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Goldman Sachs Bank USA and Subsidiaries  
Unaudited Quarterly Report  
March 31, 2024

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# PART I. Financial Statements and Supplementary Data (Unaudited)

## Consolidated Financial Statements

GOLDMAN SACHS BANK USA AND SUBSIDIARIES

### Consolidated Statements of Earnings (Unaudited)

<i>\$ in millions</i>	Three Months Ended March	
	2024	2023
<b>Revenues</b>		
Interest income	\$ 7,976	\$ 6,511
Interest expense	6,084	4,256
Net interest income	1,892	2,255
Gains and losses from financial assets and liabilities	2,906	1,110
Other revenues	311	289
Total non-interest revenues	3,217	1,399
Total net revenues	5,109	3,654
Provision for credit losses	321	(178)
<b>Operating expenses</b>		
Compensation and benefits	588	579
Service charges	190	184
Professional fees	109	100
Transaction based	175	152
Market development	42	46
Communications and technology	107	101
Regulatory and agency fees	138	73
Depreciation and amortization	53	115
Other expenses	264	225
Total operating expenses	1,666	1,575
Pre-tax earnings	3,122	2,257
Provision for taxes	814	603
<b>Net earnings</b>	<b>\$ 2,308</b>	<b>\$ 1,654</b>

### Consolidated Statements of Comprehensive Income (Unaudited)

<i>\$ in millions</i>	Three Months Ended March	
	2024	2023
Net earnings	\$ 2,308	\$ 1,654
Other comprehensive income adjustments, net of tax:		
Currency translation	49	69
Debt valuation adjustment	—	60
Available-for-sale securities	66	242
Other comprehensive income	115	371
<b>Comprehensive income</b>	<b>\$ 2,423</b>	<b>\$ 2,025</b>

The accompanying notes are an integral part of these consolidated financial statements.

## Consolidated Balance Sheets (Unaudited)

	As of	
	March 2024	December 2023
<i>\$ in millions, except par value</i>		
<b>Assets</b>		
Cash	\$ 126,017	\$ 134,479
Collateralized agreements:		
Securities purchased under agreements to resell (at fair value)	42,579	56,335
Securities borrowed (includes \$5 and \$25 at fair value)	4,412	3,407
Customer and other receivables (includes \$14 and \$5 at fair value)	55,334	35,051
Trading assets (at fair value and includes \$31,463 and \$16,828 pledged as collateral)	96,063	84,344
Investments (includes \$34,942 and \$24,959 at fair value)	54,642	37,850
Loans (net of allowance of \$3,969 and \$4,049, and includes \$5,159 and \$5,345 at fair value)	160,612	160,174
Other assets (includes \$411 and \$153 at fair value)	9,529	9,462
<b>Total assets</b>	<b>\$ 549,188</b>	<b>\$ 521,102</b>
<b>Liabilities and shareholder's equity</b>		
Deposits (includes \$6,501 and \$6,892 at fair value)	\$ 381,645	\$ 383,051
Collateralized financings:		
Securities sold under agreements to repurchase (at fair value)	18,654	13,571
Securities loaned (includes \$6 and \$26 at fair value)	8,236	4,896
Other secured financings (includes \$2,894 and \$2,652 at fair value)	3,150	2,925
Customer and other payables	33,152	17,744
Trading liabilities (at fair value)	25,913	26,359
Unsecured borrowings (includes \$460 and \$481 at fair value)	12,458	9,322
Other liabilities (includes \$73 and \$74 at fair value)	8,758	8,451
Total liabilities	491,966	466,319
<b>Commitments, contingencies and guarantees</b>		
<b>Shareholder's equity</b>		
Shareholder's equity (includes common stock, \$100 par value; 80,000,000 shares authorized, issued and outstanding)	57,222	54,783
<b>Total liabilities and shareholder's equity</b>	<b>\$ 549,188</b>	<b>\$ 521,102</b>

The accompanying notes are an integral part of these consolidated financial statements.

## Consolidated Statements of Changes in Shareholder's Equity (Unaudited)

<i>\$ in millions</i>	Three Months Ended March	
	2024	2023
<b>Shareholder's equity</b>		
Beginning balance	\$ 54,783	\$ 48,302
Net earnings	2,308	1,654
Capital contributions from The Goldman Sachs Group, Inc.	16	57
Other comprehensive income	115	371
<b>Ending balance</b>	<b>\$ 57,222</b>	<b>\$ 50,384</b>

The accompanying notes are an integral part of these consolidated financial statements.

## Consolidated Statements of Cash Flows (Unaudited)

<i>\$ in millions</i>	Three Months Ended March	
	2024	2023
<b>Cash flows from operating activities</b>		
Net earnings	\$ 2,308	\$ 1,654
Adjustments to reconcile net earnings to net cash provided by/(used for) operating activities:		
Depreciation and amortization	53	115
Deferred income taxes	198	101
Share-based compensation	70	43
Provision for credit losses	321	(178)
Changes in operating assets and liabilities:		
Customer and other receivables and payables, net	(4,709)	(7,088)
Collateralized transactions (excluding other secured financings), net	21,174	(16,776)
Trading assets	(11,756)	(17,567)
Trading liabilities	(446)	2,628
Loans held for sale, net	(495)	1,160
Other, net	1,326	128
Net cash provided by/(used for) operating activities	<b>8,044</b>	<b>(35,780)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, leasehold improvements and equipment	(28)	(43)
Net cash received from business dispositions	3,622	—
Purchase of investments	(18,336)	(2,807)
Proceeds from sales and paydowns of investments	1,749	—
Loans (excluding loans held for sale), net	(3,916)	366
Net cash used for investing activities	<b>(16,909)</b>	<b>(2,484)</b>
<b>Cash flows from financing activities</b>		
Deposits, net	(1,899)	(24,905)
Unsecured short-term borrowings, net	47	(87)
Other secured financings (short-term), net	(37)	4,485
Proceeds from issuance of other secured financings (long-term)	11	—
Repayment of other secured financings (long-term), including the current portion	(6)	(64)
Proceeds from issuance of unsecured long-term borrowings	3,338	17
Repayment of unsecured long-term borrowings, including the current portion	(427)	(2,824)
Derivative contracts with a financing element, net	(74)	6
Capital contributions from The Goldman Sachs Group, Inc.	16	57
Settlement of share-based awards in satisfaction of withholding tax requirements	(61)	(57)
Net cash provided by/(used for) financing activities	<b>908</b>	<b>(23,372)</b>
Effect of exchange rate changes on cash	(505)	194
Net decrease in cash	<b>(8,462)</b>	<b>(61,442)</b>
Cash, beginning balance	<b>134,479</b>	<b>184,947</b>
<b>Cash, ending balance</b>	<b>\$ 126,017</b>	<b>\$ 123,505</b>
<b>Supplemental disclosures:</b>		
Cash payments for interest	\$ 5,800	\$ 4,502
Cash payments for income taxes, net	\$ 119	\$ —

See Notes 9 and 16 for information about non-cash activities.

The accompanying notes are an integral part of these consolidated financial statements.

## Notes to Consolidated Financial Statements (Unaudited)

### Note 1.

#### Description of Business

Goldman Sachs Bank USA (GS Bank USA), together with its consolidated subsidiaries (collectively, the Bank), is a New York State-chartered bank and a member of the Federal Reserve System. The Bank is supervised and regulated by the Board of Governors of the Federal Reserve System (FRB), the New York State Department of Financial Services (NYDFS) and the Consumer Financial Protection Bureau (CFPB). As a member of the Federal Deposit Insurance Corporation (FDIC), GS Bank USA's deposits are insured by the FDIC up to the maximum amount provided by law. GS Bank USA is registered as a swap dealer with the U.S. Commodity Futures Trading Commission (CFTC) and as a security-based swap dealer with the Securities and Exchange Commission (SEC). GS Bank USA is also a government securities dealer subject to the rules and regulations of the U.S. Department of the Treasury.

The Bank's principal office is located in New York, New York. GS Bank USA operates two domestic branches, which are located in Salt Lake City, Utah and Draper, Utah. Both branches are regulated by the Utah Department of Financial Institutions. GS Bank USA also operates a foreign branch, which is located in London, United Kingdom and is regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority. Goldman Sachs Bank Europe SE (GSBE), headquartered in Frankfurt, Germany, is a wholly-owned subsidiary of GS Bank USA. GSBE is directly supervised by the European Central Bank and additionally by the Federal Financial Supervisory Authority and Deutsche Bundesbank in the context of the E.U. Single Supervisory Mechanism. GSBE has branches in Amsterdam, Athens, Copenhagen, Dublin, London, Luxembourg, Madrid, Milan, Paris, Stockholm and Warsaw that are also regulated by the relevant authorities in each jurisdiction in certain areas, including with respect to anti-money laundering. GSBE was authorized by the FCA to provide services from its London branch and on a cross-border basis into the U.K. in April 2023, replacing its previous status under a temporary permission regime, which the U.K. government had established for a limited period post-Brexit.

GS Bank USA is a wholly-owned subsidiary of The Goldman Sachs Group, Inc. (Group Inc. and, collectively with its consolidated subsidiaries, GS Group). Group Inc. is a bank holding company under the U.S. Bank Holding Company Act of 1956 (BHC Act), a financial holding company under amendments to the BHC Act effected by the U.S. Gramm-Leach-Bliley Act of 1999, and is subject to supervision and examination by the FRB.

The Bank is a financial services provider that engages in banking activities. The Bank is GS Group's primary lending entity, originating loans to corporate and wealth management clients, as well as issuing credit cards. During the first quarter of 2024, the Bank completed the sale of GreenSky Holdings, LLC (GreenSky). The Bank has also entered into an agreement with General Motors (GM) regarding a process to transition the GM credit card program to another issuer to be selected by GM. The Bank is GS Group's primary deposit-taking entity. The Bank's depositors include private bank clients, U.S. consumers, clients of third-party broker-dealers, institutions, corporations and its affiliates. The Bank conducts consumer deposit-taking activities through *Marcus by Goldman Sachs* (Marcus), and also accepts deposits from Apple Card customers. The Bank also provides transaction banking services to institutions, corporations and its affiliates. In addition, the Bank enters into interest rate, currency, credit and other derivatives, and transact in certain related cash products, for the purpose of market making and risk management. The Bank's activities in the E.U. include underwriting and market making in debt and equity securities; advisory services; and asset and wealth management services.

### Note 2.

#### Basis of Presentation

These consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP) and include the accounts of GS Bank USA and all other entities in which the Bank has a controlling financial interest. Intercompany transactions and balances have been eliminated.

These consolidated financial statements are unaudited and should be read in conjunction with the audited consolidated financial statements included in the Bank's Annual Report for the year ended December 31, 2023. References to the 2023 Annual Report are to the Bank's Annual Report for the year ended December 31, 2023. Certain disclosures included in the annual financial statements have been condensed or omitted from these financial statements as they are not required for interim financial statements under U.S. GAAP.

These unaudited consolidated financial statements reflect all adjustments that are, in the opinion of management, necessary for a fair statement of the results for the interim periods presented. These adjustments are of a normal, recurring nature. Interim period operating results may not be indicative of the operating results for a full year.

## Notes to Consolidated Financial Statements (Unaudited)

All references to March 2024 and March 2023 refer to the Bank's periods ended, or the dates, as the context requires, March 31, 2024 and March 31, 2023, respectively. All references to December 2023 refer to the date December 31, 2023. Any reference to a future year refers to a year ending on December 31 of that year. Certain reclassifications have been made to previously reported amounts to conform to the current presentation.

### Note 3.

#### Significant Accounting Policies

The Bank's significant accounting policies include measuring the allowance for credit losses on loans and lending commitments accounted for at amortized cost, when and how to measure the fair value of assets and liabilities, and when to consolidate an entity. See Note 9 for policies on the allowance for credit losses, Note 4 for policies on fair value measurements, and below and Note 17 for policies on consolidation accounting. All other significant accounting policies are either described below or included in the following footnotes:

Fair Value Measurements	Note 4
Fair Value Hierarchy	Note 5
Trading Assets and Liabilities	Note 6
Derivatives and Hedging Activities	Note 7
Investments	Note 8
Loans	Note 9
Fair Value Option	Note 10
Collateralized Agreements and Financings	Note 11
Other Assets	Note 12
Deposits	Note 13
Unsecured Borrowings	Note 14
Other Liabilities	Note 15
Securitization Activities	Note 16
Variable Interest Entities	Note 17
Commitments, Contingencies and Guarantees	Note 18
Regulation and Capital Adequacy	Note 19

Transactions with Related Parties	Note 20
Interest Income and Interest Expense	Note 21
Income Taxes	Note 22
Credit Concentrations	Note 23
Legal Proceedings	Note 24

#### Consolidation

The Bank consolidates entities in which the Bank has a controlling financial interest. The Bank determines whether it has a controlling financial interest in an entity by first evaluating whether the entity is a voting interest entity or a variable interest entity (VIE).

**Voting Interest Entities.** Voting interest entities are entities in which (i) the total equity investment at risk is sufficient to enable the entity to finance its activities independently and (ii) the equity holders have the power to direct the activities of the entity that most significantly impact its economic performance, the obligation to absorb the losses of the entity and the right to receive the residual returns of the entity. The usual condition for a controlling financial interest in a voting interest entity is ownership of a majority voting interest. If the Bank has a controlling majority voting interest in a voting interest entity, the entity is consolidated.

**Variable Interest Entities.** A VIE is an entity that lacks one or more of the characteristics of a voting interest entity. The Bank has a controlling financial interest in a VIE when the Bank has a variable interest or interests that provide it with (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. See Note 17 for further information about VIEs.

#### Use of Estimates

Preparation of these consolidated financial statements requires management to make certain estimates and assumptions, the most important of which relate to the allowance for credit losses on loans and lending commitments accounted for at amortized cost, fair value measurements, discretionary compensation accruals, accounting for goodwill and identifiable intangible assets, provisions for losses that may arise from litigation and regulatory proceedings (including governmental investigations), and accounting for income taxes. These estimates and assumptions are based on the best available information, but actual results could be materially different.



## Notes to Consolidated Financial Statements (Unaudited)

### Revenue Recognition

**Financial Assets and Liabilities at Fair Value.** Trading assets and liabilities and certain investments are carried at fair value either under the fair value option or in accordance with other U.S. GAAP. In addition, the Bank has elected to account for certain of its loans and other financial assets and liabilities at fair value by electing the fair value option. The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets are marked to bid prices and financial liabilities are marked to offer prices. Fair value measurements do not include transaction costs. Fair value gains or losses are included in gains and losses from financial assets and liabilities. See Note 4 for further information about fair value measurements. In addition, the Bank recognizes income related to the syndication of loans and lending commitments and other fees from affiliates in gains and losses from financial assets and liabilities.

### Transfers of Financial Assets

Transfers of financial assets are accounted for as sales when the Bank has relinquished control over the assets transferred. For transfers of financial assets accounted for as sales, any gains or losses are recognized in gains and losses from financial assets and liabilities. Assets or liabilities that arise from the Bank's continuing involvement with transferred financial assets are initially recognized at fair value. For transfers of financial assets that are not accounted for as sales, the assets are generally included in trading assets or loans and the transfer is accounted for as a collateralized financing, with the related interest expense recognized over the life of the transaction. See Note 11 for further information about transfers of financial assets accounted for as collateralized financings and Note 16 for further information about transfers of financial assets accounted for as sales.

### Cash

Cash included cash and due from banks of \$2.87 billion as of March 2024 and \$2.93 billion as of December 2023. Cash also included interest-bearing deposits of \$123.15 billion as of March 2024 and \$131.55 billion as of December 2023. See Note 20 for further information about cash deposited with an affiliate.

The Bank segregates cash for regulatory and other purposes related to client activity. Cash segregated for regulatory and other purposes was \$946 million as of March 2024 and \$1.00 billion as of December 2023.

### Customer and Other Receivables

Customer and other receivables included receivables from customers and counterparties of \$27.80 billion as of March 2024 and \$14.96 billion as of December 2023, and receivables from brokers, dealers and clearing organizations of \$27.53 billion as of March 2024 and \$20.09 billion as of December 2023. Such receivables primarily consist of receivables resulting from unsettled transactions and collateral posted in connection with certain derivative transactions.

Substantially all of these receivables are accounted for at amortized cost net of any allowance for credit losses, which generally approximates fair value. As these receivables are not accounted for at fair value, they are not included in the Bank's fair value hierarchy in Notes 4 and 5. Had these receivables been included in the Bank's fair value hierarchy, substantially all would have been classified in level 2 as of both March 2024 and December 2023. See Note 10 for further information about customer and other receivables accounted for at fair value under the fair value option. Interest on customer and other receivables is recognized over the life of the transaction and included in interest income.

### Customer and Other Payables

Customer and other payables included payables to customers and counterparties of \$18.25 billion as of March 2024 and \$11.32 billion as of December 2023, and payables to brokers, dealers and clearing organizations of \$14.90 billion as of March 2024 and \$6.42 billion as of December 2023. Such payables primarily consist of payables resulting from unsettled transactions and collateral received in connection with certain derivative transactions.

Customer and other payables are accounted for at cost plus accrued interest, which generally approximates fair value. As these payables are not accounted for at fair value, they are not included in the Bank's fair value hierarchy in Notes 4 and 5. Had these payables been included in the Bank's fair value hierarchy, substantially all would have been classified in level 2 as of both March 2024 and December 2023. Interest on customer and other payables is recognized over the life of the transaction and included in interest expense.

## Notes to Consolidated Financial Statements (Unaudited)

### Offsetting Assets and Liabilities

To reduce credit exposures on derivatives and securities financing transactions, the Bank may enter into master netting agreements or similar arrangements (collectively, netting agreements) with counterparties that permit it to offset receivables and payables with such counterparties. A netting agreement is a contract with a counterparty that permits net settlement of multiple transactions with that counterparty, including upon the exercise of termination rights by a non-defaulting party. Upon exercise of such termination rights, all transactions governed by the netting agreement are terminated and a net settlement amount is calculated. In addition, the Bank receives and posts cash and securities collateral with respect to its derivatives and securities financing transactions, subject to the terms of the related credit support agreements or similar arrangements (collectively, credit support agreements). An enforceable credit support agreement grants the non-defaulting party exercising termination rights the right to liquidate the collateral and apply the proceeds to any amounts owed. In order to assess enforceability of the Bank's right of setoff under netting and credit support agreements, the Bank evaluates various factors, including applicable bankruptcy laws, local statutes and regulatory provisions in the jurisdiction of the parties to the agreement.

Derivatives are reported on a net-by-counterparty basis (i.e., the net payable or receivable for derivative assets and liabilities for a given counterparty) in the consolidated balance sheets when a legal right of setoff exists under an enforceable netting agreement. Securities purchased under agreements to resell (resale agreements) and securities sold under agreements to repurchase (repurchase agreements) and securities borrowed and loaned transactions with the same settlement date are presented on a net-by-counterparty basis in the consolidated balance sheets when such transactions meet certain settlement criteria and are subject to netting agreements.

In the consolidated balance sheets, derivatives are reported net of cash collateral received and posted under enforceable credit support agreements, when transacted under an enforceable netting agreement. In the consolidated balance sheets, resale and repurchase agreements, and securities borrowed and loaned, are not reported net of the related cash and securities received or posted as collateral. Certain other receivables and payables with affiliates that meet the criteria of offsetting are reported on a net basis in the consolidated balance sheets. See Note 11 for further information about collateral received and pledged, including rights to deliver or repledge collateral. See Notes 7 and 11 for further information about offsetting assets and liabilities.

### Foreign Currency Translation

Assets and liabilities denominated in non-U.S. currencies are translated at rates of exchange prevailing on the date of the consolidated balance sheets and revenues and expenses are translated at average rates of exchange for the period. Foreign currency remeasurement gains or losses on transactions in nonfunctional currencies are recognized in earnings. Gains or losses on translation of the financial statements of non-U.S. operations, such as GSBE, whose functional currency is the Euro, are included, net of hedges and taxes, in the consolidated statements of comprehensive income.

### Recent Accounting Developments

**Troubled Debt Restructurings and Vintage Disclosures (ASC 326).** In March 2022, the FASB issued ASU No. 2022-02, "Financial Instruments — Credit Losses (Topic 326) — Troubled Debt Restructurings and Vintage Disclosures." This ASU eliminates the recognition and measurement guidance for troubled debt restructurings (TDRs) and requires enhanced disclosures about loan modifications for borrowers experiencing financial difficulty. This ASU also requires enhanced disclosure for loans that have been charged off. This ASU became effective for the Bank in January 2023 under a prospective approach. Adoption of this ASU did not have a material impact on the Bank's consolidated financial statements.

**Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions (ASC 820).** In June 2022, the FASB issued ASU No. 2022-03, "Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions." This ASU clarifies that a contractual restriction on the sale of an equity security should not be considered in measuring its fair value. In addition, the ASU requires specific disclosures related to equity securities that are subject to contractual sale restrictions. This ASU became effective for the Bank in January 2024 under a prospective approach. Adoption of this ASU did not have a material impact on the Bank's consolidated financial statements.

## Notes to Consolidated Financial Statements (Unaudited)

**Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method (ASC 323).** In March 2023, the FASB issued ASU No. 2023-02, “Investments — Equity Method and Joint Ventures (Topic 323) — Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method.” This ASU expands the proportional amortization method election currently associated with low-income housing tax credits to other qualifying tax credits and requires incremental disclosures for programs in which the proportional amortization method is elected. This ASU became effective for the Bank in January 2024 under a modified retrospective approach. Adoption of this ASU did not have a material impact on the Bank’s consolidated financial statements.

**Improvements to Reportable Segment Disclosures (ASC 280).** In November 2023, the FASB issued ASU No. 2023-07, “Improvements to Reportable Segment Disclosures.” This ASU requires enhanced disclosures primarily about significant segment expenses that are regularly provided to the chief operating decision maker. This ASU is effective for the Bank for annual periods beginning in January 2024, and interim periods beginning in January 2025 under a retrospective approach. Early adoption is permitted. Since this ASU only requires additional disclosures, adoption of this ASU will not have an impact on the Bank’s financial condition, results of operations or cash flows.

**Improvements to Income Tax Disclosures (ASC 740).** In December 2023, the FASB issued ASU No. 2023-09, “Improvements to Income Tax Disclosures.” This ASU requires incremental disclosures primarily related to the reconciliation of the statutory income tax rate to the effective income tax rate, as well as income taxes paid. This ASU is effective for the Bank for annual periods beginning in January 2025 under a prospective approach with the option to apply it retrospectively. Early adoption is permitted. Since this ASU only requires additional disclosures, adoption of this ASU will not have an impact on the Bank’s financial condition, results of operations or cash flows.

### Note 4.

## Fair Value Measurements

The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets are marked to bid prices and financial liabilities are marked to offer prices. Fair value measurements do not include transaction costs. The Bank measures certain financial assets and liabilities as a portfolio (i.e., based on its net exposure to market and/or credit risks).

The best evidence of fair value is a quoted price in an active market. If quoted prices in active markets are not available, fair value is determined by reference to prices for similar instruments, quoted prices or recent transactions in less active markets, or internally developed models that primarily use market-based or independently sourced inputs, including, but not limited to, interest rates, volatilities, equity or debt prices, foreign exchange rates, commodity prices, credit spreads and funding spreads (i.e., the spread or difference between the interest rate at which a borrower could finance a given financial instrument relative to a benchmark interest rate).

U.S. GAAP has a three-level hierarchy for disclosure of fair value measurements. This hierarchy prioritizes inputs to the valuation techniques used to measure fair value, giving the highest priority to level 1 inputs and the lowest priority to level 3 inputs. A financial instrument’s level in this hierarchy is based on the lowest level of input that is significant to its fair value measurement. In evaluating the significance of a valuation input, the Bank considers, among other factors, a portfolio’s net risk exposure to that input. The fair value hierarchy is as follows:

**Level 1.** Inputs are unadjusted quoted prices in active markets to which the Bank had access at the measurement date for identical, unrestricted assets or liabilities.

**Level 2.** Inputs to valuation techniques are observable, either directly or indirectly.

**Level 3.** One or more inputs to valuation techniques are significant and unobservable.

The fair values for substantially all of the Bank’s financial assets and the majority of the Bank’s financial liabilities are based on observable prices and inputs and are classified in levels 1 and 2 of the fair value hierarchy. Certain level 2 and level 3 financial assets and liabilities may require valuation adjustments that a market participant would require to arrive at fair value for factors, such as counterparty and the Bank or its affiliates’ credit quality, funding risk, transfer restrictions, liquidity and bid/offer spreads. Valuation adjustments are generally based on market evidence.

## Notes to Consolidated Financial Statements (Unaudited)

The table below presents financial assets and liabilities carried at fair value.

	As of	
	March 2024	December 2023
<i>\$ in millions</i>		
Total level 1 financial assets	\$ 87,456	\$ 63,515
Total level 2 financial assets	133,233	143,530
Total level 3 financial assets	1,790	1,779
Investments in funds at NAV	20	18
Counterparty and cash collateral netting	(43,326)	(37,676)
<b>Total financial assets at fair value</b>	<b>\$ 179,173</b>	<b>\$ 171,166</b>
Total assets	\$ 549,188	\$ 521,102
<b>Total level 3 financial assets divided by:</b>		
Total assets	0.3%	0.3%
Total financial assets at fair value	1.0%	1.0%
Total level 1 financial liabilities	\$ 14,356	\$ 13,349
Total level 2 financial liabilities	68,187	64,303
Total level 3 financial liabilities	4,209	4,042
Counterparty and cash collateral netting	(32,251)	(31,639)
<b>Total financial liabilities at fair value</b>	<b>\$ 54,501</b>	<b>\$ 50,055</b>
Total liabilities	\$ 491,966	\$ 466,319
<b>Total level 3 financial liabilities divided by:</b>		
Total liabilities	0.9%	0.9%
Total financial liabilities at fair value	7.7%	8.1%

In the table above:

- Counterparty netting among positions classified in the same level is included in that level.
- Counterparty and cash collateral netting represents the impact on derivatives of netting across levels.
- NAV represents net asset value.

The table below presents a summary of level 3 financial assets.

	As of	
	March 2024	December 2023
<i>\$ in millions</i>		
Trading assets:		
Trading cash instruments	\$ 295	\$ 438
Derivatives	1,254	1,079
Investments	30	38
Loans	211	213
Other assets	—	11
<b>Total</b>	<b>\$ 1,790</b>	<b>\$ 1,779</b>

Level 3 financial assets as of March 2024 were essentially unchanged compared with December 2023. See Note 5 for further information about level 3 financial assets (including information about unrealized gains and losses related to level 3 financial assets and transfers into and out of level 3).

The valuation techniques and nature of significant inputs used to determine the fair value of the Bank's financial instruments are described below. See Note 5 for further information about significant unobservable inputs used to value level 3 financial instruments.

### Valuation Techniques and Significant Inputs for Trading Cash Instruments, Investments and Loans

**Level 1.** Level 1 instruments include U.S. government obligations, most non-U.S. government obligations, certain agency obligations and actively traded listed equities. These instruments are valued using quoted prices for identical unrestricted instruments in active markets. The Bank defines active markets for equity instruments based on the average daily trading volume both in absolute terms and relative to the market capitalization for the instrument. The Bank defines active markets for debt instruments based on both the average daily trading volume and the number of days with trading activity.

**Level 2.** Level 2 instruments include certain non-U.S. government obligations, most agency obligations, substantially all loans and securities backed by real estate, most corporate debt instruments, most other debt obligations and certain restricted or less liquid listed equities.

Valuations of level 2 instruments can be verified to quoted prices, recent trading activity for identical or similar instruments, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency. Consideration is given to the nature of the quotations (e.g., indicative or executable) and the relationship of recent market activity to the prices provided from alternative pricing sources.

Valuation adjustments are typically made to level 2 instruments (i) if the instrument is subject to transfer restrictions and/or (ii) for other premiums and liquidity discounts that a market participant would require to arrive at fair value. Valuation adjustments are generally based on market evidence.

**Level 3.** Level 3 instruments have one or more significant valuation inputs that are not observable. Absent evidence to the contrary, level 3 instruments are initially valued at transaction price, which is considered to be the best initial estimate of fair value. Subsequently, the Bank uses other methodologies to determine fair value, which vary based on the type of instrument. Valuation inputs and assumptions are changed when corroborated by substantive observable evidence, including values realized on sales.

## Notes to Consolidated Financial Statements (Unaudited)

Valuation techniques of level 3 instruments vary by instrument, but are generally based on discounted cash flow techniques. The valuation techniques and the nature of significant inputs used to determine the fair values of each type of level 3 instrument are described below:

### **Loans and Securities Backed by Commercial Real Estate**

Loans and securities backed by commercial real estate are directly or indirectly collateralized by a single property or a portfolio of properties, and may include tranches of varying levels of subordination. Significant inputs are generally determined based on relative value analyses and include:

- Market yields implied by transactions of similar or related assets and/or current levels and changes in market indices, such as the CMBX (an index that tracks the performance of commercial mortgage bonds);
- Transaction prices in both the underlying collateral and instruments with the same or similar underlying collateral; and
- Timing of expected future cash flows (duration) which, in certain cases, may incorporate the impact of any loan forbearances and other unobservable inputs (e.g., prepayment speeds).

### **Corporate Debt Instruments**

Corporate debt instruments includes corporate loans and debt securities. Significant inputs for corporate debt instruments are generally determined based on relative value analyses, which incorporate comparisons both to prices of credit default swaps that reference the same or similar underlying instrument or entity and to other debt instruments for the same or similar issuer for which observable prices or broker quotations are available. Significant inputs include:

- Market yields implied by transactions of similar or related assets and/or current levels and trends of market indices, such as the CDX (an index that tracks the performance of corporate credit);
- Current performance and recovery assumptions and, where the Bank uses credit default swaps to value the related instrument, the cost of borrowing the underlying reference obligation; and
- Duration.

### **Equity Securities**

Equity securities consists of private equities, including investments made as part of the Bank's Community Reinvestment Act (CRA) activities. Recent third-party completed or pending transactions (e.g., merger proposals, debt restructurings, tender offers) are considered the best evidence for any change in fair value. When these are not available, the following valuation methodologies are used, as appropriate:

- Industry multiples and public comparables;
- Transactions in similar instruments; and
- Discounted cash flow techniques.

The Bank also considers changes in the outlook for the relevant industry and financial performance of the issuer as compared to projected performance. Significant inputs include discount rates and capitalization rates.

### **Valuation Techniques and Significant Inputs for Derivatives**

The Bank's level 2 and level 3 derivatives are valued using derivative pricing models (e.g., discounted cash flow models, correlation models and models that incorporate option pricing methodologies, such as Monte Carlo simulations). Price transparency of derivatives can generally be characterized by product type, as described below.

- **Interest Rate.** In general, the key inputs used to value interest rate derivatives are transparent, even for most long-dated contracts. Interest rate swaps and options denominated in the currencies of leading industrialized nations are characterized by high trading volumes and tight bid/offer spreads. Interest rate derivatives that reference indices, such as an inflation index, or the shape of the yield curve (e.g., 10-year swap rate vs. 2-year swap rate) are more complex, but the key inputs are generally observable.
- **Currency.** Prices for currency derivatives based on the exchange rates of leading industrialized nations, including those with longer tenors, are generally transparent. The primary difference between the price transparency of developed and emerging market currency derivatives is that emerging markets tend to be only observable for contracts with shorter tenors.

## Notes to Consolidated Financial Statements (Unaudited)

- **Credit.** Price transparency for credit default swaps, including both single names and baskets of credits, varies by market and underlying reference entity or obligation. Credit default swaps that reference indices, large corporates and major sovereigns generally exhibit the most price transparency. For credit default swaps with other underliers, price transparency varies based on credit rating, the cost of borrowing the underlying reference obligations, and the availability of the underlying reference obligations for delivery upon the default of the issuer. Credit default swaps that reference loans, asset-backed securities and emerging market debt instruments tend to have less price transparency than those that reference corporate bonds. In addition, more complex credit derivatives, such as those sensitive to the correlation between two or more underlying reference obligations, generally have less price transparency.
- **Equity.** Price transparency for equity derivatives varies by market and underlier. Options on indices and the common stock of corporates included in major equity indices exhibit the most price transparency. Equity derivatives generally have observable market prices, except for contracts with long tenors or reference prices that differ significantly from current market prices. More complex equity derivatives, such as those sensitive to the correlation between two or more individual stocks, generally have less price transparency.
- **Commodity.** Commodity derivatives include transactions referenced to energy (e.g., oil and natural gas) and metals (e.g., precious and base). Price transparency varies based on the underlying commodity, delivery location, tenor and product quality (e.g., diesel fuel compared to unleaded gasoline). In general, price transparency for commodity derivatives is greater for contracts with shorter tenors and contracts that are more closely aligned with major and/or benchmark commodity indices.

Liquidity is essential to the observability of all product types. If transaction volumes decline, previously transparent prices and other inputs may become unobservable. Conversely, even highly structured products may at times have trading volumes large enough to provide observability of prices and other inputs.

**Level 1.** Level 1 derivatives include short-term contracts for future delivery of securities when the underlying security is a level 1 instrument, and exchange-traded derivatives if they are actively traded and are valued at their quoted market price.

**Level 2.** Level 2 derivatives include over-the-counter (OTC) derivatives for which all significant valuation inputs are corroborated by market evidence and exchange-traded derivatives that are not actively traded and/or that are valued using models that calibrate to market-clearing levels of OTC derivatives.

The selection of a particular model to value a derivative depends on the contractual terms of and specific risks inherent in the instrument, as well as the availability of pricing information in the market. For derivatives that trade in liquid markets, model selection does not involve significant management judgment because outputs of models can be calibrated to market-clearing levels.

Valuation models require a variety of inputs, such as contractual terms, market prices, yield curves, discount rates (including those derived from interest rates on collateral received and posted as specified in credit support agreements for collateralized derivatives), credit curves, measures of volatility, prepayment rates, loss severity rates and correlations of such inputs. Significant inputs to the valuations of level 2 derivatives can be verified to market transactions, broker or dealer quotations or other alternative pricing sources with reasonable levels of price transparency. Consideration is given to the nature of the quotations (e.g., indicative or executable) and the relationship of recent market activity to the prices provided from alternative pricing sources.

**Level 3.** Level 3 derivatives are valued using models which utilize observable level 1 and/or level 2 inputs, as well as unobservable level 3 inputs. The significant unobservable inputs used to value the Bank's level 3 derivatives are described below.

- For level 3 interest rate and currency derivatives, significant unobservable inputs include correlations of certain currencies and interest rates (e.g., the correlation between Euro inflation and Euro interest rates) and specific interest rate and currency volatilities.
- For level 3 credit derivatives, significant unobservable inputs include illiquid credit spreads, which are unique to specific reference obligations and reference entities.
- For level 3 equity derivatives, significant unobservable inputs generally include correlation inputs, such as the correlation of the price performance of two or more individual stocks or the correlation of the price performance for a basket of stocks to another asset class.

Subsequent to the initial valuation of a level 3 derivative, the Bank updates the level 1 and level 2 inputs to reflect observable market changes and any resulting gains and losses are classified in level 3. Level 3 inputs are changed when corroborated by evidence, such as similar market transactions, third-party pricing services and/or broker or dealer quotations or other empirical market data. In circumstances where the Bank cannot verify the model value by reference to market transactions, it is possible that a different valuation model could produce a materially different estimate of fair value. See Note 5 for further information about significant unobservable inputs used in the valuation of level 3 derivatives.

## Notes to Consolidated Financial Statements (Unaudited)

**Valuation Adjustments.** Valuation adjustments are integral to determining the fair value of derivative portfolios and are used to adjust the mid-market valuations produced by derivative pricing models to the exit price valuation. These adjustments incorporate bid/offer spreads, the cost of liquidity, and credit and funding valuation adjustments, which account for the credit and funding risk inherent in the uncollateralized portion of derivative portfolios. The Bank also makes funding valuation adjustments to collateralized derivatives where the terms of the agreement do not permit the Bank to deliver or repledge collateral received. Market-based inputs are generally used when calibrating valuation adjustments to market-clearing levels.

In addition, for derivatives that include significant unobservable inputs, the Bank makes model or exit price adjustments to account for the valuation uncertainty present in the transaction.

### Valuation Techniques and Significant Inputs for Other Financial Assets and Liabilities at Fair Value

In addition to trading cash instruments, derivatives, and certain investments and loans, the Bank accounts for certain of its other financial assets and liabilities at fair value under the fair value option. Such instruments include resale and repurchase agreements; certain securities borrowed and loaned transactions; certain customer and other receivables; certain time deposits, including structured certificates of deposit, which are hybrid financial instruments; most other secured financings, including transfers of assets accounted for as financings rather than sales; certain unsecured borrowings, including certain hybrid financial instruments; and certain other assets and liabilities. These instruments are generally valued based on discounted cash flow techniques, which incorporate inputs with reasonable levels of price transparency, and are generally classified in level 2 because the inputs are observable. Valuation adjustments may be made for liquidity and for counterparty and the Bank's credit quality. The significant inputs used to value the Bank's other financial assets and liabilities are described below.

**Resale and Repurchase Agreements and Securities Borrowed and Loaned.** The significant inputs to the valuation of resale and repurchase agreements and securities borrowed and loaned are funding spreads, the amount and timing of expected future cash flows and interest rates.

**Customer and Other Receivables.** The significant inputs to the valuation of receivables are interest rates and the amount and timing of expected future cash flows.

**Deposits.** The significant inputs to the valuation of time deposits are interest rates and the amount and timing of future cash flows. The inputs used to value the embedded derivative component of hybrid financial instruments are consistent with the inputs used to value the Bank's other derivative instruments described above. See Note 7 for further information about derivatives and Note 13 for further information about deposits.

**Other Secured Financings.** The significant inputs to the valuation of other secured financings are the amount and timing of expected future cash flows, interest rates, funding spreads and the fair value of the collateral delivered by the Bank (determined using the amount and timing of expected future cash flows, market prices, market yields and recovery assumptions). See Note 11 for further information about other secured financings.

**Unsecured Borrowings.** The significant inputs to the valuation of unsecured borrowings are the amount and timing of expected future cash flows and interest rates. The inputs used to value the embedded derivative component of hybrid financial instruments are consistent with the inputs used to value the Bank's other derivative instruments described above. See Note 7 for further information about derivatives and Note 14 for further information about borrowings.

**Other Assets and Liabilities.** The significant inputs to the valuation of other assets and liabilities are the amount and timing of expected future cash flows, interest rate and market yields.

### Note 5.

#### Fair Value Hierarchy

Financial assets and liabilities at fair value includes trading cash instruments, derivatives, and certain investments, loans and other financial assets and liabilities at fair value.

## Notes to Consolidated Financial Statements (Unaudited)

### Trading Cash Instruments

**Fair Value by Level.** The table below presents trading cash instruments by level within the fair value hierarchy.

<i>\$ in millions</i>	Level 1	Level 2	Level 3	Total
<b>As of March 2024</b>				
<b>Assets</b>				
Government and agency obligations:				
U.S.	\$ 28,323	\$ 14,408	\$ —	\$ 42,731
Non-U.S.	14,346	5,373	5	19,724
Loans and securities backed by:				
Commercial real estate	—	58	—	58
Residential real estate	—	5,795	—	5,795
Corporate debt instruments	—	6,201	290	6,491
Other debt obligations	—	1,137	—	1,137
Equity securities	9,900	1	—	9,901
<b>Total</b>	<b>\$ 52,569</b>	<b>\$ 32,973</b>	<b>\$ 295</b>	<b>\$ 85,837</b>

<b>Liabilities</b>				
Government and agency obligations:				
U.S.	\$ (4,452)	\$ (6)	\$ —	\$ (4,458)
Non-U.S.	(9,859)	(408)	—	(10,267)
Loans and securities backed by:				
residential real estate	—	(8)	—	(8)
Corporate debt instruments	—	(1,467)	(33)	(1,500)
Equity securities	(42)	—	—	(42)
<b>Total</b>	<b>\$(14,353)</b>	<b>\$ (1,889)</b>	<b>\$ (33)</b>	<b>\$(16,275)</b>

<b>As of December 2023</b>				
<b>Assets</b>				
Government and agency obligations:				
U.S.	\$ 14,995	\$ 16,196	\$ —	\$ 31,191
Non-U.S.	13,411	4,320	30	17,761
Loans and securities backed by:				
Commercial real estate	—	119	—	119
Residential real estate	—	5,484	—	5,484
Corporate debt instruments	—	5,896	408	6,304
Other debt obligations	—	1,243	—	1,243
Equity securities	10,206	1	—	10,207
<b>Total</b>	<b>\$ 38,612</b>	<b>\$ 33,259</b>	<b>\$ 438</b>	<b>\$ 72,309</b>

<b>Liabilities</b>				
Government and agency obligations:				
U.S.	\$ (3,796)	\$ —	\$ —	\$ (3,796)
Non-U.S.	(9,466)	(446)	—	(9,912)
Loans and securities backed by:				
residential real estate	—	(3)	—	(3)
Corporate debt instruments	—	(1,196)	(34)	(1,230)
Equity securities	(87)	—	—	(87)
<b>Total</b>	<b>\$(13,349)</b>	<b>\$ (1,645)</b>	<b>\$ (34)</b>	<b>\$(15,028)</b>

Trading cash instruments consists of instruments held in connection with the Bank's market-making or risk management activities. These instruments are carried at fair value and the related fair value gains and losses are recognized in the consolidated statements of earnings.

