Registration Document

for retail non-equity securities

dated 3 August 2021

of

Goldman Sachs Bank Europe SE

Frankfurt am Main, Germany

This document constitutes the registration document for retail non-equity securities (the "**Registration Document**") in relation to Goldman Sachs Bank Europe SE, Frankfurt am Main, Germany ("**GSBE**").

The Registration Document has been drawn up in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 as amended from time to time (the "**Prospectus Regulation**") in conjunction with Article 7 and Annex 6 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 as amended from time to time (the "**Delegated Regulation**") and contains the information in relation to GSBE required by the Prospectus Regulation and the Delegated Regulation.

The Registration Document should be read together with all relevant supplements, potentially approved and published after the date of the Registration Document (see section "*Supplements*" below).

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A. RISK FACTORS RELATING TO GSBE

The risk factors listed below are divided into categories. Sections A.I. (Market Risks), A.II. (Liquidity Risks), A.III. (Credit Risks), A.IV. (Market Developments and General Business Environment Risks), A.V. (Operational Risks), A.VI. (Legal and Regulatory Risks) and A.VII. (Competition Risks). If more than one risk factor is included in a category, the most material risk factors shall be mentioned first. The materiality of the risk factors is based on the probability of their occurrence and the expected extent of their negative effects.

Only those risk factors are presented below which are specific to GSBE and, in the opinion of GSBE, material for taking an informed investment decision. In addition, before buying any securities, investors should carefully read and consider the risk factors described in the securities note for the relevant securities which, in the opinion of GSBE, are specific and material to such securities. In addition, they should note and consider all other information contained in the Registration Document, the relevant securities note or the relevant (base) prospectus and, if applicable, the relevant final terms and all relevant supplements and, if applicable, all information incorporated by reference in the relevant (base) prospectus or a relevant supplement. Potential investors should also bear in mind that all the risks described may interact and thereby reinforce each other. If any of the risks described in the following materialize, investors could lose some or all of their investment.

I. MARKET RISKS

In the category "Market Risks", the risks are classified according to their materiality. The most material risks are mentioned first.

1. GSBE's business has been and may in the future be adversely affected by conditions in the global financial markets and broader economic conditions.

GSBE's business, by its nature, does not produce predictable earnings. GSBE generates among others revenue and earnings from transactions in financial instruments, market-making activities in interest rate and other derivatives and related products, and interest GSBE may charge due to lending activities.

GSBE's financial performance is highly dependent on the environment in which it operates. A favourable business environment is generally characterised by, among other factors, high global gross domestic product growth, regulatory and market conditions that result in transparent, liquid and efficient capital markets, low inflation, business, consumer and investor confidence, stable geopolitical conditions and strong business earnings.

Unfavourable or uncertain economic and market conditions can be caused by: low levels of or declines in economic growth, business activity or investor, business or consumer confidence; pandemics; limitations on the availability or increases in the cost of credit and capital; illiquid markets; increases in inflation, interest rates, exchange rate or basic commodity price volatility or default rates; concerns about sovereign defaults; uncertainty concerning fiscal or monetary policy, government shutdowns, debt ceilings or funding; the extent of and uncertainty about potential increases in tax rates and other regulatory changes; the imposition of tariffs or other limitations on international trade and travel; outbreaks of domestic or international tensions or hostilities, terrorism, nuclear proliferation, cybersecurity threats or attacks and other forms of disruption to or curtailment of global communication, energy transmission or transportation networks or other geopolitical instability or uncertainty; corporate, political or other scandals that reduce investor confidence in capital markets; extreme weather events or other natural disasters; or a combination of these or other factors.

The financial services industry and the securities and other financial markets have been materially and adversely affected in the past by significant declines in the values of nearly all asset classes, by a serious lack of liquidity and by high levels of borrower defaults. In addition, concerns about the COVID-19 pandemic, European sovereign debt risk and its impact on the European banking system, the imposition of tariffs and actions taken by other countries in response, and potential or actual changes in interest rates and other market conditions have resulted, at times, in significant volatility while negatively impacting the levels of client activity. Actual changes in interest rates and other market conditions, have also resulted, at times, in significant volatility and negative impact to client activity levels and creditworthiness.

General uncertainty about economic, political and market activities, and the scope, timing and impact of regulatory reform, as well as weak consumer, investor and chief executive officer ("**CEO**") confidence resulting in large part from such uncertainty, has in the past negatively impacted the client activity of GS Group's or GSBE's clients, which can adversely affect GSBE's businesses. Periods of low volatility and periods of high volatility combined with a lack of liquidity, may have at times an unfavourable impact on GSBE's market-making business.

Financial institution returns in general and also GSBE's returns may be negatively impacted by increased funding costs due in part to the lack of perceived government support of such institutions in the event of future financial crises relative to financial institutions in countries in which governmental support is maintained. In addition, liquidity in the financial markets has also been negatively impacted as market participants and market practices and structures continue to adjust to evolving regulatory frameworks.

In addition, a significant portion of GSBE's business involves transactions with, through, arising from, involving, or otherwise related to other GS Group entities, and any adverse change in the businesses or activity levels of GS Group more broadly can have an adverse impact on GSBE.

Accordingly, GSBE is materially affected by conditions in the global financial markets and economic conditions generally, both directly through their impact on GSBE’s business levels and indirectly through their impact on the business levels of GSBE’s affiliates. These conditions can change suddenly and negatively.

