Goldman Sachs International (unlimited company)

Unaudited Quarterly Financial Information

March 31, 2022

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". 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 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 2022 and March 2021 refer to the periods ended, or the dates, as the context requires, March 31, 2022 and March 31, 2021, respectively. All references to December 2021 refer to the date December 31, 2021. All references to "the 2021 Annual Report" are to the company's Annual Report for the year ended December 31, 2021.

Business Environment

During the first quarter of 2022, global economic activity was impacted by macroeconomic uncertainty and market volatility resulting from geopolitical concerns, including Russia's invasion of Ukraine, increased inflationary and labour market pressures and stress on supply chains, rising prices of commodities and continued COVID-19 concerns. Governments around the world responded to Russia's invasion of Ukraine by imposing economic sanctions and global central banks began addressing inflation by increasing policy interest rates. In addition, certain parts of the world responded to the rise in cases of the Omicron variant by resuming lockdowns and restrictions. These factors contributed to a decline in global equity prices and widening corporate credit spreads compared with the end of the fourth quarter of 2021.

The economic outlook remains uncertain, reflecting concerns about the continuation or escalation of the war between Russia and Ukraine and other geopolitical risks, inflation and supply chain complications, and the persistence of COVID-19-related effects.

Results of Operations

Income Statement

The company's profit for the first quarter of 2022 was $1.44 billion, compared with $620 million for the first quarter of 2021.

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 2021 Annual Report for a description of each business activity.

The table below presents net revenues by business activity.

	Three Months Ended March	
$ in millions	**2022**	2021
Investment Banking	**$ 295**	$ 653
FICC	**1,735**	1,075
Equities	**1,201**	1,315
Investment Management	**300**	343
Total	**$3,531**	$3,386

Net revenues were $3.53 billion for the first quarter of 2022, 4% higher than the first quarter of 2021, primarily due to significantly higher net revenues in FICC, partially offset by significantly lower net revenues in Investment Banking and lower net revenues in Equities and Investment Management.

Investment Banking

Net revenues in Investment Banking were $295 million for the first quarter of 2022, 55% lower than the first quarter of 2021, primarily due to significantly lower net revenues in Underwriting and Financial advisory. The decrease in Underwriting reflected significantly lower net revenues in Equity underwriting and Debt underwriting. Financial advisory net revenues were also significantly lower reflecting a decrease in completed mergers and acquisitions transactions.

FICC

Net revenues in FICC were $1.74 billion for the first quarter of 2022, 61% higher than the first quarter of 2021 due to significantly higher net revenues in FICC intermediation, partially offset by lower net revenues in FICC financing. The increase in FICC intermediation reflected significantly higher client activity as the company supported clients amid an evolving macroeconomic environment and reflected significantly higher net revenues in currencies, commodities and interest rate products, partially offset by significantly lower net revenues in credit products and lower net revenues in mortgages.

Equities

Net revenues in Equities were $1.20 billion for the first quarter of 2022, 9% lower than the first quarter of 2021 due to significantly lower net revenues in Equities intermediation, partially offset by higher net revenues in Equities financing. The decrease in Equities intermediation reflected significantly lower net revenues in derivatives and cash products. The increase in Equities financing reflected increased activity.

Investment Management

Net revenues in Investment Management were $300 million for the first quarter of 2022, 13% lower than the first quarter of 2021 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	**2022**	2021
Compensation and benefits	**$ 539**	$1,569
Transaction based	**427**	513
Market development	**12**	4
Communications and technology	**37**	36
Depreciation and amortisation	**63**	44
Professional fees	**41**	40
Management charges from GS Group affiliates	**289**	242
Other expenses	**184**	191
Total operating expenses	**1,592**	2,639
Management charges to GS Group affiliates	**(45)**	(93)
Net operating expenses	**$1,547**	$2,546
Headcount at period-end	**3,792**	3,898

In the table above:

- Compensation and benefits included a credit of $184 million for the first quarter of 2022 and a charge of $334 million for the first quarter of 2021 representing recharges from Group Inc. equivalent to changes in the fair value of share-based payment awards 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 $1.55 billion for the first quarter of 2022, 39% lower than the first quarter of 2021.

Compensation and benefits were $539 million for the first quarter of 2022, $1.03 billion lower than the first quarter of 2021. 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 $723 million for the first quarter of 2022, 41% lower than the first quarter of 2021 primarily reflecting a decrease in estimated annual discretionary compensation. This decrease in staff costs was partially offset by an increase in management charges from GS Group affiliates and a decrease in management charges to GS Group affiliates relating to staff costs.