In the table above:

- Assets are shown as positive amounts and liabilities are shown as negative amounts.
- Corporate debt instruments includes corporate loans and debt securities.
- Other debt obligations includes other loans, other asset-backed securities and money market instruments.
- Equity securities includes public equities and exchange-traded funds.

See Note 4 for an overview of the Bank's fair value measurement policies, valuation techniques and significant inputs used to determine the fair value of trading cash instruments.

**Significant Unobservable Inputs.** The table below presents the amount of level 3 trading cash instrument assets, and ranges and weighted averages of significant unobservable inputs used to value such trading cash instrument assets.

<i>\$ in millions</i>	As of March 2024		As of December 2023	
	Amount or Range	Weighted Average	Amount or Range	Weighted Average
<b>Corporate debt instruments</b>				
Level 3 assets	\$ 290		\$ 408	
Yield	2.0% to 12.5%	5.9%	2.8% to 12.5%	6.1%
Recovery rate	18.5% to 70.5%	54.0%	N/A	N/A

As of both March 2024 and December 2023, level 3 non-U.S. government and agency obligations were not material, and therefore are not included in the table above.

In the table above:

- Ranges represent the significant unobservable inputs that were used in the valuation of each type of trading cash instrument.
- Weighted averages are calculated by weighting each input by the relative fair value of the trading cash instruments.
- The ranges and weighted averages of these inputs are not representative of the appropriate inputs to use when calculating the fair value of any one trading cash instrument. For example, the highest yield for corporate debt instruments is appropriate for valuing a specific corporate debt instrument, but may not be appropriate for valuing any other corporate debt instrument. Accordingly, the ranges of inputs do not represent uncertainty in, or possible ranges of, fair value measurements of level 3 trading cash instruments.



## Notes to Consolidated Financial Statements (Unaudited)

- Increases in yield used in the valuation of level 3 trading cash instruments would have resulted in a lower fair value measurement, while increases in recovery rate would have resulted in a higher fair value measurement. Due to the distinctive nature of each level 3 trading cash instrument, the interrelationship of inputs is not necessarily uniform within each product type.
- Trading cash instruments are valued using discounted cash flows.
- Recovery rate was not significant to the valuation of level 3 corporate debt instruments as of December 2023. Therefore, such unobservable inputs are not included in the table above.

**Level 3 Rollforward.** The table below presents a summary of the changes in fair value for level 3 trading cash instruments.

\$ in millions	Three Months Ended March	
	2024	2023
<b>Assets</b>		
Beginning balance	\$ 438	\$ 335
Net realized gains/(losses)	2	(2)
Net unrealized gains/(losses)	(3)	9
Purchases	84	40
Sales	(124)	(62)
Settlements	(38)	(9)
Transfers into level 3	3	69
Transfers out of level 3	(67)	(125)
<b>Ending balance</b>	<b>\$ 295</b>	<b>\$ 255</b>
<b>Liabilities</b>		
Beginning balance	\$ (34)	\$ (34)
Net unrealized gains/(losses)	(15)	—
Purchases	24	20
Sales	(15)	(13)
Settlements	3	2
Transfers into level 3	(2)	—
Transfers out of level 3	6	7
<b>Ending balance</b>	<b>\$ (33)</b>	<b>\$ (18)</b>

In the table above:

- Changes in fair value are presented for all trading cash instruments that are classified in level 3 as of the end of the period.
- Net unrealized gains/(losses) relates to trading cash instruments that were still held at period-end.
- Transfers between levels of the fair value hierarchy are reported at the beginning of the reporting period in which they occur. If a trading cash instrument was transferred to level 3 during a reporting period, its entire gain or loss for the period is classified in level 3.

- For level 3 trading cash instrument assets, increases are shown as positive amounts, while decreases are shown as negative amounts. For level 3 trading cash instrument liabilities, increases are shown as negative amounts, while decreases are shown as positive amounts.
- Level 3 trading cash instruments are frequently economically hedged with level 1 and level 2 trading cash instruments and/or level 1, level 2 or level 3 derivatives. Accordingly, gains or losses that are classified in level 3 can be partially offset by gains or losses attributable to level 1 or level 2 trading cash instruments and/or level 1, level 2 or level 3 derivatives. As a result, gains or losses included in the level 3 rollforward below do not necessarily represent the overall impact on the Bank's results of operations, liquidity or capital resources.

The table below presents information, by product type, for assets included in the summary table above.

\$ in millions	Three Months Ended March	
	2024	2023
<b>Non-U.S. government and agency obligations</b>		
Beginning balance	\$ 30	\$ 45
Net unrealized gains/(losses)	—	3
Purchases	—	13
Sales	(21)	(6)
Settlements	—	(1)
Transfers into level 3	—	24
Transfers out of level 3	(4)	(5)
<b>Ending balance</b>	<b>\$ 5</b>	<b>\$ 73</b>
<b>Corporate debt instruments</b>		
Beginning balance	\$ 408	\$ 277
Net realized gains/(losses)	2	(2)
Net unrealized gains/(losses)	(3)	6
Purchases	84	27
Sales	(103)	(56)
Settlements	(38)	(8)
Transfers into level 3	3	45
Transfers out of level 3	(63)	(120)
<b>Ending balance</b>	<b>\$ 290</b>	<b>\$ 169</b>
<b>Other debt obligations</b>		
Beginning balance	\$ —	\$ 13
Net realized gains/(losses)	—	—
<b>Ending balance</b>	<b>\$ —</b>	<b>\$ 13</b>

## Notes to Consolidated Financial Statements (Unaudited)

**Level 3 Rollforward Commentary for the Three Months Ended March 2024.** The net realized and unrealized losses on level 3 trading cash instrument assets of \$1 million (reflecting \$2 million of net realized gains and \$3 million of net unrealized losses) for the three months ended March 2024 included gains/(losses) of \$(4) million reported in gains and losses from financial assets and liabilities and \$3 million reported in interest income.

The drivers of the net unrealized losses on level 3 trading cash instrument assets for the three months ended March 2024 were not material.

The drivers of the transfers into level 3 trading cash instrument assets during the three months ended March 2024 were not material.

Transfers out of level 3 trading cash instrument assets during the three months ended March 2024 primarily reflected transfers of certain corporate debt instruments to level 2 (principally due to increased price transparency as a result of market evidence, including market transactions in these instruments).

**Level 3 Rollforward Commentary for the Three Months Ended March 2023.** The net realized and unrealized gains on level 3 trading cash instrument assets of \$7 million (reflecting \$2 million of net realized losses and \$9 million of net unrealized gains) for the three months ended March 2023 included gains of \$5 million reported in gains and losses from financial assets and liabilities and \$2 million reported in interest income.

The drivers of the net unrealized gains on level 3 trading cash instrument assets for the three months ended March 2023 were not material.

Transfers into level 3 trading cash instrument assets during the three months ended March 2023 primarily reflected transfers of certain corporate debt instruments from level 2 (principally due to reduced price transparency as a result of a lack of market evidence, including fewer market transactions in these instruments).

Transfers out of level 3 trading cash instrument assets during the three months ended March 2023 primarily reflected transfers of certain corporate debt instruments to level 2 (principally due to increased price transparency as a result of market evidence, including market transactions in these instruments).

## Derivatives

**Fair Value by Level.** The table below presents derivatives on a gross basis by level and product type, as well as the impact of netting.

<i>\$ in millions</i>	Level 1	Level 2	Level 3	Total
<b>As of March 2024</b>				
<b>Assets</b>				
Interest rates	\$ 1	\$ 583,644	\$ 295	\$ 583,940
Currencies	—	79,101	306	79,407
Credit	—	5,651	842	6,493
Equities	1	13,567	228	13,796
Commodities	—	1,435	—	1,435
Gross fair value	2	683,398	1,671	685,071
Counterparty netting in levels	—	(631,102)	(417)	(631,519)
Subtotal	\$ 2	\$ 52,296	\$ 1,254	\$ 53,552
Cross-level counterparty netting				(952)
Cash collateral netting				(42,374)
<b>Net fair value</b>				<b>\$ 10,226</b>
<b>Liabilities</b>				
Interest rates	\$ (1)	\$ (566,462)	\$ (736)	\$ (567,199)
Currencies	(1)	(84,193)	(47)	(84,241)
Credit	—	(6,792)	(751)	(7,543)
Equities	(1)	(12,929)	(60)	(12,990)
Commodities	—	(1,435)	—	(1,435)
Gross fair value	(3)	(671,811)	(1,594)	(673,408)
Counterparty netting in levels	—	631,102	417	631,519
Subtotal	\$ (3)	\$ (40,709)	\$ (1,177)	\$ (41,889)
Cross-level counterparty netting				952
Cash collateral netting				31,299
<b>Net fair value</b>				<b>\$ (9,638)</b>
<b>As of December 2023</b>				
<b>Assets</b>				
Interest rates	\$ —	\$ 592,556	\$ 396	\$ 592,952
Currencies	—	94,254	395	94,649
Credit	—	5,718	738	6,456
Equities	—	10,896	136	11,032
Commodities	—	1,468	—	1,468
Gross fair value	—	704,892	1,665	706,557
Counterparty netting in levels	—	(656,260)	(586)	(656,846)
Subtotal	\$ —	\$ 48,632	\$ 1,079	\$ 49,711
Cross-level counterparty netting				(1,425)
Cash collateral netting				(36,251)
<b>Net fair value</b>				<b>\$ 12,035</b>
<b>Liabilities</b>				
Interest rates	\$ —	\$ (577,063)	\$ (920)	\$ (577,983)
Currencies	—	(103,464)	(78)	(103,542)
Credit	—	(6,823)	(638)	(7,461)
Equities	—	(9,322)	(55)	(9,377)
Commodities	—	(1,453)	—	(1,453)
Gross fair value	—	(698,125)	(1,691)	(699,816)
Counterparty netting in levels	—	656,260	586	656,846
Subtotal	\$ —	\$ (41,865)	\$ (1,105)	\$ (42,970)
Cross-level counterparty netting				1,425
Cash collateral netting				30,214
<b>Net fair value</b>				<b>\$ (11,331)</b>

## Notes to Consolidated Financial Statements (Unaudited)

In the table above:

- Gross fair values exclude the effects of both counterparty netting and collateral netting, and therefore are not representative of the Bank's exposure.
- Counterparty netting is reflected in each level to the extent that receivable and payable balances are netted within the same level and is included in counterparty netting in levels. Where the counterparty netting is across levels, the netting is included in cross-level counterparty netting.
- Assets are shown as positive amounts and liabilities are shown as negative amounts.

See Note 4 for an overview of the Bank's fair value measurement policies, valuation techniques and significant inputs used to determine the fair value of derivatives.

**Significant Unobservable Inputs.** The table below presents the amount of level 3 derivative assets (liabilities), and ranges, averages and medians of significant unobservable inputs used to value such derivatives.

\$ in millions	As of March 2024		As of December 2023	
	Amount or Range	Average/Median	Amount or Range	Average/Median
<b>Interest rates, net</b>	\$ (441)		\$ (524)	
Correlation	70% to 75%	73%/73%	70% to 75%	73%/73%
Volatility (bps)	31 to 101	66/55	31 to 101	66/55
<b>Currencies, net</b>	\$ 259		\$ 317	
Correlation	43% to 71%	55%/58%	43% to 71%	55%/58%
<b>Credit, net</b>	\$ 91		\$ 100	
Credit spreads (bps)	8 to 845	102/69	8 to 845	99/72
<b>Equities, net</b>	\$ 168		\$ 81	
Correlation	18% to 92%	47%/45%	18% to 98%	51%/47%

In the table above:

- Assets are shown as positive amounts and liabilities are shown as negative amounts.
- Ranges represent the significant unobservable inputs that were used in the valuation of each type of derivative.
- Averages represent the arithmetic average of the inputs and are not weighted by the relative fair value or notional amount of the respective financial instruments. An average greater than the median indicates that the majority of inputs are below the average. For example, the difference between the average and the median for credit spreads indicates that the majority of the inputs fall in the lower end of the range.

- The ranges, averages and medians of these inputs are not representative of the appropriate inputs to use when calculating the fair value of any one derivative. For example, the highest correlation for currency derivatives is appropriate for valuing a specific currency derivative but may not be appropriate for valuing any other currency derivative. Accordingly, the ranges of inputs do not represent uncertainty in, or possible ranges of, fair value measurements of level 3 derivatives.
- Interest rates, currencies and equities derivatives are valued using option pricing models, and credit derivatives are valued using option pricing, correlation and discounted cash flow models.
- The fair value of any one instrument may be determined using multiple valuation techniques. For example, option pricing models and discounted cash flow models are typically used together to determine fair value. Therefore, the level 3 balance encompasses both of these techniques.
- Correlation within currencies and equities includes cross-product type correlation.

**Range of Significant Unobservable Inputs.** The following provides information about the ranges of significant unobservable inputs used to value the Bank's level 3 derivative instruments:

- **Correlation.** Ranges for correlation cover a variety of underliers both within one product type (e.g., foreign exchange rates) and across product types (e.g., correlation of an interest rate and a currency), as well as across regions. Generally, cross-product type correlation inputs are used to value more complex instruments and are lower than correlation inputs on assets within the same derivative product type.
- **Volatility.** Ranges for volatility cover numerous underliers across a variety of markets, maturities and strike prices.
- **Credit spreads.** The ranges for credit spreads cover a variety of underliers (index and single names), regions, sectors, maturities and credit qualities (high-yield and investment-grade). The broad range of this population gives rise to the width of the ranges of significant unobservable inputs.

## Notes to Consolidated Financial Statements (Unaudited)

**Sensitivity of Fair Value Measurement to Changes in Significant Unobservable Inputs.** The following is a description of the directional sensitivity of the Bank's level 3 fair value measurements to changes in significant unobservable inputs, in isolation, as of each period-end:

- **Correlation.** In general, for contracts where the holder benefits from the convergence of the underlying asset or index prices (e.g., interest rates, foreign exchange rates and equity prices), an increase in correlation results in a higher fair value measurement.
- **Volatility.** In general, for purchased options, an increase in volatility results in a higher fair value measurement.
- **Credit spreads.** In general, the fair value of purchased credit protection increases as credit spreads increase. Credit spreads are strongly related to distinctive risk factors of the underlying reference obligations, which include reference entity-specific factors, such as leverage, volatility and industry, market-based risk factors, such as borrowing costs or liquidity of the underlying reference obligation, and macroeconomic conditions.

Due to the distinctive nature of each of the Bank's level 3 derivatives, the interrelationship of inputs is not necessarily uniform within each product type.

**Level 3 Rollforward.** The table below presents a summary of the changes in fair value for level 3 derivatives.

<i>\$ in millions</i>	Three Months Ended March	
	2024	2023
<b>Total level 3 derivatives, net</b>		
Beginning balance	\$ (26)	\$ 522
Net realized gains/(losses)	(118)	(46)
Net unrealized gains/(losses)	(20)	141
Purchases	96	120
Sales	(114)	(231)
Settlements	147	122
Transfers into level 3	(53)	(50)
Transfers out of level 3	165	(99)
<b>Ending balance</b>	<b>\$ 77</b>	<b>\$ 479</b>

In the table above:

- Changes in fair value are presented for all derivative assets and liabilities that are classified in level 3 as of the end of the period.
- Net unrealized gains/(losses) relates to instruments that were still held at period-end.
- Transfers between levels of the fair value hierarchy are reported at the beginning of the reporting period in which they occur. If a derivative was transferred into level 3 during a reporting period, its entire gain or loss for the period is classified in level 3.
- Positive amounts for transfers into level 3 and negative amounts for transfers out of level 3 represent net transfers of derivative assets. Negative amounts for transfers into level 3 and positive amounts for transfers out of level 3 represent net transfers of derivative liabilities.
- A derivative with level 1 and/or level 2 inputs is classified in level 3 in its entirety if it has at least one significant level 3 input.
- If there is one significant level 3 input, the entire gain or loss from adjusting only observable inputs (i.e., level 1 and level 2 inputs) is classified in level 3.
- Gains or losses that have been classified in level 3 resulting from changes in level 1 or level 2 inputs are frequently offset by gains or losses attributable to level 1 or level 2 derivatives and/or level 1, level 2 and level 3 trading cash instruments. As a result, gains/(losses) included in the level 3 rollforward below do not necessarily represent the overall impact on the Bank's results of operations, liquidity or capital resources.

## Notes to Consolidated Financial Statements (Unaudited)

The table below presents information, by product type, for derivatives included in the summary table above.

\$ in millions	Three Months Ended March	
	2024	2023
<b>Interest rates, net</b>		
Beginning balance	\$ (524)	\$ (518)
Net realized gains/(losses)	(99)	(45)
Net unrealized gains/(losses)	(163)	273
Purchases	81	101
Sales	(102)	(220)
Settlements	210	117
Transfers into level 3	(49)	(53)
Transfers out of level 3	205	(76)
<b>Ending balance</b>	<b>\$ (441)</b>	<b>\$ (421)</b>
<b>Currencies, net</b>		
Beginning balance	\$ 317	\$ 865
Net realized gains/(losses)	(7)	12
Net unrealized gains/(losses)	(8)	(89)
Purchases	1	2
Sales	(5)	(1)
Settlements	5	(26)
Transfers into level 3	2	2
Transfers out of level 3	(46)	(21)
<b>Ending balance</b>	<b>\$ 259</b>	<b>\$ 744</b>
<b>Credit, net</b>		
Beginning balance	\$ 100	\$ 113
Net realized gains/(losses)	—	1
Net unrealized gains/(losses)	52	(59)
Purchases	10	1
Sales	(5)	1
Settlements	(75)	7
Transfers into level 3	3	(1)
Transfers out of level 3	6	—
<b>Ending balance</b>	<b>\$ 91</b>	<b>\$ 63</b>
<b>Equities, net</b>		
Beginning balance	\$ 81	\$ 63
Net realized gains/(losses)	(12)	(14)
Net unrealized gains/(losses)	99	15
Purchases	4	10
Sales	(2)	(6)
Settlements	7	25
Transfers into level 3	(9)	2
Transfers out of level 3	—	(2)
<b>Ending balance</b>	<b>\$ 168</b>	<b>\$ 93</b>
<b>Commodities, net</b>		
Beginning balance	\$ —	\$ (1)
Net unrealized gains/(losses)	—	1
Purchases	—	6
Sales	—	(5)
Settlements	—	(1)
<b>Ending balance</b>	<b>\$ —</b>	<b>\$ —</b>

**Level 3 Rollforward Commentary for the Three Months Ended March 2024.** The net realized and unrealized losses on level 3 derivatives of \$138 million (reflecting \$118 million of net realized losses and \$20 million of net unrealized losses) for the three months ended March 2024 were reported in gains and losses from financial assets and liabilities.

The net unrealized losses on level 3 derivatives for the three months ended March 2024 primarily reflected losses on certain interest rate derivatives (principally due to the impact of an increase in interest rates), partially offset by gains on certain equity derivatives (principally due to the impact of an increase in equity prices) and gains on certain credit derivatives (principally due to the impact of an increase in interest rates and changes in foreign currencies).

The drivers of the transfers into level 3 derivatives during the three months ended March 2024 were not material.

Transfers out of level 3 derivatives during the three months ended March 2024 primarily reflected transfers of certain interest rate derivative liabilities to level 2 (principally due to certain unobservable volatility inputs no longer being significant to the valuation of these derivatives).

**Level 3 Rollforward Commentary for the Three Months Ended March 2023.** The net realized and unrealized gains on level 3 derivatives of \$95 million (reflecting \$46 million of net realized losses and \$141 million of net unrealized gains) for the three months ended March 2023 were reported in gains and losses from financial assets and liabilities.

The net unrealized gains on level 3 derivatives for the three months ended March 2023 primarily reflected gains on certain interest rate derivatives (principally due to the impact of changes in interest rates), partially offset by losses on certain currency derivatives (principally due to the impact of changes in interest rates).

Transfers into level 3 derivatives during the three months ended March 2023 primarily reflected transfers of certain interest rate derivative liabilities from level 2 (principally due to certain unobservable inputs becoming significant to the valuation of these derivatives).

Transfers out of level 3 derivatives during the three months ended March 2023 primarily reflected transfers of certain interest rate derivative assets to level 2 (principally due to increased transparency of certain unobservable volatility inputs used to value these derivatives).

## Notes to Consolidated Financial Statements (Unaudited)

### Investments

**Fair Value by Level.** The table below presents investments accounted for at fair value by level within the fair value hierarchy.

<i>\$ in millions</i>	Level 1	Level 2	Level 3	Total
<b>As of March 2024</b>				
U.S. government obligations	\$ 34,882	\$ —	\$ —	\$ 34,882
Equity securities	3	7	30	40
Subtotal	\$ 34,885	\$ 7	\$ 30	\$ 34,922
Investments in funds at NAV				20
<b>Total investments</b>				<b>\$ 34,942</b>
<b>As of December 2023</b>				
U.S. government obligations	\$ 24,899	\$ —	\$ —	\$ 24,899
Securities backed by real estate	—	—	1	1
Equity securities	4	—	37	41
Subtotal	\$ 24,903	\$ —	\$ 38	\$ 24,941
Investments in funds at NAV				18
<b>Total investments</b>				<b>\$ 24,959</b>

See Note 4 for an overview of the Bank's fair value measurement policies, valuation techniques and significant inputs used to determine the fair value of investments.

**Significant Unobservable Inputs.** The significant unobservable inputs related to level 3 equity securities as of both March 2024 and December 2023 did not have a range (and there was no weighted average) as they related to a single position. As of December 2023, level 3 securities backed by real estate were not material.

**Level 3 Rollforward.** The table below presents a summary of the changes in fair value for level 3 investments.

<i>\$ in millions</i>	Three Months Ended March	
	2024	2023
Beginning balance	\$ 38	\$ 29
Net realized gains/(losses)	1	—
Net unrealized gains/(losses)	(7)	(1)
Settlements	(2)	—
Transfers into level 3	—	10
<b>Ending balance</b>	<b>\$ 30</b>	<b>\$ 38</b>

In the table above:

- Changes in fair value are presented for all investments that are classified in level 3 as of the end of the period.
- Net unrealized gains/(losses) relates to investments that were still held at period-end.
- Transfers between levels of the fair value hierarchy are reported at the beginning of the reporting period in which they occur. If an investment was transferred to level 3 during a reporting period, its entire gain or loss for the period is classified in level 3.

The table below presents information, by product type, for investments included in the summary table above.

<i>\$ in millions</i>	Three Months Ended March	
	2024	2023
<b>Securities backed by real estate</b>		
Beginning balance	\$ 1	\$ 2
Net realized gains/(losses)	1	—
Settlements	(2)	—
<b>Ending balance</b>	<b>\$ —</b>	<b>\$ 2</b>
<b>Equity securities</b>		
Beginning balance	\$ 37	\$ 27
Net unrealized gains/(losses)	(7)	(1)
Transfers into level 3	—	10
<b>Ending balance</b>	<b>\$ 30</b>	<b>\$ 36</b>

**Level 3 Rollforward Commentary for the Three Months Ended March 2024.** The net realized and unrealized losses on level 3 investments of \$6 million (reflecting \$1 million of net realized gains and \$7 million of net unrealized losses) for the three months ended March 2024 were reported in gains and losses from financial assets and liabilities.

The drivers of the net unrealized losses on level 3 investments for the three months ended March 2024 were not material.

There were no transfers into or out of level 3 investments during the three months ended March 2024.

**Level 3 Rollforward Commentary for the Three Months Ended March 2023.** The net unrealized losses on level 3 investments of \$1 million for the three months ended March 2023 were reported in gains and losses from financial assets and liabilities.

The drivers of the net unrealized losses on level 3 investments for the three months ended March 2023 were not material.

The drivers of the transfers into level 3 investments during the three months ended March 2023 were not material.

There were no transfers out of level 3 investments during the three months ended March 2023.

## Notes to Consolidated Financial Statements (Unaudited)

### Loans

**Fair Value by Level.** The table below presents loans held for investment accounted for at fair value under the fair value option by level within the fair value hierarchy.

<i>\$ in millions</i>	Level 1	Level 2	Level 3	Total
<b>As of March 2024</b>				
<b>Loan Type</b>				
Corporate	\$ —	\$ 804	\$ 99	\$ 903
Real estate:				
Commercial	—	44	40	84
Residential	—	3,784	—	3,784
Other collateralized	—	293	72	365
Other	—	23	—	23
<b>Total</b>	<b>\$ —</b>	<b>\$ 4,948</b>	<b>\$ 211</b>	<b>\$ 5,159</b>
<b>As of December 2023</b>				
<b>Loan Type</b>				
Corporate	\$ —	\$ 817	\$ 101	\$ 918
Real estate:				
Commercial	—	57	41	98
Residential	—	3,884	—	3,884
Other collateralized	—	329	71	400
Other	—	45	—	45
<b>Total</b>	<b>\$ —</b>	<b>\$ 5,132</b>	<b>\$ 213</b>	<b>\$ 5,345</b>

The gains/(losses) as a result of changes in the fair value of loans held for investment for which the fair value option was elected were \$(61) million for the three months ended March 2024 and \$48 million for the three months ended March 2023. These gains/(losses) were included in gains and losses from financial assets and liabilities.

**Significant Unobservable Inputs.** The table below presents the amount of level 3 loans, and ranges and weighted averages of significant unobservable inputs used to value such loans.

<i>\$ in millions</i>	As of March 2024		As of December 2023	
	Amount or Range	Weighted Average	Amount or Range	Weighted Average
<b>Corporate</b>				
Level 3 assets	\$ 99		\$ 101	
Yield	8.0% to 17.1%	11.6%	8.0% to 17.1%	11.3%
Duration (years)	0.6 to 2.0	1.8	0.9 to 2.3	2.0
<b>Commercial real estate</b>				
Level 3 assets	\$ 40		\$ 41	
Recovery rate	85.8% to 99.2%	90.6%	85.8% to 99.2%	90.6%

The significant unobservable inputs for yield and duration related to other collateralized loans as of both March 2024 and December 2023 did not have a range (and there was no weighted average) as each pertained to a single position. Therefore, such unobservable inputs are not included in the table above.

In the table above:

- Ranges represent the significant unobservable inputs that were used in the valuation of each type of loan.
- Weighted averages are calculated by weighting each input by the relative fair value of the loan.
- The ranges and weighted averages of these inputs are not representative of the appropriate inputs to use when calculating the fair value of any one loan. For example, the highest yield for corporate loans is appropriate for valuing a specific corporate loan but may not be appropriate for valuing any other corporate loan. Accordingly, the ranges of inputs do not represent uncertainty in, or possible ranges of, fair value measurements of level 3 loans.
- Increases in yield or duration used in the valuation of level 3 loans would have resulted in a lower fair value measurement, while increases in recovery rate would have resulted in a higher fair value measurement. Due to the distinctive nature of each level 3 loan, the interrelationship of inputs is not necessarily uniform within each product type.
- Loans are valued using discounted cash flows.

**Level 3 Rollforward.** The table below presents a summary of the changes in fair value for level 3 loans.

<i>\$ in millions</i>	Three Months Ended March	
	2024	2023
Beginning balance	\$ 213	\$ 400
Net realized gains/(losses)	1	1
Net unrealized gains/(losses)	(1)	3
Purchases	—	23
Settlements	(2)	(154)
<b>Ending balance</b>	<b>\$ 211</b>	<b>\$ 273</b>

In the table above:

- Changes in fair value are presented for loans that are classified in level 3 as of the end of the period.
- Net unrealized gains/(losses) relates to loans that were still held at period-end.
- Purchases includes originations and secondary purchases.
- Transfers between levels of the fair value hierarchy are reported at the beginning of the reporting period in which they occur. If a loan was transferred to level 3 during a reporting period, its entire gain or loss for the period is classified in level 3.

## Notes to Consolidated Financial Statements (Unaudited)

The table below presents information, by loan type, for loans included in the summary table above.

\$ in millions	Three Months Ended March	
	2024	2023
<b>Corporate</b>		
Beginning balance	\$ 101	\$ 236
Net unrealized gains/(losses)	(1)	3
Purchases	—	23
Settlements	(1)	(128)
<b>Ending balance</b>	<b>\$ 99</b>	<b>\$ 134</b>
<b>Commercial real estate</b>		
Beginning balance	\$ 41	\$ 99
Net realized gains/(losses)	1	1
Net unrealized gains/(losses)	(1)	(1)
Settlements	(1)	(26)
<b>Ending balance</b>	<b>\$ 40</b>	<b>\$ 73</b>
<b>Other collateralized</b>		
Beginning balance	\$ 71	\$ 65
Net unrealized gains/(losses)	1	1
<b>Ending balance</b>	<b>\$ 72</b>	<b>\$ 66</b>

**Level 3 Rollforward Commentary for the Three Months Ended March 2024.** The net realized and unrealized gains and losses on level 3 loans for the three months ended March 2024 consisted of net realized gains of \$1 million and net unrealized losses of \$1 million. Such net realized gains and net unrealized losses included gains/(losses) of \$(2) million reported in gains and losses from financial assets and liabilities and \$2 million reported in interest income.

The drivers of the net unrealized losses on level 3 loans for the three months ended March 2024 were not material.

There were no transfers into or out of level 3 loans during the three months ended March 2024.

**Level 3 Rollforward Commentary for the Three Months Ended March 2023.** The net realized and unrealized gains on level 3 loans of \$4 million (reflecting \$1 million of net realized gains and \$3 million of net unrealized gains) for the three months ended March 2023 included gains of \$2 million reported in gains and losses from financial assets and liabilities and \$2 million reported in interest income.

The drivers of the net unrealized gains on level 3 loans for the three months ended March 2023 were not material.

There were no transfers into or out of level 3 loans during the three months ended March 2023.

## Other Financial Assets and Liabilities

**Fair Value by Level.** The table below presents, by level within the fair value hierarchy, other financial assets and liabilities at fair value, substantially all of which are accounted for at fair value under the fair value option.

\$ in millions	Level 1	Level 2	Level 3	Total
<b>As of March 2024</b>				
<b>Assets</b>				
Resale agreements	\$ —	\$ 42,579	\$ —	\$ 42,579
Securities borrowed	—	5	—	5
Customer and other receivables	—	14	—	14
Other assets	—	411	—	411
<b>Total</b>	<b>\$ —</b>	<b>\$ 43,009</b>	<b>\$ —</b>	<b>\$ 43,009</b>
<b>Liabilities</b>				
Deposits	\$ —	\$ (3,879)	\$ (2,622)	\$ (6,501)
Repurchase agreements	—	(18,654)	—	(18,654)
Securities loaned	—	(6)	—	(6)
Other secured financings	—	(2,549)	(345)	(2,894)
Unsecured borrowings	—	(428)	(32)	(460)
Other liabilities	—	(73)	—	(73)
<b>Total</b>	<b>\$ —</b>	<b>\$ (25,589)</b>	<b>\$ (2,999)</b>	<b>\$ (28,588)</b>

### As of December 2023

<b>Assets</b>				
Resale agreements	\$ —	\$ 56,335	\$ —	\$ 56,335
Securities borrowed	—	25	—	25
Customer and other receivables	—	5	—	5
Other assets	—	142	11	153
<b>Total</b>	<b>\$ —</b>	<b>\$ 56,507</b>	<b>\$ 11</b>	<b>\$ 56,518</b>
<b>Liabilities</b>				
Deposits	\$ —	\$ (4,287)	\$ (2,605)	\$ (6,892)
Repurchase agreements	—	(13,571)	—	(13,571)
Securities loaned	—	(26)	—	(26)
Other secured financings	—	(2,389)	(263)	(2,652)
Unsecured borrowings	—	(446)	(35)	(481)
Other liabilities	—	(74)	—	(74)
<b>Total</b>	<b>\$ —</b>	<b>\$ (20,793)</b>	<b>\$ (2,903)</b>	<b>\$ (23,696)</b>

In the table above, assets are shown as positive amounts and liabilities are shown as negative amounts.

See Note 4 for an overview of the Bank's fair value measurement policies, valuation techniques and significant inputs used to determine the fair value of other financial assets and liabilities.



## Notes to Consolidated Financial Statements (Unaudited)

**Significant Unobservable Inputs.** See below for information about the significant unobservable inputs used to value level 3 other financial assets and liabilities at fair value as of both March 2024 and December 2023.

**Deposits and Unsecured Borrowings.** Substantially all of the Bank's deposits and unsecured borrowings that are classified in level 3 are hybrid financial instruments. As the significant unobservable inputs used to value such instruments primarily relate to the embedded derivative component of these deposits and unsecured borrowings, these unobservable inputs are incorporated in the Bank's derivative disclosures. See Note 13 for further information about deposits and Note 14 for further information about unsecured borrowings.

**Other Secured Financings.** The ranges and weighted averages of significant unobservable inputs used to value level 3 other secured financings are presented below. These ranges and weighted averages exclude unobservable inputs that are only relevant to a single instrument, and therefore are not meaningful.

As of March 2024:

- Yield: 8.6% to 36.3% (weighted average: 13.6%)
- Duration: 0.0 to 4.0 years (weighted average: 1.9 years)

As of December 2023:

- Yield: 9.0% to 15.0% (weighted average: 11.2%)
- Duration: 0.2 to 4.1 years (weighted average: 2.1 years)

Generally, increases in yield or duration, in isolation, would have resulted in a lower fair value measurement as of period-end. Due to the distinctive nature of each of level 3 other secured financings, the interrelationship of inputs is not necessarily uniform across such financings. See Note 11 for further information about other secured financings.

**Other Assets.** The significant unobservable inputs related to level 3 other assets as of December 2023 did not have a range (and there was no weighted average) as they pertained to a single position. See Note 12 for further information about other assets.

**Level 3 Rollforward.** The table below presents a summary of the changes in fair value for level 3 other financial assets and liabilities accounted for at fair value.

\$ in millions	Three Months Ended March	
	2024	2023
<b>Assets</b>		
Beginning balance	\$ 11	\$ —
Sales	(11)	—
<b>Ending balance</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Liabilities</b>		
Beginning balance	\$ (2,903)	\$ (2,916)
Net realized gains/(losses)	(32)	(1)
Net unrealized gains/(losses)	(105)	(10)
Issuances	(279)	(147)
Settlements	290	240
Transfers into level 3	(18)	(11)
Transfers out of level 3	48	14
<b>Ending balance</b>	<b>\$ (2,999)</b>	<b>\$ (2,831)</b>

In the table above:

- Changes in fair value are presented for all other financial assets and liabilities that are classified in level 3 as of the end of the period.
- Net unrealized gains/(losses) relates to other financial assets and liabilities that were still held at period-end.
- Transfers between levels of the fair value hierarchy are reported at the beginning of the reporting period in which they occur. If a financial instrument was transferred to level 3 during a reporting period, its entire gain or loss for the period is classified in level 3.
- For level 3 other financial assets, increases are shown as positive amounts, while decreases are shown as negative amounts. For level 3 other financial liabilities, increases are shown as negative amounts, while decreases are shown as positive amounts.
- Level 3 other financial assets and liabilities are frequently economically hedged with trading assets and liabilities. Accordingly, gains or losses that are classified in level 3 can be partially offset by gains or losses attributable to level 1, 2 or 3 trading assets and liabilities. As a result, gains or losses included in the level 3 rollforward below do not necessarily represent the overall impact on the Bank's results of operations, liquidity or capital resources.

## Notes to Consolidated Financial Statements (Unaudited)

The table below presents information, by the consolidated balance sheet line items, for liabilities included in the summary table above.

\$ in millions	Three Months Ended March	
	2024	2023
<b>Deposits</b>		
Beginning balance	\$ (2,605)	\$ (2,768)
Net realized gains/(losses)	(1)	1
Net unrealized gains/(losses)	(105)	(8)
Issuances	(113)	(114)
Settlements	172	225
Transfers into level 3	(18)	(6)
Transfers out of level 3	48	14
<b>Ending balance</b>	<b>\$ (2,622)</b>	<b>\$ (2,656)</b>
<b>Other secured financings</b>		
Beginning balance	\$ (263)	\$ (148)
Net realized gains/(losses)	—	(2)
Net unrealized gains/(losses)	2	(2)
Issuances	(166)	(33)
Settlements	82	15
Transfers into level 3	—	(5)
<b>Ending balance</b>	<b>\$ (345)</b>	<b>\$ (175)</b>
<b>Unsecured borrowings</b>		
Beginning balance	\$ (35)	\$ —
Net realized gains/(losses)	(31)	—
Net unrealized gains/(losses)	(2)	—
Settlements	36	—
<b>Ending balance</b>	<b>\$ (32)</b>	<b>\$ —</b>

**Level 3 Rollforward Commentary for the Three Months Ended March 2024.** The net realized and unrealized losses on level 3 other financial liabilities of \$137 million (reflecting \$32 million of net realized losses and \$105 million of net unrealized losses) for the three months ended March 2024 included gains/(losses) of \$(138) million reported in gains and losses from financial assets and liabilities in the consolidated statements of earnings, and \$1 million reported in debt valuation adjustment in the consolidated statements of comprehensive income.

The net unrealized losses on level 3 other financial liabilities for the three months ended March 2024 primarily reflected losses on certain hybrid financial instruments included in bank deposits (principally due to an increase in global equity prices).

The drivers of both transfers into and transfers out of level 3 other financial liabilities during the three months ended March 2024 were not material.

**Level 3 Rollforward Commentary for the Three Months Ended March 2023.** The net realized and unrealized losses on level 3 other financial liabilities of \$11 million (reflecting \$1 million of net realized losses and \$10 million of net unrealized losses) for the three months ended March 2023 included gains/(losses) of \$(63) million reported in gains and losses from financial assets and liabilities in the consolidated statements of earnings, and \$52 million reported in debt valuation adjustment in the consolidated statements of comprehensive income.

The drivers of the net unrealized losses on level 3 other financial liabilities for the three months ended March 2023 were not material.

The drivers of both transfers into and transfers out of level 3 other financial liabilities during the three months ended March 2023 were not material.

### Note 6.

## Trading Assets and Liabilities

Trading assets and liabilities include trading cash instruments and derivatives held in connection with the Bank's market-making or risk management activities. These assets and liabilities are carried at fair value either under the fair value option or in accordance with other U.S. GAAP, and the related fair value gains and losses are generally recognized in the consolidated statements of earnings.

The table below presents a summary of trading assets and liabilities.

\$ in millions	Trading Assets	Trading Liabilities
<b>As of March 2024</b>		
Trading cash instruments	\$ 85,837	\$ 16,275
Derivatives	10,226	9,638
<b>Total</b>	<b>\$ 96,063</b>	<b>\$ 25,913</b>
<b>As of December 2023</b>		
Trading cash instruments	\$ 72,309	\$ 15,028
Derivatives	12,035	11,331
<b>Total</b>	<b>\$ 84,344</b>	<b>\$ 26,359</b>

See Note 5 for further information about trading cash instruments and Note 7 for further information about derivatives.

## Notes to Consolidated Financial Statements (Unaudited)

### Gains and Losses from Financial Assets and Liabilities

The table below presents gains and losses from financial assets and liabilities by major product type.

\$ in millions	Three Months Ended March	
	2024	2023
Interest rates	\$ (1,158)	\$ 1,157
Currencies	3,025	(307)
Credit	817	200
Equities	210	42
Commodities	12	18
<b>Total</b>	<b>\$ 2,906</b>	<b>\$ 1,110</b>

In the table above:

- Gains/(losses) include both realized and unrealized gains and losses. Gains/(losses) exclude related interest income and interest expense. See Note 21 for further information about interest income and interest expense.
- Gains/(losses) are primarily related to the Bank's financial assets and liabilities, including both derivative and non-derivative financial instruments, and the syndication of loans and lending commitments.
- Gains/(losses) are not representative of the manner in which the Bank manages its business activities because many of the Bank's market-making, lending and other activities utilize financial instruments across various product types. Accordingly, gains or losses in one product type frequently offset gains or losses in other product types. For example, certain of the Bank's interest rate derivatives are sensitive to changes in foreign currency exchange rates and may be economically hedged with foreign currency contracts.

