Unaudited Half-yearly Financial Report

June 30, 2024

Goldman Sachs Bank Europe SE

INDEX

Introduction

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

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

The bank is a wholly-owned subsidiary of Goldman Sachs Bank USA (GS Bank USA), a New York State-chartered bank and a member of the Federal Reserve System. The bank's ultimate parent undertaking and controlling entity is The Goldman Sachs Group, Inc. (Group Inc.). Group Inc. is a bank holding company and a financial holding company regulated by the Board of Governors of the Federal Reserve System. In relation to the bank, "GS Group affiliate" means Group Inc. or any of its subsidiaries. Group Inc., together with its consolidated subsidiaries, form "GS Group". GS Group is a leading global financial institution that delivers a broad range of financial services to a large and diversified client base that includes corporations, financial institutions, governments and individuals.

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

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

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

All references to June 2024 and June 2023 refer to the periods ended, or the dates, as the context requires, June 30, 2024 and June 30, 2023, respectively. All references to December 2023 refer to the date December 31, 2023. All references to "the 2023 Annual Report" are to the bank's Annual Financial Statements and Management Report for the year ended December 31, 2023, which is available at www.goldmansachs.com/investor-relations/financials/subsidiary-financial-info/gsbe. Any statements relating to future periods are subject to a high degree of uncertainty.

This half-yearly financial report, together with the management report, as of June 30, 2024 are neither subject to an auditor's review nor have they been reviewed in accordance with Sec 317 of the German Commercial Code (HGB).

The bank's results presented in the management report have been prepared under HGB.

Business Environment

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

Results of Operations

Net Revenues

Net revenues are defined as the sum of interest income, interest expense, commission income, commission expense and net trading result. Net revenues arise from transactions with both third parties and GS Group affiliates. The bank has revenue sharing agreements with GS Group affiliates related to certain activities under which it receives revenues from, and transfer revenues to, such affiliates.

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

	Six Months Ended June	
€ in millions	**2024**	2023
Investment Banking	**€304**	€259
FICC	**275**	285
Equities	**318**	219
Investment Management	**96**	99
Total net revenues	**€993**	€862

Income and expenses associated with the bank's sources and uses of funding, including returns on the bank's Global Core Liquid Assets (GCLA), are allocated to the bank's business activities and were significantly higher for the six months ended June 2024 compared to the the six months ended June 2023.

Net revenues were €993 million for the six months ended June 2024, 15% higher than the six months ended June 2023, due to higher net revenues in Investment Banking and significantly higher net revenues in Equities, partially offset by lower net revenues in FICC and Investment Management.

Investment Banking

Investment Banking primarily generates revenues from the following:

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

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

Other. Includes lending to corporate clients, including through relationship lending and acquisition financing, and providing transaction banking services

Six Months Ended June 2024 versus June 2023. Net revenues in Investment Banking were €304 million for the six months ended June 2024, 17% higher than the six months ended June 2023, primarily due to higher net revenues in Underwriting (due to higher net revenues in Equity underwriting partially offset by lower net revenues in Debt underwriting), higher net revenues in Advisory (reflecting an increase in industry-wide completed mergers and acquisitions transactions) and higher net revenues in Corporate lending (reflecting increased lending activity).

FICC

FICC generates revenues from intermediation and financing activities.

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

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

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

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

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

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

Six Months Ended June 2024 versus June 2023. Net revenues in FICC were €275 million for the six months ended June 2024, 4% lower than the six months ended June 2023, primarily due to lower net revenues in FICC intermediation (due to lower net revenues in interest rate products, currencies and credit products, partially offset by higher net revenues in commodities) partially offset by higher net revenues in FICC financing (primarily driven by resale agreements). The decrease in FICC intermediation net revenues reflected lower client activity partially offset by higher returns on the bank's GCLA in a higher interest rate environment.

Equities

Equities generates revenues from intermediation and financing activities.

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

Six Months Ended June 2024 versus June 2023. Net revenues in Equities were €318 million for the six months ended June 2024, 45% higher than the six months ended June 2023, primarily due to significantly higher net revenues in Equities financing (primarily reflecting higher net revenues in portfolio financing and prime financing) and higher net revenues in Equities intermediation (due to higher net revenues in derivatives). The increase in net revenues in both Equities financing and Equities intermediation primarily reflected higher returns on the bank's GCLA in a higher interest rate environment.

Investment Management

Investment Management includes Asset management and Wealth management.

Asset management includes a share of asset-based fees on client assets that are being managed on a fiduciary basis by GS Group's portfolio managers, and for the bank's sales and distribution efforts. The bank's asset management business significantly depends on its ability to delegate portfolio management to other GS Group affiliates.