Transaction based expenses were $427 million for the first quarter of 2022, 17% lower than the first quarter of 2021 primarily reflecting a decrease in IFRS 15 expenses, partially offset by an increase in brokerage, clearing, exchange and distribution fees.

As of March 2022, headcount was slightly lower compared with December 2021 and March 2021.

Income Tax Expense

The company's effective tax rate was 27.7% for the first quarter of 2022, which compares to the U.K. corporation tax rate applicable to the company of 27%. The effective tax rate represents the company's income tax expense divided by its profit before taxation.

Balance Sheet

As of March 2022, total assets were $1.18 trillion, an increase of $32.53 billion from December 2021, primarily reflecting an increase in trading assets of $37.58 billion (primarily due to an increase in derivatives, principally as a result of an increase in currencies and commodities derivatives), partially offset by a decrease in collateralised agreements of $4.67 billion (primarily due to the impact of firm and client activity).

As of March 2022, total liabilities were $1.14 trillion, an increase of $30.98 billion from December 2021, primarily reflecting an increase in trading liabilities of $47.56 billion (due to an increase in derivatives, principally as a result of an increase in currencies and commodities derivatives, and an increase in trading cash instruments, principally as a result of an increase in equity securities) and an increase in unsecured borrowings of $15.12 billion (primarily due to an increase in intercompany loans), partially offset by a decrease in collateralised financings of $30.70 billion (primarily due to the impact of firm and client activity).

Under U.S. GAAP, as of March 2022, the company's total assets were $589.07 billion and total liabilities were $556.97 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

Replacement of Interbank Offered Rates (IBORs), including London Interbank Offered Rate (LIBOR)

On January 1, 2022, the publication of all EUR, CHF, JPY and GBP LIBOR (non-USD LIBOR) settings along with certain USD LIBOR settings ceased. The publication of the most commonly used USD LIBOR settings will cease after June 2023. The FCA has allowed the publication and use of synthetic rates for certain GBP and JPY LIBOR settings in legacy GBP or JPY LIBOR-based derivative contracts through December 2022. The U.S. federal banking agencies' guidance strongly encourages banking organisations to cease using USD LIBOR.

The International Swaps and Derivatives Association (ISDA) 2020 IBOR Fallbacks Protocol (IBOR Protocol) has provided derivatives market participants with amended fallbacks for legacy and new derivative contracts to mitigate legal or economic uncertainty. Both counterparties have to adhere to the IBOR Protocol or engage in bilateral amendments for the terms to be effective for derivative contracts. ISDA confirmed that the FCA's formal announcement in March 2021 fixed the spread adjustment for all LIBOR rates and that fallbacks will automatically occur for outstanding derivative contracts that incorporate the relevant terms. In March 2022, the Adjustable Interest Rate (LIBOR) Act was enacted. The LIBOR Act provides a statutory framework to replace USD LIBOR with a benchmark rate based on the Secured Overnight Financing Rate (SOFR) for contracts governed by U.S. law that have no fallbacks or fallbacks that would require the use of a poll or LIBOR-based rate. Under the LIBOR Act, the FRB must adopt rules to identify the SOFR-based replacement rate by September 11, 2022.

See "Regulatory Matters and Other Developments — Replacement of Interbank Offered Rates (IBORs), including London Interbank Offered Rate (LIBOR)" in Part I of the 2021 Annual Report for further information.

Impact of Russian Invasion of Ukraine

The Russian invasion of Ukraine has negatively affected the global economy and has resulted in significant disruptions in financial markets and increased macroeconomic uncertainty. In addition, governments around the world have responded to Russia's invasion by imposing economic sanctions and export controls on certain industry sectors, companies and individuals in Russia. Russia has imposed its own restrictions against investors and countries outside Russia and has proposed additional measures aimed at non-Russian-owned businesses. Businesses globally have experienced shortages in materials and increased costs for transportation, energy and raw materials due, in part, to the negative effects of the war on the global economy. The escalation or continuation of the war between Russia and Ukraine or other hostilities presents heightened risks relating to cyber attacks, the frequency and volume of failures to settle securities transactions, supply chain disruptions, inflation, as well as the potential for increased volatility in commodity, currency and other financial markets. The extent and duration of the war, sanctions and resulting market disruptions, as well as the potential adverse consequences for the company's business, liquidity and results of operations, are difficult to predict. See "Capital Management and Financial Risk Management — Country Exposures" for further details of the company's credit and market risk exposure to Russia and Ukraine as of March 2022.

