GOLDMAN SACHS PARIS INC. ET CIE

Information under Pillar III of Basel III

As of December 31, 2022

(In accordance with Titles II and III of Regulation (EU) 575/2013 of June 26, 2013)

1. Introduction

1.1) Overview

The Goldman Sachs Group, Inc. (Group Inc. or parent company), a Delaware corporation, together with its consolidated subsidiaries (collectively, the firm), is a leading global financial institution that delivers a broad range of financial services across investment banking, securities, investment management and consumer banking to a large and diversified client base that includes corporations, financial institutions, governments, and individuals. Goldman Sachs Paris Inc. et Cie (GSPIC) is a majority owned subsidiary of Group Inc. When we use the terms “Goldman Sachs”, “GS Group” and “the firm”, we mean Group Inc. and its consolidated subsidiaries and when we use the terms “GSPIC”, “the company”, “we”, “us” and “our”, we mean Goldman Sachs Paris Inc. et Cie.

Basel III was implemented within the European Union through the “CRD IV Package” consisting of Directive 2013/36/EU on capital adequacy (“CRD IV – Capital Requirements Directive IV”) and EU Regulation 575/2013 on prudential requirements (“CRR2”) and directly applicable in France.

The Basel III framework has three pillars: Pillar I “minimum capital requirements”, Pillar II “prudential oversight and risk assessment process” and Pillar III “market discipline”. Pillar III requires institutions to communicate the information necessary to assess their risk profile and the adequacy of their capital. The following document sets out the qualitative and quantitative communication requirements required by the CRR. Additional information required under Pillar III may also be obtained from the Annual Report of The Goldman Sachs Group, Inc. (“GS Group”). The information published in the GS Group Annual Report on Accounting Principles (“Accounting Policy”), Risk Management (“Risk Management”) and Equity Capital (“Equity Capital”), is applicable to GSPIC, an integrated subsidiary of GS Group.

For information on Group Inc.’s financial statements and regulatory capital ratios, please refer to the firm’s annual Pillar 3 Disclosures and Annual Report on Form 10-K. References to the “2022 Form 10-K” are to the firm’s Annual Report on Form 10-K for the year ended December 31, 2022. All references to December 2022 refer to the period ended, or the date, as the context requires, December 31, 2022.

https://www.goldmansachs.com/investor-relations/financials/other-information/2022/4q-pillar3-2022.pdf

https://www.goldmansachs.com/investor-relations/financials/10k/2022/2022-10-k.pdf

The information published below relates to Goldman Sachs Paris Inc. et Cie, which has no subsidiaries and does not publish consolidated financial statements.

1.2 Regulatory Developments

The firm’s businesses are subject to extensive regulation and supervision worldwide. New regulations have been adopted or are being considered by regulators and policymakers. Given that many of the new and proposed rules are highly complex, the full impact of regulatory reform will not be known until the rules are implemented and market practices develop under final E.U. regulations.

Risk-Based Capital Ratios

The Basel Committee published standards that it described as the finalisation of the Basel III post-crisis regulatory reforms. These standards set a floor on internally developed capital requirements at a percentage of the capital requirements under the standardised approach. They also revised the Basel Committee's standardised and model-based approaches for credit risk, provide a new standardised approach for operational risk capital and revise the frameworks for credit valuation adjustment risk. In addition, in December 2022, the Basel Committee published a final standard on the prudential treatment of cryptoasset exposures.

The Basel Committee's standards are not effective in any jurisdiction until respective regulations have been implemented by the relevant authorities in such jurisdiction.

In June 2021, amendments to the CRR and CRD became effective in the E.U., including changes to rules for the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities (MREL), counterparty credit risk, market risk, large exposures and the requirement to establish an E.U. intermediate parent undertaking ("IPU").

In October 2021, the European Commission further published a proposed legislative package to amend the CRR and CRD to finalise the implementation of Basel III, which is expected to be concluded in 2023 with a proposed implementation date of January 1, 2025 at the earliest for substantial parts of the reforms. As part of this package, E.U. regulators are considering authorisations requirements for large investment firms, including potential changes to the scope of assets which should be used to determine the applicable prudential regime.

The outcome and impact of these draft rules on the bank (including its RWAs and regulatory capital ratios) is subject to uncertainty until legislation is finalised and implemented.

In February 2023, the ECB published a newsletter stating that the Basel Committee's standard on the treatment of cryptoasset exposures is not yet legally binding in the E.U. but banks wishing to engage in this market are expected to comply with the standards.