During the year ended December 2023, the bank agreed to transfer its asset management activities to Goldman Sachs Asset Management BV (GSAM BV), GS Group's primary E.U. asset management entity. The transfer was valued at €26 million, of which the bank accrued €20 million during the year ended December 2023 and €6 million during the six months ended June 2024. See Note 6 and Note 7 to the financial statements for further information.

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

Six Months Ended June 2024 versus June 2023. Net revenues in Investment Management were €96 million for the six months ended June 2024, 3% lower than the six months ended June 2023, primarily due to lower net revenues in Asset management (reflecting the transfer of the bank's asset management activities to GSAM BV) partially offset by higher net revenues in Wealth management.

Net Revenues by Income Statement Line Items

The table below presents the bank's net revenues by income statement line items.

	Six Months Ended June	
€ in millions	**2024**	2023
Interest income	**€ 1,267**	€ 826
Interest expense	**(1,438)**	(865)
Net interest expense	**(171)**	(39)
Commission income	**502**	471
Commission expense	**(105)**	(86)
Net commission income	**397**	385
Net trading result	**767**	516
Total	**€ 993**	€ 862

In the table above:

- Net interest expense relates to interest income and interest expense on banking book products.
- Net commission income relates to net revenues from certain financial advisory and underwriting engagements, executing and clearing transactions and certain investment management activities.
- Net trading result relates to interest income, interest expense and gains and losses on trading book products, transaction-based expenses and risk valuation adjustment according to section 340e (3) and (4) HGB.
- Due to the nature of the bank's business activities, revenue reported in net trading result can be partially offset by revenue reported in net interest expense. For example, certain activities may produce trading revenues but incur interest expense related to the funding of the related inventory.

Net interest expense was €171 million for the six months ended June 2024, €132 million higher than the six months ended June 2023, reflecting a significant increase in net interest expense on banking book products partially offset by a significant increase in interest income on the bank's GCLA, both due to increased activity and the higher interest rate environment. The net interest expense was more than offset by net interest income on trading book products, reported within net trading result.

Net trading result was €767 million for the six months ended June 2024, 49% higher than the six months ended June 2023, primarily reflecting a significant increase in trading income as well net interest income on trading book products driven by increased activity and the higher interest rate environment. Net trading result included net interest income of €191 million for the six months ended June 2024 (June 2023: €131 million) primarily relating to bonds and other fixed-income securities classified within the trading book, resale agreements and securities sold under agreements to repurchase (repurchase agreements).

Expenses

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

The table below presents the bank's total expenses and headcount.

	Six Months Ended June	
€ in millions	**2024**	2023
Wages and salaries	**€324**	€269
Social security contributions	**57**	47
Other administrative expenses	**91**	99
Depreciation and amortisation	**5**	5
Other operating expenses	**6**	3
Provision for loan losses	**9**	4
Total expenses	**€492**	€427
Headcount at period-end	**1,057**	1,095

In the table above,

- Wages and salaries included a charge of €51 million for the six months ended June 2024 and a credit of €6 million for the six months ended June 2023 representing changes in the fair value of share-based payment awards recharged from Group Inc. during the period.
- Other administrative expenses included a credit of €5 million for the six months ended June 2024 related to reversal of accruals for the E.U. Single Resolution Fund (SRF) made in the prior year (June 2023: charge of €7 million).
- Other administrative expenses also include charges relating to operational and administrative support and management services received from GS Group affiliates.

June 2024 versus June 2023. Total expenses were €492 million for the six months ended June 2024, 15% higher than the six months ended June 2023.

Wages and salaries were €324 million for the six months ended June 2024, 20% higher than the six months ended June 2023. Excluding the impact of changes in the fair value of share-based payment awards for both periods, wages and salaries were €273 million for the six months ended June 2024, essentially unchanged compared with the six months ended June 2023.

Other administrative expenses were €91 million for the six months ended June 2024, 8% lower than the six months ended June 2023, primarily due to reversal of accruals made in the prior year for the E.U. SRF which achieved its funding target in the year ended December 2023.

Headcount was 1,057 as of June 2024, essentially unchanged compared to December 2023 and 3% lower than 1,095 as of June 2023.

Income Tax Expense

The effective tax rate for the six months ended June 2024 was 35.0% which is higher compared to the combined income tax rate for the jurisdictions in which the bank operates mainly due to the impact of certain permanent differences. The effective tax rate for the six months ended June 2023 was 33.0%. The effective tax rate is higher in the current period primarily due to certain higher permanent differences. The effective tax rate represents the bank's income tax expense divided by its result from ordinary activities.