#### Note 7.

### Derivatives and Hedging Activities

#### Derivative Activities

Derivatives are instruments that derive their value from underlying asset prices, indices, reference rates and other inputs, or a combination of these factors. Derivatives may be traded on an exchange (exchange-traded) or they may be privately negotiated contracts, which are usually referred to as OTC derivatives. Certain of the Bank's OTC derivatives are cleared and settled through central clearing counterparties (OTC-cleared), while others are bilateral contracts between two counterparties (bilateral OTC).

**Market Making.** As a market maker, the Bank enters into derivative transactions to provide liquidity to clients and to facilitate the transfer and hedging of their risks. In this role, the Bank typically acts as principal and is required to commit capital to provide execution, and maintains market-making positions in response to, or in anticipation of, client demand.

**Risk Management.** The Bank also enters into derivatives to actively manage risk exposures that arise from its market-making and financing activities. The Bank's holdings and exposures are hedged, in many cases, on either a portfolio or risk-specific basis, as opposed to an instrument-by-instrument basis. In addition, the Bank may enter into derivatives designated as hedges under U.S. GAAP. These derivatives are used to manage interest rate exposure of certain fixed-rate deposits and unsecured borrowings and certain U.S. government securities classified as available-for-sale, as well as foreign exchange risk on the net investment in certain non-U.S. operations.

The Bank enters into various types of derivatives, including:

- **Futures and Forwards.** Contracts that commit counterparties to purchase or sell financial instruments, commodities or currencies in the future.
- **Swaps.** Contracts that require counterparties to exchange cash flows, such as currency or interest payment streams. The amounts exchanged are based on the specific terms of the contract with reference to specified rates, financial instruments, commodities, currencies or indices.
- **Options.** Contracts in which the option purchaser has the right, but not the obligation, to purchase from or sell to the option writer financial instruments, commodities or currencies within a defined time period for a specified price.

Derivatives are reported on a net-by-counterparty basis (i.e., the net payable or receivable for derivative assets and liabilities for a given counterparty) when a legal right of setoff exists under an enforceable netting agreement (counterparty netting). Derivatives are accounted for at fair value, net of cash collateral received or posted under enforceable credit support agreements (cash collateral netting). Derivative assets are included in trading assets and derivative liabilities are included in trading liabilities. Realized and unrealized gains and losses on derivatives not designated as hedges are included in gains and losses from financial assets and liabilities in the consolidated statements of earnings.

## Notes to Consolidated Financial Statements (Unaudited)

The tables below present the gross fair value and the notional amounts of derivative contracts by major product type, the amounts of netting in the consolidated balance sheets, as well as collateral posted and received under enforceable credit support agreements that do not meet the criteria for netting under U.S. GAAP.

\$ in millions	As of March 2024		As of December 2023	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
<b>Not accounted for as hedges</b>				
Exchange-traded	\$ 1,077	\$ 542	\$ 1,056	\$ 801
OTC-cleared	30,226	28,699	28,917	27,676
Bilateral OTC	552,466	537,847	562,881	549,389
<b>Total interest rates</b>	<b>583,769</b>	<b>567,088</b>	<b>592,854</b>	<b>577,866</b>
Exchange-traded	1	2	8	12
OTC-cleared	—	3	767	940
Bilateral OTC	79,289	84,236	93,874	102,306
<b>Total currencies</b>	<b>79,290</b>	<b>84,241</b>	<b>94,649</b>	<b>103,258</b>
OTC-cleared	453	481	408	417
Bilateral OTC	6,040	7,062	6,048	7,044
<b>Total credit</b>	<b>6,493</b>	<b>7,543</b>	<b>6,456</b>	<b>7,461</b>
Exchange-traded	1,897	1,746	1,370	1,133
Bilateral OTC	11,899	11,244	9,662	8,244
<b>Total equities</b>	<b>13,796</b>	<b>12,990</b>	<b>11,032</b>	<b>9,377</b>
Bilateral OTC	1,435	1,435	1,468	1,453
<b>Total commodities</b>	<b>1,435</b>	<b>1,435</b>	<b>1,468</b>	<b>1,453</b>
<b>Subtotal</b>	<b>684,783</b>	<b>673,297</b>	<b>706,459</b>	<b>699,415</b>
<b>Accounted for as hedges</b>				
OTC-cleared	171	111	98	117
<b>Total interest rates</b>	<b>171</b>	<b>111</b>	<b>98</b>	<b>117</b>
Bilateral OTC	117	—	—	284
<b>Total currencies</b>	<b>117</b>	<b>—</b>	<b>—</b>	<b>284</b>
<b>Subtotal</b>	<b>288</b>	<b>111</b>	<b>98</b>	<b>401</b>
<b>Total gross fair value</b>	<b>\$ 685,071</b>	<b>\$ 673,408</b>	<b>\$ 706,557</b>	<b>\$ 699,816</b>
<b>Offset in the consolidated balance sheets</b>				
Exchange-traded	\$ (1,530)	\$ (1,530)	\$ (988)	\$ (988)
OTC-cleared	(29,227)	(29,227)	(28,173)	(28,173)
Bilateral OTC	(601,714)	(601,714)	(629,110)	(629,110)
<b>Counterparty netting</b>	<b>(632,471)</b>	<b>(632,471)</b>	<b>(658,271)</b>	<b>(658,271)</b>
OTC-cleared	(1,623)	—	(1,150)	—
Bilateral OTC	(40,751)	(31,299)	(35,101)	(30,214)
<b>Cash collateral netting</b>	<b>(42,374)</b>	<b>(31,299)</b>	<b>(36,251)</b>	<b>(30,214)</b>
<b>Total amounts offset</b>	<b>\$ (674,845)</b>	<b>\$ (663,770)</b>	<b>\$ (694,522)</b>	<b>\$ (688,485)</b>
<b>Included in the consolidated balance sheets</b>				
Exchange-traded	\$ 1,445	\$ 760	\$ 1,446	\$ 958
OTC-cleared	—	67	867	977
Bilateral OTC	8,781	8,811	9,722	9,396
<b>Total</b>	<b>\$ 10,226</b>	<b>\$ 9,638</b>	<b>\$ 12,035</b>	<b>\$ 11,331</b>
<b>Not offset in the consolidated balance sheets</b>				
Cash collateral	\$ (260)	\$ (614)	\$ (271)	\$ (840)
Securities collateral	(4,033)	(631)	(3,911)	(1,508)
<b>Total</b>	<b>\$ 5,933</b>	<b>\$ 8,393</b>	<b>\$ 7,853</b>	<b>\$ 8,983</b>

\$ in millions	Notional Amounts as of	
	March 2024	December 2023
<b>Not accounted for as hedges</b>		
Exchange-traded	\$ 3,890,743	\$ 3,794,901
OTC-cleared	9,818,121	9,471,836
Bilateral OTC	33,263,018	32,703,527
<b>Total interest rates</b>	<b>46,971,882</b>	<b>45,970,264</b>
Exchange-traded	3,716	5,417
OTC-cleared	236,716	201,735
Bilateral OTC	8,173,885	7,451,099
<b>Total currencies</b>	<b>8,414,317</b>	<b>7,658,251</b>
OTC-cleared	36,771	33,685
Bilateral OTC	466,387	521,680
<b>Total credit</b>	<b>503,158</b>	<b>555,365</b>
Exchange-traded	165,979	162,287
Bilateral OTC	499,142	421,269
<b>Total equities</b>	<b>665,121</b>	<b>583,556</b>
Bilateral OTC	44,991	44,026
<b>Total commodities</b>	<b>44,991</b>	<b>44,026</b>
<b>Subtotal</b>	<b>56,599,469</b>	<b>54,811,462</b>
<b>Accounted for as hedges</b>		
OTC-cleared	14,396	10,139
<b>Total interest rates</b>	<b>14,396</b>	<b>10,139</b>
Bilateral OTC	18,035	18,491
<b>Total currencies</b>	<b>18,035</b>	<b>18,491</b>
<b>Subtotal</b>	<b>32,431</b>	<b>28,630</b>
<b>Total notional amounts</b>	<b>\$ 56,631,900</b>	<b>\$ 54,840,092</b>

In the tables above:

- Gross fair values exclude the effects of both counterparty netting and collateral, and therefore are not representative of the Bank's exposure.
- Where the Bank has received or posted collateral under credit support agreements, but has not yet determined such agreements are enforceable, the related collateral has not been netted.
- Notional amounts, which represent the sum of gross long and short derivative contracts, provide an indication of the volume of the Bank's derivative activity and do not represent anticipated losses.
- Total gross fair value of derivatives included derivative assets of \$469 million as of March 2024 and \$656 million as of December 2023, and derivative liabilities of \$2.26 billion as of March 2024 and \$2.60 billion as of December 2023, which are not subject to an enforceable netting agreement or are subject to a netting agreement that the Bank has not yet determined to be enforceable.

## Notes to Consolidated Financial Statements (Unaudited)

See Note 4 for an overview of the Bank's fair value measurement policies, valuation techniques and significant inputs used to determine the fair value of derivatives, and Note 5 for information about derivatives within the fair value hierarchy.

### Credit Derivatives

The Bank enters into a broad array of credit derivatives to facilitate client transactions and to manage the credit risk associated with market-making and financing activities. Credit derivatives are actively managed based on the Bank's net risk position. Credit derivatives are generally individually negotiated contracts and can have various settlement and payment conventions. Credit events include failure to pay, bankruptcy, acceleration of indebtedness, restructuring, repudiation and dissolution of the reference entity.

The Bank enters into the following types of credit derivatives:

- Credit Default Swaps.** Single-name credit default swaps protect the buyer against the loss of principal on one or more bonds, loans or mortgages (reference obligations) in the event the issuer of the reference obligations suffers a credit event. The buyer of protection pays an initial or periodic premium to the seller and receives protection for the period of the contract. If there is no credit event, as defined in the contract, the seller of protection makes no payments to the buyer. If a credit event occurs, the seller of protection is required to make a payment to the buyer, calculated according to the terms of the contract.
- Credit Options.** In a credit option, the option writer assumes the obligation to purchase or sell a reference obligation at a specified price or credit spread. The option purchaser buys the right, but does not assume the obligation, to sell the reference obligation to, or purchase it from, the option writer. The payments on credit options depend either on a particular credit spread or the price of the reference obligation.
- Credit Indices, Baskets and Tranches.** Credit derivatives may reference a basket of single-name credit default swaps or a broad-based index. If a credit event occurs in one of the underlying reference obligations, the protection seller pays the protection buyer. The payment is typically a pro-rata portion of the transaction's total notional amount based on the underlying defaulted reference obligation. In certain transactions, the credit risk of a basket or index is separated into various portions (tranches), each having different levels of subordination. The most junior tranches cover initial defaults and once losses exceed the notional amount of these junior tranches, any excess loss is covered by the next most senior tranche.

- Total Return Swaps.** A total return swap transfers the risks relating to economic performance of a reference obligation from the protection buyer to the protection seller. Typically, the protection buyer receives a floating rate of interest and protection against any reduction in fair value of the reference obligation, and the protection seller receives the cash flows associated with the reference obligation, plus any increase in the fair value of the reference obligation.

The Bank economically hedges its exposure to written credit derivatives primarily by entering into offsetting purchased credit derivatives with identical underliers. Substantially all of the Bank's purchased credit derivative transactions are with financial institutions and are subject to stringent collateral thresholds. In addition, upon the occurrence of a specified trigger event, the Bank may take possession of the reference obligations underlying a particular written credit derivative, and consequently may, upon liquidation of the reference obligations, recover amounts on the underlying reference obligations in the event of default.

The table below presents information about credit derivatives.

\$ in millions	Credit Spread on Underlier (basis points)				Total
	0 - 250	251 - 500	501 - 1,000	Greater than 1,000	
<b>As of March 2024</b>					
<b>Maximum Payout/Notional Amount of Written Credit Derivatives by Tenor</b>					
Less than 1 year	\$ 38,833	\$ 2,930	\$ 181	\$ 239	\$ 42,183
1 – 5 years	146,402	3,241	882	1,247	151,772
Greater than 5 years	27,000	3,521	161	103	30,785
<b>Total</b>	<b>\$ 212,235</b>	<b>\$ 9,692</b>	<b>\$ 1,224</b>	<b>\$ 1,589</b>	<b>\$ 224,740</b>
<b>Maximum Payout/Notional Amount of Purchased Credit Derivatives</b>					
Offsetting	\$ 183,926	\$ 5,353	\$ 1,078	\$ 1,396	\$ 191,753
Other	79,627	5,947	639	452	86,665
<b>Total</b>	<b>\$ 263,553</b>	<b>\$ 11,300</b>	<b>\$ 1,717</b>	<b>\$ 1,848</b>	<b>\$ 278,418</b>
<b>Fair Value of Written Credit Derivatives</b>					
Asset	\$ 5,757	\$ 349	\$ 80	\$ 76	\$ 6,262
Liability	1,775	410	14	138	2,337
<b>Net asset/(liability)</b>	<b>\$ 3,982</b>	<b>\$ (61)</b>	<b>\$ 66</b>	<b>\$ (62)</b>	<b>\$ 3,925</b>
<b>As of December 2023</b>					
<b>Maximum Payout/Notional Amount of Written Credit Derivatives by Tenor</b>					
Less than 1 year	\$ 41,344	\$ 1,264	\$ 212	\$ 311	\$ 43,131
1 – 5 years	180,262	2,898	1,577	1,305	186,042
Greater than 5 years	22,104	236	36	27	22,403
<b>Total</b>	<b>\$ 243,710</b>	<b>\$ 4,398</b>	<b>\$ 1,825</b>	<b>\$ 1,643</b>	<b>\$ 251,576</b>
<b>Maximum Payout/Notional Amount of Purchased Credit Derivatives</b>					
Offsetting	\$ 226,833	\$ 4,059	\$ 1,701	\$ 1,386	\$ 233,979
Other	66,374	2,196	927	313	69,810
<b>Total</b>	<b>\$ 293,207</b>	<b>\$ 6,255</b>	<b>\$ 2,628</b>	<b>\$ 1,699</b>	<b>\$ 303,789</b>
<b>Fair Value of Written Credit Derivatives</b>					
Asset	\$ 5,417	\$ 224	\$ 94	\$ 52	\$ 5,787
Liability	1,253	38	58	225	1,574
<b>Net asset/(liability)</b>	<b>\$ 4,164</b>	<b>\$ 186</b>	<b>\$ 36</b>	<b>\$ (173)</b>	<b>\$ 4,213</b>

## Notes to Consolidated Financial Statements (Unaudited)

In the table above:

- Fair values exclude the effects of both netting of receivable balances with payable balances under enforceable netting agreements, and netting of cash received or posted under enforceable credit support agreements, and therefore are not representative of the Bank's credit exposure.
- Tenor is based on the remaining contractual maturity for substantially all written credit derivatives.
- The credit spread on the underlier, together with the tenor of the contract, are indicators of payment/performance risk. The Bank is less likely to pay or otherwise be required to perform where the credit spread and the tenor are lower.
- Offsetting purchased credit derivatives represent the notional amount of purchased credit derivatives that economically hedge written credit derivatives with identical underliers.
- Other purchased credit derivatives represent the notional amount of all other purchased credit derivatives not included in offsetting.
- Written and purchased credit derivatives primarily consist of credit default swaps.

### Impact of Credit and Funding Spreads on Derivatives

The Bank realizes gains or losses on its derivative contracts. These gains or losses include credit valuation adjustments (CVAs) relating to uncollateralized derivative assets and liabilities, which represent the gains or losses (including hedges) attributable to the impact of changes in credit exposure, counterparty and GS Group's credit spreads, liability funding spreads (which include GS Group's credit), probability of default and assumed recovery. These gains or losses also include funding valuation adjustments (FVA) relating to uncollateralized derivative assets, which represent the gains or losses (including hedges) attributable to the impact of changes in expected funding exposures and funding spreads.

The table below presents information about CVA and FVA.

\$ in millions	Three Months Ended March	
	2024	2023
CVA, net of hedges	\$ (16)	\$ 15
FVA, net of hedges	56	12
<b>Total</b>	<b>\$ 40</b>	<b>\$ 27</b>

### Bifurcated Embedded Derivatives

The table below presents the fair value and the notional amount of derivatives that have been bifurcated from their related borrowings.

\$ in millions	As of	
	March 2024	December 2023
Fair value of assets	\$ 2	\$ 2
Fair value of liabilities	(32)	(35)
<b>Net liability</b>	<b>\$ (30)</b>	<b>\$ (33)</b>
<b>Notional amount</b>	<b>\$ 1,279</b>	<b>\$ 1,326</b>

In the table above, derivatives that have been bifurcated from their related borrowings are recorded at fair value and primarily consist of credit default swaps. These derivatives are included in unsecured long-term borrowings, as well as other secured financings, with the related borrowings.

### Derivatives with Credit-Related Contingent Features

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 Bank's and/or Group Inc.'s credit ratings. Typically, such requirements are based on the credit ratings of 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. A downgrade by any one rating agency, depending on the agency's relative ratings of the Bank and/or Group Inc. at the time of the downgrade, may have an impact which is comparable to the impact of a downgrade by all rating agencies.

The table below presents information about net derivative liabilities under bilateral agreements (excluding collateral posted), the fair value of collateral posted and additional collateral or termination payments that could have been called by counterparties in the event of a one- or two-notch downgrade in the Bank's and/or Group Inc.'s credit ratings.

\$ in millions	As of	
	March 2024	December 2023
Net derivative liabilities under bilateral agreements	\$ 10,867	\$ 10,685
Collateral posted	\$ 7,909	\$ 7,798
Additional collateral or termination payments:		
One-notch downgrade	\$ 40	\$ 36
Two-notch downgrade	\$ 157	\$ 280

## Notes to Consolidated Financial Statements (Unaudited)

### Hedge Accounting

The Bank applies hedge accounting for interest rate swaps used to manage the interest rate exposure of certain fixed-rate certificates of deposit, certain fixed-rate unsecured long- and short-term borrowings and certain U.S. government securities classified as available-for-sale and certain foreign currency forward contracts used to manage foreign exchange risk on the Bank's net investment in non-U.S. operations, such as GSBE.

To qualify for hedge accounting, the hedging instrument must be highly effective at reducing the risk from the exposure being hedged. Additionally, the Bank must formally document the hedging relationship at inception and assess the hedging relationship at least on a quarterly basis to ensure the hedging instrument continues to be highly effective over the life of the hedging relationship.

### Fair Value Hedges

The Bank designates interest rate swaps as fair value hedges of certain fixed-rate certificates of deposit and fixed-rate unsecured long- and short-term debt and of certain U.S. government securities classified as available-for-sale. These interest rate swaps hedge changes in fair value attributable to the designated benchmark interest rate (e.g., Secured Overnight Financing Rate), effectively converting a substantial portion of these fixed-rate financial instruments into floating-rate financial instruments.

The Bank applies a statistical method that utilizes regression analysis when assessing the effectiveness of these hedging relationships in achieving offsetting changes in the fair values of the hedging instrument and the risk being hedged (i.e., interest rate risk). An interest rate swap is considered highly effective in offsetting changes in fair value attributable to changes in the hedged risk when the regression analysis results in a coefficient of determination of 80% or greater and a slope between 80% and 125%.

For qualifying interest rate fair value hedges, gains or losses on derivatives are included in interest income/expense. The change in fair value of the hedged items attributable to the risk being hedged is reported as an adjustment to its carrying value (hedging adjustment) and is also included in interest income/expense. When a derivative is no longer designated as a hedge, any remaining difference between the carrying value and par value of the hedged item is amortized in interest income/expense over the remaining life of the hedged item using the effective interest method. See Note 21 for further information about interest income and interest expense.

The table below presents the gains/(losses) from interest rate derivatives accounted for as hedges and the related hedged items.

\$ in millions	Three Months Ended March	
	2024	2023
<b>Investments</b>		
Interest rate hedges	\$ 57	\$ (33)
Hedged investments	(62)	31
<b>Gains/(losses)</b>	<b>\$ (5)</b>	<b>\$ (2)</b>
<b>Deposits and borrowings</b>		
Interest rate hedges	\$ (1)	\$ 47
Hedged deposits and borrowings	—	(46)
<b>Gains/(losses)</b>	<b>\$ (1)</b>	<b>\$ 1</b>

The table below presents the carrying value of investments, deposits and unsecured borrowings that are designated in an interest rate hedging relationship and the related cumulative hedging adjustment (increase/(decrease)) from current and prior hedging relationships included in such carrying values.

\$ in millions	Carrying Value		Cumulative
			Hedging Adjustment
<b>As of March 2024</b>			
<b>Assets</b>			
Investments	\$ 6,025	\$	(110)
<b>Liabilities</b>			
Deposits	\$ 2,576	\$	(90)
Unsecured long-term borrowings	\$ 2,326	\$	(6)
<b>As of December 2023</b>			
<b>Assets</b>			
Investments	\$ 3,871	\$	(56)
<b>Liabilities</b>			
Deposits	\$ 2,920	\$	(98)
Unsecured short-term borrowings	\$ 27	\$	—
Unsecured long-term borrowings	\$ 83	\$	(1)

In the table above:

- Cumulative hedging adjustment included \$(131) million as of March 2024 and \$(155) million as of December 2023 of hedging adjustments from prior hedging relationships that were de-designated and were primarily related to deposits and investments.
- The amortized cost of investments was \$6.22 billion as of March 2024 and \$4.08 billion as of December 2023.

In addition, cumulative hedging adjustments for items no longer designated in a hedging relationship were \$(75) million as of March 2024 and \$(87) million as of December 2023, substantially all related to investments.

## Notes to Consolidated Financial Statements (Unaudited)

### Net Investment Hedges

The Bank seeks to reduce the impact of fluctuations in foreign exchange rates on its net investment in non-U.S. operations, such as GSBE, through the use of foreign currency forward contracts. For foreign currency forward contracts designated as hedges, the effectiveness of the hedge is assessed based on the overall changes in the fair value of the forward contracts (i.e., based on changes in forward rates). For qualifying net investment hedges, all gains or losses on the hedging instruments are included in currency translation.

The gains/(losses) from net investment hedging were \$482 million for the three months ended March 2024 and \$(76) million for the three months ended March 2023.

For both the three months ended March 2024 and March 2023, there were no gains or losses reclassified to earnings from accumulated comprehensive income/(loss) related to the Bank's net investments. Gains or losses on the Bank's net investments would be reclassified to earnings from accumulated other comprehensive income/(loss) upon liquidation of its net investment.

### Note 8.

### Investments

Investments includes equity securities and debt instruments that are accounted for at fair value and are generally held by the Bank in connection with its long-term investing activities. In addition, investments includes debt securities classified as available-for-sale and held-to-maturity that are generally held in connection with the Bank's asset-liability management activities.

The table below presents information about investments.

<i>\$ in millions</i>	As of	
	March 2024	December 2023
Equity securities, at fair value	\$ 60	\$ 59
Debt instruments, at fair value	—	1
Available-for-sale securities, at fair value	34,882	24,899
Investments, at fair value	34,942	24,959
Held-to-maturity securities	19,700	12,891
<b>Total investments</b>	<b>\$ 54,642</b>	<b>\$ 37,850</b>

See Note 4 for an overview of the Bank's fair value measurement policies, valuation techniques and significant inputs used to determine the fair value of investments, and Note 5 for information about investments within the fair value hierarchy.

### Equity Securities and Debt Instruments, at Fair Value

Equity securities and debt instruments, at fair value are accounted for at fair value either under the fair value option or in accordance with other U.S. GAAP, and the related fair value gains and losses are recognized in the consolidated statements of earnings.

**Equity Securities, at Fair Value.** Equity securities, at fair value consists of the Bank's private equity investments in corporate and real estate entities, including investments made as part of the Bank's CRA activities. Equity securities, at fair value includes \$20 million as of March 2024 and \$18 million as of December 2023 that are measured at NAV.

**Debt Instruments, at Fair Value.** Debt instruments, at fair value consists of securities backed by real estate.

### Available-for-Sale Securities

Available-for-sale securities are accounted for at fair value, and the related unrealized fair value gains and losses are included in accumulated other comprehensive income/(loss).

The table below presents information about available-for-sale securities by tenor.

<i>\$ in millions</i>	Amortized Cost	Fair Value
<b>As of March 2024</b>		
Less than 1 year	\$ 9,947	\$ 9,796
1 year to 5 years	25,740	24,886
5 years to 10 years	224	200
<b>Total</b>	<b>\$ 35,911</b>	<b>\$ 34,882</b>
<b>As of December 2023</b>		
Less than 1 year	\$ 10,954	\$ 10,698
1 year to 5 years	14,837	13,999
5 years to 10 years	223	202
<b>Total</b>	<b>\$ 26,014</b>	<b>\$ 24,899</b>

In the table above:

- Available-for-sale securities consists of U.S. government obligations.
- The weighted average yield for available-for-sale securities was 1.94% as of March 2024 and 0.80% as of December 2023. The weighted average yield is presented on a pre-tax basis and computed using the effective interest rate of each security at the end of the period, weighted based on the fair value of each security.



## Notes to Consolidated Financial Statements (Unaudited)

- The gross unrealized gains included in accumulated other comprehensive income/(loss) were not material and the gross unrealized losses included in accumulated other comprehensive income/(loss) were \$1.03 billion as of March 2024 and primarily related to U.S. government obligations in a continuous unrealized loss position for more than a year. There were no gross unrealized gains included in accumulated other comprehensive income/(loss) and the gross unrealized losses included in accumulated other comprehensive income/(loss) were \$1.12 billion as of December 2023 and primarily related to U.S. government obligations in a continuous unrealized loss position for more than a year. Net unrealized gains included in other comprehensive income/(loss) were \$89 million (\$66 million, net of tax) for the three months ended March 2024 and \$324 million (\$242 million, net of tax) for the three months ended March 2023.
- Available-for-sale securities were classified in level 1 of the fair value hierarchy.
- If the fair value of available-for-sale securities is less than amortized cost, such securities are considered impaired. If the Bank has the intent to sell the debt security, or if it is more likely than not that the Bank will be required to sell the debt security before recovery of its amortized cost, the difference between the amortized cost (net of allowance, if any) and the fair value of the securities is recognized as an impairment loss in earnings. The Bank did not record any such impairment losses during either the three months ended March 2024 or March 2023. Impaired available-for-sale debt securities that the Bank has the intent and ability to hold are reviewed to determine if an allowance for credit losses should be recorded. The Bank considers various factors in such determination, including market conditions, changes in issuer credit ratings and severity of the unrealized losses. The Bank did not record any provision for credit losses on such securities during either the three months ended March 2024 or March 2023.

The table below presents cash inflows/(outflows) related to available-for-sale securities.

\$ in millions	Three Months Ended March	
	2024	2023
Purchases	\$ (11,605)	\$ (816)
Proceeds from sales	\$ 749	\$ —
Proceeds from maturities	\$ 1,000	\$ —

The specific identification method is used to determine realized gains on available-for-sale securities. Such gross realized gains were not material for the three months ended March 2024.

### Held-to-Maturity Securities

Held-to-maturity securities are accounted for at amortized cost.

The table below presents information about held-to-maturity securities by tenor.

\$ in millions	Amortized Cost	Fair Value
<b>As of March 2024</b>		
Less than 1 year	\$ 1,515	\$ 1,512
1 year to 5 years	10,874	10,691
5 years to 10 years	566	529
<b>Total U.S. government obligations</b>	<b>12,955</b>	<b>12,732</b>
Greater than 10 years	6,745	6,754
<b>Total U.S. agency obligations</b>	<b>6,745</b>	<b>6,754</b>
<b>Total held-to-maturity securities</b>	<b>\$ 19,700</b>	<b>\$ 19,486</b>
<b>As of December 2023</b>		
Less than 1 year	\$ 1,505	\$ 1,492
1 year to 5 years	10,815	10,759
5 years to 10 years	571	542
Total U.S. government obligations	12,891	12,793
<b>Total held-to-maturity securities</b>	<b>\$ 12,891</b>	<b>\$ 12,793</b>

In the table above:

- U.S. agency obligations consist of U.S. agency issued mortgage-backed securities.
- As these securities are not accounted for at fair value, they are not included in the Bank's fair value hierarchy in Notes 4 and 5. Had these securities been included in the Bank's fair value hierarchy, U.S. government obligations would have been classified in level 1 and U.S. agency obligations would have been classified in level 2 of the fair value hierarchy.
- The weighted average yield for held-to-maturity securities was 4.12% as of March 2024 and 3.51% as of December 2023. The weighted average yield is presented on a pre-tax basis and computed using the effective interest rate of each security at the end of the period, weighted based on the amortized cost of each security.
- The gross unrealized gains were \$50 million as of March 2024 and \$72 million as of December 2023. The gross unrealized losses were \$264 million as of March 2024 and \$170 million as of December 2023.
- Held-to-maturity securities are reviewed to determine if an allowance for credit losses should be recorded in the consolidated statements of earnings. The Bank considers various factors in such determination, including market conditions, changes in issuer credit ratings, historical credit losses and sovereign guarantees. The Bank did not record any provision for credit losses on such securities during either the three months ended March 2024 or March 2023.

## Notes to Consolidated Financial Statements (Unaudited)

The table below presents cash inflows/(outflows) related to held-to-maturity securities.

\$ in millions	Three Months Ended March	
	2024	2023
Purchases	\$ (6,731)	\$ (1,991)

### Note 9.

#### Loans

Loans includes (i) loans held for investment that are accounted for at amortized cost net of allowance for loan losses or at fair value under the fair value option and (ii) loans held for sale that are accounted for at the lower of cost or fair value. Interest on loans is recognized over the life of the loan and is recorded on an accrual basis.

The table below presents information about loans.

\$ in millions	Amortized Cost	Fair Value	Held For Sale	Total
<b>As of March 2024</b>				
<b>Loan Type</b>				
Corporate	\$ 22,124	\$ 903	\$ 786	\$ 23,813
Commercial real estate	22,920	84	809	23,813
Residential real estate	19,487	3,784	—	23,271
Securities-based	11,441	—	—	11,441
Other collateralized	61,117	365	141	61,623
Consumer:				
Installment	233	—	141	374
Credit cards	16,937	—	1,861	18,798
Other	1,122	23	303	1,448
Total loans, gross	155,381	5,159	4,041	164,581
Allowance for loan losses	(3,969)	—	—	(3,969)
<b>Total loans</b>	<b>\$ 151,412</b>	<b>\$ 5,159</b>	<b>\$ 4,041</b>	<b>\$ 160,612</b>

#### As of December 2023

\$ in millions	Amortized Cost	Fair Value	Held For Sale	Total
<b>Loan Type</b>				
Corporate	\$ 22,089	\$ 918	\$ 711	\$ 23,718
Commercial real estate	22,396	98	300	22,794
Residential real estate	20,236	3,884	—	24,120
Securities-based	11,525	—	—	11,525
Other collateralized	57,382	400	179	57,961
Consumer:				
Installment	250	—	3,048	3,298
Credit cards	17,432	—	1,929	19,361
Other	1,276	45	125	1,446
Total loans, gross	152,586	5,345	6,292	164,223
Allowance for loan losses	(4,049)	—	—	(4,049)
<b>Total loans</b>	<b>\$ 148,537</b>	<b>\$ 5,345</b>	<b>\$ 6,292</b>	<b>\$ 160,174</b>

In the table above:

- Loans held for investment that are accounted for at amortized cost include net deferred fees and costs, and unamortized premiums and discounts, which are amortized over the life of the loan. These amounts were less than 1% of loans accounted for at amortized cost as of both March 2024 and December 2023.
- Substantially all loans had floating interest rates as of both March 2024 and December 2023.
- During 2023, the Bank sold \$3.24 billion of the Marcus installment loans portfolio.
- During 2023, the Bank sold approximately \$4.0 billion of the GreenSky loan portfolio and during the first quarter of 2024, sold the remaining GreenSky loan portfolio of \$3.69 billion.
- During 2023, the Bank transferred approximately \$2.0 billion of the GM co-branded credit card portfolio to held for sale.
- During 2023, the Bank purchased a portfolio of approximately \$15.0 billion of private equity capital call credit facilities (including approximately \$9.0 billion of funded loans) from the FDIC's auction of Signature Bank's loans.

The following is a description of the loan types in the table above:

- **Corporate.** Corporate loans includes term loans, revolving lines of credit, letter of credit facilities and bridge loans, and are principally used for operating and general corporate purposes, or in connection with acquisitions. Corporate loans also includes loans originated as part of the Bank's CRA activities. Corporate loans are secured (typically by a senior lien on the assets of the borrower) or unsecured, depending on the loan purpose, the risk profile of the borrower and other factors.
- **Commercial Real Estate.** Commercial real estate loans includes originated loans that are directly or indirectly secured by hotels, retail stores, multifamily housing complexes and commercial and industrial properties. Commercial real estate loans also includes loans extended to clients who warehouse assets that are directly or indirectly backed by commercial real estate. In addition, commercial real estate includes loans purchased by the Bank and loans originated as part of the Bank's CRA activities.
- **Residential Real Estate.** Residential real estate loans primarily includes loans extended to wealth management clients and to clients who warehouse assets that are directly or indirectly secured by residential real estate. In addition, residential real estate includes loans purchased by the Bank.

## Notes to Consolidated Financial Statements (Unaudited)

- **Securities-Based.** Securities-based loans includes loans that are secured by stocks, bonds, mutual funds, and exchange-traded funds. These loans are primarily extended to wealth management clients and used for purposes other than purchasing, carrying or trading margin stocks. Securities-based loans require borrowers to post additional collateral based on changes in the underlying collateral's fair value. Securities-based also includes loans originated through *Goldman Sachs Private Bank Select*.
- **Other Collateralized.** Other collateralized loans includes loans that are backed by specific collateral (other than securities and real estate). Such loans are extended to clients who warehouse assets that are directly or indirectly secured by corporate loans, consumer loans and other assets. Other collateralized loans also includes loans to investment funds (managed by third parties) that are collateralized by capital commitments of the funds' investors or assets held by the fund, as well as other secured loans extended to wealth management clients.
- **Installment.** Installment loans are unsecured loans originated by the Bank.
- **Credit Cards.** Credit card loans are loans made pursuant to revolving lines of credit issued to consumers by the Bank.
- **Other.** Other loans includes unsecured loans extended to wealth management clients and unsecured consumer loans purchased by the Bank.

See Note 4 for an overview of the Bank's fair value measurement policies, valuation techniques and significant inputs used to determine the fair value of loans, and Note 5 for information about loans within the fair value hierarchy.

### Credit Quality

**Risk Assessment.** The Bank's risk assessment process includes evaluating the credit quality of its loans by GS Group's independent risk oversight and control function. For corporate loans and a majority of securities-based, real estate, other collateralized and other loans, such credit analyses incorporate initial and ongoing evaluations of the capacity and willingness of a borrower to meet its financial obligations. These credit evaluations are performed on an annual basis or more frequently if deemed necessary as a result of events or changes in circumstances. The internal credit rating for the borrower is determined by considering the results of the credit evaluations and assumptions with respect to the nature of and outlook for the borrower's industry and the economic environment. For collateralized loans, the Bank also takes into consideration collateral received or other credit support arrangements when determining an internal credit rating. For consumer loans and for loans that are not assigned an internal credit rating, including U.S. residential mortgage loans extended to wealth management clients, certain key metrics, including, but not limited to, the Fair Isaac Corporation (FICO) credit scores, loan to value ratios, delinquency status, collateral value and other risk factors, are reviewed.

## Notes to Consolidated Financial Statements (Unaudited)

The table below presents gross loans by an internally determined public rating agency equivalent or other credit metrics and the concentration of secured and unsecured loans.

<i>\$ in millions</i>	Investment- Grade	Non-Investment- Grade	Other Metrics/ Unrated	Total
<b>As of March 2024</b>				
<b>Accounting Method</b>				
Amortized cost	\$ 89,534	\$ 37,620	\$ 28,227	\$ 155,381
Fair value	79	1,252	3,828	5,159
Held for sale	370	1,445	2,226	4,041
<b>Total</b>	<b>\$ 89,983</b>	<b>\$ 40,317</b>	<b>\$ 34,281</b>	<b>\$ 164,581</b>
<b>Loan Type</b>				
Corporate	\$ 8,439	\$ 15,365	\$ 9	\$ 23,813
Real estate:				
Commercial	12,601	11,123	89	23,813
Residential	8,862	3,116	11,293	23,271
Securities-based	8,103	223	3,115	11,441
Other collateralized	50,996	10,305	322	61,623
Consumer:				
Installment	—	—	374	374
Credit cards	—	—	18,798	18,798
Other	982	185	281	1,448
<b>Total</b>	<b>\$ 89,983</b>	<b>\$ 40,317</b>	<b>\$ 34,281</b>	<b>\$ 164,581</b>
Secured	92%	94%	43%	82%
Unsecured	8%	6%	57%	18%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>As of December 2023</b>				
<b>Accounting Method</b>				
Amortized cost	\$ 84,788	\$ 38,750	\$ 29,048	\$ 152,586
Fair value	116	1,216	4,013	5,345
Held for sale	106	1,073	5,113	6,292
<b>Total</b>	<b>\$ 85,010</b>	<b>\$ 41,039</b>	<b>\$ 38,174</b>	<b>\$ 164,223</b>
<b>Loan Type</b>				
Corporate	\$ 8,239	\$ 15,344	\$ 135	\$ 23,718
Real estate:				
Commercial	11,457	11,018	319	22,794
Residential	10,053	2,876	11,191	24,120
Securities-based	8,183	273	3,069	11,525
Other collateralized	46,148	11,423	390	57,961
Consumer:				
Installment	—	—	3,298	3,298
Credit cards	—	—	19,361	19,361
Other	930	105	411	1,446
<b>Total</b>	<b>\$ 85,010</b>	<b>\$ 41,039</b>	<b>\$ 38,174</b>	<b>\$ 164,223</b>
Secured	91%	94%	40%	80%
Unsecured	9%	6%	60%	20%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

In the table above:

- Substantially all residential real estate loans included in the other metrics/unrated category consists of loans extended to wealth management clients. As of both March 2024 and December 2023, substantially all of such loans had a loan-to-value ratio of less than 80% and were performing in accordance with the contractual terms. Additionally, as of both March 2024 and December 2023, the vast majority of such loans had a FICO credit score of greater than 740.
- Substantially all securities-based loans included in the other metrics/unrated category had a loan-to-value ratio of less than 80% and were performing in accordance with the contractual terms as of both March 2024 and December 2023.
- For installment and credit card loans included in the other metrics/unrated category, the evaluation of credit quality incorporates the borrower's FICO credit score. FICO credit scores are periodically refreshed by the Bank to assess the updated creditworthiness of the borrower. See "Vintage" below for information about installment and credit card loans by FICO credit scores.

The Bank also assigns a regulatory risk rating to its loans based on the definitions provided by the U.S. federal bank regulatory agencies. Total loans included 94% of loans as of March 2024 and 95% of loans as of December 2023 that were rated pass/non-criticized.

## Notes to Consolidated Financial Statements (Unaudited)

**Vintage.** The tables below present gross loans accounted for at amortized cost (excluding installment and credit card loans) by an internally determined public rating agency equivalent or other credit metrics and origination year for term loans.