1.3) Other Developments

Russian Invasion of Ukraine

The Russian invasion of Ukraine has negatively affected the global economy and has resulted in significant disruptions in financial markets and increased macroeconomic uncertainty. Governments around the world have responded to Russia's invasion by imposing economic sanctions and export controls on certain industry sectors, companies and individuals in Russia. Retaliatory restrictions against investors, non-Russian owned businesses and other sovereign states have been implemented by Russia. Businesses globally continue to experience shortages in materials and increased costs for transportation, energy and raw materials due, in part, to the negative effects of the war on the global economy. The escalation or continuation of the war between Russia and Ukraine presents heightened risks relating to cyber-attacks, the frequency and volume of failures to settle securities transactions, supply chain disruptions, and inflation, as well as the potential for increased volatility in commodity, currency, and other financial markets. Complying with economic sanctions and restrictions imposed by governments has resulted in increased operational risk. The extent and duration of the war, sanctions and resulting market disruptions, as well as the potential adverse consequences for the bank's business, liquidity, and results of operations, are difficult to predict.

Banking Sector

Since the balance sheet date, stress in the banking sector, including the failure of three regional banks in the U.S. and the planned combination of Switzerland’s two largest financial institutions, resulted in a period of heightened market uncertainty and volatility. As at the time of publication, the company does not expect this stress to have any immediate impact on its operational and financial performance.

2) Credit risk

2.1) Credit risk management and governance

Goldman Sachs Paris Inc. et Cie manages its credit risk in a manner that is consistent with the approach taken across the rest of the firm, leveraging existing Firmwide risk management systems, models and processes used across the group.

To measure and manage our credit exposures, we use a variety of tools, including credit limits on potential exposures. Potential exposure is an estimated exposure, at a given confidence interval, that may exist during the life of a transaction based on market movements. To complement our standard credit exposure measurements, we also use scenario analyses, such as stress tests and other quantitative tools.

Our global credit risk management systems monitor credit exposure on an individual basis for each counterparty, and on a consolidated basis for counterparties and their affiliates. These systems also provide management, in particular the Firmwide Risk Appetite Committee and other committees, with information on credit risk by product, business sector, country and region.

The Credit Risk (“CR”) department is responsible for managing credit risk at GS Group. CR is independent of the business units and reports directly to the Chief Credit Officer. It assigns internal credit ratings to all counterparties, based on credit reviews specific to each.

A counterparty's credit review represents the independent assessment of Goldman Sachs' risk appetite for dealing with that counterparty, and takes into account, among other factors, a counterparty's ability and willingness to meet its commitments. Counterparty reviews are conducted under guidelines established by the various CR Industry Councils, and the extent of the reviews depends on several factors, including the industry sector and the amount of exposure.

There is a global and regional governance structure with responsibility for approving all significant aspects of credit ratings and assessment processes. This structure includes committees at global and regional level, in particular the “Firmwide Risk Committee” and the “Firmwide Risk Appetite Committee” (FRAC). The Firmwide Risk Appetite Committee, by delegation from the Firmwide Risk Committee, approves, among other things, credit risk limits at the Firm level, by product, division and entity. The FRAC also establishes and reviews the global credit procedures and parameters used by CR. CR also benefits internally from an independent group (the “Credit Review”), in charge of auditing the credit review process, which reports to the Group Chief Risk Officer. This control function is in addition to the firm's Internal Audit department. Internal Audit assesses the compliance of overall credit procedures with regulatory requirements and internal procedures and conducts reviews of credit systems.

2.2) Measurement, monitoring and reporting of credit risk

Exposures are measured on the basis of potential exposure, i.e. the maximum potential value of exposure over the lifetime of the portfolio, measured with a 95% confidence interval, taking into account the benefit of collateral received, from an external counterparty. This exposure is measured daily, for each counterparty and for all products in the portfolio.

Each quarter, a complete analysis of the portfolio is carried out and presented to the Compliance and Risks Committee of GSPIC, which validates the level of credit risk and discusses important issues related to its management. This analysis is also presented to the GSPIC Management Committee.

Risk communication to the Compliance and Risk Committee and to the Management Committee includes an analysis of current and potential exposure risks, a detailed breakdown of risk concentrations by product, business sector, country and internal rating ("Investment Grade" and "non-Investment Grade") as well as a presentation of the results of the quarterly stress tests.

2.3) Models and Methodologies

Goldman Sachs Paris Inc. et Cie obtained, on May 30, 2008, the authorization of the French Prudential Control and Resolution Authority ("ACPR") to use, as of January 1, 2008, for the calculation of the regulatory capital, the advanced internal ratings-based approach to credit risk (Advanced Internal Ratings Based or "AIRB") and the assessment method based on internal counterparty risk models (Internal Models Method or "IMM"), for over-the-counter derivatives and repurchase agreements.