Balance Sheet and Funding Sources

Balance Sheet Analysis

As of June 2024, total assets were €102.31 billion, an increase of €16.94 billion from December 2023, primarily reflecting an increase in trading assets of €10.62 billion (primarily due to an increase in derivatives as well as bonds and other fixed income securities, partially offset by a decrease in trading book resale agreements), an increase in receivables from customers of €10.60 billion (primarily due to an increase in banking book resale agreements driven by a change in the proportion of GCLA held as securities), partially offset by a decrease in receivables from credit institutions of €5.40 billion (primarily due to a decrease in central bank cash deposits driven by a change in the proportion of GCLA held as cash deposits).

As of June 2024, total liabilities were €89.28 billion, an increase of €16.60 billion from December 2023, primarily reflecting an increase in liabilities to customers of €8.48 billion (primarily due to an increase in banking book repurchase agreements and securities lending agreements, and an increase in private wealth deposits), an increase in trading liabilities of €5.39 billion (primarily due to an increase in derivatives partially offset by a decrease in trading book repurchase agreements), an increase in liabilities to credit institutions of €4.87 billion (primarily due to an increase in intercompany borrowings) partially offset by a decrease in other liabilities of €1.37 billion (primarily due to a decrease in collateral received in connection with derivative transactions).

As of June 2024, total shareholder's equity was €13.03 billion, an increase of €342 million from December 2023, reflecting the bank's profit for the six months ended June 2024.

Funding Sources

The bank's primary sources of funding are collateralised financings (included within liabilities to credit institutions/ customers and trading liabilities), unsecured borrowings (included within liabilities to credit institutions/customers and trading liabilities), deposits (included within liabilities to customers and securitised liabilities) and shareholder's equity. The bank raises this funding through a number of different products, including:

- Repurchase agreements and securities loaned;
- Intercompany loans primarily from its immediate parent undertaking, GS Bank USA;
- Deposits, including demand and time deposits and certificates of deposit; and
- External unsecured borrowings including registered bonds and promissory notes, debt securities issued and overdrafts.

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

Regulatory Capital

The bank is subject to the capital requirements prescribed in the amended E.U. Capital Requirements Directive (CRD) and E.U. Capital Requirements Regulation (CRR), which are largely based on the Basel Committee on Banking Supervision's (Basel Committee) capital framework for strengthening international capital standards.

The bank uses International Financial Reporting Standards (IFRS) as the basis of accounting, in accordance with Art. 24 (2) of Regulation (EU) No 575/2013, while calculating its prudential capital requirements.

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

The CET1 capital, Tier 1 capital and total capital ratio requirements (collectively, the Pillar 1 capital requirements) are supplemented by additional capital buffers and requirements. See "Regulatory Capital" in Part I of the 2023 Annual Report for further information on capital buffers and requirements.

Regulatory Risk-Based Capital Ratios

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

	As of	
	June 2024	December 2023
Risk-based capital requirements		
CET1 capital ratio	**10.4%**	10.0%
Tier 1 capital ratio	**12.4%**	12.1%
Total capital ratio	**15.1%**	14.8%

In the table above, the increase in risk-based capital requirements is driven by an increase in the other systemically important institutions (O-SII) buffer by 25 basis points (bps) effective January 1, 2024 and an increase in the countercyclical capital buffer by 22bps mainly due to increased rates across certain jurisdictions where the bank has exposures. These increases were partially offset by a decrease in the individual Pillar 2 capital requirement (P2R) add-on by 14bps for CET1 capital, 19bps for Tier 1 capital and 25bps for total capital, effective January 1, 2024.

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

	As of	
€ in millions	**June 2024**	December 2023
Risk-based capital and RWAs		
CET1 capital	**€13,167**	€12,872
Tier 1 capital	**€13,167**	€12,872
Tier 2 capital	**€ 20**	€ 20
Total capital	**€13,187**	€12,892
RWAs	**€39,093**	€36,045
Risk-based capital ratios		
CET1 capital ratio	**33.7%**	35.7%
Tier 1 capital ratio	**33.7%**	35.7%
Total capital ratio	**33.7%**	35.8%

In the table above:

- CET1 capital comprises the bank's shareholder's equity less certain regulatory adjustments and deductions.
- The risk-based capital ratios as of June 2024 included the bank's profits after foreseeable charges for the six months ended June 2024, which are still subject to audit by the bank's external auditors and approval by the bank's shareholder for inclusion in the bank's risk-based capital. These profits contributed 107bps to the CET1 capital ratio as of June 2024.