As of March 2024				
<i>\$ in millions</i>	Investment-Grade	Non-Investment-Grade	Other Metrics/Unrated	Total
2024	\$ 640	\$ 105	\$ —	\$ 745
2023	1,923	1,339	—	3,262
2022	1,252	1,539	—	2,791
2021	496	1,184	—	1,680
2020	260	653	—	913
2019 or earlier	354	1,793	—	2,147
Revolving	3,278	7,308	—	10,586
<b>Corporate</b>	<b>8,203</b>	<b>13,921</b>	<b>—</b>	<b>22,124</b>
2024	187	62	1	250
2023	999	909	16	1,924
2022	1,400	2,186	58	3,644
2021	971	1,994	—	2,965
2020	292	857	—	1,149
2019 or earlier	1,076	1,020	—	2,096
Revolving	7,450	3,209	3	10,662
Revolving converted to term	230	—	—	230
<b>Commercial real estate</b>	<b>12,605</b>	<b>10,237</b>	<b>78</b>	<b>22,920</b>
2024	89	208	303	600
2023	387	—	1,567	1,954
2022	—	18	2,637	2,655
2021	—	95	2,700	2,795
2020	—	2	86	88
2019 or earlier	—	—	203	203
Revolving	8,387	2,793	12	11,192
<b>Residential real estate</b>	<b>8,863</b>	<b>3,116</b>	<b>7,508</b>	<b>19,487</b>
2023	11	—	—	11
2022	5	—	—	5
2019 or earlier	—	22	—	22
Revolving	8,087	201	3,115	11,403
<b>Securities-based</b>	<b>8,103</b>	<b>223</b>	<b>3,115</b>	<b>11,441</b>
2024	300	—	—	300
2023	5,598	1,967	177	7,742
2022	1,821	178	48	2,047
2021	1,129	392	55	1,576
2020	1,225	1	17	1,243
2019 or earlier	362	39	14	415
Revolving	39,231	7,438	13	46,682
Revolving converted to term	1,112	—	—	1,112
<b>Other collateralized</b>	<b>50,778</b>	<b>10,015</b>	<b>324</b>	<b>61,117</b>
2024	20	—	—	20
2023	71	19	—	90
2022	64	6	—	70
2021	6	2	14	22
2020	—	—	11	11
2019 or earlier	—	—	7	7
Revolving	821	81	—	902
<b>Other</b>	<b>982</b>	<b>108</b>	<b>32</b>	<b>1,122</b>
<b>Total</b>	<b>\$ 89,534</b>	<b>\$ 37,620</b>	<b>\$ 11,057</b>	<b>\$138,211</b>
<b>Percentage of total</b>	<b>65%</b>	<b>27%</b>	<b>8%</b>	<b>100%</b>

As of December 2023				
<i>\$ in millions</i>	Investment-Grade	Non-Investment-Grade	Other Metrics/Unrated	Total
2023	\$ 2,158	\$ 1,293	\$ 16	\$ 3,467
2022	1,179	2,062	—	3,241
2021	826	1,293	—	2,119
2020	304	697	—	1,001
2019	9	726	—	735
2018 or earlier	351	1,266	—	1,617
Revolving	3,380	6,510	19	9,909
Corporate	8,207	13,847	35	22,089
2023	526	1,374	15	1,915
2022	1,244	2,395	—	3,639
2021	1,080	2,053	—	3,133
2020	271	928	—	1,199
2019	389	401	—	790
2018 or earlier	696	660	—	1,356
Revolving	7,020	2,809	304	10,133
Revolving converted to term	231	—	—	231
Commercial real estate	11,457	10,620	319	22,396
2023	443	—	1,627	2,070
2022	—	18	2,687	2,705
2021	—	105	2,717	2,822
2020	3	16	81	100
2019	—	—	79	79
2018 or earlier	—	3	121	124
Revolving	9,607	2,729	—	12,336
Residential real estate	10,053	2,871	7,312	20,236
2023	8	—	—	8
2022	5	—	—	5
2018 or earlier	—	22	—	22
Revolving	8,170	251	3,069	11,490
Securities-based	8,183	273	3,069	11,525
2023	5,300	2,532	224	8,056
2022	1,902	227	56	2,185
2021	1,832	323	63	2,218
2020	1,256	1	18	1,275
2019	44	28	9	81
2018 or earlier	436	—	20	456
Revolving	34,026	7,923	1	41,950
Revolving converted to term	1,161	—	—	1,161
Other collateralized	45,957	11,034	391	57,382
2023	60	19	—	79
2022	67	6	—	73
2021	6	—	15	21
2020	—	—	218	218
2019	—	—	4	4
2018 or earlier	—	—	3	3
Revolving	798	80	—	878
Other	931	105	240	1,276
<b>Total</b>	<b>\$ 84,788</b>	<b>\$ 38,750</b>	<b>\$ 11,366</b>	<b>\$134,904</b>
<b>Percentage of total</b>	<b>63%</b>	<b>29%</b>	<b>8%</b>	<b>100%</b>

## Notes to Consolidated Financial Statements (Unaudited)

The table below presents gross installment loans accounted for at amortized cost by refreshed FICO credit scores and origination year and gross credit card loans by refreshed FICO credit scores.

<i>\$ in millions</i>	Greater than or equal to 660	Less than 660	Total
<b>As of March 2024</b>			
2024	\$ —	\$ 18	\$ 18
2023	80	7	87
2022 or earlier	115	13	128
<b>Installment</b>	<b>195</b>	<b>38</b>	<b>233</b>
<b>Credit cards</b>	<b>10,818</b>	<b>6,119</b>	<b>16,937</b>
<b>Total</b>	<b>\$ 11,013</b>	<b>\$ 6,157</b>	<b>\$ 17,170</b>
<b>Percentage of total:</b>			
Installment	84%	16%	100%
Credit cards	64%	36%	100%
<b>Total</b>	<b>64%</b>	<b>36%</b>	<b>100%</b>
<b>As of December 2023</b>			
2023	\$ 79	\$ 10	\$ 89
2022	132	18	150
2021 or earlier	11	—	11
Installment	222	28	250
Credit cards	11,119	6,313	17,432
<b>Total</b>	<b>\$ 11,341</b>	<b>\$ 6,341</b>	<b>\$ 17,682</b>
<b>Percentage of total:</b>			
Installment	89%	11%	100%
Credit cards	64%	36%	100%
<b>Total</b>	<b>64%</b>	<b>36%</b>	<b>100%</b>

In the table above, credit card loans consist of revolving lines of credit.

**Credit Concentrations.** The table below presents the concentration of gross loans by region.

<i>\$ in millions</i>	Carrying Value	Americas	EMEA	Asia	Total
<b>As of March 2024</b>					
Corporate	\$ 23,813	71%	23%	6%	100%
Commercial real estate	23,813	87%	12%	1%	100%
Residential real estate	23,271	98%	2%	—	100%
Securities-based	11,441	100%	—	—	100%
Other collateralized	61,623	92%	8%	—	100%
Consumer:					
Installment	374	100%	—	—	100%
Credit cards	18,798	100%	—	—	100%
Other	1,448	100%	—	—	100%
<b>Total</b>	<b>\$164,581</b>	<b>91%</b>	<b>8%</b>	<b>1%</b>	<b>100%</b>
<b>As of December 2023</b>					
Corporate	\$ 23,718	71%	23%	6%	100%
Commercial real estate	22,794	85%	14%	1%	100%
Residential real estate	24,120	98%	2%	—	100%
Securities-based	11,525	100%	—	—	100%
Other collateralized	57,961	93%	7%	—	100%
Consumer:					
Installment	3,298	100%	—	—	100%
Credit cards	19,361	100%	—	—	100%
Other	1,446	100%	—	—	100%
<b>Total</b>	<b>\$164,223</b>	<b>91%</b>	<b>8%</b>	<b>1%</b>	<b>100%</b>

In the table above:

- EMEA represents Europe, Middle East and Africa.
- The top five industry concentrations for corporate loans as of March 2024 were 22% for technology, media & telecommunications, 17% for real estate, 16% for diversified industrials, 11% for natural resources & utilities and 10% for consumer & retail.
- The top five industry concentrations for corporate loans as of December 2023 were 22% for technology, media & telecommunications, 17% for real estate, 15% for diversified industrials, 12% for consumer & retail and 10% for financial institutions.

## Notes to Consolidated Financial Statements (Unaudited)

**Nonaccrual, Past Due and Modified Loans.** Loans accounted for at amortized cost (other than credit card loans) are placed on nonaccrual status when it is probable that the Bank will not collect all principal and interest due under the contractual terms, regardless of the delinquency status or if a loan is past due for 90 days or more, unless the loan is both well collateralized and in the process of collection. At that time, all accrued but uncollected interest is reversed against interest income and interest subsequently collected is recognized on a cash basis to the extent the loan balance is deemed collectible. Otherwise, all cash received is used to reduce the outstanding loan balance. A loan is considered past due when a principal or interest payment has not been made according to its contractual terms. Credit card loans are not placed on nonaccrual status and accrue interest until the loan is paid in full or is charged off.

The table below presents information about past due loans.

<i>\$ in millions</i>	30-89 days	90 days or more	Total
<b>As of March 2024</b>			
Commercial real estate	\$ 157	\$ 206	\$ 363
Residential real estate	20	15	35
Securities-based	1	—	1
Other collateralized	—	7	7
Consumer:			
Installment	5	7	12
Credit cards	382	469	851
Other	—	9	9
<b>Total</b>	<b>\$ 565</b>	<b>\$ 713</b>	<b>\$ 1,278</b>
<b>Total divided by gross loans at amortized cost</b>			<b>0.8%</b>

<b>As of December 2023</b>			
Corporate	\$ —	\$ 30	\$ 30
Commercial real estate	136	106	242
Residential real estate	9	—	9
Other collateralized	—	7	7
Consumer:			
Installment	6	7	13
Credit cards	463	486	949
Other	7	11	18
<b>Total</b>	<b>\$ 621</b>	<b>\$ 647</b>	<b>\$ 1,268</b>
<b>Total divided by gross loans at amortized cost</b>			<b>0.8%</b>

The table below presents information about nonaccrual loans.

<i>\$ in millions</i>	As of	
	March 2024	December 2023
Corporate	\$ 1,132	\$ 766
Commercial real estate	759	975
Residential real estate	23	5
Other collateralized	662	712
Other	10	9
<b>Total</b>	<b>\$ 2,586</b>	<b>\$ 2,467</b>
<b>Total divided by gross loans at amortized cost</b>	<b>1.7%</b>	<b>1.6%</b>

In the table above:

- Nonaccrual loans included \$347 million as of March 2024 and \$276 million as of December 2023 of loans that were 30 days or more past due.
- Loans that were 90 days or more past due and still accruing were not material as of both March 2024 and December 2023.
- Allowance for loan losses as a percentage of total nonaccrual loans was 153.5% as of March 2024 and 164.1% as of December 2023.
- Commercial real estate, residential real estate and other collateralized loans are collateral dependent loans and the repayment of such loans is generally expected to be provided by the operation or sale of the underlying collateral. The allowance for credit losses for such nonaccrual loans is determined by considering the fair value of the collateral less estimated costs to sell, if applicable.

The Bank may modify the terms of a loan agreement for a borrower experiencing financial difficulty. Such modifications may include, among other things, forbearance of interest or principal, payment extensions or interest rate reductions.

The table below presents the carrying value of loans that were modified during the three months ended March 2024 and March 2023.

<i>\$ in millions</i>	As of March	
	2024	2023
Modified loans	\$ 320	\$ 109

In the table above:

- Loans modified during the three months ended March 2024 and March 2023 were in the form of term extensions and substantially all related to corporate loans.
- Modified loans represented less than 1.5% of each type of gross loans at amortized cost.
- Lending commitments related to modified loans were not material as of both March 2024 and March 2023.
- The impact of these modifications was not material for both the three months ended March 2024 and March 2023.
- Substantially all of the modified loans were performing in accordance with the modified contractual terms as of both March 2024 and March 2023.

## Notes to Consolidated Financial Statements (Unaudited)

### Allowance for Credit Losses

The Bank's allowance for credit losses consists of the allowance for losses on loans and lending commitments accounted for at amortized cost. Loans and lending commitments accounted for at fair value or accounted for at the lower of cost or fair value are not subject to an allowance for credit losses.

To determine the allowance for credit losses, the Bank classifies its loans and lending commitments accounted for at amortized cost into wholesale and consumer portfolios. These portfolios represent the level at which the Bank has developed and documented its methodology to determine the allowance for credit losses. The allowance for credit losses is measured on a collective basis for loans that exhibit similar risk characteristics using a modeled approach and on an asset-specific basis for loans that do not share similar risk characteristics.

The allowance for credit losses takes into account the weighted average of a range of forecasts of future economic conditions over the expected life of the loan and lending commitments. The expected life of each loan or lending commitment is determined based on the contractual term adjusted for extension options or demand features, or is modeled in the case of revolving credit card loans. The forecasts include baseline, favorable and adverse economic scenarios over a three-year period. For loans with expected lives beyond three years, the model reverts to historical loss information based on a non-linear modeled approach. The forecasted economic scenarios consider a number of risk factors relevant to the wholesale and consumer portfolios described below. The Bank applies judgment in weighing individual scenarios each quarter based on a variety of factors, including the Bank's internally derived economic outlook, market consensus, recent macroeconomic conditions and industry trends.

The allowance for credit losses also includes qualitative components which allow management to reflect the uncertain nature of economic forecasting, capture uncertainty regarding model inputs, and account for model imprecision and concentration risk.

Management's estimate of credit losses entails judgment about the expected life of the loan and loan collectability at the reporting dates, and there are uncertainties inherent in those judgments. The allowance for credit losses is subject to a governance process that involves review and approval by senior management within the Bank's independent risk oversight and control functions. Personnel within GS Group's independent risk oversight and control functions are responsible for forecasting the economic variables that underlie the economic scenarios that are used in the modeling of expected credit losses. While management uses the best information available to determine this estimate, future adjustments to the allowance may be necessary based on, among other things, changes in the economic environment or variances between actual results and the original assumptions used.

The table below presents gross loans and lending commitments accounted for at amortized cost by portfolio.

<i>\$ in millions</i>	As of			
	March 2024		December 2023	
	Loans	Lending Commitments	Loans	Lending Commitments
<b>Wholesale</b>				
Corporate	\$ 22,124	\$ 132,864	\$ 22,089	\$ 127,026
Commercial real estate	22,920	2,997	22,396	3,019
Residential real estate	19,487	1,237	20,236	1,392
Securities-based	11,441	697	11,525	680
Other collateralized	61,117	25,471	57,382	22,672
Other	1,122	793	1,276	876
<b>Consumer</b>				
Installment	233	1	250	1
Credit cards	16,937	59,210	17,432	56,479
<b>Total</b>	<b>\$155,381</b>	<b>\$ 223,270</b>	<b>\$152,586</b>	<b>\$ 212,145</b>

In the table above, wholesale loans included \$2.59 billion as of March 2024 and \$2.47 billion as of December 2023 of nonaccrual loans for which the allowance for credit losses was measured on an asset-specific basis. The allowance for credit losses on these loans was \$533 million as of March 2024 and \$471 million as of December 2023. These loans included \$263 million as of March 2024 and \$355 million as of December 2023 of loans which did not require a reserve as the loan was deemed to be recoverable.

See Note 18 for further information about lending commitments.



## Notes to Consolidated Financial Statements (Unaudited)

The following is a description of the methodology used to calculate the allowance for credit losses:

**Wholesale.** The allowance for credit losses for wholesale loans and lending commitments that exhibit similar risk characteristics is measured using a modeled approach. These models determine the probability of default and loss given default based on various risk factors, including internal credit ratings, industry default and loss data, expected life, macroeconomic indicators, the borrower's capacity to meet its financial obligations, the borrower's country of risk and industry, loan seniority and collateral type. For lending commitments, the methodology also considers the probability of drawdowns or funding. In addition, for loans backed by real estate, risk factors include the loan-to-value ratio, debt service ratio and home price index. The most significant inputs to the forecast model for wholesale loans and lending commitments include unemployment rates, GDP, credit spreads, commercial and industrial delinquency rates, short- and long-term interest rates, and oil prices.

The allowance for loan losses for wholesale loans that do not share similar risk characteristics, such as nonaccrual loans, is calculated using the present value of expected future cash flows discounted at the loan's effective rate, the observable market price of the loan, or, in the case of collateral dependent loans, the fair value of the collateral less estimated costs to sell, if applicable.

Wholesale loans are charged off against the allowance for loan losses when deemed to be uncollectible.

**Consumer.** The allowance for credit losses for consumer loans that exhibit similar risk characteristics is calculated using a modeled approach which classifies consumer loans into pools based on borrower-related and exposure-related characteristics that differentiate a pool's risk characteristics from other pools. The factors considered in determining a pool are generally consistent with the risk characteristics used for internal credit risk measurement and management and include key metrics, such as FICO credit scores, delinquency status, loan vintage and macroeconomic indicators. The most significant inputs to the forecast model for consumer loans include unemployment rates and delinquency rates. The expected life of revolving credit card loans is determined by modeling expected future draws and the timing and amount of repayments allocated to the funded balance. The Bank does not recognize an allowance for credit losses on credit card lending commitments as they are cancellable by the Bank.

Installment loans are charged off when they are 120 days past due. Credit card loans are charged off when they are 180 days past due.

### Allowance for Credit Losses Rollforward

The table below presents information about the allowance for credit losses.

<i>\$ in millions</i>	Wholesale	Consumer	Total
<b>Three Months Ended March 2024</b>			
<b>Allowance for loan losses</b>			
Beginning balance	\$ 1,575	\$ 2,474	\$ 4,049
Charge-offs	(4)	(386)	(390)
Recoveries	2	24	26
Net (charge-offs)/recoveries	(2)	(362)	(364)
Provision	44	244	288
Other	(4)	—	(4)
<b>Ending balance</b>	<b>\$ 1,613</b>	<b>\$ 2,356</b>	<b>\$ 3,969</b>
<b>Allowance ratio</b>	<b>1.2%</b>	<b>13.7%</b>	<b>2.6%</b>
<b>Net charge-off ratio</b>	<b>0.0%</b>	<b>8.4%</b>	<b>0.9%</b>
<b>Allowance for losses on lending commitments</b>			
Beginning balance	\$ 461	\$ —	\$ 461
Provision	21	—	21
Other	(2)	—	(2)
<b>Ending balance</b>	<b>\$ 480</b>	<b>\$ —</b>	<b>\$ 480</b>
<b>Three Months Ended March 2023</b>			
<b>Allowance for loan losses</b>			
Beginning balance	\$ 1,271	\$ 2,981	\$ 4,252
Charge-offs	(2)	(271)	(273)
Recoveries	11	24	35
Net (charge-offs)/recoveries	9	(247)	(238)
Provision	64	(257)	(193)
Other	(12)	—	(12)
<b>Ending balance</b>	<b>\$ 1,332</b>	<b>\$ 2,477</b>	<b>\$ 3,809</b>
<b>Allowance ratio</b>	<b>1.1%</b>	<b>13.1%</b>	<b>2.7%</b>
<b>Net charge-off ratio</b>	<b>0.0%</b>	<b>4.6%</b>	<b>0.7%</b>
<b>Allowance for losses on lending commitments</b>			
Beginning balance	\$ 464	\$ 63	\$ 527
Provision	24	(9)	15
Other	(1)	—	(1)
<b>Ending balance</b>	<b>\$ 487</b>	<b>\$ 54</b>	<b>\$ 541</b>

In the table above:

- The allowance ratio is calculated by dividing the allowance for loan losses by gross loans accounted for at amortized cost.
- The net charge-off ratio is calculated by dividing annualized net (charge-offs)/recoveries by average gross loans accounted for at amortized cost.

## Notes to Consolidated Financial Statements (Unaudited)

### Forecast Model Inputs as of March 2024

When modeling expected credit losses, the Bank employs a weighted, multi-scenario forecast, which includes baseline, adverse and favorable economic scenarios. As of March 2024, this multi-scenario forecast was weighted towards the baseline and adverse economic scenarios.

The table below presents the forecasted U.S. unemployment and U.S. GDP growth rates used in the baseline economic scenario of the forecast model.

	As of March 2024
<b>U.S. unemployment rate</b>	
Forecast for the quarter ended:	
June 2024	4.1%
December 2024	4.3%
June 2025	4.2%
<b>Growth in U.S. GDP</b>	
Forecast for the year:	
2024	2.3%
2025	1.7%
2026	1.8%

The adverse economic scenario of the forecast model reflects a global recession in the second quarter of 2024 through the second quarter of 2025, resulting in an economic contraction and rising unemployment rates. In this scenario, the U.S. unemployment rate peaks at approximately 7.1% during the second quarter of 2025 and the maximum decline in the quarterly U.S. GDP relative to the first quarter of 2024 is approximately 2.7%, which occurs during the first quarter of 2025.

In the table above:

- U.S. unemployment rate represents the rate forecasted as of the respective quarter-end.
- Growth in U.S. GDP represents the year-over-year growth rate forecasted for the respective years.
- While the U.S. unemployment and U.S. GDP growth rates are significant inputs to the forecast model, the model contemplates a variety of other inputs across a range of scenarios to provide a forecast of future economic conditions. Given the complex nature of the forecasting process, no single economic variable can be viewed in isolation and independently of other inputs.

### Allowance for Credit Losses Commentary

**Three Months Ended March 2024.** The allowance for credit losses decreased by \$61 million during the three months ended March 2024, primarily reflecting a reserve reduction in the consumer portfolio.

Charge-offs for the three months ended March 2024 for wholesale loans were not material and charge-offs for consumer loans were primarily related to credit cards.

**Three Months Ended March 2023.** The allowance for credit losses decreased by \$429 million during the three months ended March 2023, reflecting a reserve reduction of approximately \$440 million associated with the sale of Marcus loans and transfer of the remaining Marcus loans portfolio to held for sale and reserve releases based on actual repayment experience, partially offset by growth in the Bank's consumer point-of-sale loans portfolio.

Charge-offs for the three months ended March 2023 for wholesale loans were not material and charge-offs for consumer loans were primarily related to credit cards.

### Estimated Fair Value

The table below presents the estimated fair value of loans that are not accounted for at fair value and in what level of the fair value hierarchy they would have been classified if they had been included in the Bank's fair value hierarchy.

\$ in millions	Carrying Value	Estimated Fair Value		
		Level 2	Level 3	Total
<b>As of March 2024</b>				
Amortized cost	\$ 151,412	\$ 82,593	\$ 69,877	\$ 152,470
Held for sale	\$ 4,041	\$ 1,668	\$ 2,376	\$ 4,044
<b>As of December 2023</b>				
Amortized cost	\$ 148,537	\$ 79,662	\$ 70,265	\$ 149,927
Held for sale	\$ 6,292	\$ 3,535	\$ 2,757	\$ 6,292

See Note 4 for an overview of the Bank's fair value measurement policies, valuation techniques and significant inputs used to determine the fair value of loans, and Note 5 for information about loans within the fair value hierarchy.

## Notes to Consolidated Financial Statements (Unaudited)

### Note 10.

#### Fair Value Option

##### Other Financial Assets and Liabilities at Fair Value

In addition to trading assets and liabilities, and certain investments and loans, the Bank accounts for certain of its other financial assets and liabilities at fair value, the vast majority under the fair value option. The primary reasons for electing the fair value option are to:

- Reflect economic events in earnings on a timely basis;
- Mitigate volatility in earnings from using different measurement attributes (e.g., transfers of financial assets accounted for as financings are recorded at fair value, whereas the related secured financing would be recorded on an accrual basis absent electing the fair value option); and
- Address simplification and cost-benefit considerations (e.g., accounting for hybrid financial instruments at fair value in their entirety versus bifurcation of embedded derivatives and hedge accounting for debt hosts).

Hybrid financial instruments are instruments that contain bifurcable embedded derivatives and do not require settlement by physical delivery of nonfinancial assets. For the vast majority of hybrid financial instruments, the Bank has not elected to bifurcate hybrid financial instruments and accounts for the entire hybrid financial instrument at fair value under the fair value option.

Other financial assets and liabilities accounted for at fair value under the fair value option include:

- Resale and repurchase agreements;
- Certain securities borrowed and loaned transactions;
- Certain customer and other receivables and certain other assets and liabilities;
- Certain time deposits (deposits with no stated maturity are not eligible for a fair value option election), including structured certificates of deposit, which are hybrid financial instruments;
- Most other secured financings, including transfers of assets accounted for as financings rather than sales; and
- Certain unsecured borrowings.

See Note 4 for an overview of the Bank's fair value measurement policies, valuation techniques and significant inputs used to determine the fair value of other financial assets and liabilities, and Note 5 for information about other financial assets and liabilities within the fair value hierarchy.

##### Gains and Losses on Other Financial Assets and Liabilities Accounted for at Fair Value Under the Fair Value Option

The table below presents the gains and losses recognized in earnings as a result of the election to apply the fair value option to certain financial assets and liabilities.

<i>\$ in millions</i>	Three Months Ended March	
	2024	2023
Deposits	\$ (143)	\$ (123)
Other	(35)	(108)
<b>Total</b>	<b>\$ (178)</b>	<b>\$ (231)</b>

In the table above:

- Gains/(losses) are included in gains and losses from financial assets and liabilities.
- Gains/(losses) exclude contractual interest, which is included in interest income and interest expense, for all instruments other than hybrid financial instruments. See Note 21 for further information about interest income and interest expense.
- Gains/(losses) included in deposits were related to the embedded derivative component of hybrid financial instruments. These gains and losses would have been recognized under other U.S. GAAP even if the Bank had not elected to account for the entire hybrid financial instrument at fair value.
- Gains/(losses) included in other were substantially all related to resale and repurchase agreements, certain customer and other receivables, certain other secured financings and unsecured borrowings.
- Other financial assets and liabilities at fair value are frequently economically hedged with trading assets and liabilities. Accordingly, gains or losses on such other financial assets and liabilities can be partially offset by gains or losses on trading assets and liabilities. As a result, gains or losses on other financial assets and liabilities do not necessarily represent the overall impact on the Bank's results of operations, liquidity or capital resources.

## Notes to Consolidated Financial Statements (Unaudited)

Gains/(losses) on trading assets and liabilities accounted for at fair value under the fair value option are included in gains and losses from financial assets and liabilities. See Note 6 for further information about gains/(losses) from financial assets and liabilities. See Note 8 for information about gains/(losses) on equity securities and Note 9 for information about gains/(losses) on loans which are accounted for at fair value under the fair value option.

### Long-Term Deposits

The aggregate contractual principal amount of long-term deposits, for which the fair value option was elected, did not exceed the related fair value as of March 2024. The related amount was not material as of December 2023.

### Debt Valuation Adjustment

The Bank calculates the fair value of financial liabilities for which the fair value option is elected by discounting future cash flows at a rate which incorporates the Bank's credit spreads.

The table below presents information about the net debt valuation adjustment (DVA) gains/(losses) on financial liabilities for which the fair value option was elected.

\$ in millions	Three Months Ended March	
	2024	2023
Pre-tax DVA	\$ —	\$ 80
After-tax DVA	\$ —	\$ 60

In the table above:

- After-tax DVA is included in debt valuation adjustment in the consolidated statements of comprehensive income.
- The gains/(losses) reclassified to earnings from accumulated other comprehensive income/(loss) upon extinguishment of such financial liabilities were not material for both the three months ended March 2024 and March 2023.

### Loans and Lending Commitments

The table below presents the difference between the aggregate fair value and the aggregate contractual principal amount for loans (included in trading assets and loans in the consolidated balance sheets) for which the fair value option was elected.

\$ in millions	As of	
	March 2024	December 2023
<b>Performing loans</b>		
Aggregate contractual principal in excess of fair value	\$ 791	\$ 912
<b>Loans on nonaccrual status and/or more than 90 days past due</b>		
Aggregate contractual principal in excess of fair value	\$ 76	\$ 65
Aggregate fair value	\$ 155	\$ 127

The fair value of unfunded lending commitments for which the fair value option was elected was a liability of \$8 million as of March 2024 and \$16 million as of December 2023. See Note 18 for further information about lending commitments.

### Impact of Credit Spreads on Loans and Lending Commitments

The estimated net gain/(loss) attributable to changes in instrument-specific credit spreads on loans and lending commitments for which the fair value option was elected was not material for both the three months ended March 2024 and March 2023. The Bank generally calculates the fair value of loans and lending commitments for which the fair value option is elected by discounting future cash flows at a rate which incorporates the instrument-specific credit spreads. For floating-rate loans and lending commitments, substantially all changes in fair value are attributable to changes in instrument-specific credit spreads, whereas for fixed-rate loans and lending commitments, changes in fair value are also attributable to changes in interest rates.

### Note 11.

### Collateralized Agreements and Financings

Collateralized agreements are resale agreements and securities borrowed. Collateralized financings are repurchase agreements, securities loaned and other secured financings. The Bank enters into these transactions in order to, among other things, facilitate client activities, invest excess cash, acquire securities to cover short positions and finance certain Bank activities.

Collateralized agreements and financings with the same settlement date are presented on a net-by-counterparty basis when such transactions meet certain settlement criteria and are subject to netting agreements. Interest on collateralized agreements, which is included in interest income, and collateralized financings, which is included in interest expense, is recognized over the life of the transaction. See Note 21 for further information about interest income and interest expense.

See Note 4 for further information about the valuation techniques and significant inputs used to determine fair value.

### Resale and Repurchase Agreements

A resale agreement is a transaction in which the Bank purchases financial instruments from a seller, typically in exchange for cash, and simultaneously enters into an agreement to resell the same or substantially the same financial instruments to the seller at a stated price plus accrued interest at a future date.

## Notes to Consolidated Financial Statements (Unaudited)

A repurchase agreement is a transaction in which the Bank sells financial instruments to a buyer, typically in exchange for cash, and simultaneously enters into an agreement to repurchase the same or substantially the same financial instruments from the buyer at a stated price plus accrued interest at a future date.

Even though repurchase and resale agreements involve the legal transfer of ownership of financial instruments, they are accounted for as financing arrangements because they require the financial instruments to be repurchased or resold before or at the maturity of the agreement. The financial instruments purchased or sold in resale and repurchase agreements typically include U.S. government and agency obligations, and investment-grade sovereign obligations.

The Bank receives financial instruments purchased under resale agreements and makes delivery of financial instruments sold under repurchase agreements. To mitigate credit exposure, the Bank monitors the market value of these financial instruments on a daily basis, and delivers or obtains additional collateral due to changes in the market value of the financial instruments, as appropriate. For resale agreements, the Bank typically requires collateral with a fair value approximately equal to the carrying value of the relevant assets in the consolidated balance sheets.

Repurchase agreements and resale agreements are recorded at fair value under the fair value option. See Note 5 for further information about repurchase and resale agreements.

### Securities Borrowed and Loaned Transactions

In a securities borrowed transaction, the Bank borrows securities from a counterparty in exchange for cash or securities. When the Bank returns the securities, the counterparty returns the cash or securities. Interest is generally paid periodically over the life of the transaction.

In a securities loaned transaction, the Bank lends securities to a counterparty in exchange for cash or securities. When the counterparty returns the securities, the Bank returns the cash or securities posted as collateral. Interest is generally paid periodically over the life of the transaction.

In a transaction where the Bank lends securities and receives securities that can be delivered or pledged as collateral, the Bank recognizes the securities received within securities borrowed and the obligation to return those securities within securities loaned in the consolidated balance sheets.

The Bank receives securities borrowed and makes delivery of securities loaned. To mitigate credit exposure, the Bank monitors the market value of these securities on a daily basis, and delivers or obtains additional collateral due to changes in the market value of the securities, as appropriate. For securities borrowed transactions, the Bank typically requires collateral with a fair value approximately equal to the carrying value of the securities borrowed transaction.

Certain of the Bank's securities borrowed and loaned are recorded at fair value under the fair value option. See Note 5 for further information about securities borrowed and loaned accounted for at fair value.

All other securities borrowed and loaned are recorded based on the amount of cash collateral advanced or received plus accrued interest. The Bank also reviews such securities borrowed to determine if an allowance for credit losses should be recorded by taking into consideration the fair value of collateral received. As these agreements generally can be terminated on demand, they exhibit little, if any, sensitivity to changes in interest rates. Therefore, the carrying value of such agreements approximates fair value. As these agreements are not accounted for at fair value, they are not included in the Bank's fair value hierarchy in Notes 4 and 5. Had these agreements been included in the Bank's fair value hierarchy, they would have been classified in level 2 as of both March 2024 and December 2023.

### Offsetting Arrangements

The table below presents resale and repurchase agreements and securities borrowed and loaned transactions included in the consolidated balance sheets, as well as the amounts not offset in the consolidated balance sheets.

<i>\$ in millions</i>	Assets		Liabilities	
	Resale agreements	Securities borrowed	Repurchase agreements	Securities loaned
<b>As of March 2024</b>				
<b>Included in the consolidated balance sheets</b>				
Gross carrying value	\$ 67,853	\$ 4,412	\$ 43,928	\$ 8,236
Counterparty netting	(25,274)	—	(25,274)	—
<b>Total</b>	<b>42,579</b>	<b>4,412</b>	<b>18,654</b>	<b>8,236</b>
<b>Amounts not offset</b>				
Counterparty netting	(558)	(3,925)	(558)	(3,925)
Collateral	(41,155)	(319)	(17,843)	(4,173)
<b>Total</b>	<b>\$ 866</b>	<b>\$ 168</b>	<b>\$ 253</b>	<b>\$ 138</b>
<b>As of December 2023</b>				
<b>Included in the consolidated balance sheets</b>				
Gross carrying value	\$ 84,049	\$ 3,407	\$ 41,285	\$ 4,896
Counterparty netting	(27,714)	—	(27,714)	—
<b>Total</b>	<b>56,335</b>	<b>3,407</b>	<b>13,571</b>	<b>4,896</b>
<b>Amounts not offset</b>				
Counterparty netting	(1,841)	(2,938)	(1,841)	(2,938)
Collateral	(52,291)	(414)	(11,675)	(1,892)
<b>Total</b>	<b>\$ 2,203</b>	<b>\$ 55</b>	<b>\$ 55</b>	<b>\$ 66</b>

In the table above:

- Substantially all of the gross carrying values of these arrangements are subject to enforceable netting agreements.
- Where the Bank has received or posted collateral under credit support agreements, but has not yet determined such agreements are enforceable, the related collateral has not been netted.

## Notes to Consolidated Financial Statements (Unaudited)

- Amounts not offset includes counterparty netting that does not meet the criteria for netting under U.S. GAAP and the fair value of collateral received or posted subject to enforceable credit support agreements.
- Resale agreements and repurchase agreements are carried at fair value under the fair value option. See Note 5 for further information about resale agreements and repurchase agreements accounted for at fair value.
- Securities borrowed included in the consolidated balance sheets of \$5 million as of March 2024 and \$25 million as of December 2023, and securities loaned included in the consolidated balance sheets of \$6 million as of March 2024 and \$26 million as of December 2023, were at fair value under the fair value option. See Note 5 for further information about securities borrowed and securities loaned accounted for at fair value.

### Gross Carrying Value of Repurchase Agreements and Securities Loaned

The table below presents the gross carrying value of repurchase agreements and securities loaned by class of collateral pledged.

<i>\$ in millions</i>	Repurchase agreements	Securities loaned
<b>As of March 2024</b>		
U.S. government and agency obligations	\$ 15,337	\$ 180
Non-U.S. government and agency obligations	27,686	960
Securities backed by residential real estate	14	2
Corporate debt securities	573	1,134
Equity securities	318	5,960
<b>Total</b>	<b>\$ 43,928</b>	<b>\$ 8,236</b>
<b>As of December 2023</b>		
U.S. government and agency obligations	\$ 9,368	—
Non-U.S. government and agency obligations	31,065	287
Securities backed by residential real estate	73	4
Corporate debt securities	476	1,225
Other debt obligations	—	19
Equity securities	303	3,361
<b>Total</b>	<b>\$ 41,285</b>	<b>\$ 4,896</b>

The table below presents the gross carrying value of repurchase agreements and securities loaned by maturity.

<i>\$ in millions</i>	As of March 2024	
	Repurchase agreements	Securities loaned
No stated maturity and overnight	\$ 42,441	\$ 8,236
2 - 30 days	336	—
31 - 90 days	529	—
91 days - 1 year	622	—
<b>Total</b>	<b>\$ 43,928</b>	<b>\$ 8,236</b>

In the table above:

- Repurchase agreements and securities loaned that are repayable prior to maturity at the option of the Bank are reflected at their contractual maturity dates.
- Repurchase agreements and securities loaned that are redeemable prior to maturity at the option of the holder are reflected at the earliest dates such options become exercisable.

### Other Secured Financings

In addition to repurchase agreements and securities loaned transactions, the Bank funds certain assets through the use of other secured financings and pledges financial instruments and other assets as collateral in these transactions. These other secured financings include:

- Secured borrowings from affiliates;
- Credit-linked notes; and
- Transfers of assets accounted for as financings rather than sales (e.g., collateralized by bank loans and mortgage whole loans).

The Bank has elected to apply the fair value option to most other secured financings because the use of fair value eliminates non-economic volatility in earnings that would arise from using different measurement attributes. See Note 5 for further information about other secured financings that are accounted for at fair value.

Other secured financings that are not recorded at fair value are recorded based on the amount of cash received plus accrued interest, which generally approximates fair value. As these financings are not accounted for at fair value, they are not included in the Bank's fair value hierarchy in Notes 4 and 5. Had these financings been included in the Bank's fair value hierarchy, they would have been classified in level 3 as of both March 2024 and December 2023.

Other secured financings at amortized cost had a weighted average interest rate of 3.59% as of March 2024 and 3.44% as of December 2023.

**Federal Home Loan Bank of New York (FHLB) Advances.** As a member of the FHLB, the Bank can draw under a funding arrangement secured by eligible collateral. The Bank had no outstanding borrowings from the FHLB as of both March 2024 and December 2023.

## Notes to Consolidated Financial Statements (Unaudited)

### Collateral Received and Pledged

The Bank receives cash and securities (e.g., U.S. government and agency obligations, other sovereign and corporate obligations) as collateral, primarily in connection with resale agreements, securities borrowed, derivative transactions and customer margin loans. The Bank obtains cash and securities as collateral on an upfront or contingent basis for derivative instruments and collateralized agreements to reduce its credit exposure to individual counterparties.

In many cases, the Bank is permitted to deliver or repledge financial instruments received as collateral when entering into repurchase agreements and securities loaned transactions. The Bank is also permitted to deliver or repledge these financial instruments in connection with collateralized derivative transactions.

The Bank also pledges certain trading assets, loans and other assets (substantially all of which is cash) in connection with repurchase agreements, securities loaned transactions and other secured financings. These assets are pledged to counterparties who may or may not have the right to deliver or repledge them.

The table below presents financial instruments at fair value received as collateral that were available to be delivered or repledged and were delivered or repledged.

<i>\$ in millions</i>	As of	
	March 2024	December 2023
Collateral available to be delivered or repledged	\$ 88,788	\$ 101,375
Collateral that was delivered or repledged	\$ 54,073	\$ 58,889

The table below presents information about assets pledged.

<i>\$ in millions</i>	As of	
	March 2024	December 2023
<b>Pledged to counterparties that had the right to deliver or repledge</b>		
Trading assets	\$ 31,463	\$ 16,828
<b>Pledged to counterparties that did not have the right to deliver or repledge</b>		
Trading assets	\$ 12,050	\$ 11,762
Loans	\$ 9,032	\$ 8,776
Other assets	\$ 1,491	\$ 1,597

### Note 12.

### Other Assets

The table below presents other assets by type.

<i>\$ in millions</i>	As of	
	March 2024	December 2023
Investments in qualified affordable housing projects	\$ 2,471	\$ 2,562
Income tax-related assets	2,013	2,261
Receivables from affiliates	1,689	1,089
Federal Reserve Bank of New York shares	1,316	1,316
Goodwill	1,160	1,160
Property, leasehold improvements and equipment	312	319
Identifiable intangible assets	75	187
Operating lease right-of-use assets	46	46
FHLB shares	32	35
Miscellaneous receivables and other	415	487
<b>Total</b>	<b>\$ 9,529</b>	<b>\$ 9,462</b>

### Property, Leasehold Improvements and Equipment

Property, leasehold improvements and equipment, which is primarily software, is net of accumulated depreciation and amortization of \$449 million as of March 2024 and \$413 million as of December 2023. Capitalized costs of software developed or obtained for internal use are amortized on a straight-line basis over three years. Leasehold improvements are amortized on a straight-line basis over the shorter of the useful life of the improvement or the term of the lease. Other property and equipment is depreciated on a straight-line basis over the useful life of the asset.

The Bank tests property, leasehold improvements and equipment for impairment when events or changes in circumstances suggest that an asset's or asset group's carrying value may not be fully recoverable. To the extent the carrying value of an asset or asset group exceeds the projected undiscounted cash flows expected to result from the use and eventual disposal of the asset or asset group, the Bank determines the asset or asset group is impaired and records an impairment equal to the difference between the estimated fair value and the carrying value of the asset or asset group. In addition, the Bank will recognize an impairment prior to the sale of an asset or asset group if the carrying value of the asset or asset group exceeds its estimated fair value. Any impairments recognized are included in depreciation and amortization.

There were no impairments during the three months ended March 2024. The Bank had impairments of \$32 million during the three months ended March 2023 related to capitalized software.

## Notes to Consolidated Financial Statements (Unaudited)

### Goodwill

Goodwill is the cost of acquired companies in excess of the fair value of net assets, including identifiable intangible assets, at the acquisition date. As of both March 2024 and December 2023, the carrying value of the Bank's goodwill was \$1.16 billion. No impairment was recorded for goodwill during the three months ended March 2024 or the year ended December 2023.

Goodwill is assessed for impairment annually or more frequently if events occur or circumstances change that indicate an impairment may exist. The Bank consists of a single reporting unit, and as such, the assessment of goodwill for impairment is performed at the overall Bank level. When assessing goodwill for impairment, first, a qualitative assessment can be made to determine whether it is more likely than not that the estimated fair value of the Bank is less than its net book value. If the results of the qualitative assessment are not conclusive, a quantitative goodwill test is performed. Alternatively, a quantitative goodwill test can be performed without performing a qualitative assessment.