Since the end of December 2021, GSPIC uses the SA-CCR method ("Standardized Approach for measuring Counterparty Credit Risk") to calculate Credit Risk on the mark-to-market of OTC derivatives.

Risk Weighted Assets ("RWAs") or weighted exposures to credit risk are calculated for balance sheet and off-balance sheet exposures. The calculations comply with the "AIRB" and SA-CCR (derivatives)/general method (repo) approaches under Basel III, and are based on the value exposed to risk ("Exposure at Default" or "EAD"), which is an estimate of the amount that would be due to Goldman Sachs Paris Inc. et Cie at the time of default, multiplied by the risk weighting of each counterparty ("Risk Weight").

Under the Basel III AIRB approach, a counterparty's risk weight is derived from a combination of Probability of Default (PD), Loss Given Default (LGD), correlation and maturity of the transaction or the portfolio of transactions, where:

- The Probability of Default (PD) is an estimate of the probability that a debtor will default over a one-year horizon. The PD derives from the use of internally determined ratings, equivalent to ratings from external rating agencies.
- Loss Given Default ("Loss Given Default" - LGD) is an estimate of the rate of economic loss in the event that the default occurs in a degraded economic environment. The LGD is determined on the basis of data by sector of activity.

Finally, the Risk Weighted Assets ("RWA") is derived by applying the Basel formula: RWA = RiskWeight * 12.5 * EAD.

2.4) Wrong-way credit risk

This risk comes from a positive correlation between the EAD and the PD for the same counterparty. Goldman Sachs ensures that this risk is mitigated appropriately using collateral or other risk reduction techniques. Stress tests are used to identify any unfavourable correlation risk in existing portfolios and risk reduction techniques and/or allocated capital adjustments are then implemented.

2.5) Credit Risk Reduction

In addition to a conservative risk-taking policy, Goldman Sachs Paris Inc. et Cie relies on legal documentation allowing netting, obtaining security (collateral), and early termination, as important techniques for reducing risk. A general presentation of credit risk reduction procedures and techniques is provided in the GS Group Annual Report.

3) Operational Risk

Overview

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

Potential types of loss events related to internal and external operational risk include:

- Clients, products and business practices;
- Execution, delivery and process management;
- Business disruption and system failures;
- Employment practices and workplace safety;
- Damage to physical assets;
- Internal fraud; and
- External fraud.

Operational Risk, which is independent of the firm's revenue-producing units and reports to the firm's Chief Risk Officer, has primary responsibility for developing and implementing a formalised framework for assessing, monitoring and managing operational risk with the goal of maintaining the firm's exposure to operational risk at levels that are within its risk appetite. Goldman Sachs Paris Inc. et Cie's framework for managing operational risk is consistent with and part of GS Group's framework.

Operational Risk Management Process

The firm's process for managing operational risk includes the critical components of the risk management framework described in "Risk Management – Overview and Structure of Risk Management" in Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the firm's 2022 Form 10-K, including a comprehensive data collection process, as well as firmwide policies and procedures, for operational risk events.

The firm combines top-down and bottom-up approaches to manage and measure operational risk. From a top-down perspective, senior management assesses firmwide as well as entity and business-level operational risk profiles, as appropriate. From a bottom-up perspective, the first and second lines of defence are responsible for risk identification and risk management on a day-to-day basis, including escalating operational risks to senior management.

The firm maintains a comprehensive control framework designed to provide a well-controlled environment to minimise operational risks. The EMEA Operational Risk and Resilience Committee is responsible for overseeing the company's operational risk, and for ensuring the operational resilience of the company's business.

The firm's operational risk management framework is designed to comply with the operational risk measurement rules under the Capital Framework and has evolved based on the changing needs of the firm's businesses and regulatory guidance.

The firm has established policies that require all employees to report and escalate operational risk events. When operational risk events are identified, the policies require that the events be documented and analysed to determine whether changes are required in the systems and/or processes to further mitigate the risk of future events.

The firm uses operational risk management applications to capture, analyse, aggregate and report operational risk event data and key metrics. One of the key risk identification and assessment tools is an operational risk and control self-assessment process, which is performed by the firm's managers. This process consists of the identification and rating of operational risks, on a forward-looking basis, and the related controls. The results from this process are analysed to evaluate operational risk exposures and identify businesses, activities or products with heightened levels of operational risk.