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: liquidity risk, market 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 2021 Annual Report.

Date of Issue

This financial information was issued on May 9, 2022.

Income Statement
(Unaudited)

		Three Months Ended March	
$ in millions	**Note**	**2022**	2021
Gains or losses from financial instruments at fair value through profit or loss		**$ 3,193**	$ 2,695
Fees and commissions		**518**	826
Non-interest income		**3,711**	3,521
Interest income from financial instruments measured at fair value through profit or loss		**608**	538
Interest income from financial instruments measured at amortised cost		**391**	270
Interest expense from financial instruments measured at fair value through profit or loss		**(683)**	(488)
Interest expense from financial instruments measured at amortised cost		**(496)**	(455)
Net interest expense		**(180)**	(135)
Net revenues		**3,531**	3,386
Net operating expenses		**(1,547)**	(2,546)
Profit before taxation		**1,984**	840
Income tax expense	2	**(549)**	(220)
Profit for the financial period		**$ 1,435**	$ 620

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)

	Three Months Ended March	
$ in millions	**2022**	2021
Profit for the financial period	**$ 1,435**	$ 620
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Actuarial profit/(loss) relating to the pension scheme	**(18)**	44
Debt valuation adjustment	**187**	(31)
U.K. deferred tax attributable to the components of other comprehensive income	**(52)**	(7)
U.K. current tax attributable to the components of other comprehensive income	**–**	4
Other comprehensive income for the financial period, net of tax	**117**	10
Total comprehensive income for the financial period	**$ 1,552**	$ 630

Balance Sheet
(Unaudited)

		As of	
$ in millions	**Note**	**March 2022**	December 2021
Assets			
Cash and cash equivalents		**$ 50,169**	$ 52,422
Collateralised agreements	3	**252,701**	257,366
Customer and other receivables		**85,710**	86,135
Trading assets (includes $34,029 and $34,271 pledged as collateral)	4	**779,814**	742,238
Investments (includes $6 and $13 pledged as collateral)		**392**	399
Loans		**144**	398
Other assets		**7,018**	4,462
Total assets		**$1,175,948**	$1,143,420
Liabilities			
Collateralised financings	5	**$ 173,837**	$ 204,539
Customer and other payables		**119,934**	119,883
Trading liabilities	4	**742,542**	694,982
Unsecured borrowings	6	**94,933**	79,813
Other liabilities		**4,255**	5,308
Total liabilities		**1,135,501**	1,104,525
Shareholder’s equity			
Share capital		**598**	598
Share premium account		**5,568**	5,568
Other equity instruments		**8,300**	8,300
Retained earnings		**26,025**	24,590
Accumulated other comprehensive income		**(44)**	(161)
Total shareholder’s equity		**40,447**	38,895
Total liabilities and shareholder’s equity		**$1,175,948**	$1,143,420

Note 1.

Basis of Preparation

This financial information has been prepared using the same principles as those applied in the company's 2021 Annual Report, which were prepared in accordance with U.K.-adopted international accounting standards, the requirements of the Companies Act 2006, as applicable to companies reporting under those standards, and International Financial Reporting Standards (IFRS) adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union (E.U.) (IFRS as it applies in the E.U.). As of March 2022, U.K.-adopted international accounting standards were consistent with IFRS as it applies in the E.U.

This financial information should be read in conjunction with the company's 2021 Annual Report.

The significant accounting policies applied in the preparation of the financial information are consistent with those described in the 2021 Annual Report. The company's critical accounting estimates and judgements include those described in the 2021 Annual Report and estimated year-end discretionary compensation, see "Results of Operations — Net Operating Expenses" for further information.

Note 2.

Income Tax Expense

The Finance Act 2022, which decreases the bank surcharge applicable to the company from 8.0% to 3.0% from April 1, 2023, was enacted in February 2022. During the quarter, the company's deferred tax assets were remeasured and a deferred tax expense of $49 million was recognised in the income statement.

Note 3.

Collateralised Agreements

The table below presents collateralised agreements.

	As of	
	March	December
$ in millions	**2022**	2021
Resale agreements	**$151,928**	$156,844
Securities borrowed	**100,773**	100,522
Total	**$252,701**	$257,366

In the table above, total collateralised agreements of $172.95 billion as of March 2022 and $178.28 billion as of December 2021 were measured at fair value.

Note 4.

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 and are measured at fair value.