Leverage Ratio

The bank is subject to a minimum leverage ratio requirement of 3.0%. The leverage ratio compares Tier 1 capital to a measure of leverage exposure, defined as the sum of certain assets plus certain off-balance-sheet exposures (which include a measure of derivatives, securities financing transactions, commitments and guarantees), less Tier 1 capital deductions.

The table below presents information about the bank's leverage ratio.

	As of	
	June	December
€ in millions	**2024**	2023
Tier 1 capital	**€ 13,167**	€ 12,872
Leverage exposure	**€134,986**	€112,901
Leverage ratio	**9.8%**	11.4%

In the table above, the leverage ratio as of June 2024 included the bank's profits after foreseeable charges for the six months ended June 2024, which are still subject to audit by the bank's external auditors and approval by the bank's shareholder for inclusion in the bank's risk-based capital. These profits contributed 31bps to the leverage ratio as of June 2024.

Minimum Requirement for Own Funds and Eligible Liabilities (MREL)

The CRR and the E.U. Bank Recovery and Resolution Directive (BRRD) are designed to, among other things, implement the Financial Stability Board's (FSB) minimum Total Loss Absorbing Capacity (TLAC) requirement for global systemically important banks (G-SIB). The CRR requires material subsidiaries of non-E.U. G-SIBs to meet internal TLAC (iTLAC) requirements equivalent to 90% of the external TLAC requirements applicable to E.U. G-SIBs. The bank satisfies this requirement through its regulatory capital and MREL eligible debt from intercompany borrowings.

The BRRD, as amended by BRRD II subjects institutions to a minimum requirement for own funds and eligible liabilities. The Single Resolution Board's (SRB) internal MREL (iMREL) requirements are applicable to the bank and became effective from January 1, 2024. The SRB has set this at 22% (excluding any combined buffer requirements), which is at a higher level than the iTLAC to RWAs requirement.

The SRB has also set an iMREL to leverage exposure requirement of 6%. The iMREL to leverage exposure requirement is lower than the iTLAC to leverage exposure requirement.

The minimum iMREL requirements are subject to change by the SRB annually.

The table below presents information about the bank's iMREL/iTLAC requirements.

	As of	
	June	December
	2024	2023
iMREL to RWAs	**26.3%**	N/A
iTLAC to RWAs	**20.5%**	20.0%
iMREL to leverage exposure	**6.0%**	N/A
iTLAC to leverage exposure	**6.1%**	6.1%

In the table above, iMREL/iTLAC to RWAs requirements are expressed including the combined buffer requirement (capital conservation buffer, countercyclical capital buffer and O-SII buffer). See "Regulatory Capital" in Part I of the 2023 Annual Report for further information on capital buffers.

The table below presents information about the bank's iMREL/iTLAC ratios.

	As of	
	June	December
€ in millions	**2024**	2023
Total capital	**€ 13,187**	€ 12,892
MREL eligible intercompany borrowing	**800**	800
iMREL/iTLAC	**€ 13,987**	€ 13,692
RWAs	**€ 39,093**	€ 36,045
Leverage exposure	**€134,986**	€112,901
iMREL/iTLAC to RWAs	**35.8%**	38.0%
iMREL/iTLAC to leverage exposure	**10.4%**	12.1%

In the table above, iMREL/iTLAC ratios as of June 2024 included the bank's profits after foreseeable charges for the six months ended June 2024, which are still subject to audit by the bank's external auditors and approval by the bank's shareholder for inclusion in the bank's risk-based capital. These profits contributed 107bps to the iMREL/iTLAC to RWAs ratio and 31bps to the iMREL/iTLAC to leverage exposure ratio as of June 2024.

Forecast and Opportunities Report

Business Outlook

The bank's regulatory reporting and internal control is based on IFRS. The bank uses certain key performance indicators (KPI) to measure financial performance as well as to manage the development of its business and capital strength.

The primary KPIs to measure the development of the bank's business are net revenues and net income. The primary KPI to manage the bank's capital strength is the total capital ratio.

The bank's Executive Board continues to be cautiously optimistic about the business outlook for the remainder of 2024. The Executive Board expects net revenues under IFRS and net income under IFRS in 2024 to be higher compared to the year ended December 2023.

The bank's Executive Board expects that the total capital ratio will decrease compared to December 2023 primarily driven by an expected increase in business activity. The expected total capital ratio will remain conservatively above minimum requirements.

The business outlook is based on the current expectations of the bank's Executive Board and the actual results could differ, possibly materially, to the anticipated results due to certain factors including those described in the "Principal Risks and Uncertainties" section of the 2023 Annual Report.