2. GSBE’s business has been and may in the future be adversely affected by declining or volatile asset values, particularly where GSBE has net "long" positions or receives or posts collateral.

GSBE may have net "long" positions in debt securities, loans, derivatives, mortgages, equities (including private equity) and most other asset classes. These include positions GSBE takes when committing capital to its clients as part of its financing activities or when GSBE acts as a principal to facilitate the activities of its clients or counterparties (including its affiliates) through GSBE’s market-making activities, or commits large amounts of capital to maintain positions in interest rate and credit products, as well as through currencies, commodities, equities and mortgage-related activities. In addition, GSBE invests as principal in similar asset classes. Substantially all of GSBE’s market-making positions are marked-to-market on a daily basis and declines in asset values directly and immediately impact earnings, unless GSBE has effectively "hedged" its exposures to those declines.

In certain circumstances (particularly in the case of credit products and private equities or other securities that are not freely tradable or lack established and liquid trading markets), it may not be possible or economic to hedge GSBE’s exposures and to the extent that this is done the hedge may be ineffective or may greatly reduce GSBE’s ability to profit from increases in the values of the assets. Sudden declines and significant volatility in the prices of assets have in the past and may in the future substantially curtail or eliminate the trading markets for certain assets, which may make it difficult to sell, hedge or value such assets. The inability to sell or effectively hedge assets reduces GSBE’s ability to limit losses in such positions and the difficulty in valuing assets may negatively affect its capital, liquidity or leverage ratios, increase its funding costs and generally require maintaining additional capital.

GSBE may be particularly exposed to 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), currency rate risk (results from exposures to changes in spot prices, forward prices and volatilities of currency rates), and commodity price risk (results from exposures to changes in spot prices, forward prices and volatilities of commodities, such as crude oil and metals).

In GSBE’s exchange-based market-making activities, GSBE is obligated by stock exchange rules to maintain an orderly market, including by purchasing securities in a declining market. In markets where asset values are declining and in volatile markets, this results in losses and an increased need for liquidity.

Collateral is posted to support obligations of GSBE and received to support the obligations of clients and counterparties. When the value of the assets posted as collateral or the credit ratings of the party posting collateral decline, the party posting the collateral may need to provide additional collateral or, if possible, reduce its position. An example of such a situation is a "margin call" in connection with a brokerage account. Therefore, declines in the value of asset classes used as collateral mean that either the cost of funding positions is increased or the size of positions is decreased.

If GSBE is the party providing collateral, this can increase costs and reduce profitability and if GSBE is the party receiving collateral, this can also reduce profitability by reducing the level of business done with clients and counterparties. GSBE indemnifies all 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, and, therefore, declines in the value of collateral can subject GSBE to additional costs. In addition, volatile or less liquid markets increase the difficulty of valuing assets which can lead to costly and time-consuming disputes over asset values and the level of required collateral, as well as increased credit risk to the recipient of the collateral due to delays in receiving adequate collateral.

In cases where GSBE forecloses on collateral, sudden declines in the value or liquidity of the collateral may, despite credit monitoring, over-collateralisation, the ability to call for additional collateral or the ability to force repayment of the underlying obligation, result in significant losses to GSBE, especially where there is a single type of collateral supporting the obligation. In addition, GSBE may be subject to claims that the foreclosure was not permitted under the legal documents, was conducted in an improper manner or caused a client or counterparty to go out of business. Any of the foregoing factors may lead to significant losses of GSBE and may have an adverse effect on GSBE's results of operations.

3. GSBE's market-making activities have been and may in the future be affected by changes in the levels of market volatility.

Certain of GSBE's market-making activities depend on market volatility to provide trading and arbitrage opportunities to GSBE's clients, and decreases in volatility have reduced and may in the future reduce these opportunities and the level of client activity associated with them and adversely affect the results of these activities, which could adversely impact GSBE's revenues. Increased volatility, while it can increase trading volumes and spreads, also increases risk as measured by Value-at-Risk ("**VaR**") and may expose GSBE to increased risks in connection with its market-making activities or cause GSBE to reduce its inventory in order to avoid increasing GSBE's VaR. Limiting the size of GSBE's market-making positions can adversely affect GSBE's profitability. In periods when volatility is increasing, but asset values are declining significantly, it may not be possible to sell assets at all or it may only be possible to do so at steep discounts. In those circumstances GSBE may be forced to either take on additional risk or to realize losses in order to decrease its VaR. In addition, increases in volatility increase the level of GSBE's risk-weighted assets ("**RWAs**"), which increases GSBE's capital requirements.

4. GSBE's investment banking, client intermediation, asset management and wealth management businesses have been adversely affected and may in the future be adversely affected by market uncertainty or lack of confidence among investors and CEOs due to declines in economic activity and other unfavorable economic, geopolitical or market conditions.

GSBE's investment banking business has been and may in the future be adversely affected by market conditions. Poor economic conditions and other uncertain geopolitical conditions may adversely affect and have in the past adversely affected investor and CEO confidence, resulting in significant industry-wide declines in the size and number of underwritings and of financial advisory transactions, which would likely have an adverse effect on GSBE's revenues and its profit margins. In particular, because a significant portion of GSBE's investment banking revenues are derived from its participation in large transactions, a decline in the number of large transactions may adversely affect GSBE's investment banking business.