In the fourth quarter of 2023, the Bank performed a qualitative assessment of goodwill. Multiple factors, including performance indicators, macroeconomic indicators, Bank and industry events, and fair value indicators, were considered to determine whether it was more likely than not that the estimated fair value of the Bank was less than its net book value. The qualitative assessment also considered changes since a quantitative test was last performed in the second quarter of 2023.

As a result of the qualitative assessment, the Bank determined that it was more likely than not that its estimated fair value exceeded its net book value. Therefore, the Bank determined that goodwill was not impaired and that a quantitative test was not required.

There were no events or changes in circumstances during the three months ended March 2024 that would indicate that it was more likely than not that the estimated fair value of the Bank was less than its net book value as of March 2024.

### Identifiable Intangible Assets

The table below presents information about identifiable intangible assets.

<i>\$ in millions</i>	As of	
	March 2024	December 2023
Gross carrying value	\$ 116	\$ 826
Accumulated amortization	(41)	(639)
<b>Net carrying value</b>	<b>\$ 75</b>	<b>\$ 187</b>

In the table above:

- The decrease in the net carrying value of identifiable intangible assets from December 2023 to March 2024 was primarily attributable to the sale of GreenSky.
- During the three months ended March 2024 and the year ended December 2023, the Bank did not acquire any identifiable intangible assets.
- All of the Bank's identifiable intangible assets have finite useful lives and are amortized over their estimated useful lives using the straight-line method.

The tables below present information about the amortization of identifiable intangible assets.

<i>\$ in millions</i>	Three Months Ended March	
	2024	2023
Amortization	\$ 2	\$ 17

<i>\$ in millions</i>	As of March 2024	
	Estimated future amortization	
Remainder of 2024	\$	7
2025	\$	9
2026	\$	9
2027	\$	9
2028	\$	9
2029	\$	9

The Bank tests identifiable intangible assets for impairment when events or changes in circumstances suggest that an asset's or asset group's carrying value may not be fully recoverable. To the extent the carrying value of an asset or asset group exceeds the projected undiscounted cash flows expected to result from the use and eventual disposal of the asset or asset group, the Bank determines the asset or asset group is impaired and records an impairment equal to the difference between the estimated fair value and the carrying value of the asset or asset group. In addition, the Bank will recognize an impairment prior to the sale of an asset or asset group if the carrying value of the asset or asset group exceeds its estimated fair value. There were no impairments or write-downs during either the three months ended March 2024 or March 2023.

### Investments in Qualified Affordable Housing Projects

The Bank receives tax credits for investments in qualified affordable housing projects. See Note 17 for further information about these investments.



## Notes to Consolidated Financial Statements (Unaudited)

### Operating Lease Right-of-Use Assets

The Bank enters into operating leases for real estate, office equipment and other assets, which are used in connection with its operations. For leases longer than one year, generally based on the contractual maturity, adjusted for certain extension or termination options, the Bank recognizes a right-of-use asset representing the right to use the underlying asset for the lease term, and a lease liability representing the liability to make payments.

An operating lease right-of-use asset is initially determined based on the operating lease liability, and amortized over the lease term. Right-of-use assets and operating lease liabilities recognized (in non-cash transactions for leases entered into or assumed) were \$1 million for the three months ended March 2024 and \$5 million for the three months ended March 2023. See Note 15 for information about operating lease liabilities.

### Assets Held for Sale

As of December 2023, GreenSky was classified as held for sale. Assets related to GreenSky were approximately \$3.4 billion and consisted of loans of approximately \$3.0 billion (included in loans), segregated cash of approximately \$110 million (included in cash), identifiable intangible assets of approximately \$110 million (included in identifiable intangible assets within other assets) and other assets of approximately \$190 million (included in miscellaneous receivables and other within other assets). During the first quarter of 2024, the Bank completed the sale of GreenSky. See Note 9 for further information about loans classified as held for sale, above for further information about identifiable intangible assets, and Note 15 for information about liabilities classified as held for sale.

### Note 13.

#### Deposits

The table below presents information about deposits.

<i>\$ in millions</i>	As of	
	March 2024	December 2023
U.S. offices	\$ 364,602	\$ 364,246
Non-U.S. offices	17,043	18,805
<b>Total</b>	<b>\$ 381,645</b>	<b>\$ 383,051</b>

In the table above:

- Deposits include savings, demand and time deposits.
- The majority of non-U.S. deposits were held at GSBE.
- Substantially all deposits are interest-bearing.

The table below presents maturities of time deposits held in U.S. and non-U.S. offices.

<i>\$ in millions</i>	As of March 2024		
	U.S.	Non-U.S.	Total
Remainder of 2024	\$ 61,191	\$ 2,549	\$ 63,740
2025	29,449	103	29,552
2026	3,205	—	3,205
2027	1,417	—	1,417
2028	817	—	817
2029	751	—	751
2030 - thereafter	624	—	624
<b>Total</b>	<b>\$ 97,454</b>	<b>\$ 2,652</b>	<b>\$ 100,106</b>

In the table above:

- The aggregate amount of time deposits in denominations that met or exceeded the applicable insurance limits, or were otherwise not covered by insurance, were \$23.37 billion in U.S. deposits and \$2.37 billion in non-U.S. deposits.
- Time deposits included \$6.50 billion as of March 2024 and \$6.89 billion as of December 2023 of deposits accounted for at fair value under the fair value option. See below and Note 10 for further information about deposits accounted for at fair value.

The Bank's savings and demand deposits are recorded based on the amount of cash received plus accrued interest, which approximates fair value. In addition, the Bank designates certain derivatives as fair value hedges to convert a portion of its time deposits not accounted for at fair value from fixed-rate obligations into floating-rate obligations. The carrying value of time deposits not accounted for at fair value approximated fair value as of both March 2024 and December 2023. As these savings and demand deposits and substantially all time deposits are not accounted for at fair value, they are not included in the Bank's fair value hierarchy in Notes 4 and 5. Had these deposits been included in the Bank's fair value hierarchy, they would have been primarily classified in level 2 as of both March 2024 and December 2023.

### Note 14.

#### Unsecured Borrowings

The table below presents information about unsecured borrowings.

<i>\$ in millions</i>	As of	
	March 2024	December 2023
Unsecured short-term borrowings	\$ 748	\$ 542
Unsecured long-term borrowings	11,710	8,780
<b>Total</b>	<b>\$ 12,458</b>	<b>\$ 9,322</b>

## Notes to Consolidated Financial Statements (Unaudited)

### Unsecured Short-Term Borrowings

Unsecured short-term borrowings includes the portion of unsecured long-term borrowings maturing within one year of the financial statement date.

The Bank accounts for the vast majority of hybrid financial instruments at fair value under the fair value option. See Note 10 for further information about hybrid financial instruments that are accounted for at fair value. In addition, the Bank designates certain derivatives as fair value hedges to convert a portion of fixed-rate unsecured short-term borrowings not accounted for at fair value into floating-rate obligations. See Note 7 for further information about hedging activities.

The table below presents information about unsecured short-term borrowings.

<i>\$ in millions</i>	As of	
	March 2024	December 2023
Current portion of senior unsecured borrowings	\$ 230	\$ 268
Hybrid financial instruments	181	153
Other unsecured short-term borrowings	337	121
<b>Total</b>	<b>\$ 748</b>	<b>\$ 542</b>

In the table above:

- Unsecured short-term borrowings included \$380 million as of March 2024 and \$393 million as of December 2023 of borrowings accounted for at fair value under the fair value option. The carrying value of unsecured short-term borrowings for which the Bank did not elect the fair value option was \$368 million as of March 2024 and \$149 million as of December 2023, which generally approximated fair value. As these borrowings are not accounted for at fair value, they are not included in the Bank's fair value hierarchy in Notes 4 and 5. Had these borrowings been included in the Bank's fair value hierarchy, substantially all would have been classified in level 2 as of both March 2024 and December 2023.
- Other unsecured short-term borrowings primarily includes accrued interest on unsecured long-term borrowings.
- Unsecured short-term borrowings included \$342 million as of March 2024 and \$111 million as of December 2023 of borrowings with affiliates. See Note 20 for further information about transactions with related parties.

### Unsecured Long-Term Borrowings

The table below presents information about unsecured long-term borrowings.

<i>\$ in millions</i>	As of	
	March 2024	December 2023
Subordinated borrowings	\$ 2,272	\$ 2,272
Senior unsecured borrowings	8,564	5,635
Hybrid financial instruments	874	873
<b>Total</b>	<b>\$ 11,710</b>	<b>\$ 8,780</b>

In the table above:

- Unsecured long-term borrowings included \$80 million as of March 2024 and \$88 million as of December 2023 of borrowings accounted for at fair value under the fair value option. The carrying value of unsecured long-term borrowings for which the Bank did not elect the fair value option was \$11.63 billion as of March 2024 and \$8.69 billion as of December 2023, which generally approximated fair value. As these borrowings are not accounted for at fair value, they are not included in the Bank's fair value hierarchy in Notes 4 and 5. Had these borrowings been included in the Bank's fair value hierarchy, substantially all would have been classified in level 2 as of both March 2024 and December 2023.
- Unsecured long-term borrowings had interest rates ranging from 3.61% to 11.50% (with a weighted average rate of 6.18%) as of March 2024 and 0.12% to 11.50% (with a weighted average rate of 6.60%) as of December 2023, primarily related to floating-rate obligations. These rates exclude unsecured long-term borrowings accounted for at fair value under the fair value option.
- The Bank designates certain derivatives as fair value hedges to convert a portion of fixed-rate unsecured long-term borrowings not accounted for at fair value into floating-rate obligations. See Note 7 for further information about hedging activities.
- Unsecured long-term borrowings included \$8.20 billion as of March 2024 and \$8.19 billion as of December 2023 of borrowings with affiliates. See Note 20 for further information about transactions with related parties.
- During the first quarter of 2024, the Bank issued \$3.00 billion of long-term senior unsecured borrowings, substantially all with third parties.

## Notes to Consolidated Financial Statements (Unaudited)

The table below presents unsecured long-term borrowings by maturity.

<i>\$ in millions</i>	As of March 2024
2025	\$ 5,124
2026	291
2027	3,402
2028	554
2029	2,272
2030 - thereafter	67
<b>Total</b>	<b>\$ 11,710</b>

In the table above:

- Unsecured long-term borrowings have maturities extending through 2042.
- Unsecured long-term borrowings maturing within one year of the financial statement date are excluded as they are included in unsecured short-term borrowings.
- Unsecured long-term borrowings that are repayable prior to maturity at the option of the Bank are reflected at their contractual maturity dates.

**Subordinated Borrowings.** As of both March 2024 and December 2023, the Bank had a revolving subordinated loan agreement with Goldman Sachs Funding LLC (Funding IHC), which expires in 2039. As of both March 2024 and December 2023, outstanding subordinated borrowings under this agreement included \$2.25 billion maturing in 2029. These borrowings are redeemable prior to maturity at the option of the Bank. As of both March 2024 and December 2023, outstanding borrowings bear interest at the overnight bank funding rate plus 1.85% per annum.

As of both March 2024 and December 2023, the Bank also had a subordinated loan agreement with Group Inc., which is redeemable prior to maturity at the option of the Bank. As of March 2024, the outstanding subordinated borrowings under this agreement were \$22 million maturing in 2029, the earliest date such option becomes exercisable, and as of December 2023, the outstanding subordinated borrowings under this agreement were \$22 million maturing in 2028, the earliest date such option becomes exercisable. As of both March 2024 and December 2023, the interest rate on these borrowings was the three-month Euro Interbank Offered Rate plus 2.10% per annum.

The carrying value of these subordinated borrowings generally approximates fair value. Any amounts payable under these agreements would be subordinate to the claims of certain other creditors of the Bank, including depositors and regulatory agencies.

### Note 15.

## Other Liabilities

The table below presents other liabilities by type.

<i>\$ in millions</i>	As of	
	March 2024	December 2023
Income tax-related liabilities	\$ 2,456	\$ 1,873
Payables to affiliates	1,494	1,339
Compensation and benefits	499	686
Operating lease liabilities	49	49
Accrued expenses and other	4,260	4,504
<b>Total</b>	<b>\$ 8,758</b>	<b>\$ 8,451</b>

### Operating Lease Liabilities

For leases longer than one year, the Bank recognizes a right-of-use asset representing the right to use the underlying asset for the lease term, and a lease liability representing the liability to make payments. See Note 12 for information about operating lease right-of-use assets.

The table below presents information about operating lease liabilities.

<i>\$ in millions</i>	Operating lease liabilities	
<b>As of March 2024</b>		
Remainder of 2024	\$	10
2025		12
2026		10
2027		9
2028		8
2029 - thereafter		6
Total undiscounted lease payments		55
Imputed interest		(6)
<b>Total operating lease liabilities</b>	<b>\$</b>	<b>49</b>
<b>Weighted average remaining lease term</b>		<b>5 years</b>
<b>Weighted average discount rate</b>		<b>4.21%</b>
<b>As of December 2023</b>		
2024	\$	11
2025		11
2026		9
2027		9
2028		9
2029 - thereafter		6
Total undiscounted lease payments		55
Imputed interest		(6)
<b>Total operating lease liabilities</b>	<b>\$</b>	<b>49</b>
<b>Weighted average remaining lease term</b>		<b>6 years</b>
<b>Weighted average discount rate</b>		<b>4.00%</b>

In the table above, the weighted average discount rate represents the Bank's incremental borrowing rate as of January 2019 for operating leases existing on the date of adoption of ASU No. 2016-02, "Leases (Topic 842)," and at the lease inception date for leases entered into subsequent to the adoption of this ASU.

## Notes to Consolidated Financial Statements (Unaudited)

Operating lease costs were \$5 million for both the three months ended March 2024 and March 2023. Variable lease costs, which are included in operating lease costs, were not material for both the three months ended March 2024 and March 2023. There were no occupancy expenses for space held in excess of the Bank's current requirements for both the three months ended March 2024 and March 2023.

There were no lease payments relating to operating lease arrangements that were signed, but had not yet commenced as of March 2024.

### Accrued Expenses and Other

Accrued expenses and other included:

- There were no liabilities classified as held for sale as of March 2024 and liabilities classified as held for sale were \$255 million as of December 2023, all of which related to GreenSky and consisted primarily of customer and other payables. See Note 12 for further information about assets held for sale.
- Accrued unfunded commitments related to investments in qualified affordable housing projects were \$1.75 billion as of March 2024 and \$1.85 billion as of December 2023. See Note 17 for further information about these investments.

### Note 16.

## Securitization Activities

The Bank securitizes residential and commercial mortgages and other types of financial assets by selling these assets to securitization vehicles (e.g., trusts, corporate entities and limited liability companies) or through a resecuritization. An affiliate acts as underwriter of the beneficial interests that are sold to investors.

The Bank accounts for a securitization as a sale when it has relinquished control over the transferred financial assets. Prior to securitization, the Bank generally accounts for assets pending transfer at fair value and therefore does not typically recognize significant gains or losses upon the transfer of assets.

The Bank generally receives cash in exchange for the transferred assets but may also have continuing involvement with the transferred financial assets, including ownership of beneficial interests in securitized financial assets, primarily in the form of loans.

The primary risks from the Bank's continuing involvement with securitization vehicles are the performance of the underlying collateral and the position of the Bank's investment in the capital structure of the securitization vehicle. Substantially all of these retained interests are accounted for at amortized cost net of allowance for loan losses. Had these interests been included in the Bank's fair value hierarchy, they would have been primarily classified in level 3 as of both March 2024 and December 2023. See Note 4 for further information about fair value measurements.

The table below presents the amount of financial assets securitized and the cash flows received on retained interests in securitization entities in which the Bank had continuing involvement as of the end of the period.

<i>\$ in millions</i>	Three Months Ended March	
	2024	2023
Residential mortgages	\$ 873	\$ 261
Commercial mortgages	—	400
Other financial assets	—	193
<b>Total financial assets</b>	<b>\$ 873</b>	<b>\$ 854</b>
<b>Retained interests cash flows</b>	<b>\$ 113</b>	<b>\$ 37</b>

The Bank securitized assets of \$37 million during the three months ended March 2024 and \$44 million during the three months ended March 2023, in a non-cash exchange for loans.

The table below presents information about nonconsolidated securitization entities to which the Bank sold assets and had continuing involvement as of the end of the period.

<i>\$ in millions</i>	Outstanding	Retained
	Principal Amount	Interests
<b>As of March 2024</b>		
Residential mortgage-backed	\$ 15,925	\$ 738
Commercial mortgage-backed	58,615	1,071
Other asset-backed	6,669	297
<b>Total</b>	<b>\$ 81,209</b>	<b>\$ 2,106</b>
<b>As of December 2023</b>		
Residential mortgage-backed	\$ 15,837	\$ 734
Commercial mortgage-backed	60,367	1,175
Other asset-backed	7,781	360
<b>Total</b>	<b>\$ 83,985</b>	<b>\$ 2,269</b>

In the table above:

- The outstanding principal amount is presented for the purpose of providing information about the size of the securitization entities and is not representative of the Bank's risk of loss.
- The Bank's risk of loss from retained interests is limited to the carrying value of these interests.

## Notes to Consolidated Financial Statements (Unaudited)

- Substantially all of the total outstanding principal amount and total retained interests relate to securitizations during 2018 and thereafter.
- The fair value of retained interests was \$2.03 billion as of March 2024 and \$2.24 billion as of December 2023.

In addition to the interests in the table above, the Bank had other continuing involvement in the form of derivative transactions and commitments with certain nonconsolidated VIEs. As of March 2024, the notional amount of these derivatives and commitments was \$231 million and the carrying value was a net asset of \$132 million. As of December 2023, the notional amount of these derivatives and commitments was \$126 million and the carrying value was not material. The notional amounts of these derivatives and commitments are included in maximum exposure to loss in the nonconsolidated VIE table in Note 17. Additionally, the Bank provided seller financing of approximately \$1.50 billion in connection with the sale of \$3.69 billion of GreenSky loans during the three months ended March 2024 and of approximately \$830 million in connection with the sale of \$1.0 billion of Marcus loans during the three months ended March 2023. The principal and interest repayments received from these financings were \$381 million for the three months ended March 2024 and were not material for the three months ended March 2023. During 2023, the Bank provided an aggregate amount of seller financing of approximately \$2.7 billion in connection with the sale of \$3.24 billion of Marcus loans. The total outstanding principal amount of these seller financings were \$3.0 billion as of March 2024 and \$1.81 billion as of December 2023.

The table below presents information about the weighted average key economic assumptions used in measuring the fair value of mortgage-backed retained interests.

<i>\$ in millions</i>	As of	
	March 2024	December 2023
Fair value of retained interests	\$ 1,748	\$ 1,883
Weighted average life (years)	6.0	5.8
Constant prepayment rate	3.3%	4.0%
Impact of 10% adverse change	\$ (3)	\$ (3)
Impact of 20% adverse change	\$ (6)	\$ (6)
Discount rate	10.0%	9.7%
Impact of 10% adverse change	\$ (54)	\$ (51)
Impact of 20% adverse change	\$ (105)	\$ (99)

In the table above:

- Amounts do not reflect the benefit of other financial instruments that are held to mitigate risks inherent in these retained interests.

- Changes in fair value based on an adverse variation in assumptions generally cannot be extrapolated because the relationship of the change in assumptions to the change in fair value is not usually linear.
- The impact of a change in a particular assumption is calculated independently of changes in any other assumption. In practice, simultaneous changes in assumptions might magnify or counteract the sensitivities disclosed above.
- The constant prepayment rate is included only for positions for which it is a key assumption in the determination of fair value.
- Expected credit loss assumptions are reflected in the discount rate for the retained interests.

The Bank has other retained interests not reflected in the table above with a fair value of \$281 million and a weighted average life of 2.4 years as of March 2024, and a fair value of \$354 million and a weighted average life of 2.5 years as of December 2023. Due to the nature and fair value of certain of these retained interests, the weighted average assumptions for constant prepayment and discount rates and the related sensitivity to adverse changes are not meaningful as of both March 2024 and December 2023. The Bank's maximum exposure to adverse changes in the value of these interests is the carrying value of \$297 million as of March 2024 and \$360 million as of December 2023.

### Note 17.

#### Variable Interest Entities

A variable interest in a VIE is an investment (e.g., debt or equity) or other interest (e.g., derivatives or loans and lending commitments) that will absorb portions of the VIE's expected losses and/or receive portions of the VIE's expected residual returns.

The Bank's variable interests in VIEs include senior and subordinated debt; loans and lending commitments; limited and general partnership interests; preferred and common equity; derivatives that may include foreign currency, equity and/or credit risk; and guarantees. Certain interest rate, foreign currency and credit derivatives the Bank enters into with VIEs are not variable interests because they create, rather than absorb, risk.

## Notes to Consolidated Financial Statements (Unaudited)

VIEs generally finance the purchase of assets by issuing debt and equity securities that are either collateralized by or indexed to the assets held by the VIE. The debt and equity securities issued by a VIE may include tranches of varying levels of subordination. The Bank's involvement with VIEs includes securitization of financial assets, as described in Note 16, and investments in and loans to other types of VIEs, as described below. See Note 3 for the Bank's consolidation policies, including the definition of a VIE.

### VIE Consolidation Analysis

The enterprise with a controlling financial interest in a VIE is known as the primary beneficiary and consolidates the VIE. The Bank determines whether it is the primary beneficiary of a VIE by performing an analysis that principally considers:

- Which variable interest holder has the power to direct the activities of the VIE that most significantly impact the VIE's economic performance;
- Which variable interest holder has the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE;
- The VIE's purpose and design, including the risks the VIE was designed to create and pass through to its variable interest holders;
- The VIE's capital structure;
- The terms between the VIE and its variable interest holders and other parties involved with the VIE; and
- Related-party relationships.

The Bank reassesses its evaluation of whether an entity is a VIE when certain reconsideration events occur. The Bank reassesses its determination of whether it is the primary beneficiary of a VIE on an ongoing basis based on current facts and circumstances.

### VIE Activities

The Bank is principally involved with VIEs through the following business activities:

**Mortgage-Backed VIEs.** The Bank sells residential and commercial mortgage loans and securities to mortgage-backed VIEs and may retain beneficial interests in the assets sold to these VIEs. In addition, the Bank may enter into derivatives with certain of these VIEs, primarily interest rate swaps, which are typically not variable interests. The Bank generally enters into derivatives with other counterparties to mitigate its risk.

**Corporate Debt and Other Asset-Backed VIEs.** The Bank structures VIEs that issue notes to clients and makes loans to VIEs that warehouse corporate debt. Certain of these VIEs synthetically create the exposure for the beneficial interests they issue by entering into credit derivatives with the Bank, rather than purchasing the underlying assets. In addition, the Bank may enter into derivatives, such as total return swaps, with certain corporate debt and other asset-backed VIEs, under which the Bank pays the VIE a return due to the beneficial interest holders and receives the return on the collateral owned by the VIE. The collateral owned by these VIEs is primarily other asset-backed loans and securities. The Bank may be removed as the total return swap counterparty and may enter into derivatives with other counterparties to mitigate its risk related to these swaps. The Bank may sell assets to the corporate debt and other asset-backed VIEs it structures.

**Real Estate, Credit-Related, Tax Credit and Other Investing VIEs.** The Bank primarily purchases debt securities issued by and makes loans to VIEs that hold real estate and distressed loans. The Bank also makes equity investments in VIEs that invest in qualified affordable housing projects designed to generate a return through the realization of tax credits and related tax benefits. The Bank generally does not sell assets to, or enter into derivatives with, these VIEs.

### Nonconsolidated VIEs

The table below presents a summary of the nonconsolidated VIEs in which the Bank holds variable interests.

<i>\$ in millions</i>	As of	
	March 2024	December 2023
<b>Total nonconsolidated VIEs</b>		
Assets in VIEs	\$ 100,102	\$ 101,444
Carrying value of variable interests – assets	\$ 7,761	\$ 7,305
Carrying value of variable interests – liabilities	\$ 2,204	\$ 2,266
<b>Maximum exposure to loss:</b>		
Retained interests	\$ 2,106	\$ 2,269
Purchased interests	246	126
Commitments and guarantees	2,896	2,412
Derivatives	5,028	4,927
Debt and equity	3,412	3,287
<b>Total</b>	<b>\$ 13,688</b>	<b>\$ 13,021</b>

In the table above:

- The nature of the Bank's variable interests is described in the rows under maximum exposure to loss.
- The Bank's exposure to the obligations of VIEs is generally limited to its interests in these entities. In certain instances, the Bank provides guarantees, including derivative guarantees, to VIEs or holders of variable interests in VIEs.

## Notes to Consolidated Financial Statements (Unaudited)

- The maximum exposure to loss excludes the benefit of offsetting financial instruments that are held to mitigate the risks associated with these variable interests.
- The maximum exposure to loss from retained interests, purchased interests, and debt and equity is the carrying value of these interests.
- The maximum exposure to loss from commitments and guarantees, and derivatives is the notional amount, which does not represent anticipated losses and has not been reduced by unrealized losses. As a result, the maximum exposure to loss exceeds liabilities recorded for commitments and guarantees, and derivatives.

The table below presents information, by principal business activity, for nonconsolidated VIEs included in the summary table above.

<i>\$ in millions</i>	As of	
	March 2024	December 2023
<b>Mortgage-backed</b>		
Assets in VIEs	\$ 74,542	\$ 76,205
Carrying value of variable interests – assets	\$ 1,810	\$ 1,909
<b>Maximum exposure to loss:</b>		
Retained interests	\$ 1,809	\$ 1,909
Commitments and guarantees	33	35
Derivatives	2	2
<b>Total</b>	<b>\$ 1,844</b>	<b>\$ 1,946</b>
<b>Corporate debt and other asset-backed</b>		
Assets in VIEs	\$ 15,525	\$ 15,730
Carrying value of variable interests – assets	\$ 3,331	\$ 2,708
Carrying value of variable interests – liabilities	\$ 437	\$ 472
<b>Maximum exposure to loss:</b>		
Retained interests	\$ 297	\$ 360
Purchased interests	246	126
Commitments and guarantees	623	230
Derivatives	5,026	4,925
Debt and equity	2,560	2,072
<b>Total</b>	<b>\$ 8,752</b>	<b>\$ 7,713</b>
<b>Real estate, credit-related, tax credit and other investing</b>		
Assets in VIEs	\$ 10,035	\$ 9,509
Carrying value of variable interests – assets	\$ 2,620	\$ 2,688
Carrying value of variable interests – liabilities	\$ 1,767	\$ 1,794
<b>Maximum exposure to loss:</b>		
Commitments and guarantees	\$ 2,240	\$ 2,147
Debt and equity	852	1,215
<b>Total</b>	<b>\$ 3,092</b>	<b>\$ 3,362</b>

As of both March 2024 and December 2023, the carrying values of the Bank's variable interests in nonconsolidated VIEs are included in the consolidated balance sheets as follows:

- Mortgage-backed: Substantially all assets included in loans and investments.

- Corporate debt and other asset-backed: Assets primarily included in loans, and substantially all liabilities included in trading liabilities.
- Real estate, credit-related, tax credit and other investing: Assets primarily included in other assets, and liabilities included in other liabilities.

### Tax Credit VIEs

The Bank makes equity investments in nonconsolidated tax credit VIEs that invest in qualified affordable housing projects. These VIEs are generally organized as limited partnerships or similar entities and a third party is typically the general partner or the managing member. The Bank invests in the entity as a limited partner and receives income tax credits and other income tax benefits for such investments. In connection with the adoption of ASU No. 2023-02, as of January 1, 2024, the Bank elected the proportional amortization method for qualified affordable housing projects. The investments that meet the criteria for the proportional amortization method of accounting are amortized in proportion to the income tax credits and other income tax benefits received on such investments. The amortization of investments and the related income tax credits and other income tax benefits are recorded as a component of the provision for taxes, and are included in other operating activities in the consolidated statements of cash flows.

Investments in qualified affordable housing projects that met the criteria of the proportional amortization method of accounting were \$2.47 billion as of March 2024 and \$2.56 billion as of December 2023. Such investments were included in miscellaneous receivables and other within other assets in the consolidated balance sheets. These investments included \$1.75 billion as of March 2024 and \$1.85 billion as of December 2023 of accrued unfunded commitments. As of March 2024, a majority of such accrued unfunded commitments were expected to be funded by year-end 2026. During the three months ended March 2024, the Bank recognized amortization of \$100 million and income tax credits and other income tax benefits of \$113 million, and during the three months ended March 2023, the Bank recognized amortization of \$84 million and income tax credits and other income tax benefits of \$92 million. Investments in qualified affordable housing projects that did not meet the criteria for the proportional amortization method of accounting were not material.

### Consolidated VIEs

As of both March 2024 and December 2023, the Bank had no consolidated VIEs.

## Notes to Consolidated Financial Statements (Unaudited)

### Note 18.

## Commitments, Contingencies and Guarantees

### Commitments

The table below presents commitments by type.

\$ in millions	As of	
	March 2024	December 2023
<b>Commitment Type</b>		
Commercial lending:		
Investment-grade	\$ 109,280	\$ 106,179
Non-investment-grade	45,887	43,236
Warehouse financing	11,283	8,889
Consumer	73,622	73,074
<b>Total lending</b>	<b>240,072</b>	<b>231,378</b>
Risk participations	6,374	6,391
Collateralized agreement	42,166	30,227
Collateralized financing	31,848	22,747
Investment	1,813	1,660
Other	3,775	3,251
<b>Total commitments</b>	<b>\$ 326,048</b>	<b>\$ 295,654</b>

The table below presents commitments by expiration.

\$ in millions	As of March 2024			
	Remainder of 2024	2025 - 2026	2027 - 2028	2029 - Thereafter
<b>Commitment Type</b>				
Commercial lending:				
Investment-grade	\$ 13,982	\$ 36,330	\$ 49,708	\$ 9,260
Non-investment-grade	2,325	18,651	18,465	6,446
Warehouse financing	1,328	5,948	3,184	823
Consumer	73,622	—	—	—
<b>Total lending</b>	<b>91,257</b>	<b>60,929</b>	<b>71,357</b>	<b>16,529</b>
Risk participations	1,400	2,573	2,344	57
Collateralized agreement	39,999	2,167	—	—
Collateralized financing	31,848	—	—	—
Investment	91	142	257	1,323
Other	3,613	—	—	162
<b>Total commitments</b>	<b>\$ 168,208</b>	<b>\$ 65,811</b>	<b>\$ 73,958</b>	<b>\$ 18,071</b>

### Lending Commitments

The Bank's commercial and warehouse financing lending commitments are agreements to lend with fixed termination dates and depend on the satisfaction of all contractual conditions to borrowing. These commitments are presented net of amounts syndicated to third parties. The total commitment amount does not necessarily reflect actual future cash flows because the Bank may syndicate portions of these commitments. In addition, commitments can expire unused or be reduced or cancelled at the counterparty's request. The Bank also provides credit to consumers by issuing credit card lines and through commitments to provide unsecured installment loans.

The table below presents information about lending commitments.

\$ in millions	As of	
	March 2024	December 2023
Held for investment	\$ 223,270	\$ 212,145
Held for sale	16,303	18,774
At fair value	499	459
<b>Total</b>	<b>\$ 240,072</b>	<b>\$ 231,378</b>

In the table above:

- Held for investment lending commitments are accounted for at amortized cost. The carrying value of lending commitments was a liability of \$663 million (including allowance for credit losses of \$480 million) as of March 2024 and \$636 million (including allowance for credit losses of \$461 million) as of December 2023. The estimated fair value of such lending commitments was a liability of \$4.36 billion as of March 2024 and \$4.61 billion as of December 2023. Had these lending commitments been carried at fair value and included in the fair value hierarchy, \$2.63 billion as of March 2024 and \$2.81 billion as of December 2023 would have been classified in level 2, and \$1.73 billion as of March 2024 and \$1.79 billion as of December 2023 would have been classified in level 3.
- Held for sale lending commitments are accounted for at the lower of cost or fair value. The carrying value of lending commitments held for sale was a liability of \$31 million as of March 2024 and \$50 million as of December 2023. The estimated fair value of such lending commitments approximates the carrying value. Had these lending commitments been included in the fair value hierarchy, they would have been primarily classified in level 3 as of both March 2024 and December 2023.
- Gains or losses related to lending commitments at fair value, if any, are generally recorded net of any fees in gains and losses from financial assets and liabilities.

**Commercial Lending.** The Bank's commercial lending commitments were primarily extended to investment-grade corporate borrowers. Such commitments primarily included relationship lending activities (principally used for operating and general corporate purposes) and other activities (generally extended for contingent acquisition financing and are often intended to be short-term in nature, as borrowers often seek to replace them with other funding sources). The Bank also extends lending commitments in connection with other types of corporate lending, commercial real estate financing and other collateralized lending. See Note 9 for further information about funded loans.



## Notes to Consolidated Financial Statements (Unaudited)

To mitigate the credit risk associated with the Bank's commercial lending activities, the Bank obtains credit protection on certain loans and lending commitments through credit default swaps, both single-name and index-based contracts, and through the issuance of credit-linked notes.

**Warehouse Financing.** The Bank provides financing to clients who warehouse financial assets. These arrangements are collateralized by the warehoused assets, primarily consisting of residential real estate, consumer and corporate loans.

**Consumer.** The Bank's consumer lending commitments includes:

- Credit card lines issued by the Bank to consumers were \$73.62 billion as of March 2024 and \$70.82 billion as of December 2023. Such credit card lines included \$14.41 billion as of March 2024 and \$14.35 billion as of December 2023 of commitments classified as held for sale in connection with the planned sale of the GM co-branded credit card portfolio. These credit card lines are cancellable by the Bank.
- Commitments to provide unsecured installment loans to consumers were \$2.25 billion as of December 2023 and such commitments were classified as held for sale in connection with the planned sale of GreenSky. During the first quarter of 2024, the Bank completed the sale of GreenSky.

### Risk Participations

The Bank also risk participates certain of its commercial lending commitments to other financial institutions. In the event of a risk participant's default, the Bank will be responsible to fund the borrower.

### Collateralized Agreement Commitments/ Collateralized Financing Commitments

Collateralized agreement commitments includes forward starting resale agreements, and collateralized financing commitments includes forward starting repurchase and secured lending agreements that settle at a future date, generally within three business days. Collateralized agreement commitments also includes transactions where the Bank has entered into commitments to provide contingent financing to its clients and counterparties through resale agreements. The Bank's funding of these commitments depends on the satisfaction of all contractual conditions to the resale agreement and these commitments can expire unused.

### Investment Commitments

Investment commitments includes commitments to invest in securities, real estate and other assets.

### Contingencies

**Legal Proceedings.** See Note 24 for information about legal proceedings.

### Guarantees

The table below presents derivatives that meet the definition of a guarantee, securities lending indemnifications and certain other financial guarantees.

<i>\$ in millions</i>	Derivatives	Securities lending indemnifications	Other financial guarantees
<b>As of March 2024</b>			
<b>Carrying Value of Net Liability</b>	<b>\$ 3,562</b>	<b>\$ —</b>	<b>\$ 12</b>
<b>Maximum Payout/Notional Amount by Period of Expiration</b>			
Remainder of 2024	\$ 109,452	\$ 10,819	\$ 1,162
2025 - 2026	84,672	—	1,680
2027 - 2028	12,856	—	2,080
2029 - thereafter	23,998	—	145
<b>Total</b>	<b>\$ 230,978</b>	<b>\$ 10,819</b>	<b>\$ 5,067</b>
<b>As of December 2023</b>			
<b>Carrying Value of Net Liability</b>	<b>\$ 3,636</b>	<b>\$ —</b>	<b>\$ 12</b>
<b>Maximum Payout/Notional Amount by Period of Expiration</b>			
2024	\$ 134,018	\$ 11,487	\$ 1,223
2025 - 2026	63,609	—	1,891
2027 - 2028	11,200	—	1,901
2029 - thereafter	18,079	—	63
<b>Total</b>	<b>\$ 226,906</b>	<b>\$ 11,487</b>	<b>\$ 5,078</b>

In the table above:

- The maximum payout is based on the notional amount of the contract and does not represent anticipated losses.
- Amounts exclude certain commitments to issue standby letters of credit that are included in lending commitments. See the tables in "Commitments" above for a summary of the Bank's commitments.
- The carrying value for derivatives included derivative assets of \$54 million as of March 2024 and \$42 million as of December 2023, and derivative liabilities of \$3.62 billion as of March 2024 and \$3.68 billion as of December 2023.

## Notes to Consolidated Financial Statements (Unaudited)

**Derivative Guarantees.** The Bank enters into various derivatives that meet the definition of a guarantee under U.S. GAAP, including written currency contracts and interest rate caps, floors and swaptions. These derivatives are risk managed together with derivatives that do not meet the definition of a guarantee, and therefore the amounts in the table above do not reflect the Bank's overall risk related to derivative activities. Disclosures about derivatives are not required if they may be cash settled and the Bank has no basis to conclude it is probable that the counterparties held the underlying instruments at the inception of the contract. The Bank has concluded that these conditions have been met for certain large, internationally active commercial and investment bank counterparties, central clearing counterparties, hedge funds and certain other counterparties. Accordingly, the Bank has not included such contracts in the table above. See Note 7 for information about credit derivatives that meet the definition of a guarantee, which are not included in the table above.

Derivatives are accounted for at fair value and therefore the carrying value is considered the best indication of payment/performance risk for individual contracts. However, the carrying values in the table above exclude the effect of counterparty and cash collateral netting.

**Securities Lending Indemnifications.** The Bank, in its capacity as an agency lender, indemnifies most of its securities lending customers against losses incurred in the event that borrowers do not return securities and the collateral held is insufficient to cover the market value of the securities borrowed. Collateral held by the lenders in connection with securities lending indemnifications was \$11.16 billion as of March 2024 and \$11.76 billion as of December 2023. Because the contractual nature of these arrangements requires the Bank to obtain collateral with a market value that exceeds the value of the securities lent to the borrower, there is minimal performance risk associated with these guarantees.

**Other Financial Guarantees.** In the ordinary course of business, the Bank provides other financial guarantees of the obligations of third parties (e.g., standby letters of credit and other guarantees to enable clients to complete transactions). These guarantees represent obligations to make payments to beneficiaries if the guaranteed party fails to fulfill its obligation under a contractual arrangement with that beneficiary.

**Indemnities and Guarantees of Service Providers.** In the ordinary course of business, the Bank indemnifies and guarantees certain service providers, such as clearing and custody agents, trustees and administrators, against specified potential losses in connection with their acting as an agent of, or providing services to, the Bank.

The Bank may also be liable to some clients or other parties for losses arising from its custodial role or caused by acts or omissions of third-party service providers, including sub-custodians and third-party brokers. In certain cases, the Bank has the right to seek indemnification from these third-party service providers for certain relevant losses incurred by the Bank. In addition, the Bank is a member of a clearing and settlement network, as well as exchanges around the world that may require the Bank to meet the obligations of such networks and exchanges in the event of member defaults and other loss scenarios.

The Bank is unable to develop an estimate of the maximum payout under these guarantees and indemnifications as this depends upon the occurrence of future events, including an assessment of claims that have not yet occurred. However, management believes that it is unlikely the Bank will have to make any material payments under these arrangements, and no material liabilities related to these guarantees and indemnifications have been recognized in the consolidated balance sheets as of both March 2024 and December 2023.

**Other Representations, Warranties and Indemnifications.** The Bank provides representations and warranties to counterparties in connection with a variety of commercial transactions and occasionally indemnifies them against potential losses caused by the breach of those representations and warranties. The Bank may also provide indemnifications protecting against changes in or adverse application of certain U.S. tax laws in connection with ordinary-course transactions, such as borrowings or derivatives.

In addition, the Bank may provide indemnifications to some counterparties to protect them in the event additional taxes are owed or payments are withheld, due either to a change in or an adverse application of certain non-U.S. tax laws. These indemnifications, as well as indemnifications provided by the Bank on other contractual or other obligations, generally are standard contractual terms and are entered into in the ordinary course of business. Generally, there are no stated or notional amounts included in these indemnifications, and the contingencies triggering the obligation to indemnify are not expected to occur. Future changes in tax laws and how such laws would apply to these indemnifications cannot be determined. Therefore, the Bank is unable to develop an estimate of the maximum payout under these guarantees and indemnifications. However, management believes that it is unlikely the Bank will have to make any material payments under these arrangements, and no material liabilities related to these arrangements have been recognized in the consolidated balance sheets as of both March 2024 and December 2023.

