**602**	68
Intercompany loans — non-MREL eligible	**27,130**	19,519
Intercompany loans — MREL eligible	**17,043**	16,774
Debt securities issued	**28,338**	26,929
Subordinated loans	**5,507**	5,407
Other borrowings	**7,025**	7,408
Total	**$85,745**	$76,205

In the table above, total unsecured borrowings included non-current borrowings of $62.56 billion as of March 2023 and $56.18 billion as of December 2022.

Note 6.

Fair Value Measurement of Financial Assets and Liabilities

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

$ in millions	Level 1	Level 2	Level 3	Total
As of March 2023				
Financial assets				
Collateralised agreements	**$ —**	**$ 139,086**	**$ 116**	**$ 139,202**
Trading cash instruments	**70,757**	**31,819**	**480**	**103,056**
Derivative instruments	**259**	**713,611**	**3,995**	**717,865**
Trading assets	**71,016**	**745,430**	**4,475**	**820,921**
Investments	**—**	**202**	**70**	**272**
Loans	**—**	**125**	**54**	**179**
Other assets	**—**	**6,827**	**—**	**6,827**
Total	**$71,016**	**$ 891,670**	**$ 4,715**	**$ 967,401**
Financial liabilities				
Collateralised financings	**$ —**	**$ 116,044**	**$ 399**	**$ 116,443**
Trading cash instruments	**53,795**	**7,311**	**17**	**61,123**
Derivative instruments	**94**	**699,381**	**2,533**	**702,008**
Trading liabilities	**53,889**	**706,692**	**2,550**	**763,131**
Unsecured borrowings	**—**	**42,639**	**5,298**	**47,937**
Total	**$53,889**	**$ 865,375**	**$ 8,247**	**$ 927,511**
As of December 2022				
Financial assets				
Collateralised agreements	$ —	$ 151,621	$ 118	$ 151,739
Trading cash instruments	44,917	26,956	556	72,429
Derivative instruments	166	796,286	3,929	800,381
Trading assets	45,083	823,242	4,485	872,810
Investments	4	205	71	280
Loans	—	168	54	222
Other assets	—	156	—	156
Total	$45,087	$ 975,392	$ 4,728	$1,025,207
Financial liabilities				
Collateralised financings	$ —	$ 77,144	$ 395	$ 77,539
Trading cash instruments	49,689	6,997	8	56,694
Derivative instruments	55	785,240	2,324	787,619
Trading liabilities	49,744	792,237	2,332	844,313
Unsecured borrowings	—	35,099	5,148	40,247
Total	$49,744	$ 904,480	$ 7,875	$ 962,099

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

Note 7.

Capital Management and Financial Risk Management

Regulatory Capital

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

Regulatory Risk-Based Capital Ratios

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

	As of	
	March 2023	December 2022
CET1 capital ratio	**8.7%**	8.7%
Tier 1 capital ratio	**10.6%**	10.7%
Total capital ratio	**13.3%**	13.3%

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

	As of	
$ in millions	**March 2023**	December 2022
Risk-based capital and RWAs		
CET1 capital	**$ 32,622**	$ 31,780
Additional Tier 1 notes	**$ 8,300**	$ 8,300
Tier 1 capital	**$ 40,922**	$ 40,080
Tier 2 capital	**$ 5,377**	$ 5,377
Total capital	**$ 46,299**	$ 45,457
RWAs	**$248,240**	$247,653
Risk-based capital ratios		
CET1 capital ratio	**13.1%**	12.8%
Tier 1 capital ratio	**16.5%**	16.2%
Total capital ratio	**18.7%**	18.4%

In the table above, the risk-based capital ratios as of March 2023 included the company's profit after foreseeable charges for the three months ended March 2023 that are still subject to verification by the company's external auditors and approval by the PRA for inclusion in risk-based capital. These profits contributed approximately 26 basis points to the CET1 capital ratio as of March 2023, which represents the company's profit for the financial period reduced by foreseeable charges, divided by its risk-weighted assets.

Subject to regulatory approval, the company intends to repay $2.80 billion of its AT1 notes during 2023. The company intends to partially replace this regulatory capital by increasing its Tier 2-eligible long-term subordinated loans by $1.50 billion.

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

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

Leverage Ratio

From January 1, 2023, the leverage ratio framework was revised to set a minimum leverage ratio requirement at 3.35%, inclusive of buffers. This minimum leverage ratio is applicable to GSG UK Group, which includes the company. The leverage ratio compares Tier 1 capital to a measure of leverage exposure, defined as the sum of certain assets plus certain off-balance-sheet exposures (which include a measure of derivatives, securities financing transactions, commitments and guarantees), less Tier 1 capital deductions.

The company had a leverage ratio of 5.6% as of March 2023 and 6.1% as of December 2022. The leverage ratio as of March 2023 included the company's profits after foreseeable charges for the three months ended March 2023 that are still subject to verification by the company's external auditors and approval by the PRA for inclusion in risk-based capital. These profits contributed approximately 9 basis points to the leverage ratio as of March 2023, which represents the company's profit for the financial period reduced by foreseeable charges, divided by its leverage exposure.

Liquidity Risk

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

	Average for the Three Months Ended	
$ in millions	**March 2023**	December 2022
Overnight cash deposits	**$34,962**	$21,824
U.S. government obligations	**24,179**	35,591
Non-U.S. government obligations	**15,755**	20,361
Total	**$74,896**	$77,776

Market Risk

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

	Three Months Ended March	
$ in millions	**2023**	2022
Categories		
Interest rates	**$ 35**	$ 33
Equity prices	**25**	25
Currency rates	**12**	12
Commodity prices	**2**	1
Diversification effect	**(28)**	(26)
Total	**$ 46**	$ 45

Note 8.

Legal Proceedings

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

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

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

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

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

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

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

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

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

Note 9.

Non-Adjusting Post Balance Sheet Event

On April 1, 2023, the company transferred its U.K. asset management business to Goldman Sachs Asset Management International (GSAMI), GS Group’s primary U.K. asset management entity. This combines GSI’s and GSAMI’s U.K. asset management businesses in GSAMI, consistent with GS Group’s resolution planning and the commercial objectives of its asset management business. This business had average annual net revenues in the last three years of $436 million, and approximately 300 employees and immaterial assets and liabilities as of March 2023.

As consideration for the transfer, the company has received a non-controlling interest in a GS Group affiliate. Although the company will recognise a gain equivalent to the fair value of the business in the second quarter of 2023, the company is not expecting to recognise a related increase in its regulatory capital based on its current capital planning.