Principal Risks and Uncertainties

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

The principal risks and uncertainties that the bank faces are: liquidity risk, market risk, credit risk, operational risk, legal and regulatory risk, competition risk, and market developments and general business environment risk. These risks and uncertainties are consistent with those described in the 2023 Annual Report.

Risk Management

Risks are inherent in the bank's businesses and include liquidity, market, credit, operational, cybersecurity, model, legal, compliance, conduct, regulatory, business environment and strategic risks, and reputational risks. The bank's risks include the risks across its risk categories, regions or businesses, as well as those which have uncertain outcomes and have the potential to materially impact the bank's financial results, its liquidity and its reputation.

As of June 2024, the following risk categories are considered material for the bank:

- Liquidity risk
- Market risk
- Credit risk
- Operational risk
- Compliance risk
- Strategic and business environment risk

For further information about the bank's risk management processes and the bank's areas of risk, please refer to the "Risk Report" in the 2023 Annual Report.

Overview and Structure of Risk Management

The bank believes that effective risk management is critical to its success. Accordingly, the bank has established an enterprise risk management framework that employs a comprehensive, integrated approach to risk management and is designed to enable comprehensive risk management processes through which the risks associated with the bank's businesses are identified, assessed, monitored and managed.

The implementation of the bank's risk governance structure and core risk management processes are overseen by the bank's Executive Board, which is responsible for ensuring that the bank's framework provides a consistent and integrated approach to managing the various risks in a manner consistent with the bank's risk appetite.

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

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

Liquidity Risk Management

Overview

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

See "Liquidity Risk Management" in Part I of the 2023 Annual Report for further information about the bank's liquidity risk management process.

GCLA

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

The table below presents information about GCLA.

	Average for the Six Months Ended June	
€ in millions	**2024**	2023
Central Bank cash placements	**€16,421**	€15,846
U.S. government obligations	**1,774**	1,310
Non-U.S. government obligations	**5,143**	1,990
Total	**€23,338**	€19,146

The GCLA held by the bank is intended for use only by the bank to meet its liquidity requirements. In addition to GCLA held in the bank, GS Group holds a portion of global GCLA directly at Group Inc. or Funding IHC, which in some circumstances may be additionally provided to the bank or other major subsidiaries.

Liquidity Regulatory Framework

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

The bank is subject to a minimum LCR of 100% under the LCR rule approved by the European Parliament and Council. The bank's average monthly LCR for the trailing twelve-month period ended June 2024 and for the trailing twelve-month period ended December 2023 exceeded the minimum requirement.

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

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

Credit Ratings

Credit ratings are important when the bank is competing in certain markets, such as OTC derivatives, and when it seeks to engage in longer-term transactions.

The table below presents the unsecured credit ratings and outlook of the bank, GS Bank USA and Group Inc.

	As of June 2024		
	Fitch	**Moody's**	**S&P**
GSBE			
Short-term debt	**F1**	**P-1**	**A-1**
Long-term debt	**A+**	**A1**	**A+**
Short-term bank deposits	**N/A**	**P-1**	**N/A**
Long-term bank deposits	**N/A**	**A1**	**N/A**
Ratings outlook	**Stable**	**Stable**	**Stable**
GS Bank USA			
Short-term debt	**F1**	**P-1**	**A-1**
Long-term debt	**A+**	**A1**	**A+**
Short-term bank deposits	**F1+**	**P-1**	**N/A**
Long-term bank deposits	**AA-**	**A1**	**N/A**
Ratings outlook	**Stable**	**Stable**	**Stable**
Group Inc.			
Short-term debt	**F1**	**P-1**	**A-2**
Long-term debt	**A**	**A2**	**BBB+**
Ratings outlook	**Stable**	**Stable**	**Stable**

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

Market Risk Management

Overview

Market risk is the risk of an adverse impact to the bank's earnings due to changes in market conditions. The bank's assets and liabilities that give rise to market risk primarily include inventory in the trading book and banking book, as well as certain other financial assets and liabilities. The bank employs a variety of risk measures to monitor market risk. Categories of market risk include interest rate risk, equity price risk, currency rate risk and commodity price risk.

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

Value-at-Risk (VaR)

VaR is the potential loss in value due to adverse market movements over a defined time horizon with a specified confidence level. See "Market Risk Management" in Part I of the 2023 Annual Report for further information.

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

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

	As of June	
€ in millions	**2024**	2023
Categories		
Interest rates	**€ 4**	€ 4
Equity prices	**2**	2
Currency rates	**1**	2
Commodity prices	**—**	—
Diversification effect	**(3)**	(3)
Total	**€ 4**	€ 5

The table below presents the bank's average daily VaR, high and low VaR.