In certain circumstances, market uncertainty or general declines in market or economic activity may adversely affect GSBE's client intermediation businesses by decreasing levels of overall activity or by decreasing volatility, but at other times market uncertainty and even declining economic activity may result in higher trading volumes or higher spreads or both.

Market uncertainty, volatility and adverse economic conditions, as well as declines in asset values, may cause GSBE's clients to transfer their assets out of its funds or other products or their brokerage accounts and result in reduced net revenues, principally in GSBE's asset management and wealth management businesses. Even if clients do not withdraw their funds, they may invest them in products that generate less fee income.

5. GSBE's asset management and wealth management businesses may be adversely affected by the poor investment performance of its investment products or a client preference for products other than those which GSBE offers or for products that generate lower fees.

Poor investment returns in GSBE's asset management and wealth management businesses, due to either general market conditions or underperformance (relative to GSBE's competitors or to benchmarks) by funds or accounts that GSBE manages or investment products that GSBE may design or sell, affects its ability to retain existing assets and to attract new clients or additional assets from existing clients. This could affect the management and incentive fees that GSBE earns on assets under supervision ("**AUS**") or the commissions and net spreads that GSBE earns for selling other investment products, such as structured notes or derivatives. To the extent that

GSBE's clients choose to invest in products that GSBE does not currently offer, GSBE will suffer outflows and a loss of management fees. Further, if, due to changes in investor sentiment or the relative performance of certain asset classes or otherwise, clients continue to invest in products that generate lower fees (e.g., passively managed or fixed income products), GSBE's average effective management fee could decline and its asset management and wealth management businesses could be adversely affected.

6. Changes in market interest rates could adversely affect GSBE's revenues and expenses, the value of assets and obligations, and the availability and cost of funding.

GSBE has exposure to market interest rate movements, among others in connection with lending and deposit taking activities and pension risk liabilities. In addition to the impact on the general economy, changes in interest rates could directly impact GSBE in one or more of the following ways:

- The yield on interest-earning assets, primarily on GSBE's loan portfolio, and rates paid on interest-bearing liabilities, primarily GSBE's deposit-taking activities, may change in disproportionate ways;
- The value of certain balance sheet and off-balance-sheet financial instruments that GSBE holds could decline; or
- The cost of funding from affiliates or third parties may increase and the ability to raise funding could become more difficult.

GSBE's profitability in part results from GSBE's net interest income, which is the difference between the interest income GSBE earns on its interest-earning assets, such as loans and securities, and GSBE's interest expense on interest-bearing liabilities, such as deposits and borrowed funds. Accordingly, GSBE's results of operations is impacted by movements in market interest rates and GSBE's ability to manage its interest-rate-sensitive assets and liabilities in response to these movements. Factors such as inflation, recession and instability in financial markets, among other factors beyond GSBE's control, may affect interest rates.

Any substantial, unexpected, prolonged change in market interest rates could have a meaningful adverse effect on GSBE's financial condition, liquidity and results of operations. Changes in the level of interest rates also may negatively affect GSBE's ability to originate loans, the value of GSBE's assets and GSBE's ability to realize gains from the sale of GSBE's assets, all of which ultimately affect GSBE's earnings.

II. LIQUIDITY RISKS

In the category, "Liquidity Risks" the risks are classified according to their materiality. The most material risks are mentioned first.

1. GSBE's liquidity, profitability and business may be adversely affected by an inability to access the debt capital markets, obtain funding or to sell assets.

Liquidity is essential to GSBE's businesses. It is of critical importance to GSBE, as most of the failures of financial institutions have occurred in large part due to insufficient liquidity. GSBE's liquidity may be impaired by an inability to access debt capital markets, an inability to obtain or maintain sufficient funding from The Goldman Sachs Group, Inc. (the "**Group Inc.**" and Group Inc. together with its consolidated subsidiaries, the "**GS Group**") or any of its subsidiaries, an inability to sell assets or redeem investments, lack of timely settlement of transactions, unusual deposit outflows or other unforeseen outflows of cash or collateral. This situation may arise due to circumstances that GSBE may be unable to control, such as a general market or economic disruption or an operational problem that affects third parties or GSBE or GS Group more broadly, or even by the perception among market participants that GSBE, or other market participants, are experiencing greater liquidity risk.

GSBE aims to employ structured products to benefit its clients and hedge its own risks. The financial instruments that GSBE holds and the contracts to which it is a party are often complex, and these complex structured products often do not have readily available markets to access in times of liquidity stress. GSBE's financing and trading activities may lead to situations where the holdings from these activities represent a significant portion of specific markets, which could restrict liquidity for GSBE's positions.

Further, GSBE's ability to sell assets may be impaired if there is not generally a liquid market for such assets, as well as in circumstances where other market participants are seeking to sell similar otherwise generally liquid assets at the same time, as is likely to occur in a liquidity or other market crisis or in response to changes to rules or regulations. In addition, financial institutions with which GSBE interacts may exercise set-off rights or the right to require additional collateral, including in difficult market conditions, which could further impair GSBE's liquidity.