Risk Measurement

The firm measures operational risk exposure using both statistical modelling and scenario analyses, which involves qualitative and quantitative assessments of internal and external operational risk event data and internal control factors for each of our businesses. Operational risk measurement also incorporates an assessment of business environment factors, including:

- Evaluations of the complexity of business activities;
- The degree of automation in our processes;
- New activity information;
- The legal and regulatory environment; and
- Changes in the markets for our products and services, including the diversity and sophistication of our customers and counterparties.

The results from these scenario analyses are used to monitor changes in operational risk and to determine business lines that may have heightened exposure to operational risk.

Goldman Sachs Paris Inc. et Cie has adopted the basic indicator approach for calculating capital requirements for operational risk.

Model Review and Validation

The models used to measure operational risk exposure are independently reviewed, validated, and approved by Model Risk.

4) Market Risk

Market risk is the risk of loss in the value of inventory, investments, loans and other financial assets and liabilities accounted for at fair value due to changes in market conditions.

Derivative transactions entered into by GSPIC are systematically and immediately backed (back-to-back) with other companies in the Goldman Sachs group.

As of December 31, 2022, we have immaterial market risk exposures in the company.

5) Interest rate risk outside the trading portfolio

GSPIC has immaterial overall interest rate risk as of December 31, 2022. All interest-bearing assets and liabilities on the balance sheet (apart from its trading portfolio) are indexed to variable rates.

6) Liquidity Risk

Liquidity risk is the risk that GSPIC will be unable to fund itself or meet its liquidity needs in the event of bank-specific, broader industry, or market liquidity stress events. GSPIC's principal objective is to be able to fund itself and to enable its core businesses to continue to serve clients and generate revenues, even under adverse circumstances.

The role of the Liquidity Risk function, independent of the commercial and liquidity management functions, supervised by the risk management of Goldman Sachs (GS), is to assess, monitor and manage the liquidity risk of GSPIC, through regular monitoring of activities, implementation of stress tests, and monitoring of the various liquidity ratios.

GSPIC has a robust liquidity risk management framework in place, which we consider adequate. It leverages this framework to maintain a sufficient amount of liquidity to ensure we remain appropriately funded and liquid in the event of stress.

Internal Resistance Tests ("Stress Test")

In order to determine the appropriate size of the liquidity pool of GSPIC, an internal liquidity model is used, called the "Modelled Liquidity Outflow", which captures and quantifies the GSPIC's liquidity risks over a 30-day stress scenario.

We also consider other factors, including, but not limited to, an assessment of our potential intraday liquidity needs through an additional "Intraday Liquidity Model", and other applicable regulatory requirements and a qualitative assessment of our condition, as well as the financial markets.

Modelled Liquidity Outflow: This is based on conducting multiple scenarios that include combinations of market-wide and firm-specific stress. These scenarios are characterized by the following qualitative elements:

- Severely challenging market environments, which include low consumer and business confidence, financial and political instability and adverse changes in market values, including potential declines in equity markets and widening of credit spreads; And
- A GS Group-specific crisis potentially triggered by material losses, reputational damage, litigation and/or rating downgrades.

The following are key modelling elements of the Modelled Liquidity Outflow which are most relevant for GSPIC:

- Liquidity needs over a 30-day scenario;
- A two-notch downgrade of the long-term senior unsecured credit ratings of GS Group Inc. and its rated subsidiaries;
- A combination of contractual outflows and contingent outflows.

Intraday Liquidity Model: This measures GSPIC's intraday liquidity needs using a scenario analysis characterized by the same qualitative elements as our Modelled Liquidity Outflow. The model assesses the risk of increased intraday liquidity needs in a scenario where access to intraday liquidity sources may become limited.

Liquidity Regulatory Framework

Implementation of the Basel Committee's international framework for liquidity risk management, standards and monitoring requires a Liquidity Coverage Ratio (LCR) and a Net Stable Funding Ratio (NSFR).

The Liquidity Coverage Ratio (LCR) is designed to ensure that financial institutions maintain a sufficient level of High Quality Liquid Assets to absorb expected net cash outflows in a period of stress 30-day liquidity. GSPIC is subject to a minimum LCR of 100% under the LCR rule approved by the European Parliament and Council. As of December 2022, GSPIC's LCR exceeded the minimum regulatory requirement.

The NSFR is designed to support stable medium to long-term funding of the assets and off-balance sheet activities over a one-year horizon. The Basel Committee NSFR framework requires maintaining an NSFR of 100%. GSPIC is subject to the NSFR requirement applicable in the EU, which came into force in June 2021. As of December 2022, GSPIC's NSFR exceeded the minimum regulatory requirement. The implementation of these rules and any amendments adopted by regulatory authorities could affect GSPIC's liquidity and funding requirements and practices in the future.