	Six Months Ended June	
€ in millions	**2024**	2023
Average daily VaR	**€5**	€ 7
High VaR	**€7**	€11
Low VaR	**€4**	€ 4

Credit Risk Management

Overview

Credit risk represents the potential for loss due to the default or deterioration in credit quality of a counterparty (e.g., an OTC derivatives counterparty or a borrower) or an issuer of securities or other instruments the bank holds. The bank further differentiates between trading counterparty risk, lending risk, deposit placement risk and settlement risk within its risk management approach.

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

See "Credit Risk Management" in Part I of the 2023 Annual Report for further information about the bank's credit risk management process.

Credit Risk Exposure

Exposure at default (EAD) represents the credit exposure used to calculate the RWAs for regulatory capital purposes and is not directly comparable to the amounts presented on the balance sheet due to differences in measurement methodology, counterparty netting and collateral offsets used.

The table below presents the bank's EAD.

	As of	
	June	December
€ in millions	**2024**	2023
Counterparty credit risk	**€24,498**	€21,626
Credit risk excluding counterparty credit risk	**20,641**	22,681
Settlement risk	**266**	91
Securitisation exposures in the banking book	**35**	39
Total	**€45,440**	€44,437

In the table above:

- Counterparty credit risk primarily relates to credit exposure on derivative and securities financing transactions.
- As of June 2024, counterparty credit risk included credit exposure of €18.36 billion (December 2023: €16.64 billion) calculated using approved internal models, credit exposure of €3.66 billion (December 2023: €2.39 billion) against central clearing organisations and credit exposure of €1.56 billion (December 2023: €1.71 billion) calculated using standardised approach.
- Credit risk excluding counterparty credit risk is calculated using the standardised approach and primarily relates to credit exposure on customer and other receivable balances, loans and lending commitments.

The table below presents the bank's EAD by industry sectors.

	As of	
	June	December
€ in millions	**2024**	2023
Central Banks	**€ 9,933**	€16,577
Credit Institutions	**3,875**	3,345
Other Financial Corporations	**20,796**	16,649
Non-Financial Corporations	**9,047**	6,842
General Governments	**1,536**	795
Households	**253**	229
Total	**€45,440**	€44,437

Operational Risk Management

Overview

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

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

Compliance Risk Management

Overview

Compliance risk is the risk of legal or regulatory breaches, material financial loss or damage to the bank's reputation arising from its failure to comply with the requirements of applicable laws, rules and regulations, and its internal policies and procedures.

See "Compliance Risk Management" in Part I of the 2023 Annual Report for further information about the bank's compliance risk management process.

Model Risk Management

Overview

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

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

Strategic and Business Environment Risk

Strategic and Business Environment Risk is the risk of an adverse outcome to the bank from its strategic business decisions or structural changes to the bank's business environment and also integrates Climate Change Risk Management.

See "Strategic and Business Environment Risk" in Part I of the 2023 Annual Report for further information.

Executive Board and Supervisory Board

Executive Board

Hei Man Lo resigned from the Executive Board effective as of March 15, 2024.

Michael Trokoudes was appointed to the Executive Board effective as of August 1, 2024.

Thomas Degn-Petersen resigned from the Executive Board effective as of August 23, 2024.

Jonathan P. Bury was appointed to the Executive Board effective as of August 24, 2024.

Supervisory Board

John F.W Rogers was appointed as chair of the Supervisory Board effective as of January 1, 2024.

Richard J. Gnodde was appointed as deputy chair of the Supervisory Board effective as of January 1, 2024.

Manuela Better was appointed to the Supervisory Board effective as of March 7, 2024.

Efthalia Chryssikou resigned from the Supervisory Board effective as of July 22, 2024.

Date of Issue

This financial report was issued on August 30, 2024.