Regulatory changes relating to liquidity may also negatively impact GSBE's results of operations and competitive position. Numerous regulations have been adopted or proposed to introduce more stringent liquidity requirements for large financial institutions, such as GSBE, Goldman Sachs Bank USA, GSBE's direct parent company ("**GS Bank USA**"), or Group Inc. These regulations address, among other matters, liquidity stress testing, minimum liquidity requirements, wholesale funding, limitations on the issuance of short-term debt and structured notes, deductions for holding total loss-absorbing capacity ("**TLAC**") and prohibitions on parent guarantees that are subject to certain cross-defaults. New and prospective liquidity-related regulations may overlap with, and be impacted by, other regulatory changes, including rules relating to minimum long-term debt requirements and TLAC, capital, leverage and resolution and recovery frameworks applicable to large financial institutions. Given the overlapping and complex interactions among these new and prospective regulations, they may have unintended cumulative effects, and their full impact will remain uncertain, while regulatory reforms are being adopted and market practices develop.

2. GSBE's business has been and may in the future be adversely affected by disruptions or lack of liquidity in the credit markets, including reduced access to credit and higher costs of obtaining credit.

Widening credit spreads for GSBE or The Goldman Sachs Group, Inc. as well as significant declines in the availability of credit, may adversely affect GSBE's ability to borrow. GSBE obtains its funding primarily from Group Inc., which funds itself on an unsecured basis by issuing debt and a variety of financial instruments. GSBE seeks to finance a portion of its assets on a secured basis. Any disruptions in the credit markets may make it harder and more expensive to obtain funding for business. If GSBE's available funding is limited or GSBE is forced to fund operations at a higher cost, these conditions may require curtailment of business activities and increase the cost of funding, both of which could reduce profitability, particularly in GSBE's activities that involve lending and market making.

Clients engaging in mergers, acquisitions and other types of strategic transactions often rely on access to the secured and unsecured credit markets to finance their transactions. A lack of available credit or an increased cost of credit can adversely affect the size, volume and timing of clients' merger and acquisition transactions, particularly large transactions, and adversely affect GSBE's financial advisory and underwriting businesses.

GSBE's credit businesses may be negatively affected by a lack of liquidity in credit markets. A lack of liquidity reduces price transparency, increases price volatility and decreases transaction volumes and size, all of which can increase transaction risk or decrease the profitability of these businesses.

3. Reductions in GSBE's credit ratings or an increase in its credit spreads may adversely affect its liquidity and cost of funding.

GSBE is an indirect, wholly-owned operating subsidiary of Group Inc, and depends on Group Inc. for capital and funding. The credit ratings of GSBE and those of Group Inc. are important to GSBE's liquidity. A reduction in GSBE's and/or Group Inc's credit ratings could adversely affect GSBE's liquidity and competitive position, increase its borrowing costs (including borrowing from GSBE's affiliates), limit its access to the capital markets or funding from Group Inc. or trigger its obligations under certain provisions in some trading and collateralised financing contracts. Under these provisions, counterparties could be permitted to terminate contracts with GSBE or Group Inc. or require additional collateral or make termination payments. Termination of trading and collateralised financing contracts could cause GSBE to sustain losses and impair its liquidity by requiring Group Inc. or GSBE to find other sources of financing or to make significant cash payments or securities movements.

A downgrade by any one rating agency, depending on the agency’s relative ratings of GSBE 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. A reduction in Group Inc.’s credit ratings could in theory adversely affect GSBE’s liquidity and competitive position, increase borrowing costs, limit access to the capital markets or funding from Group Inc.

GSBE’s and Group Inc.’s cost of obtaining long-term unsecured funding is directly related to both the credit spreads (the amount in excess of the interest rate of benchmark securities that GSBE needs to pay) of GSBE and Group Inc.’s. Increases in the credit spreads of GSBE and/or Group Inc. can significantly increase the cost of this funding. Changes in credit spreads are continuous, market-driven, and subject at times to unpredictable and highly volatile movements. The credit spreads of GSBE and/or Group Inc. are also influenced by market perceptions of GSBE's and/or Group Inc.'s creditworthiness and movements in the costs to purchasers of credit default swaps referenced to Group Inc.’s long-term debt. The market for credit default swaps has proven to be extremely volatile and at times has lacked a high degree of transparency or liquidity. Increases in Group Inc.’s credit spreads and negative market perceptions of Group Inc.’s creditworthiness could also impact GSBE’s ability to obtain long-term unsecured funding, and Group Inc.’s inability to obtain long-term unsecured funding could negatively impact GSBE’s operations.

4. Loss of deposits could increase GSBE’s funding costs and adversely affect GSBE’s liquidity and ability to grow GSBE’s business.

GSBE relies to a significant extent on deposits to be a low-cost and stable source of funding for the loans GSBE makes and the financial transactions in which GSBE engages. Certain deposit accounts do not have significant restrictions on withdrawal, and depositors can generally withdraw some or all of the funds in their accounts with little or no notice.

Furthermore, GSBE competes with banks and other financial services companies for deposits. Competitors may raise the rates they pay on deposits and GSBE may be required to raise its rates to avoid losing deposits.

If GSBE experiences significant withdrawals, for any reason, its funding costs may increase as GSBE may be required to rely on more expensive sources of funding. If GSBE is required to fund its operations at a higher cost, these conditions may require GSBE to curtail its activities, which also could reduce its profitability.

III. CREDIT RISKS

In the category "Credit Risks", the risks are classified according to their materiality. The most material risks are mentioned first.

