



Goldman Sachs International Bank
Johannesburg Branch

Pillar 3 Disclosures

For the period ended March 31, 2023

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Pillar 3 Disclosures**Introduction****Overview**

Goldman Sachs International Bank Johannesburg Branch (the branch) is a branch of Goldman Sachs International Bank (the head office) and is incorporated and domiciled in the Republic of South Africa.

Goldman Sachs International Bank (GSIB) is a UK-domiciled bank involved in lending and deposit-taking activities, securities lending, and a primary dealer for UK government bonds.

The branch's ultimate parent undertaking and controlling entity is The Goldman Sachs Group, Inc. (Group Inc.), a Delaware corporation, which 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. When we use the terms "Goldman Sachs" and "the firm", we mean Group Inc. and its consolidated subsidiaries and when we use the terms "the branch", "we", "us" and "our", we mean Goldman Sachs International Bank Johannesburg Branch.

The Board of Governors of the Federal Reserve System (FRB) is the primary regulator of Group Inc., a bank holding company (BHC) under the U.S. Bank Holding Company Act of 1956 and a financial holding company under amendments to this Act. The firm is subject to consolidated regulatory capital requirements which are calculated in accordance with the regulations of the FRB (Capital Framework).

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

For information on Group Inc.'s financial statements and regulatory capital ratios, please refer to the firm's most recent Quarterly Pillar 3 Disclosures and Quarterly Report on Form 10-Q. References to the "Quarterly Report on Form 10-Q" are

to the firm's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023.

<https://www.goldmansachs.com/investor-relations/financials/other-information/2023/1q-pillar3-2023.pdf>

<https://www.goldmansachs.com/investor-relations/financials/10q/2023/first-quarter-2023-10-q.pdf>

This quarterly disclosure for the branch has been prepared for the three-month period ended March 31, 2023, in line with the accounting reference date for GSIB. All references to March 2023 refer to the three-month period ended thereof, or the date, as the context requires, March 31, 2023.

The branch is supervised by the Prudential Authority (PA) of the South African Reserve Bank (SARB) and as such is subject to minimum capital adequacy standards. Quarterly disclosures are prepared in accordance with the Basel Committee on Banking Supervision (BCBS)'s revised pillar 3 disclosure requirements, and the SARB Directive 1 of 2019 issued in terms of section 6(6) of the Banks Act No. 94 of 1990 and Regulation 43(1) of the regulations relating to banks.

Measures of exposures and other metrics disclosed in this report may not be based on International Financial Reporting Standards (IFRS), may not be directly comparable to measures reported in financial statements, and may not be comparable to similar measures used by other companies or branches. These disclosures are not required to be, and have not been, audited by our independent auditors.

Definition of Risk-Weighted Assets

The risk weights used in the calculation of RWAs reflect an assessment of the riskiness of our assets and exposures. These risk weights are based on predetermined levels set by regulators. The relationship between available capital and capital requirements can be expressed in the form of a capital ratio.

Regulatory Development

The branch's businesses are subject to extensive regulation and supervision. Regulations have been adopted or are being considered by regulators and policy-makers worldwide. In December 2017, the Basel Committee published standards that it described as the finalisation of the Basel III post-crisis

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regulatory reforms. These standards revise the Basel Committee's standardised and model-based approaches for credit risk, provide a new standardised approach for operational risk capital and revise the frameworks for credit valuation adjustment risk. They also set a floor on internally developed capital requirements at a percentage of the capital requirements under the standardised approach.

The Basel Committee's standards are not effective in any jurisdiction until rules implementing such standards have been implemented by the relevant authorities in such jurisdiction. In September 2022, the PA published its proposed requirements

for the revised standards including credit risk (standardised and modelled approaches), operational risk, leverage ratio and the output floor. The proposed implementation is January 1, 2024.

The impact of the Basel Committee developments on the branch (including its RWAs and regulatory capital ratios) is subject to uncertainty until corresponding legislation is implemented.