The results of the LCR, NSFR, Modelled Liquidity Outflow and Intraday Liquidity Model are regularly reported to GSPIC management.

Template EU CC1 - Composition of regulatory own funds

The following tables contain information on the components of GSPIC's regulatory capital:

		(a)	(b)
	€'000	**Amounts**	**Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation**
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	1,079,546	
	of which: Share Capital	1,014,124	EU CC2 - 14
	of which: Share Premium	65,422	EU CC2 - 15
2	Retained earnings	58,500	EU CC2 - 16
3	Accumulated other comprehensive income (and other reserves)	0	
EU-3a	Funds for general banking risk	0	
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	0	
5	Minority interests (amount allowed in consolidated CET1)	0	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	0	
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**1,138,046**	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(5)	
8	Intangible assets (net of related tax liability) (negative amount)	0	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	0	
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	0	
12	Negative amounts resulting from the calculation of expected loss amounts	(14,815)	
13	Any increase in equity that results from securitised assets (negative amount)	0	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	0	
15	Defined-benefit pension fund assets (negative amount)	0	

16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	0	
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	0	
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	0	
EU-20c	of which: securitisation positions (negative amount)	0	
EU-20d	of which: free deliveries (negative amount)	0	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	0	
22	Amount exceeding the 17,65% threshold (negative amount)	0	
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	0	
25	of which: deferred tax assets arising from temporary differences	0	
EU-25a	Losses for the current financial year (negative amount)	0	
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	0	
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	0	
27a	Other regulatory adjustments to CET1 capital *(including IFRS 9 transitional adjustments when relevant)*	0	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(14,820)**	
29	**Common Equity Tier 1 (CET1) capital**	**1,123,226**	
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	0	
31	of which: classified as equity under applicable accounting standards	0	
32	of which: classified as liabilities under applicable accounting standards	0	
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1 as described in Article 486(3) CRR	0	

EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	0	
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	0	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	0	
35	of which: instruments issued by subsidiaries subject to phase out	0	
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**0**	
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	0	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	0	
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	0	
42a	Other regulatory adjustments to AT1 capital	0	
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	**0**	
44	**Additional Tier 1 (AT1) capital**	**0**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**1,123,226**	
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	0	
47	Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	0	
EU-47a	Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from T2	0	
EU-47b	Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from T2	0	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	0	

49	of which: instruments issued by subsidiaries subject to phase out	0	
50	Credit risk adjustments	0	
51	**Tier 2 (T2) capital before regulatory adjustments**	**0**	
	Tier 2 (T2) capital: regulatory adjustments		
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	0	
53	Direct, indirect and synthetic goldings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	0	
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	0	
EU-56b	Other regulatory adjustments to T2 capital	0	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**0**	
58	**Tier 2 (T2) capital**	**0**	
59	**Total capital (TC = T1 + T2)**	**1,123,226**	
60	**Total Risk exposure amount**	**1,989,786**	
	Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	56.4%	
62	Tier 1 (as a percentage of total risk exposure amount)	56.4%	
63	Total capital (as a percentage of total risk exposure amount)	56.4%	
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	10.5%	
65	of which: capital conservation buffer requirement	2.5%	
66	of which: countercyclical buffer requirement	0	
67	of which: systemic risk buffer requirement	0	
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0	

68	**Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)**	57.2%	
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	0	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	0	
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	0	
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	0	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	0	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	0	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	0	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	0	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	0	
82	Current cap on AT1 instruments subject to phase out arrangements	0	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	0	
84	Current cap on T2 instruments subject to phase out arrangements	0	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	0	

Template EU CC2 - reconciliation of regulatory own funds to balance sheet in the audited financial statements

We present below a reconciliation between GSPIC equity and the balance sheet:

		a	b	c
		Balance sheet as in published financial statements	**Under regulatory scope of consolidation**	**Reference**
	€ '000's	**As of December 22**	**As of December 22**	
Assets - *Breakdown by asset clases according to the balance sheet in the published financial statements*				
1	Cash, central banks, CCP	631,160	631,160	
2	Receivables from credit institutions	11,995	11,995	
3	Customer operations	2,918,946	2,918,946	
4	Intangible assets	39	39	
5	Fixed assets	25,416	25,416	
6	Other assets	2,144,144	2,144,144	
7	Trading assets	4,265,895	4,265,895	
	Total assets	**9,997,594**	**9,997,594**	
Liabilities - *Breakdown by liability clases according to the balance sheet in the published financial statements*				
8	Customer operations	2,890,187	2,890,187	
9	Other liabilities	1,623,102	1,623,102	
10	Trading liabilities	4,269,396	4,269,396	
	Total liabilities	**8,782,684**	**8,782,684**	
Shareholders' Equity				
14	Share capital	1,014,124	1,014,124	EU CC1 - 1
15	Share premium account	65,422	65,422	EU CC1 - 1
16	Retained earning	58,500	58,500	EU CC1 - 2
17	Result of exercise	76,864	76,864	
	Total shareholders' equity	**1,214,910**	**1,214,910**	