1. GSBE's business, profitability and liquidity may be adversely affected by deterioration in the credit quality of or defaults by third parties.

A number of GSBE's products and activities expose GSBE to credit risk, including loans, lending commitments, derivatives and securities financing transactions. GSBE is exposed to the risk that third parties who owe money, securities or other assets will not perform their obligations. These parties may default on their obligations to GSBE due to bankruptcy, lack of liquidity, operational failure or other reasons. The provision of payment services in GSBE's transaction banking business may expose GSBE to intraday liquidity and credit risks, to the extent GSBE's clients and affiliates experience delays in making payments, or are unable to repay amounts that are extended in the normal course of business. A failure of a significant market participant, or even concerns about a default by such an institution, could lead to significant liquidity problems, losses or defaults by other institutions, which in turn could adversely affect GSBE.

GSBE is also subject to the risk that its rights against third parties may not be enforceable in all circumstances. In addition, deterioration in the credit quality of third parties whose securities or obligations are held by GSBE including a deterioration in the value of collateral posted by third parties to secure their obligations to GSBE under derivatives contracts, loan agreements and securities financing transactions, could result in losses and / or adversely affect GSBE's ability to rehypothecate or otherwise use those securities or obligations for liquidity purposes.

A significant downgrade in the credit ratings of GSBE's counterparties could also have a negative impact on GSBE's results. While in many cases GSBE is permitted to require additional collateral from counterparties that experience financial difficulty, disputes may arise as to the amount of collateral GSBE is entitled to receive and the value of pledged assets. The termination of contracts and the foreclosure on collateral may subject GSBE to claims for the improper exercise of its rights, including that the foreclosure was not permitted under the legal documents, was conducted in an improper manner or caused a client or counterparty to go out of business. Default rates, downgrades and disputes with counterparties as to the valuation of collateral typically increase significantly in times of market stress, increased volatility and illiquidity.

GSBE relies on information furnished by or on behalf of clients and counterparties in deciding whether to extend credit or enter into other transactions. This information could include financial statements, credit reports and other financial information. GSBE also relies on representations of those clients, counterparties or other third parties, such as independent auditors, as to the accuracy and completeness of that information. Reliance on inaccurate or misleading financial statements, credit reports or other financial information could have a material adverse impact on GSBE's business, financial condition and results of operations.

Although GSBE regularly reviews credit exposures to specific clients and counterparties and to specific industries, countries and regions that GSBE believes may present credit concerns, default risk may arise from events or circumstances that are difficult to detect or foresee.

2. Concentration of risk increases the potential for significant losses in GSBE's market-making, underwriting, investing, financing and lending activities.

Concentration of risk increases the potential for significant losses in GSBE's market-making, underwriting, investing, financing and lending activities. The number and size of these transactions may affect GSBE's results of operations in a given period. In particular, GSBE extends large commitments as part of GSBE's lending activities. Moreover, because of concentrated risk, GSBE may suffer losses even when economic and market conditions are generally favourable for competitors. Disruptions in the credit markets can make it difficult to hedge these credit exposures effectively or economically.

In the ordinary course of business, GSBE may be subject to a concentration of credit risk to a particular counterparty (e.g. an OTC derivatives counterparty), borrower, issuer (including sovereign issuers) clearing house or exchange, geographic area or group of related countries and a failure or downgrade of, or default by, an entity to which GSBE has a concentration of credit risk could negatively impact GSBE's businesses, perhaps materially and the systems by which GSBE sets limits and monitors the level of its credit exposure to individual entities, industries, countries and regions may not function as anticipated. Regulatory reforms, including the European Market Infrastructure Regulation, have led to increased centralisation of trading activity through particular clearing houses, central agents or exchanges, which has significantly increased GSBE's concentration of risk with respect to these entities.

While GSBE's activities expose it to many different industries, counterparties and countries, GSBE routinely executes a high volume of transactions with counterparties engaged in financial services activities, including brokers and dealers, commercial and central banks, clearing houses, exchanges and investment funds. This has resulted in significant credit concentration with respect to these counterparties which increases the potential for significant losses in market-making, underwriting and investing activities.

3. Derivative transactions and delayed documentation or settlements may expose GSBE to credit risk, unexpected risks and potential losses.

GSBE is party to a large number of derivative transactions, including interest rate, currency, credit and other derivatives. Many of these derivative instruments are individually negotiated and non-standardised, which can make exiting, transferring or settling positions difficult. Many credit derivatives require that GSBE deliver to the counterparty the underlying security, loan or other obligation in order to receive payment. In a number of cases, GSBE does not hold the underlying security, loan or other obligation and may not be able to obtain the underlying security, loan or other obligation. This could cause GSBE to forfeit the payments due under these contracts or result in settlement delays with the attendant credit and operational risk as well as increased costs to GSBE.

Derivative transactions may also involve the risk that documentation has not been properly executed, that executed agreements may not be enforceable against the counterparty, or that obligations under such agreements may not be able to be “netted” against other obligations with such counterparty. In addition, counterparties may claim that such transactions were not appropriate or authorised.