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Capital Framework

Capital Structure

For regulatory capital purposes, the total available capital has the following components:

- Common Equity Tier 1 capital (CET1), which is comprised of endowment capital from GSIB and retained earnings, after giving effect to deductions for disallowed items and other adjustments;
- Tier 1 capital which is comprised entirely of CET1 capital and no other qualifying capital instruments for GSIBJB; and
- Tier 2 capital, which is not currently applicable for GSIBJB.

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

Regulatory Capital Ratios

The risk-based capital requirements are expressed as capital ratios that compare measures of regulatory capital to RWAs. The CET1 ratio is calculated as CET1 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.

Compliance with Capital Requirements

As of March 31, 2023, the branch had capital levels in excess of its minimum regulatory capital requirements.

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Key Prudential metrics and overview of RWA

The table below provides an overview of the branch's prudential regulatory position as measured by key regulatory metrics as at March 31, 2023, December 31, 2022, September 30, 2022, June 30, 2022 and March 31, 2022.

Table 1: Key Metrics (KM1)¹

	Mar-23	Dec-22	Sep-22	Jun-22	Mar-22
	R'm	R'm	R'm	R'm	R'm
Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	1,120	1,120	1,037	1,037
1a	Fully loaded ECL accounting model CET1	-	-	-	-
2	Tier 1	1,120	1,120	1,037	1,037
2a	Fully loaded ECL accounting model Tier 1	-	-	-	-
3	Total capital	1,120	1,120	1,037	1,037
3a	Fully loaded ECL accounting model total capital	-	-	-	-
Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	525	668	1,821	1,170
Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	213.3%	167.7%	56.9%	113.5%
5a	Fully loaded ECL accounting model CET1 (%)	-	-	-	-
6	Tier 1 ratio (%)	213.3%	167.7%	56.9%	113.5%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	-	-	-	-
7	Total capital ratio (%)	213.3%	167.7%	56.9%	113.5%
7a	Fully loaded ECL accounting model total capital ratio (%)	-	-	-	-
Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.5%	2.5%	2.5%	2.5%
9	Countercyclical buffer requirement (%)	0.0%	0.0%	0.0%	0.0%
10	Bank D-SIB additional requirements (%)	0.0%	0.0%	0.0%	0.0%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.5%	2.5%	2.5%	2.5%
12	CET1 available after meeting the bank's minimum capital requirements (%)	201.8%	156.2%	45.4%	102.0%
Basel III Leverage Ratio					
13	Total Basel III leverage ratio measure	2,346	2,788	6,392	1,944
14	Basel III leverage ratio (%) (row 2/row 13)	47.7%	40.2%	16.2%	53.3%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2A/row 13)	47.7%	40.2%	16.2%	53.3%
Liquidity Coverage Ratio					
15	Total HQLA	1,663	1,727	1,217	835
16	Total net cash outflow	230	566	431	146
17	LCR ratio (%)	756%	531%	377%	591%
Net Stable Funding Ratio					
18	Total available stable funding	1,881	2,239	2,426	1,279
19	Total required stable funding	336	450	847	325
20	NSFR ratio (%)	560%	498%	287%	393%

1. Capital ratios increased between 4Q2022 to 1Q2023 driven by decreased RWAs due to lower counterparty credit risk exposures.

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RWAs are calculated based on measures of credit risk, market risk and operational risk. The tables below represent a summary of the RWAs and capital requirements by type as at March 31, 2023 and December 31, 2022.

Table 2: Overview of RWA (OV1)