Template EU KM1 - Key metrics template

The following table presents the key indicators of the regulatory ratios monitored by GSPIC:

		a	b
	€ '000	As of December 2022	As of December 2021
	Available own funds (amounts)		
1	Common Equity Tier 1 (CET1) capital [1]	1,123,226	400,611
2	Tier 1 capital	1,123,226	400,611
3	Total capital	1,123,226	400,611
	Risk-weighted exposure amounts		
4	Total risk-weighted exposure amount	1,989,786	1,696,773
	Capital ratios (as a percentage of risk-weighted exposure amount)		
5	Common Equity Tier 1 ratio (%)	56.4%	23.6%
6	Tier 1 ratio (%)	56.4%	23.6%
7	Total capital ratio (%)	56.4%	23.6%
	Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)		
EU 7a	Additional CET1 SREP requirements (%)	0%	0%
EU 7b	Additional AT1 SREP requirements (%)	0%	0%
EU 7c	Additional T2 SREP requirements (%)	0%	0%
EU 7d	Total SREP own funds requirements (%)	8.0%	8.0%
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)		
8	Capital conservation buffer (%)	2.5%	2.5%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0%	0%
9	Institution specific countercyclical capital buffer (%)	0%	0%
EU 9a	Systemic risk buffer (%)	0%	0%
10	Global Systemically Important Institution buffer (%)	0%	0%
EU 10a	Other Systemically Important Institution buffer	0%	0%
11	Combined buffer requirement (%)	2.5%	2.5%
EU 11a	Overall capital requirements (%)	10.5%	10.5%
12	CET1 available after meeting the total SREP own funds requirements (%)	964,043	264,869
	Leverage ratio		
13	Leverage ratio total exposure measure	16%	7%
14	Leverage ratio	16%	7%
	Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)		
EU 14a	Additional CET1 leverage ratio requirements (%)	0%	0%
EU 14b	Additional AT1 leverage ratio requirements (%)	0%	0%
EU 14c	Additional T2 leverage ratio requirements (%)	0%	0%

EU 14d	Total SREP leverage ratio requirements (%)	0%	0%
EU 14e	Applicable leverage buffer	0%	0%
EU 14f	Overall leverage ratio requirements (%)	0%	0%
	Liquidity Coverage Ratio [2]		
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	2,944,000	774,000
EU 16a	Cash outflows - Total weighted value	1,287,000	271,000
EU 16b	Cash inflows - Total weighted value	420,000	104,000
16	Total net cash outflows (adjusted value)	1,053,000	167,000
17	Liquidity coverage ratio (%)	463%	507%
	Net Stable Funding Ratio [3 4]		
18	Total available stable funding	4,612,000	2,641,355
19	Total required stable funding	1,818,000	393,807
20	NSFR ratio (%)	254%	671%

[1] CET1 Capital increased over the course of 2022 due to two capital injections. The first capital injection occurred in March 2022 for € 200 million followed by a second capital injection in August 2022 for € 500 million.

[2] 44% decrease in ratio driven by € 0.9bn increase in net cash outflows (NCO) (mainly driven by outflows related to derivative exposures) partially offset by € 2.2bn increase in HQLA (driven by the capital injections and by unsecured borrowing from GS affiliate entities).

[3] 417% decrease in the ratio driven by € 1.4bn increase in required stable funding (RSF) driven by unsecured loan and derivative positions partially offset by € 2.0bn increase in available stable funding (ASF) due to unsecured loan and equity capital.

[4] NSFR details were as follows for the following reporting periods;

- as at 31 March 2022, Available Stable Funding €2.9 Bn, Required Stable Funding €1.2 Bn and the NSFR ratio 245%;
- as at 30 June 2022, Available Stable Funding €2.7 Bn, Required Stable Funding €0.9 Bn and the NSFR ratio 296%.
- as at 30 September 2022, Available Stable Funding €6.7 Bn, Required Stable Funding €2.2 Bn and the NSFR ratio 306%.