As a signatory to the International Swaps and Derivatives Association Universal Resolution Stay Protocol (the "**ISDA Universal Protocol**") and the International Swaps and Derivatives Association 2018 U.S. Resolution Stay Protocol (collectively, the "**ISDA Protocols**") and being subject to various regulatory requirements, GSBE may not be able to exercise termination rights and other remedies against counterparties and, as this new regime has not yet been tested, GSBE may suffer risks or losses that it would not have expected to suffer if it could immediately close out transactions upon a termination event. Various non-U.S. regulators have adopted or proposed regulations contemplated by the ISDA Universal Protocol, and those implementing regulations may result in additional limitations on GSBE’s ability to exercise remedies against counterparties. The impact of the ISDA Protocols and these rules and regulations extend to repurchase agreements and other instruments that are not derivative contracts, and their impact will depend on the development of market practices and structures.

Derivative contracts and other transactions including secondary bank loan purchases and sales, entered into with third parties are not always confirmed by the counterparties or settled on a timely basis. While the transaction remains unconfirmed or during any delay in settlement, GSBE is subject to heightened credit and operational risk and in the event of a default may find it more difficult to enforce its rights.

In addition, as new complex derivative products are created, covering a wider array of underlying credit and other instruments, disputes about the terms of the underlying contracts could arise, which could impair GSBE’s ability to effectively manage its risk exposures from these products and subject it to increased costs. Central clearing of credit derivatives and other over-the-counter ("**OTC**") derivatives, or a market shift toward standardised derivatives, could reduce the risk associated with these transactions, but under certain circumstances could also limit GSBE’s ability to develop derivatives that best suit the needs of clients and to hedge its own risks, and could adversely affect GSBE’s profitability and has increased credit exposure to central clearing platforms.

4. GSBE might underestimate the credit losses inherent in its loan portfolio and have credit losses in excess of the amount reserved.

The credit quality of GSBE's loan portfolio can have a significant impact on its earnings. Through the process of estimating credit losses over the life of its loans, GSBE might underestimate the credit losses inherent in its loan portfolio and have credit losses in excess of the amount reserved. While GSBE management uses the best information available to determine this estimate, it has made and may make future adjustments to the allowance based on, among other things, changes in the economic environment, the quality of the loan portfolio or the values of the underlying collateral.

IV. MARKET DEVELOPMENTS AND GENERAL BUSINESS ENVIRONMENT RISKS

In the category "Market Developments and General Business Environment Risks", the risks are classified according to their materiality. The most material risks are mentioned first.

1. GSBE's businesses, financial condition, liquidity and results of operations have been and may in the future be adversely affected by the COVID-19 pandemic.

The COVID-19 pandemic has created economic and financial disruptions that have in the past adversely affected, and may in the future adversely affect GSBE's business, financial condition, liquidity and results of operations. The extent to which the COVID-19 pandemic will negatively affect GSBE's businesses, financial condition, liquidity and results of operations will depend on future developments, including the widespread availability, use and effectiveness of vaccines, which are highly uncertain and cannot be predicted.

While financial markets have rebounded from the significant declines that occurred earlier in the pandemic and global economic conditions showed signs of improvement through the first half of 2021, many of the circumstances that arose or became more pronounced after the onset of the COVID-19 pandemic have persisted, including (i) muted levels of business activity across many sectors of the economy, relatively weak consumer confidence and high unemployment; (ii) elevated levels of market volatility; (iii) certain overnight interest rates and yields on certain government securities near zero; (iv) substantial uncertainty about whether previously announced merger and acquisition deals will be completed or restructured; (v) heightened credit risk with regard to industries that have been most severely impacted by the pandemic, including oil and gas, gaming and lodging, and airlines; (vi) greater emphasis by investors on liquidity products, which generate lower fees, relative to risk assets, resulting in these products comprising a higher share of AUS as compared to the pre-pandemic composition; and (vii) higher cybersecurity, information security and operational risks as a result of work-from-home arrangements.

Depending on the duration and severity of the pandemic going forward, as well as the effects of the pandemic on consumer and corporate confidence, the conditions noted above could continue for an extended period and other adverse developments may occur or reoccur, including (i) a repeat, or worse, of the decline in the valuation of equity, fixed-income and commodity markets that occurred at the outset of the pandemic; (ii) further declines in certain interest rates, to zero or below; (iii) market dislocations that may make hedging strategies less effective or ineffective; (iv) disruption in the new issuance markets for debt and equity, leading to a decline in activity; (v) a deterioration in the liquidity profile of corporate borrowers, resulting in additional draws on credit lines (vi) defaults by consumers or corporate clients on loans; and (vii) greater challenges in valuing derivative positions and associated collateral, leading to significant increases in collateral calls and valuation disputes.

The effects of the COVID-19 pandemic on economic and market conditions have in the past and may in the future also increase demands on GSBE’s liquidity as it meets client needs. Likewise, these adverse developments have in the past and may in the future affect GSBE’s capital and leverage ratios.

Governmental authorities worldwide have taken increased measures to stabilise the markets and support economic growth. The continued success of these measures is unknown and they may not be sufficient to address future market dislocations or avert severe and prolonged reductions in economic activity. GSBE also faces an increased risk of client disputes, litigation and governmental and regulatory scrutiny as a result of the effects of the COVID-19 pandemic on economic and market conditions.

The length of the pandemic and the efficacy of the extraordinary measures that have been put in place to address it are unknown. Until the pandemic subsides, GSBE may experience reduced activity levels in investment banking, reduced revenues in investment management and increased client defaults. Even after the pandemic subsides, most major economies may continue to experience a recession, and GSBE anticipates its businesses would be materially and adversely affected by a prolonged recession in major markets.