	RWA		Minimum capital requirements (8%)
	March-2023	December-2022	March-2023
	R'm	R'm	R'm
1 Credit risk (excluding counterparty credit risk)	139	149	11
2 Of which: standardised approach (SA)	139	149	11
3 Of which: foundation internal ratings-based (F-IRB) approach	-	-	-
4 Of which: supervisory slotting approach	-	-	-
5 Of which: advanced internal ratings-based (A-IRB) approach	-	-	-
6 Counterparty credit risk (CCR)	57	140	5
7 Of which: standardised approach for counterparty credit risk	57	140	5
8 Of which: Internal Model Method (IMM)	-	-	-
9 Of which: other CCR	-	-	-
10 Credit valuation adjustment (CVA)	30	77	2
11 Equity positions under the simple risk weight approach	-	-	-
12 Equity investments in funds - look-through approach	-	-	-
13 Equity investments in funds - mandate-based approach	-	-	-
14 Equity investments in funds - fall-back approach	-	-	-
15 Settlement risk	-	-	-
16 Securitisation exposures in the banking book	-	-	-
17 Of which: securitisation internal ratings-based approach (SEC-IRBA)	-	-	-
18 Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach	-	-	-
19 Of which: securitisation standardised approach (SEC-SA)	-	-	-
20 Market risk	9	6	1
21 Of which: standardised approach (SA)	9	6	1
22 Of which: internal model approaches (IMA)	-	-	-
23 Capital charge for switch between trading book and banking book	-	-	-
24 Operational risk	264	264	21
25 Amounts below thresholds for deduction (subject to 250% risk weight)	26	32	2
26 Aggregate capital floor applied	-	-	-
27 Floor adjustment (before application of transitional cap)	-	-	-
28 Floor adjustment (after application of transitional cap)	-	-	-
29 Total (1+6+10+11+12+13+14+15+16+20+23+24+25+28)	525	668	42

GSIBJB total capital ratio increased from 167.7% in December 2022 to 213.3% in March 2023 driven by lower counterparty credit risk exposures.

Pillar 3 Disclosures**Leverage Ratio**

The branch is required to monitor and disclose its leverage ratio that compares Tier 1 capital to a measure of leverage exposure, defined as the sum of certain assets plus certain off-balance-sheet exposures, less Tier 1 capital deductions.

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

Table 3: Summary Comparison of Accounting Assets vs Leverage Ratio Exposure (LR1)

		March-2023
		R'm
1	Total consolidated assets as per the BA 900	2,486
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-
4	Adjustments for temporary exemption of central bank reserves (if applicable)	-
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustments for eligible cash pooling transactions	-
8	Adjustments for derivative financial instruments	113
9	Adjustment for securities financing transactions (ie repos and similar secured lending)	-
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	-
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
12	Other adjustments	(253)
13	Leverage ratio exposure measure	2,346

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Table 4: Leverage Ratio (LR2)

	March-2023	December-2022	
	R'm	R'm	
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	2,233	2,484
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	-	-
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of row 1 and 2)	2,233	2,484
Derivative exposures			
4	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	21	66
5	Add-on amounts for PFE associated with all derivatives transactions	92	238
6	Gross-up for derivatives collateral provide where deducted from the balance sheet assets pursuant to the operative accounting framework	-	-
7	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-
8	(Exempted CCP leg of client-cleared trade exposures)	-	-
9	Adjusted effective notional amount of written credit derivatives	-	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
11	Total derivative exposures (sum of rows 4 to 10)	113	304
Securities financing transactions			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-	-
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
14	CCR exposure for SFT assets	-	-
15	Agent transaction exposures	-	-
16	Total securities financing transaction exposures (sum of rows 12 to 15)	-	-
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	-	-
18	(Adjustments for conversion to credit equivalent amounts)	-	-
19	Off-balance sheet items (sum of rows 17 and 18)	-	-
Capital and total exposures			
20	Tier 1 capital	1,120	1,120
21	Total exposures (sum of rows 3, 11, 16 and 19)	2,346	2,788
Leverage ratio			
22	Basel III leverage ratio	47.7%	40.2%

GSIBJB leverage ratio increased from 40.2% in December 2022 to 47.7% in March 2023 driven by a reduction in on-balance-sheet exposures.