Unaudited Financial Statements

GOLDMAN SACHS BANK EUROPE SE

Balance Sheet
(Unaudited)

		As of	
€ in millions	**Note**	**June 2024**	December 2023
Assets			
Cash reserve			
Balances with central banks		**€ 348**	€ 347
Receivables from credit institutions			
Due on demand		**9,903**	15,096
Other receivables		**808**	1,016
Receivables from customers		**28,954**	18,357
Trading assets	3	**54,799**	44,181
Assets held in trust		**65**	67
Intangible assets			
Internally developed intangible assets		**12**	8
Fixed assets		**23**	20
Other assets	4	**7,285**	6,169
Deferred tax assets		**112**	109
Total assets		**€102,309**	€85,370
Liabilities			
Liabilities to credit institutions			
Due on demand		**469**	68
With agreed term or notice period		**15,042**	10,576
Liabilities to customers			
Other liabilities			
Due on demand		**17,271**	13,104
With agreed term or notice period		**25,067**	20,758
Securitised liabilities			
Other securitised liabilities		**564**	1,467
Trading liabilities	3	**26,255**	20,867
Liabilities held in trust		**65**	67
Other liabilities	4	**3,441**	4,811
Deferred income		**7**	4
Provisions			
Provisions for pensions and similar commitments		**113**	112
Tax provisions		**94**	66
Other provisions	5	**520**	495
Subordinated debt		**20**	20
Fund for general banking risks		**353**	269
Shareholder's equity			
Ordinary share capital		**329**	329
Capital reserve		**10,602**	10,602
Profit reserves			
Other profit reserves		**1,755**	1,156
Distributable profit		**342**	599
Total liabilities and shareholder's equity		**€102,309**	€85,370
Other obligations			
Irrevocable lending commitments		**€ 9,119**	€ 7,117

Income Statement
(Unaudited)

€ in millions	Note	Six Months Ended June 2024	Six Months Ended June 2023
Interest income from			
Lending and money market business		**€ 1,267**	€ 826
Interest expense		**(1,438)**	(865)
Commission income		**502**	471
Commission expense		**(105)**	(86)
Net trading result		**767**	516
Other operating income	6	**25**	11
General administration expenses			
Staff expenses			
Wages and salaries		**(324)**	(269)
Compulsory social security contributions and expenses for pensions and other employee benefits		**(57)**	(47)
Other administration expenses		**(91)**	(99)
Depreciation, amortisation and valuation allowance for intangible and fixed assets		**(5)**	(5)
Other operating expenses	6	**(6)**	(3)
Write-downs of and value adjustments to claims and certain securities as well as additions to provisions for loan losses		**(9)**	(4)
Result from ordinary activities		**526**	446
Income tax expense (thereof: deferred tax benefit **€3 million**, 2023: deferred tax expense €17 million)		**(184)**	(147)
Net income/ Distributable profit		**€ 342**	€ 299

Statement of Cash Flows (Unaudited)

		Six Months Ended June	
€ in millions	**Note**	**2024**	2023
Net income		**€ 342**	€ 299
Depreciation, amortisation and valuation allowance on loans, intangible and fixed assets		**14**	9
Increase in provisions		**(45)**	(119)
Non-cash expense related to share-based compensation expense		**69**	5
Non-cash expense related to pension expense net of contributions		**1**	3
Foreign exchange losses/(gains) on cash and cash equivalents		**10**	(4)
Decrease/(increase) in receivables from credit institutions		**5,403**	(880)
Decrease/(increase) in receivables from customers		**(10,580)**	174
Increase in trading assets and liabilities		**(5,230)**	(13,678)
Increase in other assets from operating activities		**(1,174)**	(280)
Increase in liabilities to credit institutions		**4,867**	109
Increase in liabilities to customers		**8,074**	12,360
Increase/(decrease) in securitised liabilities		**(903)**	309
Decrease in other liabilities from operating activities		**(1,270)**	(1,606)
Interest expense		**171**	43
Income tax expense		**184**	147
Interest payments and dividend payments received		**1,250**	703
Interest paid		**(1,007)**	(583)
Income tax payments, net of refunds		**(127)**	(90)
Cash flow from/(used) in operating activities		**49**	(3,079)
Payments received from business disposition	7	**26**	—
Payments for investments in fixed assets		**(7)**	(1)
Payments for investments in intangible assets	7	**(24)**	(3)
Cash flow used for investing activities		**(5)**	(4)
Proceeds from equity contributions from shareholders of the parent company		**—**	3,260
Interest paid on MREL-eligible intercompany borrowings		**(33)**	(4)
Cash flow from/(used) in financing activities		**(33)**	3,256
Net increase in cash and cash equivalents		**11**	173
Changes in cash and cash equivalents due to exchange rates and valuation		**(10)**	4
Cash and cash equivalents, beginning balance		**347**	137
Cash and cash equivalents, ending balance	7	**€ 348**	€ 314

Note 1.

Basis of Preparation

This half-yearly financial report has been prepared using the same principles as those applied in the bank's 2023 Annual Report, which were prepared in accordance with the requirements of the German Commercial Code (HGB), the German Stock Corporation Act (AktG) and the Ordinance Regulating the Accounting Requirements for Banks and Financial Services Institutions (RechKredV).