2. Certain of GSBE’s businesses, its funding instruments and financial products may be adversely affected by changes in or the discontinuance of IBORs, in particular London Interbank Offered Rate.

The administrator of London Interbank Offered Rate ("**LIBOR**") has announced that it would cease publishing the most commonly used U.S. Dollar LIBOR settings on June 30, 2023 and other LIBOR settings on December 31, 2021. The U.S. federal banking agencies have issued guidance strongly encouraging banking organisations to cease using the U.S. Dollar LIBOR as a reference rate in new contracts as soon as practicable and in any event by December 31, 2021. It is not possible to know whether LIBOR will continue to be viewed as an acceptable market benchmark, what rate or rates may become accepted alternatives to LIBOR, or what the effect of any such changes in views or alternatives may have on the financial markets for LIBOR-linked financial instruments. Similar developments have occurred with respect to other IBORs.

Uncertainty regarding IBORs and the taking of discretionary actions or negotiation of fallback provisions could result in pricing volatility, loss of market share in certain products, adverse tax or accounting impacts, compliance, legal and operational costs and risks associated with client disclosures, as well as systems disruption, model disruption and other business continuity issues. In addition, uncertainty relating to IBORs could result in increased capital requirements for GSBE given potential low transaction volumes, a lack of liquidity or limited observability for exposures linked to IBORs or any emerging successor rates and operational incidents associated with changes in and the discontinuance of IBORs.

The language in GSBE's and its affiliates' contracts and financial instruments that define IBORs, in particular LIBOR, have developed over time and have various events that trigger when a successor rate to the designated rate would be selected. If a trigger is satisfied, contracts and financial instruments often give the calculation agent (which may be one of GSBE's affiliates) discretion over the successor rate or benchmark to be selected. As a result, there is considerable uncertainty as to how the financial services industry will address the discontinuance of designated rates in contracts and financial instruments or such designated rates ceasing to be acceptable reference rates. This uncertainty could ultimately result in client disputes and litigation surrounding the proper interpretation of GSBE's IBOR-based contracts and financial instruments. Although GSBE has adhered to the ISDA IBOR Fallbacks Protocol, the protocol is applicable to derivatives when both parties adhere to the protocol or otherwise agree for it to apply to their derivatives.

Further, the discontinuation of an IBOR, changes in an IBOR or changes in market acceptance of any IBOR as a reference rate may also adversely affect the yield on loans or securities held by GSBE, amounts paid on securities GSBE has issued, amounts received and paid on derivative instruments GSBE has entered into, the value of such loans, securities or derivative instruments, the trading market for securities, the terms of new loans being made using different or modified reference rates, GSBE's ability to effectively use derivative instruments to manage risk, or the availability or cost of GSBE's floating-rate funding and its exposure to fluctuations in interest rates.

3. Certain of GSBE's businesses and its funding instruments may be adversely affected by changes in other reference rates, currencies, indices, baskets or exchange-traded funds to which products GSBE offers or funding that GSBE raises are linked.

Certain of GSBE's funding, including funding raised from affiliates and third parties, may be floating rate and pay interest by reference to a rate.

In addition, certain of the products that GSBE owns or that it offers, such as structured notes, warrants, swaps or security-based swaps, pay interest or determine the principal amount to be paid at maturity or in the event of default by reference to rates or by reference to an index, currency, basket, exchange-traded funds ("**ETF**") or other financial metric (the underlier). In the event that the composition of the underlier is significantly changed, by reference to rules governing such underlier or otherwise, the underlier ceases to exist (for example, in the event that a country withdraws from the Euro or links its currency to or delinks its currency from another currency or benchmark, an index or ETF sponsor materially alters the composition of an index or ETF, or stocks in a basket are delisted or become impermissible to be included in the index or ETF) or the underlier ceases to be recognised as an acceptable market benchmark, GSBE may experience adverse effects consistent with those described for IBORs.

Changes in a rate or an underlier or underliers could result in GSBE's hedges being ineffective or otherwise result in losses on a product or having to pay more or receive less on securities that GSBE owns or has issued. In addition, such uncertainty could result in lengthy and costly litigation.

4. GSBE faces enhanced risks as new business initiatives and acquisitions lead it to engage in new activities, operate in new locations, transact with a broader array of clients and counterparties and expose it to new assets, activities and new markets.

A number of GSBE's recent and planned business initiatives (e.g. the issuance of securities, predominantly warrants, but also certificates and notes) and expansions of existing businesses may bring it into contact, directly or indirectly, with individuals and entities that are not within GSBE's traditional client and counterparty base and expose it to new asset classes and new markets. In particular, following the exit of the U.K. from the E.U., GSBE is GS Group's main operating subsidiary in the E.U. and has assumed certain functions that can no longer be efficiently and effectively performed by GS Group's U.K. operating subsidiaries. The functions include assuming a number of relationships with GS Group clients; establishing access for GSBE to exchanges, clearing houses and depositories and other market infrastructure in the E.U.; establishing branches of GSBE in a number of E.U. member states and in the U.K.; and strengthening the capital, personnel and other resources at GSBE. More generally, GSBE continues to transact business and invest in new regions, including a wide range of emerging and growth markets. In addition, as a result of the long-term strategy of GS Group to increase the proportion of its businesses and activities conducted in Group Inc.'s bank subsidiaries, including GSBE, certain of these new and expanded businesses and activities may have been previously conducted in one or more of GSBE's affiliates, and the transition of such businesses and activities to GSBE could expose GSBE additional risks.