## Notes to Consolidated Financial Statements (Unaudited)

### Note 19.

#### Regulation and Capital Adequacy

The Bank is regulated as described in Note 1, and 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), average assets and off-balance sheet exposures. Failure to comply with these capital requirements would result in restrictions being imposed by the regulators and could limit the Bank's ability to pay dividends and make certain discretionary compensation payments. The Bank's capital levels are also subject to qualitative judgments by the regulators about components of capital, risk weightings and other factors. Furthermore, certain of the Bank's subsidiaries are subject to separate regulations and capital requirements.

#### Capital Framework

The regulations under the Capital Framework are largely based on the Basel Committee on Banking Supervision's capital framework for strengthening international capital standards (Basel III) and also implement certain provisions of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act. Under the Capital Framework, the Bank is an "Advanced approaches" banking organization.

The Capital Framework includes the minimum risk-based capital and the capital conservation buffer requirements (consisting of a 2.5% buffer and the countercyclical capital buffer). The buffer must consist entirely of capital that qualifies as Common Equity Tier 1 (CET1) capital. In addition, the Capital Framework includes the leverage ratio requirements.

The Bank calculates its CET1 capital, Tier 1 capital and Total capital ratios in accordance with both the Standardized and Advanced Capital Rules. The lower of each risk-based capital ratio calculated under the Standardized and Advanced Capital Rules is the ratio against which the Bank's compliance with its risk-based capital requirements is assessed.

Under the Capital Framework, the Bank is also subject to leverage requirements which consist of a minimum Tier 1 leverage ratio and a minimum supplementary leverage ratio (SLR).

#### Consolidated Regulatory Capital Requirements

The U.S. Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA), among other things, requires the federal bank regulatory agencies to take "prompt corrective action" in respect of depository institutions that do not meet specified capital requirements. FDICIA establishes five capital categories for FDIC-insured banks: well-capitalized, adequately capitalized, undercapitalized, significantly undercapitalized and critically undercapitalized.

In addition, under the regulatory framework for prompt corrective action applicable to the Bank, in order to meet the quantitative requirements for a "well-capitalized" depository institution, the Bank must also meet the "well-capitalized" requirements in the table below.

The Bank's capital levels and prompt corrective action classification are also subject to qualitative judgments by the regulators about components of capital, risk weightings and other factors. Failure to comply with the capital requirements, including a breach of the buffers described below, would result in restrictions being imposed by the regulators.

**Risk-Based Capital and Leverage Ratios.** The table below presents the risk-based capital, leverage and "well-capitalized" requirements as of both March 2024 and December 2023.

	Requirements	"Well-capitalized" Requirements
<b>Risk-based capital requirements</b>		
CET1 capital ratio	7.0%	6.5%
Tier 1 capital ratio	8.5%	8.0%
Total capital ratio	10.5%	10.0%
<b>Leverage requirements</b>		
Tier 1 leverage ratio	4.0%	5.0%
SLR	3.0%	6.0%

In the table above:

- The CET1 capital ratio requirement includes a minimum of 4.5%, the Tier 1 capital ratio requirement includes a minimum of 6.0% and the Total capital ratio requirement includes a minimum of 8.0%. These requirements also include the capital conservation buffer requirements, consisting of a 2.5% buffer and the countercyclical capital buffer, which the FRB has set to zero percent.
- The "well-capitalized" requirements are the binding requirements for leverage ratios.

## Notes to Consolidated Financial Statements (Unaudited)

The table below presents information about risk-based capital ratios.

<i>\$ in millions</i>	Standardized	Advanced
<b>As of March 2024</b>		
CET1 capital	\$ 56,176	\$ 56,176
Tier 1 capital	\$ 56,176	\$ 56,176
Tier 2 capital	\$ 6,265	\$ 3,065
Total capital	\$ 62,441	\$ 59,241
RWAs	\$ 372,640	\$ 275,945
CET1 capital ratio	15.1%	20.4%
Tier 1 capital ratio	15.1%	20.4%
Total capital ratio	16.8%	21.5%
<b>As of December 2023</b>		
CET1 capital	\$ 53,781	\$ 53,781
Tier 1 capital	\$ 53,781	\$ 53,781
Tier 2 capital	\$ 6,314	\$ 2,951
Total capital	\$ 60,095	\$ 56,732
RWAs	\$ 380,774	\$ 288,938
CET1 capital ratio	14.1%	18.6%
Tier 1 capital ratio	14.1%	18.6%
Total capital ratio	15.8%	19.6%

In the table above, the lower of the Standardized or Advanced ratio is the ratio against which the Bank's compliance with the capital requirements is assessed under the risk-based Capital Rules, and therefore, the Standardized ratios applied to the Bank as of both March 2024 and December 2023.

The table below presents information about leverage ratios.

<i>\$ in millions</i>	For the Three Months Ended or as of	
	March 2024	December 2023
<b>Tier 1 capital</b>	\$ 56,176	\$ 53,781
Average total assets	\$ 551,204	\$ 524,853
Deductions from Tier 1 capital	(1,170)	(1,307)
Average adjusted total assets	550,034	523,546
Off-balance sheet and other exposures	198,548	198,919
<b>Total leverage exposure</b>	\$ 748,582	\$ 722,465
Tier 1 leverage ratio	10.2%	10.3%
SLR	7.5%	7.4%

In the table above:

- Average total assets represents the average daily assets for the quarter adjusted for the impact of Current Expected Credit Losses (CECL) transition.
- Off-balance sheet and other exposures primarily includes the monthly average of off-balance sheet exposures, consisting of derivatives, securities financing transactions, commitments and guarantees.
- Tier 1 leverage ratio is calculated as Tier 1 capital divided by average adjusted total assets.
- SLR is calculated as Tier 1 capital divided by total leverage exposure.

**Risk-Based Capital.** The table below presents information about risk-based capital.

<i>\$ in millions</i>	As of	
	March 2024	December 2023
Shareholder's equity	\$ 57,222	\$ 54,783
Impact of CECL transition	196	392
Deduction for goodwill	(1,095)	(1,120)
Deduction for identifiable intangible assets	(75)	(187)
Other adjustments	(72)	(87)
<b>CET1 capital</b>	\$ 56,176	\$ 53,781
<b>Tier 1 capital</b>	\$ 56,176	\$ 53,781
<b>Standardized Tier 2 and Total capital</b>		
Tier 1 capital	\$ 56,176	\$ 53,781
Qualifying subordinated debt	2,272	2,272
Allowance for credit losses	3,993	4,042
Standardized Tier 2 capital	6,265	6,314
<b>Standardized Total capital</b>	\$ 62,441	\$ 60,095
<b>Advanced Tier 2 and Total capital</b>		
Tier 1 capital	\$ 56,176	\$ 53,781
Standardized Tier 2 capital	6,265	6,314
Allowance for credit losses	(3,993)	(4,042)
Other adjustments	793	679
Advanced Tier 2 capital	3,065	2,951
<b>Advanced Total capital</b>	\$ 59,241	\$ 56,732

## Notes to Consolidated Financial Statements (Unaudited)

In the table above:

- Beginning in January 2022, the Bank started to phase in the estimated reduction to regulatory capital as a result of adopting the CECL model. The total amount of reduction to be phased in from January 1, 2022 through January 1, 2025 (at 25% per year) was \$783 million, of which \$587 million had been phased in as of March 2024. The total amount to be phased in includes the impact of adopting CECL as of January 1, 2020, as well as 25% of the increase in the allowance for credit losses from January 1, 2020 through December 31, 2021. The impact of CECL transition reflects the remaining amount of reduction to be phased in as of both March 2024 and December 2023.
- Other adjustments within CET1 capital primarily include CVAs on derivative liabilities, disallowed deferred tax assets and debt valuation adjustments. Other adjustments within Advanced Tier 2 capital include eligible credit reserves.
- Qualifying subordinated debt is subordinated debt issued by the Bank with an original maturity of five years or greater. The outstanding amount of subordinated debt qualifying for Tier 2 capital is reduced upon reaching a remaining maturity of five years. See Note 14 for further information about the Bank's subordinated debt.

**RWAs.** RWAs are calculated in accordance with both the Standardized and Advanced Capital Rules.

### **Credit Risk**

Credit RWAs are calculated based on measures of exposure, which are then risk weighted under the Standardized and Advanced Capital Rules:

- The Standardized Capital Rules apply prescribed risk-weights, which depend largely on the type of counterparty. The exposure measures for derivatives and securities financing transactions are based on specific formulas which take certain factors into consideration.
- Under the Advanced Capital Rules, the Bank computes risk-weights for wholesale and retail credit exposures in accordance with the Advanced Internal Ratings-Based approach. The exposure measures for derivatives and securities financing transactions are computed utilizing internal models.
- For both Standardized and Advanced credit RWAs, the risk-weights for securitizations are based on specific required formulaic approaches.

### **Market Risk**

RWAs for market risk in accordance with the Standardized and Advanced Capital Rules are generally consistent. Market RWAs are calculated based on measures of exposure which include the following:

- Value-at-Risk (VaR) is the potential loss in value of trading assets and liabilities, as well as certain investments, loans, and other financial assets and liabilities accounted for at fair value, due to adverse market movements over a defined time horizon with a specified confidence level.

For both risk management purposes and regulatory capital calculations, the Bank uses a single VaR model which captures risks, including those related to interest rates, equity prices and currency rates. However, VaR used for risk management purposes differs from VaR used for regulatory capital requirements (regulatory VaR) due to differences in time horizons, confidence levels and the scope of positions on which VaR is calculated. For risk management purposes, a 95% one-day VaR is used, whereas for regulatory capital requirements, a 99% 10-day VaR is used to determine Market RWAs and a 99% one-day VaR is used to determine regulatory VaR exceptions.

The Bank's positional losses observed on a single day did not exceed its 99% one-day regulatory VaR during the three months ended March 2024. The Bank's positional losses observed on a single day exceeded its 99% one day regulatory VaR on three occasions during 2023;

- Stressed VaR is the potential loss in value of trading assets and liabilities, as well as certain investments, loans, and other financial assets and liabilities accounted for at fair value, during a period of significant market stress;
- Incremental risk is the potential loss in value of non-securitized positions due to the default or credit migration of issuers of financial instruments over a one-year time horizon;
- Comprehensive risk is the potential loss in value, due to price risk and defaults, within the Bank's credit correlation positions; and
- Specific risk is the risk of loss on a position that could result from factors other than broad market movements, including event risk, default risk and idiosyncratic risk. The standardized measurement method is used to determine specific risk RWAs, by applying supervisory defined risk-weighting factors after applicable netting is performed.

## Notes to Consolidated Financial Statements (Unaudited)

### Operational Risk

Operational RWAs are only required to be included under the Advanced Capital Rules. The Bank utilizes an internal risk-based model to quantify Operational RWAs.

The table below presents information about RWAs.

<i>\$ in millions</i>	Standardized	Advanced
<b>As of March 2024</b>		
<b>Credit RWAs</b>		
Derivatives	\$ 61,864	\$ 25,091
Commitments, guarantees and loans	219,242	147,930
Securities financing transactions	14,168	5,378
Equity investments	2,873	2,763
Other	21,075	20,565
<b>Total Credit RWAs</b>	<b>319,222</b>	<b>201,727</b>
<b>Market RWAs</b>		
Regulatory VaR	11,524	11,524
Stressed VaR	37,663	37,663
Incremental risk	3,186	3,186
Comprehensive risk	958	958
Specific risk	87	87
<b>Total Market RWAs</b>	<b>53,418</b>	<b>53,418</b>
<b>Total Operational RWAs</b>	<b>—</b>	<b>20,800</b>
<b>Total RWAs</b>	<b>\$ 372,640</b>	<b>\$ 275,945</b>

#### As of December 2023

<b>Credit RWAs</b>		
Derivatives	\$ 65,095	\$ 28,705
Commitments, guarantees and loans	221,727	153,822
Securities financing transactions	11,602	4,955
Equity investments	2,833	2,896
Other	20,986	18,041
<b>Total Credit RWAs</b>	<b>322,243</b>	<b>208,419</b>
<b>Market RWAs</b>		
Regulatory VaR	12,914	12,914
Stressed VaR	42,228	42,228
Incremental risk	1,550	1,550
Comprehensive risk	1,757	1,757
Specific risk	82	82
<b>Total Market RWAs</b>	<b>58,531</b>	<b>58,531</b>
<b>Total Operational RWAs</b>	<b>—</b>	<b>21,988</b>
<b>Total RWAs</b>	<b>\$ 380,774</b>	<b>\$ 288,938</b>

In the table above:

- Securities financing transactions represents resale and repurchase agreements and securities borrowed and loaned transactions.
- Other includes receivables, certain debt securities, cash and other assets.

The table below presents changes in RWAs.

<i>\$ in millions</i>	Standardized	Advanced
<b>Three Months Ended March 2024</b>		
<b>RWAs</b>		
Beginning balance	\$ 380,774	\$ 288,938
<b>Credit RWAs</b>		
Change in:		
Derivatives	(3,231)	(3,614)
Commitments, guarantees and loans	(2,485)	(5,892)
Securities financing transactions	2,566	423
Equity investments	40	(133)
Other	89	2,524
<b>Change in Credit RWAs</b>	<b>(3,021)</b>	<b>(6,692)</b>
<b>Market RWAs</b>		
Change in:		
Regulatory VaR	(1,390)	(1,390)
Stressed VaR	(4,565)	(4,565)
Incremental risk	1,636	1,636
Comprehensive risk	(799)	(799)
Specific risk	5	5
<b>Change in Market RWAs</b>	<b>(5,113)</b>	<b>(5,113)</b>
<b>Change in Operational RWAs</b>	<b>—</b>	<b>(1,188)</b>
<b>Ending balance</b>	<b>\$ 372,640</b>	<b>\$ 275,945</b>

### RWAs Rollforward Commentary

**Three Months Ended March 2024.** Standardized Credit RWAs as of March 2024 decreased by \$3.02 billion compared with December 2023, primarily reflecting a decrease in derivatives (principally due to decreased derivative exposures) and a decrease in commitments, guarantees and loans (principally due to decreased lending exposures), partially offset by an increase in securities financing transactions (principally due to increased funding exposures). Standardized Market RWAs as of March 2024 decreased by \$5.11 billion compared with December 2023, primarily reflecting a decrease in stressed VaR (principally due to decreased interest rate volatility).

Advanced Credit RWAs as of March 2024 decreased by \$6.69 billion compared with December 2023, primarily reflecting a decrease in commitments, guarantees and loans (principally due to decreased lending exposures) and a decrease in derivatives (principally due to decreased derivative exposures), partially offset by an increase in other credit RWAs (principally due to increased customer and other receivables exposures). Advanced Market RWAs as of March 2024 decreased by \$5.11 billion compared with December 2023, primarily reflecting a decrease in stressed VaR (principally due to decreased interest rate volatility). Advanced Operational RWAs as of March 2024 decreased by \$1.19 billion compared with December 2023, primarily reflecting a decrease in the Bank's severity estimates.

## Notes to Consolidated Financial Statements (Unaudited)

### GSBE

GSBE calculates its standalone prudential capital requirements in accordance with the E.U. Capital Requirements Directive and E.U. Capital Requirements Regulation, which are largely based on Basel III. As of both March 2024 and December 2023, GSBE was in compliance with its regulatory capital requirements. The deposits of GSBE are covered by the German statutory deposit protection program to the extent provided by law. In addition, GSBE has elected to participate in the German voluntary deposit protection program which provides further insurance for certain eligible deposits beyond the coverage of German statutory deposit program.

The table below presents GSBE's risk-based capital requirements.

	As of	
	March 2024	December 2023
<b>Risk-based capital requirements</b>		
CET1 capital ratio	10.2%	10.0%
Tier 1 capital ratio	12.2%	12.1%
Total capital ratio	14.9%	14.8%

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

	As of	
	March 2024	December 2023
<i>\$ in millions</i>		
<b>Risk-based capital and risk-weighted assets</b>		
CET1 capital	\$ 14,015	\$ 14,143
Tier 1 capital	\$ 14,015	\$ 14,143
Tier 2 capital	\$ 22	\$ 22
Total capital	\$ 14,037	\$ 14,165
RWAs	\$ 45,203	\$ 39,746
<b>Risk-based capital ratios</b>		
CET1 capital ratio	31.0%	35.6%
Tier 1 capital ratio	31.0%	35.6%
Total capital ratio	31.1%	35.6%

In the table above, the risk-based capital ratios as of March 2024 reflected profits that are still subject to annual audit by GSBE's external auditors and approval by GSBE's shareholder (GS Bank USA) for inclusion in risk-based capital. These profits contributed 166 basis points to the CET1 capital ratio as of March 2024.

The table below presents GSBE's leverage ratio requirement and leverage ratio.

	As of	
	March 2024	December 2023
Leverage ratio requirement	3.0%	3.0%
Leverage ratio	9.4%	11.3%

In the table above, the leverage ratio as of March 2024 reflected profits that are still subject to annual audit by GSBE's external auditors and approval by GSBE's shareholder (GS Bank USA) for inclusion in risk-based capital. These profits contributed 69 basis points to the leverage ratio as of March 2024.

GS Bank USA made a capital contribution of \$3.55 billion to GSBE in January 2023.

### Required Reserves

The deposits of GS Bank USA are insured by the FDIC to the extent provided by law. The FRB requires that GS Bank USA maintain cash reserves with the Federal Reserve. See Note 23 for further information about cash deposits held by GS Bank USA at the Federal Reserve.

GSBE is subject to minimum reserve requirements at central banks in certain of the jurisdictions in which it operates. As of both March 2024 and December 2023, GSBE was in compliance with these requirements.

### Other

GS Bank USA, and two subsidiaries, GSBE and Goldman Sachs Mitsui Marine Derivative Products, L.P. (MMDP), are registered swap dealers with the CFTC and GS Bank USA and GSBE are registered security-based swap dealers with the SEC. As of both March 2024 and December 2023, GS Bank USA, GSBE and MMDP were subject to and in compliance with applicable capital requirements for swap dealers and security-based swap dealers.

### Note 20.

#### Transactions with Related Parties

Transactions between the Bank and its affiliates are subject to regulations adopted by the FRB and the supervision of both the FRB and the NYDFS. These regulations generally limit the types and amounts of transactions (including credit extensions from the Bank) that may take place and generally require those transactions to be on terms that are at least as favorable to the Bank as prevailing terms for comparable transactions with non-affiliates. These regulations generally do not apply to transactions within the Bank.

## Notes to Consolidated Financial Statements (Unaudited)

The table below presents assets and liabilities with affiliates.

<i>\$ in millions</i>	As of	
	March 2024	December 2023
<b>Assets</b>		
Cash	\$ 394	\$ 392
Collateralized agreements:		
Resale agreements	7,051	20,292
Securities borrowed	3,937	2,941
Customer and other receivables	15,984	11,936
Trading assets	539	1,065
Other assets	1,710	1,105
<b>Total</b>	<b>\$ 29,615</b>	<b>\$ 37,731</b>
<b>Liabilities</b>		
Deposits	\$ 21,665	\$ 31,688
Collateralized financings:		
Repurchase agreements	17,872	12,852
Securities loaned	8,236	4,896
Other secured financings	2,309	2,386
Customer and other payables	7,567	4,212
Trading liabilities	687	1,077
Unsecured borrowings	8,546	8,299
Other liabilities	1,523	1,361
<b>Total</b>	<b>\$ 68,405</b>	<b>\$ 66,771</b>

In the table above, trading assets and trading liabilities consist of net outstanding derivative contracts with Group Inc. and affiliates. The Bank enters into derivative contracts with Group Inc. and affiliates in the normal course of business.

### Group Inc. Guarantee

Group Inc. has guaranteed the payment obligations of GS Bank USA, subject to certain limitations.

### Interest Income and Interest Expense

The Bank recognizes interest income and interest expense in connection with various affiliated transactions. These transactions include resale agreements, other assets, repurchase agreements, deposits, collateral posted and received, other liabilities, and unsecured borrowings. The Bank recorded net interest expense to affiliates of \$65 million for the three months ended March 2024 and net interest income from affiliates of \$79 million for the three months ended March 2023.

### Other Transactions

The Bank has revenue sharing agreements with affiliated entities related to certain activities under which it transfers revenues to, and receives revenues from, such entities. Such shared revenues under these agreements include revenues related to market and credit risk exposures held by the Bank or by affiliated entities which arise from activities covered by these agreements. The Bank transferred net revenues to affiliates of \$21 million for the three months ended March 2024 and received net revenues from affiliates of \$68 million for the three months ended March 2023. These amounts are included in gains and losses from financial assets and liabilities and other revenues. The Bank also compensated affiliates for providing certain services to customers. Such costs, which were included within operating expenses, were \$61 million for the three months ended March 2024 and \$62 million for the three months ended March 2023.

The Bank is subject to service charges from affiliates. The net charge to the Bank by affiliates was \$190 million for the three months ended March 2024 and \$184 million for the three months ended March 2023. This service charge from affiliates is for employment related costs of dual employees and employees of affiliates pursuant to a Master Services Agreement supplemented by Service Level Agreements (collectively, the Master Services Agreement). These amounts are included in service charges.

The Bank receives operational and administrative support and management services from affiliates and is charged for these services. In addition, the Bank provides similar support and services to affiliates and charges these affiliates for the services provided. These charges from and to affiliates are included net in the applicable expense captions in the consolidated statements of earnings. The Bank incurred a net charge from affiliates of \$213 million for the three months ended March 2024 and \$206 million for the three months ended March 2023 related to such operational and administrative support and management services.

In connection with its partnership interest in MMDP, the Bank has provided to Mitsui Sumitomo Insurance Co., Ltd. (Mitsui Sumitomo) additional protection in the form of assets held in a VIE which could be liquidated for the benefit of Mitsui Sumitomo under certain circumstances.



## Notes to Consolidated Financial Statements (Unaudited)

### Note 21.

#### Interest Income and Interest Expense

Interest is recorded over the life of the instrument on an accrual basis based on contractual interest rates.

The table below presents sources of interest income and interest expense.

<i>\$ in millions</i>	Three Months Ended March	
	2024	2023
Deposits with banks	\$ 1,976	\$ 1,849
Collateralized agreements	670	490
Trading assets	589	270
Investments	279	96
Loans	3,471	2,943
Other interest	991	863
<b>Total interest income</b>	<b>7,976</b>	<b>6,511</b>
Deposits	4,295	3,067
Collateralized financings	517	278
Trading liabilities	103	77
Borrowings	131	62
Other interest	1,038	772
<b>Total interest expense</b>	<b>6,084</b>	<b>4,256</b>
<b>Net interest income</b>	<b>\$ 1,892</b>	<b>\$ 2,255</b>

In the table above:

- Collateralized agreements consists of resale agreements and securities borrowed.
- Loans excludes interest on loans held for sale that are accounted for at the lower of cost or fair value. Such interest is included within other interest.
- Other interest income primarily includes interest income on loans held for sale that are accounted for at the lower of cost or fair value, collateral balances posted to counterparties and foreign currency funding facilities.
- Collateralized financings consists of repurchase agreements and securities loaned.
- Borrowings includes interest expense from other secured financings and unsecured borrowings, which primarily relates to interest incurred on the Bank's affiliate borrowings from Group Inc. and Funding IHC.
- Other interest expense primarily includes interest expense on collateral balances received from counterparties and interest expense on foreign currency funding facilities.

### Note 22.

#### Income Taxes

##### Provision for Income Taxes

Income taxes are provided for using the asset and liability method under which deferred tax assets and liabilities are recognized for temporary differences between the financial reporting and tax bases of assets and liabilities. The Bank reports interest expense related to income tax matters in provision for taxes and income tax penalties in other expenses.

The Bank's results of operations are included in the consolidated federal and certain state tax returns of GS Group. The Bank computes its tax liability as if it was filing a tax return on a modified separate company basis and settles such liability with Group Inc. pursuant to a tax sharing agreement. To the extent the Bank generates tax benefits from losses, it will be reimbursed by Group Inc. pursuant to a tax sharing agreement at such time as GS Group would have been able to utilize such losses.

##### Deferred Income Taxes

Deferred income taxes reflect the net tax effects of temporary differences between the financial reporting and tax bases of assets and liabilities. These temporary differences result in taxable or deductible amounts in future years and are measured using the tax rates and laws that will be in effect when such differences are expected to reverse. Valuation allowances are established to reduce deferred tax assets to the amount that more likely than not will be realized and primarily relate to the ability to utilize tax credits in various tax jurisdictions. Tax assets are included in other assets and tax liabilities are included in other liabilities.

##### Unrecognized Tax Benefits

The Bank recognizes tax positions in the consolidated financial statements only when it is more likely than not that the position will be sustained on examination by the relevant taxing authority based on the technical merits of the position. A position that meets this standard is measured at the largest amount of benefit that will more likely than not be realized on settlement. A liability is established for differences between positions taken in a tax return and amounts recognized in the consolidated financial statements.

##### Regulatory Tax Examinations

The Bank is subject to examination by the U.S. Internal Revenue Service (IRS), as part of GS Group, and other taxing authorities in jurisdictions where the Bank has significant business operations, such as New York State and City, Germany, and the United Kingdom. The tax years under examination vary by jurisdiction.

## Notes to Consolidated Financial Statements (Unaudited)

The table below presents the earliest tax years that remain subject to examination by major jurisdiction.

Jurisdiction	As of
	March 2024
U.S. Federal	2011
New York State and City	2015
Germany	2017
United Kingdom	2021

GS Group has been accepted into the Compliance Assurance Process program by the IRS for each of the tax years from 2013 through 2024. This program allows GS Group to work with the IRS to identify and resolve potential U.S. Federal tax issues before the filing of tax returns. All issues for the 2011 through 2018 tax years have been resolved and completion is pending final review by the Joint Committee on Taxation. All issues for the 2019 through 2021 tax years have been resolved and will be effectively settled pending administrative completion by the IRS. Final completion of tax years 2011 through 2021 will not have a material impact on the effective tax rate. The 2022 tax year remains subject to post-filing review. New York State and City examinations of tax years 2015 through 2018 commenced during 2021.

All years, including and subsequent to the years in the table above, remain open to examination by the taxing authorities. The Bank believes that no liability for unrecognized tax benefits is adequate in relation to the potential for additional assessments.

### Note 23.

#### Credit Concentrations

The Bank's concentrations of credit risk arise from its lending, market-making, cash management and other activities, and may be impacted by changes in economic, industry or political factors. These activities expose the Bank to many different industries and counterparties, and may also subject the Bank to a concentration of credit risk to a particular central bank, counterparty, borrower or issuer, including sovereign issuers, or to a particular clearinghouse or exchange. The Bank seeks to mitigate credit risk by actively monitoring exposures and obtaining collateral from counterparties as deemed appropriate.

The Bank measures and monitors its credit exposure based on amounts owed to the Bank after taking into account risk mitigants that the Bank considers when determining credit risk. Such risk mitigants include netting and collateral arrangements and economic hedges, such as credit derivatives, futures and forward contracts. Netting and collateral agreements permit the Bank to offset receivables and payables with such counterparties and/or enable the Bank to obtain collateral on an upfront or contingent basis.

The table below presents the credit concentrations included in trading cash instruments and investments.

\$ in millions	As of	
	March 2024	December 2023
U.S. government and agency obligations	\$ 97,313	\$ 68,981
Percentage of total assets	17.7%	13.2%
Non-U.S. government and agency obligations	\$ 19,724	\$ 17,761
Percentage of total assets	3.6%	3.4%

In addition, GS Bank USA had \$91.11 billion as of March 2024 and \$105.66 billion as of December 2023 of cash deposits held at the Federal Reserve. GSBE had \$23.24 billion as of March 2024 and \$16.63 billion as of December 2023 deposited at central banks, substantially all of which was deposited with Deutsche Bundesbank. These cash deposits are included in cash.

As of both March 2024 and December 2023, the Bank did not have credit exposure to any other external counterparty that exceeded 2% of total assets.

Collateral obtained by the Bank related to derivative assets is principally cash and is held by the Bank or a third-party custodian. Collateral obtained by the Bank related to resale agreements is primarily U.S. government and agency obligations and non-U.S. government and agency obligations. See Note 11 for further information about collateralized agreements and financings.

The table below presents U.S. government and agency obligations and non-U.S. government and agency obligations that collateralize resale agreements and securities borrowed transactions.

\$ in millions	As of	
	March 2024	December 2023
U.S. government and agency obligations	\$ 22,044	\$ 24,679
Non-U.S. government and agency obligations	\$ 15,361	\$ 26,614

In the table above:

- Non-U.S. government and agency obligations primarily consists of securities issued by the governments of Italy, France and Japan.
- Given that the Bank's primary credit exposure on such transactions is to the counterparty to the transaction, the Bank would be exposed to the collateral issuer only in the event of counterparty default.

## Notes to Consolidated Financial Statements (Unaudited)

### Note 24.

#### Legal Proceedings

The Bank is involved in a number of judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of the Bank's businesses. Many of these proceedings are in early stages, and many of these cases seek an indeterminate amount of damages.

Under ASC 450, an event is "reasonably possible" if "the chance of the future event or events occurring is more than remote but less than likely" and an event is "remote" if "the chance of the future event or events occurring is slight." Thus, references to the upper end of the range of reasonably possible loss for cases in which the Bank is able to estimate a range of reasonably possible loss mean the upper end of the range of loss for cases for which the Bank believes the risk of loss is more than slight.

Management is generally unable to estimate a range of reasonably possible loss for matters in which the Bank is involved, due to various factors, including where (i) actual or potential plaintiffs have not claimed an amount of money damages, except in those instances where management can otherwise determine an appropriate amount, (ii) matters are in early stages, (iii) matters relate to regulatory investigations or reviews, except in those instances where management can otherwise determine an appropriate amount, (iv) there is uncertainty as to the likelihood of a class being certified or the ultimate size of the class, (v) there is uncertainty as to the outcome of pending appeals or motions, (vi) there are significant factual issues to be resolved, and/or (vii) there are novel legal issues presented.

Management does not believe, based on currently available information, that the upper end of the estimated range of reasonably possible aggregate loss for matters where management has been able to estimate such a range is material, or that outcomes of any matters in which the Bank is involved, including where management is unable to estimate a range of reasonably possible loss, will have a material adverse effect on the Bank's financial condition, though the outcomes could be material to the Bank's operating results for any particular period, depending, in part, upon the operating results for such period.

#### Consumer Investigation and Review

The Bank is cooperating with the CFPB and other governmental bodies relating to investigations and/or inquiries concerning the Bank's credit card account management practices and is providing information regarding the application of refunds, crediting of nonconforming payments, billing error resolution, advertisements, reporting to credit bureaus, and any other consumer-related information requested by them.

**Regulatory Investigations and Reviews and Related Litigation.** The Bank and certain of its affiliates (including Group Inc.) are subject to a number of 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 organizations and litigation relating to such matters in each case relating to the Bank's current and past businesses (including acquired businesses) and operations, including, but not limited to, consumer lending, as well as residential mortgage lending and servicing, and compliance with related consumer laws; the sales, trading, transaction and regulatory reporting, execution and clearance of derivatives, currencies and other financial products and related communications and activities, including trading activities and communications in connection with the establishment of benchmark rates, such as currency rates, and activities in U.S. Treasury securities; transactions involving government-related financings and other matters; and securities offering processes, underwriting practices and related financial advisory services. The Bank is cooperating with all such regulatory investigations and reviews.

In addition, governmental and other investigations, reviews, actions and litigation involving the Bank's affiliates and such affiliates' businesses and operations, including without limitation various matters referred to above, may have an impact on the Bank's businesses and operations.

### Note 25.

#### Subsequent Events

The Bank evaluated subsequent events through May 14, 2024, the date these consolidated financial statements were issued, and determined that there were no material events or transactions that would require recognition or additional disclosure in these consolidated financial statements.



## Report of Independent Auditors

To the Board of Directors and Shareholder of  
Goldman Sachs Bank USA

### **Results of Review of Interim Financial Information**

We have reviewed the accompanying consolidated interim financial information of Goldman Sachs Bank USA and its subsidiaries (the "Bank"), which comprise the consolidated balance sheet as of March 31, 2024, and the related consolidated statements of earnings, comprehensive income, changes in shareholder's equity, and cash flows for the three-month periods ended March 31, 2024 and 2023, including the related notes (collectively referred to as the "consolidated interim financial information").

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated interim financial information for it to be in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Review Results**

We conducted our review in accordance with auditing standards generally accepted in the United States of America (US GAAS) applicable to reviews of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. A review of interim financial information is substantially less in scope than an audit conducted in accordance with US GAAS, the objective of which is an expression of an opinion regarding the financial information as a whole, and accordingly, we do not express such an opinion. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to


our review. We believe that the results of the review procedures provide a reasonable basis for our conclusion.

### **Responsibilities of Management for the Consolidated Interim Financial Information**

Management is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated interim financial information that is free from material misstatement, whether due to fraud or error.

### **Other Matter**

We previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of the Bank as of December 31, 2023, and the related consolidated statements of earnings, comprehensive income, changes in shareholder's equity, and cash flows for the year then ended (not presented herein), and in our report dated March 7, 2024, we expressed an unmodified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2023, is consistent, in all material respects, with the audited consolidated balance sheet from which it has been derived.

  
May 14, 2024

## Supplemental Financial Information

## Distribution of Assets, Liabilities and Shareholder's Equity

The tables below present information about average balances, interest and average interest rates.

\$ in millions	Average Balance for the Three Months Ended March	
	2024	2023
<b>Assets</b>		
Deposits with banks	\$ 151,850	\$ 170,474
Collateralized agreements	39,101	36,666
Trading assets	81,992	41,550
Investments	44,981	30,184
Loans	157,507	148,926
Other interest-earning assets	38,729	29,185
<b>Interest-earning assets</b>	<b>514,160</b>	<b>456,985</b>
Cash and due from banks	1,604	1,366
Other non-interest-earning assets	35,244	40,745
<b>Assets</b>	<b>\$ 551,008</b>	<b>\$ 499,096</b>
<b>Liabilities</b>		
Interest-bearing deposits	\$ 390,888	\$ 348,530
Collateralized financings	22,153	18,855
Trading liabilities	16,077	11,930
Borrowings	12,182	9,309
Other interest-bearing liabilities	12,238	14,492
<b>Interest-bearing liabilities</b>	<b>453,538</b>	<b>403,116</b>
Non-interest-bearing deposits	4,219	4,142
Other non-interest-bearing liabilities	37,279	42,649
<b>Liabilities</b>	<b>495,036</b>	<b>449,907</b>
Shareholder's equity	55,972	49,189
<b>Liabilities and shareholder's equity</b>	<b>\$ 551,008</b>	<b>\$ 499,096</b>

\$ in millions	Interest for the Three Months Ended March	
	2024	2023
<b>Assets</b>		
Deposits with banks	\$ 1,976	\$ 1,849
Collateralized agreements	670	490
Trading assets	589	270
Investments	279	96
Loans	3,471	2,943
Other interest-earning assets	991	863
<b>Interest-earning assets</b>	<b>\$ 7,976</b>	<b>\$ 6,511</b>
<b>Liabilities</b>		
Interest-bearing deposits	\$ 4,295	\$ 3,067
Collateralized financings	517	278
Trading liabilities	103	77
Borrowings	131	62
Other interest-bearing liabilities	1,038	772
<b>Interest-bearing liabilities</b>	<b>\$ 6,084</b>	<b>\$ 4,256</b>
<b>Net interest income</b>	<b>\$ 1,892</b>	<b>\$ 2,255</b>

	Annualized Average Rate for the Three Months Ended March	
	2024	2023
<b>Assets</b>		
Deposits with banks	5.26%	4.34%
Collateralized agreements	6.93%	5.35%
Trading assets	2.91%	2.60%
Investments	2.51%	1.27%
Loans	8.91%	7.90%
Other interest-earning assets	10.35%	11.83%
<b>Interest-earning assets</b>	<b>6.27%</b>	<b>5.70%</b>
<b>Liabilities</b>		
Interest-bearing deposits	4.44%	3.52%
Collateralized financings	9.44%	5.90%
Trading liabilities	2.59%	2.58%
Borrowings	4.35%	2.66%
Other interest-bearing liabilities	N.M.	21.31%
<b>Interest-bearing liabilities</b>	<b>5.42%</b>	<b>4.22%</b>
<b>Net interest margin</b>	<b>1.49%</b>	<b>1.97%</b>

In the tables above:

- Substantially all deposits with banks consist of deposits held at the Federal Reserve and other central banks.
- Collateralized agreements included \$35.37 billion of resale agreements and \$3.73 billion of securities borrowed for the three months ended March 2024, and \$34.32 billion of resale agreements and \$2.35 billion of securities borrowed for the three months ended March 2023. Collateralized financings included \$16.14 billion of repurchase agreements and \$6.01 billion of securities loaned for the three months ended March 2024, and \$14.81 billion of repurchase agreements and \$4.04 billion of securities loaned for the three months ended March 2023. The average balances for both collateralized agreements and collateralized financings reflect the impact of counterparty netting, while the related interest income and interest expense do not reflect the impact of such counterparty netting. See Note 11 to the consolidated financial statements and "Results of Operations" in Part II of this Quarterly Report for further information about collateralized agreements and collateralized financings and related interest.
- See Notes 4 and 5 to the consolidated financial statements and "Results of Operations" in Part II of this Quarterly Report for further information about financial assets and liabilities and related interest.

## Supplemental Financial Information

- Loans consists of loans held for investment that are accounted for at amortized cost net of allowance for loan losses or at fair value under the fair value option. Loans excludes loans held for sale that are accounted for at the lower of cost or fair value. Such loans are included within other interest-earning assets. Interest on loans is recognized over the life of the loan and is recorded on an accrual basis. See Note 9 to the consolidated financial statements and “Results of Operations” in Part II of this Quarterly Report for further information about loans and related interest.
- Other interest-earning assets consists of customer and other receivables and loans held for sale that are accounted for at the lower of cost or fair value. Other interest-bearing liabilities consists of customer and other payables. The average balances for both other interest-earning assets and other interest-bearing liabilities reflect the impact of counterparty netting, while the related interest income and interest expense do not reflect the impact of such counterparty netting. The average rate on other interest-bearing liabilities for the three months ended March 2024 was not meaningful due to the impact of counterparty netting.
- Derivative instruments are included in other non-interest-earning assets and other non-interest-bearing liabilities. See Note 7 to the consolidated financial statements and “Results of Operations” in Part II of this Quarterly Report for further information about derivatives.
- Interest-bearing deposits consists of deposits from private bank clients, U.S. consumers, clients of third-party broker-dealers, institutions, corporations and affiliates. See Note 13 to the consolidated financial statements and “Results of Operations” in Part II of this Quarterly Report for further information about deposits and related interest.
- Borrowings include senior unsecured debt, subordinated borrowings, hybrid financial instruments, borrowings from affiliates and other secured financings. See Notes 11 and 14 to the consolidated financial statements and “Balance Sheet Analysis” in Part II of this Quarterly Report for further information about short-term and long-term borrowings and related interest.
- See Note 21 to the consolidated financial statements for further information about interest income and interest expense.

## PART II. Management’s Discussion and Analysis of Financial Condition and Results of Operations

### Introduction

Goldman Sachs Bank USA (GS Bank USA), together with its consolidated subsidiaries (collectively, the Bank), is a New York State-chartered bank and a member of the Federal Reserve System. The Bank is supervised and regulated by the Board of Governors of the Federal Reserve System (FRB), the New York State Department of Financial Services and the Consumer Financial Protection Bureau. As a member of the Federal Deposit Insurance Corporation (FDIC), GS Bank USA’s deposits are insured by the FDIC up to the maximum amount provided by law. GS Bank USA is registered as a swap dealer with the U.S. Commodity Futures Trading Commission and as a security-based swap dealer with the Securities and Exchange Commission. GS Bank USA is also a government securities dealer subject to the rules and regulations of the U.S. Department of the Treasury.

When we use the terms “we,” “us” and “our,” we mean GS Bank USA and its consolidated subsidiaries. When we use the term “GS Group” we are referring to The Goldman Sachs Group, Inc. (Group Inc.) and its consolidated subsidiaries, including us.

Our principal office is located in New York, New York. GS Bank USA operates two domestic branches, which are located in Salt Lake City, Utah and Draper, Utah. Both branches are regulated by the Utah Department of Financial Institutions. GS Bank USA also operates a foreign branch, which is located in London, United Kingdom and is regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority. Goldman Sachs Bank Europe SE (GSBE), headquartered in Frankfurt, Germany, is a wholly-owned subsidiary of GS Bank USA. GSBE is directly supervised by the European Central Bank and additionally by the Federal Financial Supervisory Authority and Deutsche Bundesbank in the context of the E.U. Single Supervisory Mechanism. GSBE has branches in Amsterdam, Athens, Copenhagen, Dublin, London, Luxembourg, Madrid, Milan, Paris, Stockholm and Warsaw that are also regulated by the relevant authorities in each jurisdiction in certain areas, including with respect to anti-money laundering. GSBE was authorized by the FCA to provide services from its London branch and on a cross-border basis into the U.K. in April 2023, replacing its previous status under a temporary permission regime, which the U.K. government had established for a limited period post-Brexit.