The significant accounting policies applied in the preparation of the half-yearly financial report are consistent with those described in the 2023 Annual Report. The bank's critical accounting estimates and judgements include estimated year-end discretionary compensation as explained below.

Estimated Year-End Discretionary Compensation

A substantial portion of the bank's wages and salaries represents discretionary compensation, which is finalised at GS Group's year-end. The bank believes the most appropriate way to allocate estimated annual discretionary compensation among interim periods is in proportion to the net revenues earned in such periods.

Note 2.

Receivables and Liabilities with Affiliates

The table below presents the bank's receivables and liabilities with affiliates.

	As of	
	June	December
€ in millions	**2024**	2023
Receivables from credit institutions	**€ 804**	€ 1,189
Receivables from customers	**€ 25,012**	€ 15,687
Liabilities to credit institutions	**€ 14,361**	€ 9,453
Liabilities to customers	**€ 31,717**	€ 24,717
Subordinated debt	**€ 20**	€ 20

In the table above:

- Receivables from customers and liabilities to customers primarily include balances with a broker-dealer affiliate, Goldman Sachs International.
- Liabilities to credit institutions primarily include balances with the bank's immediate parent undertaking, GS Bank USA.

Note 3.

Trading Assets and Liabilities

The table below presents the bank's trading assets.

	As of	
	June	December
€ in millions	**2024**	2023
Derivatives	**€18,940**	€11,287
Receivables	**8,701**	11,687
Bonds and other fixed-income securities	**18,932**	11,881
Equity shares and other variable-yield securities	**8,249**	9,360
Risk adjustment	**(23)**	(34)
Total trading assets	**€54,799**	€44,181

The table below presents the bank's trading liabilities.

	As of	
	June	December
€ in millions	**2024**	2023
Derivatives	**€15,350**	€ 8,452
Liabilities	**10,905**	12,415
Total trading liabilities	**€26,255**	€20,867

In the tables above, both derivatives asset and liability included an increase of €5.56 billion as of June 2024 reflecting an update to the presentation of exchange traded derivatives cleared by the bank primarily on behalf of clients at central clearing organisations. The impact of this change would have been an increase in both derivatives asset and liability of €4.93 billion as of December 2023.

Note 4.

Other Assets and Liabilities

Other assets primarily consisted of collateral posted in connection with derivative transactions of €3.26 billion (December 2023: €2.59 billion), balances related to listed derivative activity of €2.96 billion (December 2023: €2.39 billion), and default fund contributions to various clearing houses and exchanges of €530 million (December 2023: €352 million).

Other liabilities primarily consisted of balances related to listed derivative activity of €2.01 billion (December 2023: €2.22 billion) and collateral received in connection with derivative transactions of €913 million (December 2023: €1.83 billion).

Note 5.

Other Provisions

The table below presents the bank's other provisions by type.

	As of	
	June	December
€ in millions	**2024**	2023
Compensation and benefits	**€446**	€423
Onerous losses	**18**	15
Allowance for impairment on irrevocable unfunded lending commitments	**14**	13
Accrued expenses and other	**42**	44
Total	**€520**	€495

In the table above:

- Compensation and benefits included provision for share-based compensation.
- Onerous losses relate to negative present value of derivatives in the banking book.

Note 6.

Other Operating Income and Expense

Other operating income for the six months ended June 2024 included income from reimbursements for services from GS Group affiliates of €19 million (June 2023: €11 million) and income of €6 million from the transfer of the bank's asset management activities to Goldman Sachs Asset Management BV (GSAM BV).

Other operating expenses for the six months ended June 2024 included interest expense on pensions and similar commitments of €1 million (June 2023: €2 million) and the net result from currency translation of €1 million (June 2023: €1 million).

Note 7.

Statement of Cash Flows

The statement of cash flows is prepared using the indirect method and shows the composition and the net increase in cash and cash equivalents for both the six months ended June 2024 and June 2023.

Cash and cash equivalents represents the bank's cash balance held with central banks due on demand and are not subject to any restrictions on disposal.

The bank also held central bank deposits (overnight) of €9.55 billion with Deutsche Bundesbank as of June 2024 (June 2023: €13.35 billion) which are reported within receivables from credit institutions.

Payments received from business disposition represent consideration received by the bank for the transfer of its asset management activities to GSAM BV.

Payments for investments in intangible assets included consideration paid of €18 million for purchase of intangible assets representing certain wealth management client contracts transferred from a GS Group affiliate.

Note 8.

Report on Subsequent Events

No relevant events occurred after the end of the reporting period that might significantly impact the financial situation of the bank.