The table below presents trading assets.

	As of	
	March	December
$ in millions	**2022**	2021
Trading cash instruments		
Money market instruments	**$ 28**	$ 6
Government and agency obligations	**29,162**	28,256
Mortgage and other asset-backed loans and securities	**482**	478
Corporate debt instruments	**20,475**	22,326
Equity securities	**51,454**	55,505
Commodities	**343**	21
Total trading cash instruments	**101,944**	106,592
Derivatives		
Interest rates	**427,577**	422,209
Credit	**27,284**	27,761
Currencies	**110,406**	91,010
Commodities	**42,764**	25,805
Equities	**69,839**	68,861
Total derivatives	**677,870**	635,646
Total trading assets	**$779,814**	$742,238

The table below presents trading liabilities.

	As of	
	March	December
$ in millions	**2022**	2021
Trading cash instruments		
Government and agency obligations	**$ 31,843**	$ 31,558
Corporate debt instruments	**7,403**	5,703
Equity securities	**46,564**	35,497
Commodities	**16**	14
Total trading cash instruments	**85,826**	72,772
Derivatives		
Interest rates	**409,705**	408,017
Credit	**25,113**	24,749
Currencies	**110,540**	92,707
Commodities	**42,031**	25,626
Equities	**69,327**	71,111
Total derivatives	**656,716**	622,210
Total trading liabilities	**$742,542**	$694,982

Note 5.

Collateralised Financings

The table below presents collateralised financings.

	As of	
	March	December
$ in millions	**2022**	2021
Repurchase agreements	**$109,333**	$139,284
Securities loaned	**51,616**	51,080
Intercompany loans	**4,787**	4,205
Debt securities issued	**3,285**	4,540
Other borrowings	**4,816**	5,430
Total	**$173,837**	$204,539

In the table above, total collateralised financings of $109.58 billion as of March 2022 and $146.24 billion as of December 2021 were measured at fair value.

Note 6.

Unsecured Borrowings

The table below presents unsecured borrowings.

	As of	
	March	December
$ in millions	**2022**	2021
Bank loans	**$ 36**	$ –
Overdrafts	**7**	14
Intercompany loans – non-MREL-eligible	**27,717**	16,179
Intercompany loans – MREL-eligible	**18,288**	18,215
Debt securities issued	**39,044**	35,179
Subordinated loans	**5,415**	5,387
Other borrowings	**4,426**	4,839
Total	**$94,933**	$79,813

In the table above:

- Total unsecured borrowings of $50.65 billion as of March 2022 and $39.19 billion as of December 2021 were measured at fair value.
- Total unsecured borrowings included non-current borrowings of $66.60 billion as of March 2022 and $54.20 billion as of December 2021.

Note 7.

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 2022				
Financial assets				
Collateralised agreements	**$ –**	**$172,829**	**$ 120**	**$172,949**
Trading cash instruments	**73,262**	**27,996**	**686**	**101,944**
Derivative instruments	**46**	**672,517**	**5,307**	**677,870**
Trading assets	**73,308**	**700,513**	**5,993**	**779,814**
Investments	**9**	**268**	**115**	**392**
Loans	**–**	**4**	**140**	**144**
Other assets	**–**	**4,037**	**–**	**4,037**
Total	**$73,317**	**$877,651**	**$ 6,368**	**$957,336**
Financial liabilities				
Collateralised financings	**$ –**	**$109,141**	**$ 435**	**$109,576**
Trading cash instruments	**74,931**	**10,728**	**167**	**85,826**
Derivative instruments	**87**	**652,436**	**4,193**	**656,716**
Trading liabilities	**75,018**	**663,164**	**4,360**	**742,542**
Unsecured borrowings	**–**	**37,409**	**13,239**	**50,648**
Total	**$75,018**	**$809,714**	**$18,034**	**$902,766**
Net derivatives	**$ (41)**	**$ 20,081**	**$ 1,114**	**$ 21,154**
As of December 2021				
Financial assets				
Collateralised agreements	$ –	$178,158	$ 121	$178,279
Trading cash instruments	74,139	31,736	717	106,592
Derivative instruments	28	630,856	4,762	635,646
Trading assets	74,167	662,592	5,479	742,238
Investments	6	288	105	399
Loans	–	343	55	398
Other assets	–	1,000	–	1,000
Total	$74,173	$842,381	$ 5,760	$922,314
Financial liabilities				
Collateralised financings	$ –	$145,857	$ 380	$146,237
Trading cash instruments	63,956	8,777	39	72,772
Derivative instruments	54	618,473	3,683	622,210
Trading liabilities	64,010	627,250	3,722	694,982
Unsecured borrowings	–	25,053	14,137	39,190
Total	$64,010	$798,160	$18,239	$880,409
Net derivatives	$ (26)	$ 12,383	$ 1,079	$ 13,436

See "Note 29. Fair Value Measurement" in Part II of the 2021 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 8.