GS Bank USA is a wholly-owned subsidiary of Group Inc. Group Inc. is a bank holding company under the U.S. Bank Holding Company Act of 1956 (BHC Act), a financial holding company under amendments to the BHC Act effected by the U.S. Gramm-Leach-Bliley Act of 1999, and is subject to supervision and examination by the FRB as its primary regulator.

References to revenue-producing units and control and support functions include activities performed by our employees, by dual employees (who are employees who perform services for both us and another GS Group subsidiary) and by affiliate employees under Bank supervision pursuant to Master Services Agreements supplemented by Service Level Agreements (collectively, the Master Services Agreement) between us and our affiliates.

This Management’s Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with our Annual Report for the year ended December 31, 2023. References to “the 2023 Annual Report” are to our Annual Report for the year ended December 31, 2023. All references to “this Quarterly Report,” of which this Management’s Discussion and Analysis forms a part, refers to the report dated May 14, 2024. See the 2023 Annual Report for more information relating to our business, the supervision and regulation to which we are subject, risk factors affecting our business, our results of operations and financial condition, as well as our consolidated financial statements.

References to “the consolidated financial statements” or “Supplemental Financial Information” are to Part I of this Quarterly Report. The consolidated financial statements are unaudited. All references to March 2024 and March 2023 refer to our periods ended, or the dates, as the context requires, March 31, 2024 and March 31, 2023, respectively. All references to December 2023 refer to the date December 31, 2023. Any reference to a future year refers to a year ending on December 31 of that year. Certain reclassifications have been made to previously reported amounts to conform to the current presentation.

## Management's Discussion and Analysis

We are a financial services provider that engages in banking activities. We are GS Group's primary lending entity, originating loans to corporate and wealth management clients, as well as issuing credit cards. During the first quarter of 2024, we completed the sale of GreenSky Holdings, LLC (GreenSky). We have also entered into an agreement with General Motors (GM) regarding a process to transition the GM credit card program to another issuer to be selected by GM. We are GS Group's primary deposit-taking entity. Our depositors include private bank clients, U.S. consumers, clients of third-party broker-dealers, institutions, corporations and our affiliates. We conduct our consumer deposit-taking activities through *Marcus by Goldman Sachs* (Marcus), and also accept deposits from Apple Card customers. We also provide transaction banking services to institutions, corporations and our affiliates. In addition, we enter into interest rate, currency, credit and other derivatives, and transact in certain related cash products, for the purpose of market making and risk management. Our activities in the E.U. include underwriting and market making in debt and equity securities; advisory services; and asset and wealth management services.

### Executive Overview

We generated net earnings of \$2.31 billion for the first quarter of 2024, an increase of 40% compared with \$1.65 billion for the first quarter of 2023.

Net revenues were \$5.11 billion for the first quarter of 2024, an increase of 40% compared with \$3.65 billion for the first quarter of 2023, primarily reflecting higher non-interest revenues.

Net interest income was \$1.89 billion for the first quarter of 2024, a decrease of 16% compared with \$2.26 billion for the first quarter of 2023. This decrease was driven by higher interest expense, partially offset by higher interest income.

Non-interest revenues were \$3.22 billion for the first quarter of 2024, an increase of 130% compared with \$1.40 billion for the first quarter of 2023, primarily reflecting an increase in net revenues related to our interest rate and currencies activities and the presence in March 2023 of a markdown on Marcus installment loans in connection with the transfer of this loan portfolio to held for sale.

Provision for credit losses was \$321 million for the first quarter of 2024, compared with a net benefit of \$178 million for the first quarter of 2023. Provisions for the first quarter of 2024 primarily reflected net provisions related to both the credit card portfolio (driven by net charge-offs) and wholesale loans (driven by impairments). The net benefit for the first quarter of 2023 primarily reflected a reserve reduction of approximately \$440 million related to a partial sale of the Marcus loans portfolio and the transfer of the remainder of the portfolio to held for sale, partially offset by net provisions related to the credit card and point-of-sale loan portfolios (driven by net charge-offs and growth).

Operating expenses were \$1.67 billion for the first quarter of 2024, an increase of 6% compared with \$1.58 billion for the first quarter of 2023, primarily due to increased non-compensation expenses.

As of March 2024, our Common Equity Tier 1 capital ratio as calculated in accordance with the Standardized Capital Rules was 15.1% and as calculated in accordance with the Advanced Capital Rules was 20.4%. See Note 19 to the consolidated financial statements for further information about our capital ratios.

### Business Environment

During the first quarter of 2024, the global economy grew, but 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 cuts by central banks globally, as well as persistent concerns about commercial real estate. However the U.S. economy has proven to be resilient, supported by a number of factors, including government spending, as well as labor force growth driven by above-trend levels of immigration.

There remains uncertainty and concerns about geopolitical risks, central bank policy, inflation, the commercial real estate sector and potential increases in regulatory capital requirements.



## Management's Discussion and Analysis

### Critical Accounting Policies

#### Allowance for Credit Losses

We estimate and record an allowance for credit losses related to our loans held for investment that are accounted for at amortized cost. To determine the allowance for credit losses, we classify our loans accounted for at amortized cost into wholesale and consumer portfolios. These portfolios represent the level at which we have developed and documented our methodology to determine the allowance for credit losses. The allowance for credit losses is measured on a collective basis for loans that exhibit similar risk characteristics using a modeled approach and on an asset-specific basis for loans that do not share similar risk characteristics.

The allowance for credit losses takes into account the weighted average of a range of forecasts of future economic conditions over the expected life of the loans and lending commitments. The expected life of each loan or lending commitment is determined based on the contractual term adjusted for extension options or demand features, or is modeled in the case of revolving credit card loans. The forecasts include baseline, favorable and adverse economic scenarios over a three-year period. For loans with expected lives beyond three years, the model reverts to historical loss information based on a non-linear modeled approach. We apply judgment in weighting individual scenarios each quarter based on a variety of factors, including our internally derived economic outlook, market consensus, recent macroeconomic conditions and industry trends. The forecasted economic scenarios consider a number of risk factors relevant to the wholesale and consumer portfolios. Risk factors for wholesale loans include internal credit ratings, industry default and loss data, expected life, macroeconomic indicators (e.g., unemployment rates and GDP), the borrower's capacity to meet its financial obligations, the borrower's country of risk and industry, loan seniority and collateral type. In addition, for loans backed by real estate, risk factors include the loan-to-value ratio, debt service ratio and home price index. The allowance for loan losses for wholesale loans that do not share similar risk characteristics, such as nonaccrual loans, is calculated using the present value of expected future cash flows discounted at the loan's effective rate, the observable market price of the loan, or, in the case of collateral dependent loans, the fair value of the collateral less estimated costs to sell, if applicable. Risk factors for installment and credit card loans include Fair Isaac Corporation (FICO) credit scores, delinquency status, loan vintage and macroeconomic indicators.

The allowance for credit losses also includes qualitative components which reflect the uncertain nature of economic forecasting, capture uncertainty regarding model inputs, and account for model imprecision and concentration risk.

Our estimate of credit losses entails judgment about collectability at the reporting dates, and there are uncertainties inherent in those judgments. The allowance for credit losses is subject to a governance process that involves review and approval by senior management within our independent risk oversight and control functions. Personnel within GS Group's independent risk oversight and control functions are responsible for forecasting the economic variables that underlie the economic scenarios that are used in the modeling of expected credit losses. While we use the best information available to determine this estimate, future adjustments to the allowance may be necessary based on, among other things, changes in the economic environment or variances between actual results and the original assumptions used. Loans are charged off against the allowance for loan losses when deemed to be uncollectible.

We also record an allowance for credit losses on lending commitments which are held for investment that are accounted for at amortized cost. Such allowance is determined using the same methodology as the allowance for loan losses, while also taking into consideration the probability of drawdowns or funding, and whether such commitments are cancellable by us. See Note 9 to the consolidated financial statements for further information about the allowance for credit losses.

To estimate the potential impact of an adverse macroeconomic environment on our allowance for credit losses, we, among other things, compared the expected credit losses under the weighted average forecast used in the calculation of allowance for credit losses as of March 2024 (which was weighted towards the baseline and adverse economic scenarios) to the expected credit losses under a 100% weighted adverse economic scenario. The adverse economic scenario of the forecast model reflects a global recession in the second quarter of 2024 through the second quarter of 2025, resulting in an economic contraction and rising unemployment rates. A 100% weighting to the adverse economic scenario would have resulted in an approximate \$0.6 billion increase in our allowance for credit losses as of March 2024. This hypothetical increase does not take into consideration any potential adjustments to qualitative reserves. The forecasts of macroeconomic conditions are inherently uncertain and do not take into account any other offsetting or correlated effects. The actual credit loss in an adverse macroeconomic environment may differ significantly from this estimate. See Note 9 to the consolidated financial statements for further information about the allowance for credit losses.

## Management's Discussion and Analysis

### Fair Value

**Fair Value Hierarchy.** Trading assets and liabilities, certain investments and loans, and certain other financial assets and liabilities, are included in our consolidated balance sheets at fair value (i.e., marked-to-market), with related gains or losses generally recognized in our consolidated statements of earnings.

The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. We measure certain financial assets and liabilities as a portfolio (i.e., based on its net exposure to market and/or credit risks). In determining fair value, the hierarchy under U.S. generally accepted accounting principles (U.S. GAAP) gives (i) the highest priority to unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities (level 1 inputs), (ii) the next priority to inputs other than level 1 inputs that are observable, either directly or indirectly (level 2 inputs), and (iii) the lowest priority to inputs that cannot be observed in market activity (level 3 inputs). In evaluating the significance of a valuation input, we consider, among other factors, a portfolio's net risk exposure to that input. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to their fair value measurement.

The fair values for substantially all of our financial assets and for the majority of our financial liabilities are based on observable prices and inputs and are classified in levels 1 and 2 of the fair value hierarchy. Certain level 2 and level 3 financial assets and liabilities may require appropriate valuation adjustments that a market participant would require to arrive at fair value for factors, such as counterparty and our or our affiliates' credit quality, funding risk, transfer restrictions, liquidity and bid/offer spreads.

Instruments classified in level 3 of the fair value hierarchy are those which require one or more significant inputs that are not observable. Level 3 financial assets represented 0.3% of our total assets as of both March 2024 and December 2023. See Notes 4 and 5 to the consolidated financial statements for further information about level 3 financial assets, including changes in level 3 financial assets and related fair value measurements. Absent evidence to the contrary, instruments classified in level 3 of the fair value hierarchy are initially valued at transaction price, which is considered to be the best initial estimate of fair value. Subsequent to the transaction date, we use other methodologies to determine fair value, which vary based on the type of instrument. Estimating the fair value of level 3 financial instruments requires judgments to be made. These judgments include:

- Determining the appropriate valuation methodology and/or model for each type of level 3 financial instrument;
- Determining model inputs based on an evaluation of all relevant empirical market data, including prices evidenced by market transactions, interest rates, credit spreads, volatilities and correlations; and
- Determining appropriate valuation adjustments, including those related to illiquidity or counterparty credit quality.

Regardless of the methodology, valuation inputs and assumptions are only changed when corroborated by substantive evidence.

**Controls Over Valuation of Financial Instruments.** We leverage GS Group's control infrastructure over valuation of financial instruments, which is described below. Market makers and investment professionals in revenue-producing units are responsible for pricing our financial instruments. GS Group's control infrastructure is independent of the revenue-producing units and is fundamental to ensuring that all of our financial instruments are appropriately valued at market-clearing levels. In the event that there is a difference of opinion in situations where estimating the fair value of financial instruments requires judgment (e.g., calibration to market comparables or trade comparison, as described below), the final valuation decision is made by senior managers in independent risk oversight and control functions. This independent price verification is critical to ensuring that our financial instruments are properly valued.

## Management's Discussion and Analysis

**Price Verification.** All financial instruments at fair value classified in levels 1, 2 and 3 of the fair value hierarchy are subject to an independent price verification process. The objective of price verification is to have an informed and independent opinion with regard to the valuation of financial instruments under review. Instruments that have one or more significant inputs which cannot be corroborated by external market data are classified in level 3 of the fair value hierarchy. Price verification strategies utilized by our independent risk oversight and control functions include:

- **Trade Comparison.** Analysis of trade data (both internal and external, where available) is used to determine the most relevant pricing inputs and valuations.
- **External Price Comparison.** Valuations and prices are compared to pricing data obtained from third parties (e.g., brokers or dealers, S&P Global Services, Bloomberg, ICE Data Services, Pricing Direct, TRACE). Data obtained from various sources is compared to ensure consistency and validity. When broker or dealer quotations or third-party pricing vendors are used for valuation or price verification, greater priority is generally given to executable quotations.
- **Calibration to Market Comparables.** Market-based transactions are used to corroborate the valuation of positions with similar characteristics, risks and components.
- **Relative Value Analyses.** Market-based transactions are analyzed to determine the similarity, measured in terms of risk, liquidity and return, of one instrument relative to another or, for a given instrument, of one maturity relative to another.
- **Collateral Analyses.** Margin calls on derivatives are analyzed to determine implied values, which are used to corroborate our valuations.
- **Execution of Trades.** Where appropriate, market-making desks are instructed to execute trades in order to provide evidence of market-clearing levels.
- **Backtesting.** Valuations are corroborated by comparison to values realized upon sales.

See Note 4 to the consolidated financial statements for further information about fair value measurements.

**Review of Net Revenues.** Independent risk oversight and control functions ensure adherence to GS Group's pricing policy through a combination of daily procedures, including the explanation and attribution of net revenues based on the underlying factors. Through this process, we independently validate net revenues, identify and resolve potential fair value or trade booking issues on a timely basis and seek to ensure that risks are being properly categorized and quantified.

**Review of Valuation Models.** A model risk management group (Model Risk), consisting of quantitative professionals who are separate from model developers, performs an independent model review and validation process of valuation models. New or changed models are reviewed and approved prior to implementation. Models are reviewed annually to assess the impact of any changes in the product or market and any market developments in pricing theories. See "Risk Management — Model Risk Management" in Part II of the 2023 Annual Report for further information about the review and validation of valuation models.

### Use of Estimates

U.S. GAAP requires us to make certain estimates and assumptions. In addition to the estimates we make in connection with the allowance for credit losses on loans and lending commitments held for investment and accounted for at amortized cost, and fair value measurements, the use of estimates and assumptions is also important in determining discretionary compensation accruals, the accounting for goodwill and identifiable intangible assets, provisions for losses that may arise from litigation and regulatory proceedings (including governmental investigations), and accounting for income taxes.

Goodwill is assessed for impairment annually or more frequently if events occur or circumstances change that indicate an impairment may exist. The Bank consists of a single reporting unit, and as such, the assessment of goodwill for impairment is performed at the overall Bank level. When assessing goodwill for impairment, first, a qualitative assessment can be made to determine whether it is more likely than not that the estimated fair value of the Bank is less than its net book value. If the results of the qualitative assessment are not conclusive, a quantitative goodwill test is performed. Alternatively, a quantitative goodwill test can be performed without performing a qualitative assessment. See Note 12 to the consolidated financial statements for further information about our annual assessment of goodwill for impairment.

Identifiable intangible assets are tested for impairment when events or changes in circumstances suggest that an asset's or asset group's carrying value may not be fully recoverable. See Note 12 to the consolidated financial statements for further information about identifiable intangible assets.

## Management's Discussion and Analysis

Any estimated liability in respect of litigation and regulatory proceedings is determined on a case-by-case basis and represents an estimate of probable losses after considering, among other factors, the progress of each case, proceeding or investigation, our experience and the experience of others in similar cases, proceedings or investigations, and the opinions and views of legal counsel. Significant judgment is required in making these estimates and our final liabilities may ultimately be materially different. See Note 24 to the consolidated financial statements for further information about certain judicial, litigation and regulatory proceedings.

In accounting for income taxes, we recognize tax positions in the financial statements only when it is more likely than not that the position will be sustained on examination by the relevant taxing authority based on the technical merits of the position. We use estimates to recognize current and deferred income taxes in the U.S. federal, state and local and non-U.S. jurisdictions in which we operate. The income tax laws in these jurisdictions are complex and can be subject to different interpretations between taxpayers and taxing authorities. Disputes may arise over these interpretations and can be settled by audit, administrative appeals or judicial proceedings. Our interpretations are reevaluated quarterly based on guidance currently available, tax examination experience and the opinions of legal counsel, among other factors. We recognize deferred taxes based on the amount that will more likely than not be realized in the future based on enacted income tax laws. Our estimate for deferred taxes includes estimates for future taxable earnings, including the level and character of those earnings, and various tax planning strategies. See Note 22 to the consolidated financial statements in Part III of the 2023 Annual Report for further information about income taxes.

### Recent Accounting Developments

See Note 3 to the consolidated financial statements for information about Recent Accounting Developments.

### Results of Operations

The composition of our net revenues has varied over time as financial markets and the scope of our operations have changed. The composition of net revenues can also vary over the shorter term due to fluctuations in economic and market conditions. In addition to transactions entered into with third parties, we also enter into transactions with affiliates in the normal course of business, primarily as part of our market-making activities. See "Risk Factors" in Part I of the 2023 Annual Report for further information about the impact of economic and market conditions on our results of operations.

### Financial Overview

The table below presents an overview of our financial results and selected financial ratios.

<i>\$ in millions</i>	Three Months Ended March	
	2024	2023
Net revenues	\$ 5,109	\$ 3,654
Pre-tax earnings	\$ 3,122	\$ 2,257
Net earnings	\$ 2,308	\$ 1,654
Net earnings to average assets	1.7%	1.3%
Return on shareholder's equity	16.7%	13.5%
Average equity to average assets	10.2%	9.9%

In the table above:

- Net earnings to average assets and return on average shareholder's equity are annualized amounts.
- Net earnings to average assets is calculated by dividing annualized net earnings by average total assets.
- Return on shareholder's equity is calculated by dividing annualized net earnings by average monthly shareholder's equity.
- Average equity to average assets is calculated by dividing average total shareholder's equity by average total assets.

### Net Revenues

The table below presents our net revenues by line item, as well as net interest margin.

<i>\$ in millions</i>	Three Months Ended March	
	2024	2023
Interest income	\$ 7,976	\$ 6,511
Interest expense	6,084	4,256
Net interest income	1,892	2,255
Non-interest revenues	3,217	1,399
<b>Total net revenues</b>	<b>\$ 5,109</b>	<b>\$ 3,654</b>
<b>Net interest margin</b>	<b>1.49%</b>	<b>1.97%</b>

In the table above:

- Interest income includes interest earned from our lending portfolio, consisting of corporate lending, commercial real estate lending, residential real estate lending, securities-based lending, other collateralized lending, installment lending, credit card lending and other lending. Interest income is also earned from cash deposits held primarily at the Federal Reserve. In addition, interest is earned from certain trading assets, investments, collateralized agreements, collateral balances posted to counterparties and foreign currency funding facilities.

## Management's Discussion and Analysis

- Interest expense includes interest related to deposit-taking activities. Interest expense also includes interest related to certain trading liabilities, collateralized financings, unsecured borrowings, collateral balances received from counterparties and foreign currency funding facilities. We apply hedge accounting to certain interest rate swaps used to manage the interest rate exposure of certain fixed-rate term certificates of deposit, certain fixed-rate unsecured long- and short-term borrowings and certain U.S. government securities classified as available-for-sale. For qualifying fair value hedges, gains and losses on derivatives are included in interest expense. See Note 7 to the consolidated financial statements for further information about hedge accounting.
- Non-interest revenues includes gains and losses from financial assets and liabilities related to market-making and risk management activities in interest rate, currency, credit, equity and commodity derivatives and certain related products which are primarily accounted for at fair value. Non-interest revenues also includes net gains and losses from loans and lending commitments primarily accounted for at fair value. In addition, non-interest revenues includes revenues earned from relationships with affiliates, loan syndication fees, fees for financial advisory services relating to mergers and acquisitions and other corporate reorganizations, fees related to our credit card business and other fees.

### Three Months Ended March 2024 versus March 2023.

Net revenues in the consolidated statements of earnings were \$5.11 billion for the first quarter of 2024, an increase of 40% compared with \$3.65 billion for the first quarter of 2023, primarily reflecting higher non-interest revenues.

#### Net Interest Income

Net interest income in the consolidated statements of earnings was \$1.89 billion for the first quarter of 2024, a decrease of 16% compared with \$2.26 billion for the first quarter of 2023, driven by higher interest expense, partially offset by higher interest income. Net interest income was 37% of net revenues in the first quarter of 2024, compared with 62% in the first quarter of 2023.

#### Net Interest Margin

Net interest margin was 149 basis points for the first quarter of 2024, a decrease of 48 basis points compared with 197 basis points for the first quarter of 2023, primarily driven by a change in asset mix, as well as a reduction in net interest on foreign currency funding facilities.

### Non-Interest Revenues

Non-interest revenues were \$3.22 billion for the first quarter of 2024, an increase of 130% compared with \$1.40 billion for the first quarter of 2023, primarily reflecting an increase in net revenues related to our interest rate and currencies activities and the presence in March 2023 of a markdown on Marcus installment loans in connection with the transfer of this loan portfolio to held for sale.

### Interest Income

The table below presents our sources of interest income.

\$ in millions	Three Months Ended March	
	2024	2023
Deposits with banks	\$ 1,976	\$ 1,849
Collateralized agreements	670	490
Trading assets	589	270
Investments	279	96
Loans	3,471	2,943
Other	991	863
<b>Total</b>	<b>\$ 7,976</b>	<b>\$ 6,511</b>

### Three Months Ended March 2024 versus March 2023.

Interest income in the consolidated statements of earnings was \$7.98 billion for the first quarter of 2024, \$1.47 billion higher than the first quarter of 2023. See below and “Supplemental Financial Information — Distribution of Assets, Liabilities and Shareholder’s Equity” for further information about our sources of interest income, including average balances and rates.

Interest income from deposits with banks was \$1.98 billion for the first quarter of 2024, \$127 million higher than the first quarter of 2023, due to higher rates, partially offset by lower balances. See Note 3 to the consolidated financial statements for further information about our cash.

Interest income from collateralized agreements was \$670 million for the first quarter of 2024, \$180 million higher than the first quarter of 2023, primarily due to higher rates. See Note 11 to the consolidated financial statements for further information about collateralized agreements.

Interest income from trading assets was \$589 million for the first quarter of 2024, \$319 million higher than the first quarter of 2023, primarily due to higher balances. See Note 6 to the consolidated financial statements for further information about trading assets.

## Management's Discussion and Analysis

Interest income from investments was \$279 million for the first quarter of 2024, \$183 million higher than the first quarter of 2023, due to higher balances and rates. See Note 8 to the consolidated financial statements for further information about investments.

Interest income from loans was \$3.47 billion for the first quarter of 2024, \$528 million higher than the first quarter of 2023, primarily due to higher rates. See Note 9 to the consolidated financial statements for further information about loans.

Other interest income was \$991 million for the first quarter of 2024, \$128 million higher than the first quarter of 2023, primarily due to higher balances, partially offset by lower rates. Other interest income primarily includes interest income on loans held for sale that are accounted for at the lower of cost or fair value, collateral balances posted to counterparties and foreign currency funding facilities.

### Interest Expense

The table below presents our sources of interest expense.

\$ in millions	Three Months Ended March	
	2024	2023
Deposits	\$ 4,295	\$ 3,067
Collateralized financings	517	278
Trading liabilities	103	77
Borrowings	131	62
Other	1,038	772
<b>Total</b>	<b>\$ 6,084</b>	<b>\$ 4,256</b>

### Three Months Ended March 2024 versus March 2023.

Interest expense in the consolidated statements of earnings was \$6.08 billion for the first quarter of 2024, \$1.83 billion higher than the first quarter of 2023. See below and “Supplemental Financial Information — Distribution of Assets, Liabilities and Shareholder’s Equity” for further information about our sources of interest expense, including average balances and rates.

Interest expense from deposits was \$4.30 billion for the first quarter of 2024, \$1.23 billion higher than the first quarter of 2023, primarily due to higher rates.

Interest expense from collateralized financings was \$517 million for the first quarter of 2024, \$239 million higher than the first quarter of 2023, primarily due to higher rates.

Interest expense from trading liabilities was \$103 million for the first quarter of 2024, \$26 million higher than the first quarter of 2023, primarily due to higher balances.

Interest expense from borrowings was \$131 million for the first quarter of 2024, \$69 million higher than the first quarter of 2023, primarily due to higher rates.

Other interest expense was \$1.04 billion for the first quarter of 2024, \$266 million higher than the first quarter of 2023, primarily due to higher rates, partially offset by lower balances. Other interest expense primarily includes interest expense on collateral balances received from counterparties and interest expense on foreign currency funding facilities.

### Provision for Credit Losses

Provision for credit losses consists of provision for credit losses on loans and lending commitments held for investment and accounted for at amortized cost. See Note 9 to the consolidated financial statements for further information about the provision for credit losses.

The table below presents our provision for credit losses.

\$ in millions	Three Months Ended March	
	2024	2023
Provision for credit losses	\$ 321	\$ (178)

### Three Months Ended March 2024 versus March 2023.

Provision for credit losses was \$321 million for the first quarter of 2024, compared with a net benefit of \$178 million for the first quarter of 2023. Provisions for the first quarter of 2024 primarily reflected net provisions related to both the credit card portfolio (driven by net charge-offs) and wholesale loans (driven by impairments). The net benefit for the first quarter of 2023 primarily reflected a reserve reduction of approximately \$440 million related to a partial sale of the Marcus loans portfolio and the transfer of the remainder of the portfolio to held for sale, partially offset by net provisions related to the credit card and point-of-sale loan portfolios (driven by net charge-offs and growth).

### Operating Expenses

Our operating expenses are primarily influenced by compensation, headcount and levels of business activity. Compensation and benefits includes salaries, estimated year-end discretionary compensation, amortization of equity awards and other items such as benefits. Compensation and benefits relate to direct Bank employees. Discretionary compensation is significantly impacted by, among other factors, GS Group’s overall financial performance, prevailing labor markets, business mix, the structure of GS Group’s share-based compensation programs and the external environment. Another component of our operating expenses is service charges, which are employment related costs of dual employees and employees of affiliates pursuant to the Master Services Agreement.

## Management's Discussion and Analysis

The table below presents our operating expenses by line item and headcount.

\$ in millions	Three Months Ended March	
	2024	2023
Compensation and benefits	\$ 588	\$ 579
Service charges	190	184
Professional fees	109	100
Transaction based	175	152
Market development	42	46
Communications and technology	107	101
Regulatory and agency fees	138	73
Depreciation and amortization	53	115
Other expenses	264	225
<b>Total operating expenses</b>	<b>\$ 1,666</b>	<b>\$ 1,575</b>
<b>Headcount at period-end</b>	<b>4,002</b>	<b>4,896</b>

In the table above:

- Compensation and benefits and service charges include employee-related expenses. As described above, compensation and benefits are expenses of direct Bank employees. Service charges are expenses related to dual employees and employees of affiliates who provide services to us pursuant to the Master Services Agreement.
- Other expenses primarily includes origination and servicing expenses, certain expenses charged by affiliates and certain expenses related to our consumer activities.

### Three Months Ended March 2024 versus March 2023.

Operating expenses in the consolidated statements of earnings were \$1.67 billion for the first quarter of 2024, 6% higher than the first quarter of 2023.

Professional fees in the consolidated statements of earnings were \$109 million for the first quarter of 2024, 9% higher than the first quarter of 2023, primarily due to increased legal fees.

Transaction based expenses in the consolidated statements of earnings were \$175 million for the first quarter of 2024, 15% higher than the first quarter of 2023, primarily reflecting higher transaction-related fees, driven by activity in GSBE.

Market development expenses in the consolidated statements of earnings were \$42 million for the first quarter of 2024, 9% lower than the first quarter of 2023, primarily reflecting a decrease in expenses charged by affiliates pursuant to the Master Services Agreement.

Communications and technology expenses in the consolidated statements of earnings were \$107 million for the first quarter of 2024, 6% higher than the first quarter of 2023, primarily reflecting an increase in expenses charged by affiliates pursuant to the Master Services Agreement.

Regulatory and agency fees in the consolidated statements of earnings were \$138 million for the first quarter of 2024, 89% higher than the first quarter of 2023, primarily due to the incremental FDIC special assessment fee of \$78 million, partially offset by decreased regulatory fees in GSBE. The incremental expense for the FDIC special assessment fee was recognized in the first quarter of 2024 when the FDIC notified banks subject to the special assessment fee that the estimated cost to the Deposit Insurance Fund resulting from the closures in 2023 of Silicon Valley Bank and Signature Bank had increased.

Depreciation and amortization expenses in the consolidated statements of earnings were \$53 million for the first quarter of 2024, 54% lower than the first quarter of 2023, primarily related to GreenSky and other consumer-related activities.

Other expenses in the consolidated statements of earnings were \$264 million for the first quarter of 2024, 17% higher than the first quarter of 2023, primarily related to our consumer activities.

As of March 2024, headcount decreased 18% compared with December 2023, primarily reflecting the impact of the sale of GreenSky.

### Provision for Taxes

The effective income tax rate for the first quarter of 2024 was 26.1%, down from the full year income tax rate of 28.3% for 2023, primarily due to write-offs of deferred tax assets related to the transfer of GreenSky to held for sale in 2023 and changes in the geographic mix of earnings.

The Organisation for Economic Co-operation and Development (OECD) Global Anti-Base Erosion Model Rules (Pillar II) aim to ensure that multinationals with revenues in excess of EUR 750 million pay a minimum effective corporate tax rate of 15% (minimum tax) in each jurisdiction in which they operate. The U.K. and other jurisdictions in which we operate have adopted certain portions of the OECD directive (Pillar II legislation) effective beginning in calendar year 2024. The Pillar II legislation did not have a material impact on our first quarter effective tax rate and we do not expect a material impact on our 2024 annual effective tax rate based on our current interpretation of the guidance published by the OECD and enacted legislation. We expect additional guidance or legislation to be issued by the OECD and various jurisdictions during 2024 which could impact any minimum tax we owe in future periods, possibly materially, and our effective tax rate could increase in 2025 and thereafter. This minimum tax, if any, will be recognized in the period in which it is incurred.

## Management's Discussion and Analysis

### Balance Sheet and Funding Sources

See “Balance Sheet and Funding Sources” in Part II of the 2023 Annual Report for further information about our balance sheet management process and our funding sources.

#### Balance Sheet Analysis

As of March 2024, total assets in our consolidated balance sheets were \$549.19 billion, an increase of \$28.09 billion from December 2023, primarily reflecting increases in customer and other receivables of \$20.28 billion (primarily due to increases in receivables resulting from unsettled transactions) and investments of \$16.79 billion (primarily due to purchases of available-for-sale and held-to-maturity securities). These increases were partially offset by decreases in collateralized agreements of \$12.75 billion (due to decreases in transactions with affiliates).

As of March 2024, total liabilities in our consolidated balance sheets were \$491.97 billion, an increase of \$25.65 billion from December 2023, primarily reflecting increases in customer and other payables of \$15.41 billion (primarily due to increases in payables resulting from unsettled transactions) and collateralized financings of \$8.65 billion (primarily due to increases in transactions with affiliates).

#### Funding Sources

Our primary sources of funding are deposits, collateralized financings, unsecured borrowings and shareholder’s equity. We seek to maintain broad and diversified funding sources across products, programs, tenors and creditors to avoid funding concentrations.

The table below presents information about our funding sources.

\$ in millions	As of			
	March 2024		December 2023	
Deposits	\$ 381,645	79%	\$ 383,051	82%
Collateralized financings	30,040	6%	21,392	4%
Unsecured borrowings	12,458	3%	9,322	2%
Total shareholder's equity	57,222	12%	54,783	12%
<b>Total</b>	<b>\$ 481,365</b>	<b>100%</b>	<b>\$ 468,548</b>	<b>100%</b>

Substantially all of our funding is raised in U.S. dollars. We generally distribute our funding products, through third-party distributors and private wealth advisors, to a depositor base in a variety of markets and directly to U.S. consumers, through our digital deposit platform. We believe that our relationships with our creditors are critical to our liquidity. Our creditors include individuals, financial institutions, nonfinancial institutions, corporations and asset managers. We have imposed various internal guidelines to monitor creditor concentration across our funding programs.

**Deposits.** Our deposits provide us with a diversified source of funding and reduce our reliance on wholesale funding. We accept deposits, including savings, demand and time deposits, from private bank clients, U.S. consumers, clients of third-party broker-dealers, institutions, corporations and affiliates. We also accept deposits from affiliates, including Goldman Sachs Funding LLC (Funding IHC) and Group Inc.

The table below presents the types and sources of deposits.

\$ in millions	Savings and Demand		Time	Total
<b>As of March 2024</b>				
Consumer	\$ 100,162	\$ 44,071	\$ 144,233	
Private bank	72,804	3,404	76,208	
Brokered certificates of deposit	—	41,183	41,183	
Deposit sweep programs	31,049	—	31,049	
Transaction banking	71,266	3,591	74,857	
Other	6,258	7,857	14,115	
<b>Total</b>	<b>\$ 281,539</b>	<b>\$ 100,106</b>	<b>\$ 381,645</b>	
<b>As of December 2023</b>				
Consumer	\$ 92,252	\$ 36,127	\$ 128,379	
Private bank	67,084	2,313	69,397	
Brokered certificates of deposit	—	46,195	46,195	
Deposit sweep programs	31,916	—	31,916	
Transaction banking	89,067	3,643	92,710	
Other	6,099	8,355	14,454	
<b>Total</b>	<b>\$ 286,418</b>	<b>\$ 96,633</b>	<b>\$ 383,051</b>	

In the table above:

- Savings and demand accounts consist of money market deposit accounts, negotiable order of withdrawal accounts and demand deposit accounts that have no stated maturity or expiration date. Savings account holders may be required by us to give written notice of intended withdrawals not less than seven days before such withdrawals are made and may be limited on the number of withdrawals made within a month. Demand account holders are not subject to restrictions with respect to the timing and number of transactions that deposit holders may execute.
- Time deposits include brokered certificates of deposit which have stipulated maturity dates and rates of interest. Early withdrawals of brokered time deposits are generally prohibited.
- Time deposits had a weighted average maturity of approximately 0.7 years as of both March 2024 and December 2023.
- Consumer deposits consist of deposits from both Marcus and Apple Card customers.



## Management's Discussion and Analysis

- Deposit sweep programs include contractual agreements with U.S. broker-dealers who sweep client cash to FDIC-insured deposits. Pursuant to the external deposit sweep program agreements, each third-party broker-dealer agrees, for a prescribed term, to place a certain minimum amount of deposits from their clients with us. Each client's deposit may be withdrawn at any time.
- Transaction banking deposits consist of deposits that we have raised through our cash management services business for corporate, other institutional clients and affiliates.
- Other deposits represent deposits from institutional clients and affiliates. As of both March 2024 and December 2023, other deposits were primarily from Funding IHC.
- Deposits insured by the FDIC were \$231.44 billion as of March 2024 and \$221.52 billion as of December 2023.
- Deposits insured by non-U.S. insurance programs were \$618 million as of March 2024 and \$607 million as of December 2023.

The average annualized interest rate on our interest-bearing deposits was 4.44% for the first quarter of 2024 and 3.52% for the first quarter of 2023.

The table below presents our average annualized interest rate on each type of deposit.

	Three Months Ended March	
	2024	2023
Savings and demand	4.25%	3.54%
Time	5.15%	3.49%

See “Supplemental Financial Information — Distribution of Assets, Liabilities, and Shareholder's Equity” and Note 13 to the consolidated financial statements for further information about deposits, including a maturity profile of our time deposits.

**Collateralized Financings.** We fund certain of our inventory and a portion of investments on a secured basis by entering into collateralized financing agreements, such as securities sold under agreements to repurchase (repurchase agreements). We are also a member of the Federal Home Loan Bank of New York (FHLB). We had no outstanding borrowings from the FHLB as of both March 2024 and December 2023. See Note 11 to the consolidated financial statements for further information about collateralized financings, including its maturity profile. Additionally, we have access to funding through the Federal Reserve discount window, but we do not rely on this funding in our liquidity planning and stress testing.

**Unsecured Borrowings.** We may raise funding through unsecured borrowings, primarily from Funding IHC and Group Inc. Group Inc. raises non-deposit unsecured funding and lends to Funding IHC and other affiliates, including consolidated subsidiaries, such as us, to meet those entities' funding needs. This approach enhances the flexibility with which Funding IHC and Group Inc. can meet our and other Group Inc. subsidiaries' funding requirements. We may also raise funding through issuing senior unsecured debt. See Note 14 to the consolidated financial statements for further information about our unsecured borrowings.

**Shareholder's Equity.** Shareholder's equity is a stable and perpetual source of funding. See the consolidated statements of changes in shareholder's equity in the consolidated financial statements for further information about our equity transactions.

## Capital Management and Regulatory Capital

Capital adequacy is of critical importance to us. We have in place a comprehensive capital management policy that provides a framework, defines objectives and establishes guidelines to assist us in maintaining the appropriate level and composition of capital in both business-as-usual and stressed conditions. See “Regulation” in Part I of the 2023 Annual Report and “Capital Management and Regulatory Capital” in Part II of the 2023 Annual Report for further information about our regulation, equity capital management process and regulatory capital requirements.

**Restrictions on Payments.** Our payment of dividends to Group Inc. is subject to certain restrictions. For example, the amount of dividends that may be paid is limited to the lesser of the amounts calculated under a recent earnings test and an undivided profits test. In addition to limitations on the payment of dividends imposed by federal and state laws, the FRB and the FDIC have the authority to prohibit or limit the payment of dividends by the banking organizations they supervise if, in their opinion, payment of a dividend would constitute an unsafe or unsound practice in light of the financial condition of the banking organization, pursuant to applicable FRB regulations.

We did not pay a dividend to Group Inc. during either the three months ended March 2024 or the year ended December 2023. Under the recent earnings test and undivided profits test, we could have declared dividends of up to \$11.06 billion as of March 2024 to Group Inc. See “Regulation” in Part I of the 2023 Annual Report for further information about dividends.

**Stress Testing Process.** Our stress tests incorporate our internally designed stress scenarios, including our internally developed severely adverse scenario, and are designed to capture our specific vulnerabilities and risks.

## Management's Discussion and Analysis

We are required to conduct stress tests on an annual basis and publish a summary of certain results. We submitted our 2024 U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act Stress Test (DFAST) capital plan to the FRB in April 2024 and expect to publish a summary of our annual DFAST results in June 2024. See “Available Information” in Part I of the 2023 Annual Report for further information.

GSBE also has its own capital planning and stress testing processes, which incorporates internally designed stress tests developed in accordance with the guidelines of its regulators.

### Regulatory and Other Matters

See “Regulation” in Part I of the 2023 Annual Report for further information about the laws, rules and regulations and proposed laws, rules and regulations that apply to us and our operations. In addition, see Note 19 to the consolidated financial statements for information about our risk-based capital ratios and leverage ratios.

#### Other Matters

**Community Reinvestment Act (CRA).** We are subject to the provisions of the CRA. Under the terms of the CRA, we have a continuing and affirmative obligation, consistent with safe and sound operation, to help meet the credit needs of our local communities.

In October 2023, the FRB, the FDIC and the Office of the Comptroller of the Currency (OCC) jointly issued a final rule that significantly amended the agencies’ regulatory framework implementing the CRA. The final rule tracks the proposed rule issued by the agencies in May 2022 and tailors CRA evaluations to bank size and type. The final rule introduces new tests under which the performance of banks with over \$2 billion in assets will be assessed. The new rule also includes data collection and reporting requirements, many of which are applicable only to banks with \$10 billion or more in assets, including us. The final rule was intended to become effective on April 1, 2024, with many provisions of the rule becoming applicable on January 1, 2026, and the data reporting requirements becoming applicable on January 1, 2027.

On March 29, 2024, the U.S. District Court for the Northern District of Texas granted a request by several banking trade associations for a preliminary injunction of the final rule pending a decision in a related lawsuit to overturn the rule. Although the FRB, the FDIC and the OCC have announced their intention to appeal the preliminary injunction, the effectiveness and implementation of the final rule will be delayed for an indeterminate period.

We operate under the terms of a CRA strategic plan that became effective on January 1, 2024 and which will be in effect through 2028. While the plan is in effect, its terms will not be affected by the final CRA rule, if it is upheld. If upheld, the final rule will maintain a strategic plan option as an alternative method for evaluating any bank that sufficiently justifies that it should be evaluated under a strategic plan rather than the performance tests that would otherwise apply. We continue to evaluate the effect of the final rule on us, and any effects may depend on the resolution of the lawsuit and further guidance from the regulators with respect to any interpretive and implementation-related issues that may arise.