Template EU OV1 – Overview of risk weighted exposure amounts

RWAs are calculated based on measures of credit risk, market risk and operational risk. The tables below represent a summary of the RWAs and capital requirements for GSPIC by type as of December 31, 2022 and December 31,2021.

€ '0000		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		a	b	c
		As of December 2022	As of December 2021	As of December 2022
1	**Credit risk (excluding CCR)**	**527,441**	**533,545**	**42,195**
2	Of which the standardised approach	25,915	16,974	2,073
3	Of which the foundation IRB (FIRB) approach	0	0	0
4	Of which slotting approach	0	0	0
EU 4a	Of which equities under the simple risk weighted approach	0	0	0
5	Of which the advanced IRB (AIRB) approach	501,526	516,571	40,122
6	**Counterparty credit risk - CCR**	**1,229,651**	**929,866**	**98,372**
7	Of which the standardised approach	0	0	0
8	Of which internal model method (IMM)	0	0	0
EU 8a	Of which exposures to a CCP	0	0	0
EU 8b	Of which credit valuation adjustment - CVA	267,547	235,199	21,404
9	Of which other CCR	962,104	694,667	76,968
15	**Settlement risk**	**0**	**0**	**0**
16	**Securitisation exposures in the non-trading book (after the cap)**	**0**	**0**	**0**
17	Of which SEC-IRBA approach	0	0	0
18	Of which SEC-ERBA (including IAA)	0	0	0
19	Of which SEC-SA approach	0	0	0
EU 19a	Of which 1250%/ deduction	0	0	0
20	**Position, foreign exchange and commodities risks (Market risk)**	**14,837**	**3,923**	**1,187**
21	Of which the standardised approach	14,837	3,923	1,187
22	Of which IMA	0	0	0
EU 22a	**Large exposures**	**0**	**0**	**0**
23	**Operational risk**	**217,857**	**229,439**	**17,429**
EU 23a	Of which basic indicator approach	217,857	229,439	17,429
EU 23b	Of which standardised approach	0	0	0
EU 23c	Of which advanced measurement approach	0	0	0
24	**Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)**	**0**	**0**	**0**
29	**Total**	**1,989,786**	**1,696,773**	**159,183**

[1] Counterparty Credit risk increased from € 0.93 Bn to € 1.23 Bn over the course of 2022 following an increase in derivative exposures primarily as a result of higher market volatility, partially offset by a guarantee from Group Inc.

Governance Arrangements

Management and Management Committee

Management, which includes the Executive Managers within the meaning of the decree of November 3, 2014 (all Managers being Executive Managers), is responsible for defining GSPIC's policy in terms of risk management and measurement (market risks, counterparty, etc.) and, to this end, to assess the risks incurred by GSPIC and to set the overall limits. Management is also responsible for setting up an internal control system. It ensures the consistency and efficiency of this system. In particular, it ensures that periodic checks are carried out on the validity and consistency of the parameters and assumptions used to assess the various risks.

Since June 2002, a Management Committee has been in place to facilitate and formalize collective management action. It is made up of Managers representing the various divisions of GSPIC and meets once a quarter.

During the year 2022, the college of GSPIC Managers consisted of Mrs. Petra Leveton and Messrs. Marc d'Andlau, Pierre Hudry and John Chartres.

It should be noted that Mr. Pierre Hudry left Goldman Sachs at the end of 2022 and is therefore no longer one of the Effective Managers of GS Paris Inc. & Cie. The effective Management of GSPIC is therefore now ensured by Marc d'Andlau, based in Paris. He is assisted by John Chartres and Petra Monteiro, both in control functions. It should be noted that a new Effective Manager based in Paris will soon be appointed.

Supervisory body

The Supervisory Body of GSPIC is the General Meeting of Partners, which is made up of representatives of our limited partner (The Goldman Sachs Group, Inc.) and our general partner (Goldman Sachs Global Holdings L.L.C.).

Compliance and Risk Committee

The management of GSPIC has set up a “Compliance and Risk Committee” (CRC), made up of members belonging to different departments of the Goldman Sachs group, whose main responsibility is to monitor compliance with risk limits. The CRC can also make any recommendation or proposal useful to management in terms of risk management and monitoring. The Compliance Manager is responsible for coordinating it.

The CRC is also responsible for assessing the impact on GSPIC of changes in activity, as well as the impact of legislative or regulatory changes or any other factor likely to have an effect on the risks incurred by GSPIC. In this regard, the CRC may also make any recommendation or proposal useful to management.