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Liquidity Risk

Table 5: Liquidity Coverage Ratio (LIQ1)²

	Total unweighted value (average)	Total weighted value (average)
	R'm	
High-quality liquid assets		
1 Total HQLA		1,663
Cash outflows		
2 Retail deposits and deposits from small business customers, of which:	-	-
3 Stable deposits	-	-
4 Less stable deposits	-	-
5 Unsecured wholesale funding, of which:	-	-
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-
7 Non-operational deposits (all counterparties)	-	-
8 Unsecured debt	-	-
9 Secured wholesale funding		-
10 Additional requirements, of which:	574	574
11 Outflows related to derivative exposures and other collateral requirements	574	574
12 Outflows related to loss of funding of debt products	-	-
13 Credit and liquidity facilities	-	-
14 Other contractual funding obligations	-	-
15 Other contingent funding obligations	-	-
16 TOTAL CASH OUTFLOWS		574
Cash inflows		
17 Secured lending (eg reverse repo)	-	-
18 Inflows from fully performing exposures	338	338
19 Other cash inflows	6	6
20 TOTAL CASH INFLOWS	344	344
		Total adjusted value
21 Total HQLA		1,663
22 Total net cash outflows		230
23 Liquidity coverage ratio (%) ³		756%

GSIBJB average daily LCR increased from 531% in December 2022 to 756% in March 2023 driven by a decrease in Total Net Cash Outflows, mainly driven by decrease in Other contingent funding obligations, partially offset by a decrease in High Quality Liquid Assets.

2. The quarterly average figures reported in the template above are based on 63 data points where applicable

3. The ratio reported in this row is calculated as average of the daily LCR's for the period and may not equal the calculation of ratio using component amounts reported in rows "Total high quality liquid assets" and "Total net cash outflows"

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Table 6: Net Stable Funding Ratio (LIQ2)

	Unweighted value by residual maturity				Weighted value	
	No maturity*	<6 months	6 months to <1 year	≥1 year		
	R'm	R'm	R'm	R'm		
Available stable funding (ASF) item						
1	Capital:					
2	Regulatory capital	1,120	-	-	-	1,120
3	Other capital instruments	1,120	-	-	-	1,120
4	Retail deposits and deposits from small business customers:					
5	Stable deposits	-	-	-	-	-
6	Less stable deposits	-	-	-	-	-
7	Wholesale funding:					
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	-	-	743	743
10	Liabilities with matching interdependent assets					
11	Other liabilities:		354		301	18
12	NSFR derivative liabilities		-	-	283	
13	All other liabilities and equity not included in the above categories		354	-	18	18
14	Total ASF					1,881
Required stable funding (RSF) item						
15	Total NSFR high-quality liquid assets (HQLA)		183			
16	Deposits held at other financial institutions for operational purposes	111				55
17	Performing loans and securities:	341	977		492	125
18	Performing loans to financial institutions secured by Level 1 HQLA		977		492	73
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	341	-	-	-	51
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:					
21	With a risk weight of less than or equal to 35%	-	-	-	-	-
22	Performing residential mortgages, of which:					
23	With a risk weight of less than or equal to 35%	-	-	-	-	-
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
25	Assets with matching interdependent liabilities					
26	Other assets:				156	156
27	Physical traded commodities, including gold	-				-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs					-
29	NSFR derivative assets					-
30	NSFR derivative liabilities before deduction of variation margin posted				25	25
31	All other assets not included in the above categories				130	130
32	Off-balance sheet items					
33	Total RSF					336
34	Net Stable Funding Ratio (%)					560%

GSIBJB NSFR increased from 498% in December 2022 to 560% in March 2023 driven by a decrease in Required Stable Funding partially offset by a decrease in Available Stable Funding. Required Stable Funding decrease relates to a reduction in deposits held at other financial institutions. Available Stable Funding decrease was driven by a repayment of intercompany loans.

Pillar 3 Disclosures**Cautionary Note on Forward-Looking Statements**

We have included in these disclosures, and our management may make, statements that may constitute “forward-looking statements.” Forward-looking statements are not historical facts or statements of current conditions, but instead represent only our beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside our control. These statements 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 indicated in these forward-looking statements. Important factors that could cause our actual results and financial condition to differ from those indicated in these statements include, among others, those discussed in “Risk Factors” in Part I, Item 1A in the firm’s 2022 Form 10-K.