### Risk Management

Risks are inherent in our businesses and include liquidity, market, credit, operational, cybersecurity, model, legal, compliance, conduct, regulatory and reputational risks. For further information about our risk management processes, see “Overview and Structure of Risk Management,” and for information about our areas of risk, see “Liquidity Risk Management,” “Market Risk Management,” “Credit Risk Management,” “Operational Risk Management,” “Cybersecurity Risk Management,” “Model Risk Management” and “Capital Risk Management,” as well as “Risk Factors” in Parts I and II of the 2023 Annual Report.

### Liquidity Risk Management

#### Overview

Liquidity risk is the risk that we will be unable to fund ourselves or meet our liquidity needs in the event of Bank-specific, GS Group, broader industry or market liquidity stress events. We have in place a comprehensive and conservative set of liquidity and funding policies. Our principal objective is to be able to fund ourselves and to enable our core businesses to continue to serve clients and generate revenues, even under adverse circumstances. See “Liquidity Risk Management” in Part II of the 2023 Annual Report for further information about our liquidity risk management process.

## Management's Discussion and Analysis

### Global Core Liquid Assets (GCLA) Metrics

Based on the results of our internal liquidity risk models, described above, as well as our consideration of other factors, including, but not limited to, a qualitative assessment of GS Group's, inclusive of our condition, as well as the financial markets, we believe our liquidity position as of both March 2024 and December 2023 was appropriate. We strictly limit our GCLA to a narrowly defined list of securities and cash because they are highly liquid, even in a difficult funding environment. We do not include other potential sources of excess liquidity in our GCLA, such as less liquid unencumbered securities or committed credit facilities.

The table below presents information about our GCLA by asset class.

\$ in millions	Average for the Three Months Ended	
	March 2024	December 2023
Overnight cash deposits	\$ 149,250	\$ 130,763
U.S. government obligations	54,342	51,500
U.S. agency obligations	17,776	21,828
Non-U.S. government obligations	15,040	14,576
<b>Total</b>	<b>\$ 236,408</b>	<b>\$ 218,667</b>

GCLA consists of (i) certain overnight U.S. and non-U.S. dollar cash deposits, (ii) unencumbered U.S. government and agency obligations (including highly liquid U.S. agency mortgage-backed obligations), all of which are eligible as collateral in Federal Reserve open market operations and (iii) certain non-U.S. dollar-denominated government obligations.

### Liquidity Regulatory Framework

We are subject to a minimum Liquidity Coverage Ratio (LCR) under the LCR rule approved by the U.S. federal bank regulatory agencies. The LCR rule requires organizations to maintain an adequate ratio of eligible high-quality liquid assets to expected net cash outflows under an acute, short-term liquidity stress scenario. We are required to maintain a minimum LCR of 100%. As of March 2024, our LCR exceeded the minimum requirement.

We are also subject to a minimum Net Stable Funding Ratio (NSFR) under the NSFR rule approved by the U.S. federal bank regulatory agencies, which requires large U.S. banking organizations to ensure they have access to stable funding over a one-year time horizon. Our NSFR as of March 2024 exceeded the minimum requirement.

GSBE is subject to a minimum LCR of 100% under the LCR rule approved by the European Parliament and Council. GSBE's average monthly LCR for the trailing twelve-month period ended March 2024 exceeded the minimum requirement. GSBE is subject to the applicable NSFR requirement in the E.U. As of March 2024, GSBE's NSFR exceeded the minimum requirement.

The implementation of these rules and any amendments adopted by the regulatory authorities could impact our liquidity and funding requirements and practices in the future.

### Credit Ratings

Credit ratings are important when we are competing in certain markets, such as over-the-counter (OTC) derivatives, and when we seek to engage in longer-term transactions.

The table below presents the unsecured credit ratings and outlook by Fitch, Inc. (Fitch), Moody's Investors Service (Moody's), and Standard & Poor's Ratings Services (S&P) of GS Bank USA and GSBE.

	As of March 2024		
	Fitch	Moody's	S&P
<b>GS Bank USA</b>			
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
<b>GSBE</b>			
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

We believe our credit ratings are primarily based on the credit rating agencies' assessment of:

- Our status within GS Group and likelihood of GS Group support;
- Our liquidity, market, credit and operational risk management practices;
- The level and variability of earnings;
- Our capital base;
- Our primary businesses, reputation and management;
- Our corporate governance; and
- The external operating and economic environment, including, in some cases, the assumed level of government support or other systemic considerations, such as potential resolution.

## Management's Discussion and Analysis

### Market Risk Management

#### Overview

Market risk is the risk of an adverse impact to our earnings due to changes in market conditions. Our assets and liabilities that give rise to market risk primarily include positions held for market making for our clients and for our investing and financing activities, and these positions change based on client demands and our investment opportunities. We employ a variety of risk measures, each described in the respective sections below, to monitor market risk.

Categories of market risk include the following:

- Interest rate risk: results from exposures to changes in the level, slope and curvature of yield curves, the volatilities of interest rates, prepayment speeds and credit spreads;
- Equity price risk: results from exposures to changes in prices and volatilities of individual equities, baskets of equities and equity indices; and
- Currency rate risk: results from exposures to changes in spot prices, forward prices and volatilities of currency rates. See “Market Risk Management” in Part II of the 2023 Annual Report for further information about our market risk management process.

#### Metrics

We analyze Value-at-Risk (VaR) at the Bank level and a variety of more detailed levels, including by risk category, business and region. Diversification effect in the tables below represents the difference between total VaR and the sum of the VaRs for the three risk categories. This effect arises because the three market risk categories are not perfectly correlated.

The table below presents our average daily VaR.

\$ in millions	Three Months Ended		
	March 2024	December 2023	March 2023
<b>Categories</b>			
Interest rates	\$ 68	\$ 69	\$ 85
Currency rates	9	12	16
Equity prices	4	3	3
Diversification effect	(15)	(18)	(19)
<b>Total</b>	<b>\$ 66</b>	<b>\$ 66</b>	<b>\$ 85</b>

Our average daily VaR of \$66 million for the three months ended March 2024 remained unchanged compared with the three months ended December 2023.

Our average daily VaR decreased to \$66 million for the three months ended March 2024 from \$85 million for the three months ended March 2023, primarily due to lower levels of volatility, partially offset by increased exposures. The total decrease was primarily driven by a decrease in the interest rates category.

The table below presents our period-end VaR.

\$ in millions	As of		
	March 2024	December 2023	March 2023
<b>Categories</b>			
Interest rates	\$ 77	\$ 84	\$ 113
Currency rates	7	13	12
Equity prices	5	4	5
Diversification effect	(15)	(19)	(24)
<b>Total</b>	<b>\$ 74</b>	<b>\$ 82</b>	<b>\$ 106</b>

Our period-end VaR decreased to \$74 million as of March 2024 from \$82 million as of December 2023, primarily due to lower levels of volatility, partially offset by increased exposures. The total decrease was primarily driven by a decrease in the interest rates and currency rates categories, partially offset by an increase in the diversification effect.

Our period-end VaR decreased to \$74 million as of March 2024 from \$106 million as of March 2023, primarily due to lower levels of volatility, partially offset by increased exposures. The total decrease was primarily driven by a decrease in the interest rates category.

During the three months ended March 2024, our total VaR risk limit was not exceeded and there were no permanent changes to the VaR risk limit and the VaR risk limit was temporarily raised on one occasion due to higher levels of volatility. During 2023, our total VaR risk limit was not exceeded and there was one permanent change to the VaR risk limit. The VaR risk limit was temporarily raised on five occasions due to higher levels of volatility generally as a result of changes in the market environment in the first half of 2023.

The table below presents our high and low VaR.

\$ in millions	Three Months Ended					
	March 2024		December 2023		March 2023	
	High	Low	High	Low	High	Low
<b>Categories</b>						
Interest rates	\$ 87	\$ 51	\$ 78	\$ 64	\$ 136	\$ 66
Currency rates	\$ 15	\$ 5	\$ 19	\$ 5	\$ 119	\$ 9
Equity prices	\$ 6	\$ 2	\$ 6	\$ 1	\$ 8	\$ 1
<b>Bank VaR</b>	<b>\$ 82</b>	<b>\$ 52</b>	<b>\$ 79</b>	<b>\$ 58</b>	<b>\$ 160</b>	<b>\$ 66</b>

#### Sensitivity Measures

Certain portfolios and individual positions are not included in VaR because VaR is not the most appropriate risk measure. Other sensitivity measures we use to analyze market risk are described below.

## Management's Discussion and Analysis

**10% Sensitivity Measures.** The table below presents our market risk by asset category for positions accounted for at fair value or accounted for at the lower of cost or fair value, that are not included in VaR.

\$ in millions	As of		
	March 2024	December 2023	March 2023
Debt	\$ 574	\$ 880	\$ 740
Equity	33	39	20
<b>Total</b>	<b>\$ 607</b>	<b>\$ 919</b>	<b>\$ 760</b>

In the table above:

- The market risk of these positions is determined by estimating the potential reduction in net revenues of a 10% decline in the value of these positions.
- Equity positions relate to investments in qualified affordable housing projects.
- Debt positions include loans backed by commercial and residential real estate, corporate bank loans and other corporate debt. Debt positions as of March 2024 decreased compared with both December 2023 and March 2023, primarily due to the sales of GreenSky and Marcus loans.
- Funded equity and debt positions are included in our consolidated balance sheets in investments and loans. See Note 8 to the consolidated financial statements for further information about investments and Note 9 to the consolidated financial statements for further information about loans.
- These measures do not reflect the diversification effect across asset categories or across other market risk measures.

**Interest Rate Sensitivity.** Loans accounted for at amortized cost were \$151.41 billion as of March 2024 and \$148.54 billion as of December 2023, substantially all of which had floating interest rates. The estimated sensitivity to a 100 basis point increase in interest rates on such loans was \$1.31 billion as of March 2024 and \$1.30 billion as of December 2023 of additional interest income over a twelve-month period, which does not take into account the potential impact of an increase in costs to fund such loans. In addition, we manage our exposure to interest rate risk generated by our net asset-liability position, which is primarily a function of our fixed rate term deposits and non-maturity deposits. See Note 9 to the consolidated financial statements for further information about loans that are held for investment and Note 13 for further information about deposits.

### Other Market Risk Considerations

We make investments in securities that are accounted for as available-for-sale or held-to-maturity and included in investments in the consolidated balance sheets. See Note 8 to the consolidated financial statements for further information.

## 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 we hold. Our exposure to credit risk comes mostly from client transactions in loans and lending commitments and OTC derivatives. Credit risk also comes from cash placed with banks, securities financing transactions (i.e., securities purchased under agreements to resell (resale agreements) and repurchase agreements) and customer and other receivables. See “Credit Risk Management” in Part II of the 2023 Annual Report for further information about our credit risk management process.

### Credit Exposures

As of March 2024, our aggregate credit exposure was essentially unchanged compared with December 2023. The percentage of our credit exposures arising from non-investment-grade counterparties (based on our internally determined public rating agency equivalents) was essentially unchanged compared with December 2023. Our credit exposures are described further below.

**Cash.** Our credit exposure on cash arises from our unrestricted cash, and includes both interest-bearing and non-interest-bearing deposits. We seek to mitigate the risk of credit loss, by depositing substantially all of our cash at the Federal Reserve and other central banks.

**OTC Derivatives.** Our credit exposure on OTC derivatives arises primarily from our market-making activities. As a market maker, we enter into derivative transactions to provide liquidity to clients and to facilitate the transfer and hedging of their risks. We also enter into derivatives to manage market risk exposures. We manage our credit exposure on OTC derivatives using the credit risk process, measures, limits and risk mitigants.

We generally enter into OTC derivatives transactions under bilateral collateral arrangements that require the daily exchange of collateral. As credit risk is an essential component of fair value, we include a credit valuation adjustment (CVA) in the fair value of derivatives to reflect counterparty credit risk, as described in Note 7 to the consolidated financial statements. CVA is a function of the present value of expected exposure, the probability of counterparty default and the assumed recovery upon default.

## Management's Discussion and Analysis

The table below presents our net credit exposure from OTC derivatives and the concentration by industry and region.

\$ in millions	As of	
	March 2024	December 2023
OTC derivative assets	\$ 8,781	\$ 10,589
Collateral (not netted under U.S. GAAP)	(4,327)	(4,212)
<b>Net credit exposure</b>	<b>\$ 4,454</b>	<b>\$ 6,377</b>
<b>Industry</b>		
Consumer & Retail	7%	6%
Diversified Industrials	10%	10%
Financial Institutions	21%	20%
Funds	11%	16%
Healthcare	4%	4%
Municipalities & Nonprofit	8%	8%
Natural Resources & Utilities	11%	10%
Sovereign	3%	2%
Technology, Media & Telecommunications	12%	13%
Other (including Special Purpose Vehicles)	13%	11%
<b>Total</b>	<b>100%</b>	<b>100%</b>
<b>Region</b>		
Americas	54%	57%
EMEA	44%	42%
Asia	2%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>

In the table above:

- OTC derivative assets, included in the consolidated balance sheets, are reported on a net-by-counterparty basis (i.e., the net receivable for a given counterparty) when a legal right of setoff exists under an enforceable netting agreement (counterparty netting) and are accounted for at fair value, net of cash collateral received under enforceable credit support agreements (cash collateral netting).
- Collateral represents cash collateral and the fair value of securities collateral, primarily U.S. and non-U.S. government and agency obligations, received under credit support agreements, that we consider when determining credit risk, but such collateral is not eligible for netting under U.S. GAAP.
- EMEA represents Europe, Middle East and Africa.

The table below presents the distribution of our net credit exposure from OTC derivatives by tenor.

\$ in millions	Investment-Grade	Non-Investment-Grade / Unrated	Total
<b>As of March 2024</b>			
Less than 1 year	\$ 6,497	\$ 509	\$ 7,006
1 - 5 years	15,370	666	16,036
Greater than 5 years	42,653	356	43,009
Total	64,520	1,531	66,051
Netting	(61,010)	(587)	(61,597)
<b>Net credit exposure</b>	<b>\$ 3,510</b>	<b>\$ 944</b>	<b>\$ 4,454</b>
<b>As of December 2023</b>			
Less than 1 year	\$ 7,241	\$ 797	\$ 8,038
1 - 5 years	13,230	803	14,033
Greater than 5 years	36,972	726	37,698
Total	57,443	2,326	59,769
Netting	(52,354)	(1,038)	(53,392)
<b>Net credit exposure</b>	<b>\$ 5,089</b>	<b>\$ 1,288</b>	<b>\$ 6,377</b>

In the table above:

- Tenor is based on remaining contractual maturity.
- Netting includes counterparty netting across tenor categories and collateral that we consider when determining credit risk (including collateral that is not eligible for netting under U.S. GAAP). Counterparty netting within the same tenor category is included within such tenor category.

## Management's Discussion and Analysis

The tables below present the distribution of our net credit exposure from OTC derivatives by tenor and internally determined public rating agency equivalents.

\$ in millions	Investment-Grade				Total
	AAA	AA	A	BBB	
<b>As of March 2024</b>					
Less than 1 year	\$ 279	\$ 645	\$ 4,642	\$ 931	\$ 6,497
1 - 5 years	875	3,115	9,309	2,071	15,370
Greater than 5 years	2,108	10,536	22,823	7,186	42,653
Total	3,262	14,296	36,774	10,188	64,520
Netting	(2,625)	(14,069)	(35,774)	(8,542)	(61,010)
<b>Net credit exposure</b>	<b>\$ 637</b>	<b>\$ 227</b>	<b>\$ 1,000</b>	<b>\$ 1,646</b>	<b>\$ 3,510</b>

<b>As of December 2023</b>					
Less than 1 year	\$ 57	\$ 778	\$ 5,019	\$ 1,387	\$ 7,241
1 - 5 years	790	2,907	7,159	2,374	13,230
Greater than 5 years	2,014	11,880	16,357	6,721	36,972
Total	2,861	15,565	28,535	10,482	57,443
Netting	(2,332)	(14,502)	(26,783)	(8,737)	(52,354)
<b>Net credit exposure</b>	<b>\$ 529</b>	<b>\$ 1,063</b>	<b>\$ 1,752</b>	<b>\$ 1,745</b>	<b>\$ 5,089</b>

\$ in millions	Non-Investment-Grade / Unrated		
	≤ BB	Unrated	Total
<b>As of March 2024</b>			
Less than 1 year	\$ 455	\$ 54	\$ 509
1 - 5 years	564	102	666
Greater than 5 years	356	—	356
Total	1,375	156	1,531
Netting	(586)	(1)	(587)
<b>Net credit exposure</b>	<b>\$ 789</b>	<b>\$ 155</b>	<b>\$ 944</b>

<b>As of December 2023</b>			
Less than 1 year	\$ 784	\$ 13	\$ 797
1 - 5 years	667	136	803
Greater than 5 years	715	11	726
Total	2,166	160	2,326
Netting	(1,016)	(22)	(1,038)
<b>Net credit exposure</b>	<b>\$ 1,150</b>	<b>\$ 138</b>	<b>\$ 1,288</b>

**Lending Activities.** We manage our lending activities using the credit risk process, measures, limits and risk mitigants. Other lending positions, including secondary trading positions, are risk-managed as a component of market risk.

The table below presents our loans and lending commitments.

\$ in millions	Loans	Lending Commitments	Total
<b>As of March 2024</b>			
Corporate	\$ 23,813	\$ 134,841	\$ 158,654
Commercial real estate	23,813	3,024	26,837
Residential real estate	23,271	1,288	24,559
Securities-based	11,441	697	12,138
Other collateralized	61,623	25,807	87,430
Consumer:			
Installment	374	1	375
Credit cards	18,798	73,621	92,419
Other	1,448	793	2,241
<b>Total</b>	<b>\$ 164,581</b>	<b>\$ 240,072</b>	<b>\$ 404,653</b>
<b>Allowance for loan losses</b>	<b>\$ (3,969)</b>	<b>\$ (480)</b>	<b>\$ (4,449)</b>
<b>As of December 2023</b>			
Corporate	\$ 23,718	\$ 129,341	\$ 153,059
Commercial real estate	22,794	3,054	25,848
Residential real estate	24,120	1,431	25,551
Securities-based	11,525	681	12,206
Other collateralized	57,961	22,921	80,882
Consumer:			
Installment	3,298	2,250	5,548
Credit cards	19,361	70,824	90,185
Other	1,446	876	2,322
<b>Total</b>	<b>\$ 164,223</b>	<b>\$ 231,378</b>	<b>\$ 395,601</b>
<b>Allowance for loan losses</b>	<b>\$ (4,049)</b>	<b>\$ (461)</b>	<b>\$ (4,510)</b>

In the table above, lending commitments excluded \$4.79 billion as of March 2024 and \$4.89 billion as of December 2023 related to issued letters of credit which are classified as guarantees in our consolidated financial statements. See Note 18 to the consolidated financial statements for further information about guarantees.

See Note 9 to the consolidated financial statements for information about net charge-offs on wholesale and consumer loans, as well as past due and nonaccrual loans accounted for at amortized cost.

**Corporate.** Corporate includes term loans, revolving lines of credit, letter of credit facilities and bridge loans, and are principally used for operating and general corporate purposes, or in connection with acquisitions. Corporate also includes loans originated as part of our CRA activities. Corporate loans are secured (typically by a senior lien on the assets of the borrower) or unsecured, depending on the loan purpose, the risk profile of the borrower and other factors.

## Management's Discussion and Analysis

The table below presents our credit exposure from corporate loans and lending commitments, and the concentration by industry, region, internally determined public rating agency equivalents and other credit metrics.

<i>\$ in millions</i>	Loans	Lending Commitments	Total
<b>As of March 2024</b>			
<b>Corporate</b>	<b>\$ 23,813</b>	<b>\$ 134,841</b>	<b>\$ 158,654</b>
<b>Industry</b>			
Consumer & Retail	10%	13%	12%
Diversified Industrials	17%	18%	18%
Financial Institutions	9%	9%	9%
Funds	2%	3%	3%
Healthcare	8%	12%	11%
Natural Resources & Utilities	11%	18%	17%
Real Estate	17%	6%	7%
Technology, Media & Telecommunications	23%	20%	21%
Other (including Special Purpose Vehicles)	3%	1%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Region</b>			
Americas	71%	79%	78%
EMEA	23%	20%	20%
Asia	6%	1%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Credit Quality (Credit Rating Equivalent)</b>			
AAA	1%	1%	1%
AA	1%	5%	4%
A	7%	21%	19%
BBB	27%	43%	41%
BB or lower	64%	30%	35%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>As of December 2023</b>			
<b>Corporate</b>	<b>\$ 23,718</b>	<b>\$ 129,341</b>	<b>\$ 153,059</b>
<b>Industry</b>			
Consumer & Retail	12%	13%	13%
Diversified Industrials	15%	20%	19%
Financial Institutions	10%	9%	9%
Funds	3%	3%	3%
Healthcare	7%	11%	10%
Natural Resources & Utilities	10%	18%	17%
Real Estate	17%	5%	7%
Technology, Media & Telecommunications	22%	20%	21%
Other (including Special Purpose Vehicles)	4%	1%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Region</b>			
Americas	71%	79%	78%
EMEA	23%	20%	20%
Asia	6%	1%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Credit Quality (Credit Rating Equivalent)</b>			
AAA	—	2%	1%
AA	1%	5%	4%
A	7%	22%	19%
BBB	27%	42%	40%
BB or lower	65%	29%	36%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**Commercial Real Estate.** Commercial real estate includes originated loans and lending commitments that are directly or indirectly secured by hotels, retail stores, multifamily housing complexes and commercial and industrial properties. Commercial real estate also includes loans and lending commitments extended to clients who warehouse assets that are directly or indirectly backed by commercial real estate. In addition, commercial real estate includes loans purchased by us and loans originated as part of our CRA activities.

The table below presents our credit exposure from commercial real estate loans and lending commitments, and the concentration by region, internally determined public rating agency equivalents and other credit metrics.

<i>\$ in millions</i>	Loans	Lending Commitments	Total
<b>As of March 2024</b>			
<b>Commercial Real Estate</b>	<b>\$ 23,813</b>	<b>\$ 3,024</b>	<b>\$ 26,837</b>
<b>Region</b>			
Americas	87%	85%	87%
EMEA	12%	15%	13%
Asia	1%	—	—
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Credit Quality (Credit Rating Equivalent)</b>			
Investment-grade	53%	54%	53%
Non-investment-grade	47%	46%	47%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>As of December 2023</b>			
<b>Commercial Real Estate</b>	<b>\$ 22,794</b>	<b>\$ 3,054</b>	<b>\$ 25,848</b>
<b>Region</b>			
Americas	85%	79%	84%
EMEA	14%	21%	16%
Asia	1%	—	—
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Credit Quality (Credit Rating Equivalent)</b>			
Investment-grade	50%	52%	51%
Non-investment-grade	49%	48%	48%
Unrated	1%	—	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



## Management's Discussion and Analysis

In the table above:

- The concentration of loans and lending commitments by asset class as of March 2024 was 44% for warehouse and other indirect, 10% for industrials, 12% for multifamily, 7% for office, 7% for hospitality, 3% for mixed use and 17% for other asset classes. The concentration of loans and lending commitments by asset class as of December 2023 was 44% for warehouse and other indirect, 13% for industrials, 12% for multifamily, 6% for office, 7% for hospitality, 5% for mixed use and 13% for other asset classes.
- The net charge-off ratio for commercial real estate loans was 0.0% for the three months ended March 2024. The net charge-off ratio is calculated by dividing annualized net charge-offs by average gross loans accounted for at amortized cost.

In addition, we also have credit exposure to commercial real estate loans held for securitization of \$39 million as of March 2024 and \$119 million as of December 2023. Such loans are included in trading assets in our consolidated balance sheets.

**Residential Real Estate.** Residential real estate loans and lending commitments are primarily extended to wealth management clients and to clients who warehouse assets that are directly or indirectly secured by residential real estate. In addition, residential real estate includes loans purchased by us.

The table below presents our credit exposure from residential real estate loans and lending commitments, and the concentration by region, internally determined public rating agency equivalents and other credit metrics.

<i>\$ in millions</i>	Loans	Lending Commitments	Total
<b>As of March 2024</b>			
<b>Residential Real Estate</b>	<b>\$ 23,271</b>	<b>\$ 1,288</b>	<b>\$ 24,559</b>
<b>Region</b>			
Americas	98%	97%	98%
EMEA	2%	3%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Credit Quality (Credit Rating Equivalent)</b>			
Investment-grade	38%	46%	39%
Non-investment-grade	13%	31%	14%
Other metrics	49%	23%	47%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>As of December 2023</b>			
<b>Residential Real Estate</b>	<b>\$ 24,120</b>	<b>\$ 1,431</b>	<b>\$ 25,551</b>
<b>Region</b>			
Americas	98%	95%	98%
EMEA	2%	5%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Credit Quality (Credit Rating Equivalent)</b>			
Investment-grade	42%	55%	43%
Non-investment-grade	12%	25%	12%
Other metrics	46%	16%	44%
Unrated	—	4%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

In the table above:

- Credit exposure included loans and lending commitments of \$12.95 billion as of March 2024 and \$14.01 billion as of December 2023 which are extended to clients who warehouse assets that are directly or indirectly secured by residential real estate.
- Substantially all residential real estate loans included in the other metrics category consists of loans extended to wealth management clients. As of both March 2024 and December 2023, substantially all of such loans had a loan-to-value ratio of less than 80% and were performing in accordance with the contractual terms. Additionally, as of both March 2024 and December 2023, the vast majority of such loans had a FICO credit score of greater than 740.

## Management's Discussion and Analysis

In addition, we also have credit exposure to residential real estate loans held for securitization of \$5.78 billion as of March 2024 and \$5.04 billion as of December 2023. Such loans are included in trading assets in our consolidated balance sheets.

**Securities-Based.** Securities-based includes loans and lending commitments that are secured by stocks, bonds, mutual funds, and exchange-traded funds. These loans and commitments are primarily extended to wealth management clients and used for purposes other than purchasing, carrying or trading margin stocks. Securities-based loans require borrowers to post additional collateral based on changes in the underlying collateral's fair value. Securities-based also includes loans originated through Goldman Bank Private Bank Select.

The table below presents our credit exposure from securities-based loans and lending commitments, and the concentration by region, internally determined public rating agency equivalents and other credit metrics.

<i>\$ in millions</i>	Loans	Lending Commitments	Total
<b>As of March 2024</b>			
<b>Securities-based</b>	<b>\$ 11,441</b>	<b>\$ 697</b>	<b>\$ 12,138</b>
<b>Region</b>			
Americas	100%	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Credit Quality (Credit Rating Equivalent)</b>			
Investment-grade	71%	25%	68%
Non-investment-grade	2%	—	2%
Other metrics	27%	75%	30%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>As of December 2023</b>			
Securities-based	\$ 11,525	\$ 681	\$ 12,206
<b>Region</b>			
Americas	100%	99%	100%
EMEA	—	1%	—
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Credit Quality (Credit Rating Equivalent)</b>			
Investment-grade	71%	26%	69%
Non-investment-grade	2%	—	2%
Other metrics	27%	74%	29%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

In the table above, substantially all securities-based loans included in the other metrics category had a loan-to-value ratio of less than 80% and were performing in accordance with the contractual terms as of both March 2024 and December 2023.

**Other Collateralized.** Other collateralized includes loans and lending commitments that are backed by specific collateral (other than securities and real estate). Such loans and lending commitments are extended to clients who warehouse assets that are directly or indirectly secured by corporate loans, consumer loans and other assets. Other collateralized also includes loans and lending commitments to investment funds (managed by third parties) that are collateralized by capital commitments of the funds' investors or assets held by the fund, as well as other secured loans and lending commitments extended to wealth management clients.

The table below presents our credit exposure from other collateralized loans and lending commitments, and the concentration by region, internally determined public rating agency equivalents and other credit metrics.

<i>\$ in millions</i>	Loans	Lending Commitments	Total
<b>As of March 2024</b>			
<b>Other Collateralized</b>	<b>\$ 61,623</b>	<b>\$ 25,807</b>	<b>\$ 87,430</b>
<b>Region</b>			
Americas	92%	93%	92%
EMEA	8%	7%	8%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Credit Quality (Credit Rating Equivalent)</b>			
Investment-grade	83%	89%	85%
Non-investment-grade	17%	11%	15%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>As of December 2023</b>			
Other Collateralized	\$ 57,961	\$ 22,921	\$ 80,882
<b>Region</b>			
Americas	93%	96%	94%
EMEA	7%	4%	6%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Credit Quality (Credit Rating Equivalent)</b>			
Investment-grade	80%	83%	81%
Non-investment-grade	20%	17%	19%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

In the table above, credit exposure included loans and lending commitments extended to clients who warehouse assets of \$20.90 billion as of March 2024 and \$17.98 billion as of December 2023.

## Management's Discussion and Analysis

**Installment and Credit Cards.** We originate unsecured installment loans and credit card loans (pursuant to revolving lines of credit) to consumers in the Americas. The credit card lines are cancellable by us and therefore do not result in credit exposure.

The tables below present our credit exposure from originated installment and credit card funded loans, and the concentration by the five most concentrated U.S. states.

<i>\$ in millions</i>	Installment
<b>As of March 2024</b>	
<b>Loans, gross</b>	<b>\$ 374</b>
New Jersey	21%
California	15%
New York	11%
Florida	9%
Minnesota	8%
Other	36%
<b>Total</b>	<b>100%</b>
<b>As of December 2023</b>	
<b>Loans, gross</b>	<b>\$ 3,298</b>
California	8%
Texas	8%
Florida	7%
New York	5%
New Jersey	5%
Other	67%
<b>Total</b>	<b>100%</b>

<i>\$ in millions</i>	Credit Cards
<b>As of March 2024</b>	
<b>Loans, gross</b>	<b>\$ 18,798</b>
California	17%
Texas	9%
Florida	9%
New York	8%
Illinois	4%
Other	53%
<b>Total</b>	<b>100%</b>
<b>As of December 2023</b>	
<b>Loans, gross</b>	<b>\$ 19,361</b>
California	17%
Texas	9%
Florida	8%
New York	8%
Illinois	4%
Other	54%
<b>Total</b>	<b>100%</b>

In addition, we had credit exposure of \$2.25 billion as of December 2023 related to our commitments to provide unsecured installment loans to consumers.

See Note 9 to the consolidated financial statements for further information about the credit quality indicators of installment and credit card loans.

**Other.** Other includes unsecured loans extended to wealth management clients and unsecured consumer loans purchased by us.

The table below presents our credit exposure from other loans and lending commitments, and the concentration by region, internally determined public rating agency equivalents and other credit metrics.

<i>\$ in millions</i>	Loans	Lending Commitments	Total
<b>As of March 2024</b>			
<b>Other</b>	<b>\$ 1,448</b>	<b>\$ 793</b>	<b>\$ 2,241</b>
<b>Region</b>			
Americas	100%	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Credit Quality (Credit Rating Equivalent)</b>			
Investment-grade	68%	78%	71%
Non-investment-grade	13%	22%	16%
Other metrics	19%	—	13%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>As of December 2023</b>			
<b>Other</b>	<b>\$ 1,446</b>	<b>\$ 876</b>	<b>\$ 2,322</b>
<b>Region</b>			
Americas	100%	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Credit Quality (Credit Rating Equivalent)</b>			
Investment-grade	64%	88%	73%
Non-investment-grade	8%	12%	9%
Other metrics	28%	—	18%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

In the table above, other metrics primarily includes consumer loans purchased by us. Our risk assessment process for such loans includes reviewing certain key metrics, such as expected cash flows, delinquency status and other risk factors.

In addition, we also have credit exposure to other loans held for securitization of \$1.14 billion as of March 2024 and \$1.24 billion as of December 2023. Such loans are included in trading assets in our consolidated balance sheets.

**Credit Hedges.** We seek to mitigate the credit risk associated with our lending activities by obtaining credit protection on certain loans and lending commitments through credit default swaps, both single-name and index-based contracts, and through the issuance of credit-linked notes.

## Management's Discussion and Analysis

**Securities Financing Transactions.** We enter into securities financing transactions in order to, among other things, facilitate client activities, invest excess cash, acquire securities to cover short positions and finance certain activities. We bear credit risk related to resale agreements and securities borrowed only to the extent that cash advanced or the value of securities pledged or delivered to the counterparty exceeds the value of the collateral received. We also have credit exposure on repurchase agreements and securities loaned to the extent that the value of securities pledged or delivered to the counterparty for these transactions exceeds the amount of cash or collateral received. Securities collateral for these transactions primarily includes U.S. and non-U.S. government and agency obligations.

The table below presents our credit exposure from securities financing transactions and the concentration by industry, region and internally determined public rating agency equivalents.

\$ in millions	As of	
	March 2024	December 2023
<b>Securities Financing Transactions</b>	<b>\$ 2,187</b>	<b>\$ 3,221</b>
<b>Industry</b>		
Consumer, Retail & Healthcare	7%	—
Financial Institutions	67%	34%
Funds	24%	14%
Sovereign	—	52%
Other (including Special Purpose Vehicles)	2%	—
<b>Total</b>	<b>100%</b>	<b>100%</b>
<b>Region</b>		
Americas	18%	10%
EMEA	82%	90%
<b>Total</b>	<b>100%</b>	<b>100%</b>
<b>Credit Quality (Credit Rating Equivalent)</b>		
AA	29%	65%
A	44%	27%
BBB	3%	4%
BB or lower	24%	4%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The table above reflects both netting agreements and collateral that we consider when determining credit risk.

**Other Credit Exposures.** We are exposed to credit risk from our customer and other receivables. These receivables primarily consist of initial margin placed with clearing organizations and receivables related to sales of loans which have traded, but not yet settled. These receivables generally have minimal credit risk due to the low probability of clearing organization default and the short-term nature of receivables related to loan settlements.

The table below presents our other credit exposures and the concentration by industry, region and internally determined public rating agency equivalents.

\$ in millions	As of	
	March 2024	December 2023
<b>Other Credit Exposures</b>	<b>\$ 8,491</b>	<b>\$ 10,975</b>
<b>Industry</b>		
Financial Institutions	70%	77%
Funds	25%	20%
Other (including Special Purpose Vehicles)	5%	3%
<b>Total</b>	<b>100%</b>	<b>100%</b>
<b>Region</b>		
Americas	8%	6%
EMEA	92%	94%
<b>Total</b>	<b>100%</b>	<b>100%</b>
<b>Credit Quality (Credit Rating Equivalent)</b>		
AAA	1%	—
AA	73%	83%
A	4%	5%
BBB	15%	8%
BB or lower	6%	4%
Unrated	1%	—
<b>Total</b>	<b>100%</b>	<b>100%</b>

The table above reflects collateral that we consider when determining credit risk.

## Operational Risk Management

Operational risk is the risk of an adverse outcome resulting from inadequate or failed internal processes, people, systems or from external events. Our 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 II of the 2023 Annual Report for further information about our operational risk management process.

## Management's Discussion and Analysis

### Cybersecurity Risk Management

Cybersecurity risk is the risk of compromising the confidentiality, integrity or availability of our data and systems, leading to an adverse impact on us, our reputation, our clients and/or the broader financial system. We seek to minimize the occurrence and impact of unauthorized access, disruption or use of information and/or information systems. There is increased information risk through diversification of our data across external service providers, including use of a variety of cloud-provided or -hosted services and applications. In addition, new artificial intelligence technologies may increase the frequency and severity of cybersecurity attacks. See “Cybersecurity Risk Management” in Part II of the 2023 Annual Report for further information about our cybersecurity risk management process.

### Model Risk Management

Model risk is the potential for adverse consequences from decisions made based on model outputs that may be incorrect or used inappropriately. We rely on quantitative models across our business activities primarily to value certain financial assets and liabilities, to monitor and manage our risk, and to measure and monitor our regulatory capital. See “Model Risk Management” in Part II of the 2023 Annual Report for further information about our model risk management process.

### Capital Risk Management

Capital risk is the risk that our capital is insufficient to support our business activities under normal and stressed market conditions or we face capital reductions or risk-weighted asset increases, including from new or revised rules or changes in interpretations of existing rules, and are therefore unable to meet our internal capital targets or external regulatory capital requirements. See “Capital Risk Management” in Part II of the 2023 Annual Report for further information about our capital risk management process.

### Forward-Looking Statements

In the preceding discussion and analysis of our financial condition and results of operations, we have included statements that 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.

By identifying these statements for you in this manner, we are alerting you to the possibility that our actual results, financial condition, liquidity and capital actions may differ, possibly materially, from the anticipated results, financial condition, liquidity and capital actions in these forward-looking statements. Important factors that could cause our results, financial condition and liquidity to differ from those in these statements include, among others, those described below and in “Risk Factors” and “Forward-Looking Statements” in Part I of the 2023 Annual Report.

These statements may relate to, among other things, (i) our future plans and objectives, (ii) our expense savings initiative, (iii) expenses we may incur, including expenses from investing in our transaction banking activities and new business initiatives, (iv) the growth of our deposits and other funding, asset liability management and funding strategies, (v) our business initiatives, including transaction banking, (vi) our expected provision for credit losses, (vii) the adequacy of our allowance for credit losses, (viii) the narrowing of our consumer activities, (ix) the objectives and effectiveness of our risk management and liquidity policies, (x) our resolution plan and strategy, (xi) the impact of regulatory changes applicable to us, and our future status, activities or reporting under banking and financial regulation, (xii) legal proceedings, governmental investigations or other contingencies, (xiii) the effectiveness of our management of human capital, (xiv) future inflation, (xv) the impact of Russia’s invasion of Ukraine and related sanctions and other developments on our business, results and financial position, (xvi) our agreement with GM regarding a process to transition the GM credit card program to another issuer to be selected by GM, (xvii) the impact of the conflicts in the Middle East, (xviii) our ability to manage our commercial real estate exposures, (xix) the profitability of consumer lending activities, and (xx) the effectiveness of our cybersecurity risk management process.

Statements about the timing, costs, profitability, benefits and other aspects of our businesses and expense savings initiatives and increases in market share and the narrowing of our consumer businesses are based on our current expectations regarding our ability to implement these initiatives and actual results may differ, possibly materially, from our current expectations due to, among other things, a delay in the timing of these initiatives, increased competition and an inability to reduce expenses and grow businesses or to exit certain consumer businesses.

Statements about the growth of our deposits and associated interest expense savings are subject to the risk that actual growth may differ, possibly materially, from that currently anticipated due to, among other things, changes in interest rates and competition from other similar products.

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Statements about our expected provision for credit losses are subject to the risk that actual credit losses may differ and our expectations may change, possibly materially, from that currently anticipated due to, among other things, changes to the composition of our loan portfolio and changes in the economic environment in future periods and our forecasts of future economic conditions, as well as changes in our models, policies and other management judgments.

Statements about the future state of our liquidity and regulatory capital ratios are subject to the risk that our actual liquidity and regulatory capital ratios may differ, possibly materially, from what is currently expected due to, among other things, increased regulatory requirements resulting from changes in regulations or the interpretation or application of existing regulations and changes to the composition of our balance sheet. Statements about the estimated impact of proposed, but not finalized, capital rules are subject to change as we continue to analyze the proposals, the final rules may differ from the proposed rules and our balance sheet composition will change. As a consequence, we may underestimate the actual impact of the final rules (including any final rules in respect of the July 2023 proposal from the U.S. federal bank regulatory agencies).

Statements about our objectives in management of human capital are based on our current expectations and are subject to the risk that we may not achieve these objectives and goals due to, among other things, competition in recruiting and attracting diverse candidates and unsuccessful efforts in retaining diverse employees.

Statements about future inflation are subject to the risk that actual inflation may differ, possibly materially, due to, among other things, changes in economic growth, unemployment or consumer demand.

Statements about the impact of Russia's invasion of Ukraine and related sanctions, the impact of the conflicts in the Middle East and other developments on our business, results and financial position are subject to the risks that hostilities may escalate and expand, that sanctions may increase and that the actual impact may differ, possibly materially, from what is currently expected.

Statements about our agreement with GM regarding a process to transition the GM credit card program to another issuer to be selected by GM are subject to the risk that the transaction may not close on the anticipated timeline or at all, including due to a failure to obtain requisite regulatory approval.

Statements about the effectiveness of our cybersecurity risk management process are subject to the risk that measures we and GS Group have implemented to safeguard our and GS Group's systems (and third-parties that we interface with) may not be sufficient to prevent a successful cybersecurity attack or a material security breach that results in the disclosure of confidential information or otherwise disrupts our operations.