The CRC meets quarterly with the aim in particular of reviewing the risks associated with the activity of GSPIC, including those related to outsourced functions within the Goldman Sachs group, and to monitor compliance with the limits set. The CRC reports regularly to the management.

More generally, risk monitoring in GSPIC is carried out by dedicated Risk Officers (in the 2nd line of defence) who are mainly located in London and New York, and also rely on resources from the Risk division at the Group scale.

The Remuneration Committee

The Partners of GSPIC have set up a "Compensation Committee" ("RemCo"), made up of members belonging to different departments of the Goldman Sachs group, whose main responsibility is to monitor compensation proposals and identify persons having a significant impact on the risks for GSPIC, and to verify that the remuneration of these persons is in accordance with the principles of GSPIC's remuneration policy. The RemCo can also make any useful recommendation or proposal to the Shareholders and the Management on all elements related to remuneration.

The RemCo is also responsible for assessing the impact on GSPIC of legislative or regulatory changes or any other factor likely to influence GSPIC's compliance with remuneration. In this regard, the RemCo may also make any useful recommendation or proposal to the Shareholders and the Management.

The RemCo generally meets as needed for the purpose of reviewing compensation and compliance with policies and procedures and regulatory requirements related to GSPIC business. It meets at least once a year before the communication of compensation to employees. The RemCo reports to GSPIC Associates.

The Nominations Committee

The Partners of GSPIC have set up a “Nominations Committee” (“NomCo”), made up of members belonging to different departments of the Goldman Sachs group. They are responsible for providing guidance and recommendations to the Management and shareholders of GSPIC concerning the new appointments of Managers of GSPIC, who make up the Management Committee of GSPIC, and to evaluate the performance of the Management Committee and other Committees of GSPIC at least once a year.

The committee is responsible for compliance with standards and practices, including those relating to reputational risk management.

Description of the risk information flow

Supervisory body

Based on the information provided to it by management and by the Head of Internal Control and Risk Management, the Supervisory Body examines:
- the activity of GSPIC;
- overall risk limits set by management;
- the parameters and assumptions used to assess market risks and other risks, and
- the results of internal control.

Compliance and Risk Committee and Management Committee

The CRC includes representatives from the following departments:
- Regulatory Reporting
- Controllers (Financial Control)
- Credit Risk (Credit risk management)
- Market Risk (market risk management)
- Liquidity Risk (liquidity risk management)
- Operational Risk
- Compliance (representing the Compliance groups assigned to the various businesses)
- Legal
- Tax
- Corporate Treasury
- Operations (Middle/Back Office)
- Technology (IT)
- The holders of the various control functions (Internal Controller and Head of Risk Management, Head of Compliance)
- Internal Audit, as an observer.

Recruitment and diversity policy

During the selection of the members of the Management and the Supervisory body, a candidate for each function is taken into consideration when, in addition to the actual knowledge, abilities and experience required by the regulations, the professional and personal competence of the candidates is also demonstrated. GSPIC thus places the highest demands on those who are considered for selection. GSPIC considers diversity a priority to ensure the representation of qualified women in leadership positions. As part of the Goldman Sachs group, GSPIC implements the Global Diversity Principles, Measures and Goals at Goldman Sachs. Women and men candidates are treated on an equal footing. There are no targets or targets to achieve a specific ratio of women members of the Management and Supervisory body.

Management of GSPIC

Name	Journey	Number of management positions
Marc d'Andlau	Responsible for "Global Markets" activities in France, he is also responsible for the GSI Paris branch in France, which only carries out Global Markets activities.	1
John Chartres	He is based in New York at Goldman Sachs & Co. His role is to oversee and coordinate all communications with the Goldman Sachs group's regulatory authorities around the world, and to follow up on these requests. Accordingly, he is a member of the Regulatory Practice Group. Within GSPIC, he participates in the definition of the compliance risk management policy and serves as a point of contact within Global Compliance NY for the Head of Compliance of GSPIC.	1
Petra Leveton	She is based in London at GSI. She participates in clarifying GSPIC's policy in terms of risk management and measurement (market risks, counterparty risks, credit risks, liquidity risks, etc.) and, to this end, is responsible for assessing the risks incurred and setting overall limits. More generally, this role leads her to follow regulatory and prudential issues in all Goldman Sachs offices in continental Europe, including for GSPIC.	1

Remuneration Disclosure

Goldman Sachs Paris Inc. et Cie publish a public remuneration disclosure in accordance with CRR Article 450. The remuneration disclosure is available annually on the Goldman Sachs Disclosure website.