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 2022	December 2021
Minimum risk-based capital requirements		
CET1 capital ratio	**8.1%**	8.1%
Tier 1 capital ratio	**9.9%**	9.9%
Total capital ratio	**12.4%**	12.4%

Effective April 25, 2022, GSI's minimum CET1 capital ratio, Tier 1 capital ratio and Total capital ratio increased to 8.4%, 10.4% and 13.0%, respectively, to incorporate updated capital guidance received from the PRA.

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

	As of	
$ in millions	**March 2022**	December 2021
Risk-based capital and risk-weighted assets		
CET1 capital	**$ 29,593**	$ 28,810
Additional Tier 1 notes	**$ 8,300**	$ 8,300
Tier 1 capital	**$ 37,893**	$ 37,110
Tier 2 capital	**$ 5,377**	$ 5,377
Total capital	**$ 43,270**	$ 42,487
Risk-weighted assets	**$274,945**	$269,762
Risk-based capital ratios		
CET1 capital ratio	**10.8%**	10.7%
Tier 1 capital ratio	**13.8%**	13.8%
Total capital ratio	**15.7%**	15.7%

In the table above, the risk-based capital ratios as of March 2022 included the company's profits after foreseeable charges 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 45 basis points to the company's risk-based capital ratios, which represents the company's profit for the financial period reduced by foreseeable charges, divided by its risk-weighted assets.

Supplementary Notes (Unaudited)

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 Exchange Commission (SEC). As of both March 2022 and December 2021, 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 issued to GS Group affiliates. This requirement is subject to a transitional period which began to phase in from January 1, 2019 and became fully effective beginning on January 1, 2022. As of both March 2022 and December 2021, the company was in compliance with this requirement.

Leverage Ratio. The company is subject to the leverage ratio framework established by the PRA. 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 4.9% as of March 2022 and 4.2% as of December 2021. The leverage ratio as of March 2022 included the company's profits after foreseeable charges 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 16 bps to the leverage ratio, which represents the company's profit for the financial period reduced by foreseeable charges, divided by its leverage exposure.

In October 2021, the framework was revised to set a minimum leverage ratio requirement at 3.25% that is expected to apply to the company from January 1, 2023.

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 2022**	December 2021
Overnight cash deposits	**$42,433**	$36,578
U.S. government obligations	**11,254**	13,190
Non-U.S. government obligations	**22,345**	28,159
Total	**$76,032**	$77,927

Market Risk

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

	Three Months Ended March	
$ in millions	**2022**	2021
Categories		
Interest rates	**$ 33**	$ 26
Equity prices	**25**	28
Currency rates	**12**	14
Commodity prices	**1**	2
Diversification effect	**(26)**	(30)
Total	**$ 45**	$ 40

Country Exposures

The company's exposures to Russia and Ukraine as of March 2022 are described below. The company has been focused on closing its positions and reducing its exposure to Russia and Ukraine, while continuing to facilitate the activity of its clients.

Russia Exposure. The company's total third-party credit exposure to Russia as of March 2022 was $59 million, of which the majority was to non-sovereign counterparties. Such exposure consisted of $52 million related to OTC derivatives and $7 million related to deposits and other receivables. The company also had intercompany credit exposure to Russia of $74 million as of March 2022, mainly in respect of listed derivative-related balances.

In addition, as of March 2022, the company's total market exposure relating to Russian issuers or underliers (primarily sovereign) was $72 million. Such exposure primarily consisted of $47 million related to debt and $24 million related to equities.

Ukraine Exposure. As of March 2022, the company's total credit exposure to Ukraine was not material and its total market exposure relating to Ukrainian issuers or underliers (primarily sovereign) was $45 million.

Note 9.

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 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 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.

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. On April 27, 2020, plaintiffs appealed to the Second Circuit Court of Appeals.

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 Second Circuit Court of Appeals. On April 18, 2022, the two remaining individual plaintiffs informed the district court that they had reached an agreement in principle to settle with the defendants, subject to documentation. The company has reserved the full amount of its proposed 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 amended 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 public 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.