New business initiatives expose GSBE to new and enhanced risks, including risks associated with dealing with governmental entities, reputational concerns arising from dealing with different types of counterparties, clients, business partners and consumers, greater regulatory scrutiny of these activities, increased credit-related, market, sovereign and operational risks, risks arising from accidents or acts of terrorism, and reputational concerns with the manner in which GSBE engages in these activities, interact with these counterparties, clients, business partners and consumers or address the product or service requirements of these new types of clients.

Legal, regulatory and reputational risks may also exist in connection with activities and transactions involving new products or markets where there is regulatory uncertainty or where there are different or conflicting regulations depending on the regulator or the jurisdiction involved, particularly where transactions in such products may involve multiple jurisdictions.

V. OPERATIONAL RISKS

In the category "Operational Risks", the risks are classified according to their materiality. The most material risks are mentioned first.

1. A failure in GSBE's or its affiliates' operational systems or infrastructure, or those of third parties, as well as human error, malfeasance or other misconduct, could impair its liquidity, disrupt its business, result in the disclosure of confidential information, damage its reputation and cause losses.

GSBE's business is highly dependent on its ability to process and monitor, on a daily basis, a very large number of transactions, many of which are highly complex and occur at high volumes and frequencies, across numerous and diverse markets in many currencies. These transactions, as well as the information technology services provided to clients, often must adhere to client-specific guidelines, as well as legal and regulatory standards.

Many rules and regulations worldwide govern GSBE's obligations to execute transactions and report such transactions and other information to regulators, exchanges and investors. Compliance with these legal and reporting requirements can be challenging, and GSBE has been and may in the future be subject to regulatory fines and penalties for failing to follow these rules or to report timely, accurate and complete information in accordance with these rules. As such requirements expand, compliance with these rules and regulations has become more challenging.

As GSBE's client base and geographical reach expands and the volume, speed, frequency and complexity of transactions, especially electronic transactions (as well as the requirements to report such transactions on a real-time basis to clients, regulators and exchanges) increase, developing and maintaining GSBE's operational systems and infrastructure becomes more challenging, and the risk of systems or human error in connection with such transactions increases, as well as the potential consequences of such errors due to the speed and volume of transactions involved and the potential difficulty associated with discovering errors quickly enough to limit the resulting consequences. Such risks are exacerbated in times of increased volatility.

GSBE's financial, accounting, data processing or other operational systems and facilities may fail to operate properly or become disabled as a result of events that are wholly or partially beyond GSBE's control, such as a spike in transaction volume, adversely affecting GSBE's ability to process transactions or provide certain services. GSBE must continuously update these systems to support its operations and growth and to respond to changes in regulations and markets, and invest heavily in systemic controls and training to pursue GSBE's objective of ensuring that such transactions do not violate applicable rules and regulations or, due to errors in processing such transactions, adversely affect markets, GSBE's clients and counterparties or GSBE. Enhancements and updates to systems, as well as the requisite training, including in connection with the integration of new businesses, entail significant costs and create risks associated with implementing new systems and integrating them with existing ones.

The use of computing devices and phones is critical to the work done by GSBE's employees and the operation of GSBE's systems and businesses and those of its clients and third-party service providers and vendors. Their importance has continued to increase, in particular in light of work-from-home arrangements implemented in response to the COVID-19 pandemic. Computers and computer networks are subject to various risks, including, among others, cyber-attacks, inherent technological defects, system failures and human error. For example, fundamental security flaws in computer chips found in many types of these computing devices and phones have been reported in the past and may be discovered in the future. Cloud technologies are also critical to the operation of GSBE's systems and platforms and GSBE's reliance on cloud technologies is growing. Service disruptions may lead to delays in accessing, or the loss of, data that is important to GSBE's businesses and may hinder GSBE's clients' access to GSBE's platforms. Addressing these and similar issues could be costly and affect the performance of these businesses and systems. Operational risks may be incurred in implementing fixes and even after the fix is implemented there may still be residual security risks.

Additionally, although the prevalence and scope of applications of distributed ledger technology and similar technologies is growing, the technology is also nascent and may be vulnerable to cyber-attacks or have other inherent weaknesses that may or may not have been identified, such as the risk that underlying encryption measures may be defeated. GSBE may be, or may become, exposed to technological, legal, regulatory, third-party and other risks related to distributed ledger technology, including through GS Group's facilitation of clients' activities involving financial products linked to distributed ledger technology, such as blockchain or cryptocurrencies, and the use of distributed ledger technology in GS Group's, as well as by third-party vendors, clients, counterparties, clearing houses and other financial intermediaries.

Notwithstanding the proliferation of technology and technology-based risk and control systems, GSBE's business ultimately relies on people as its greatest resource, and, from time to time, they make mistakes or engage in violations of applicable policies, laws, rules or procedures that are not always caught immediately by GSBE's technological processes or by GSBE's controls and other procedures, which are intended to prevent and detect such errors or violations. These can include calculation errors, mistakes in addressing emails, errors in software or model development or implementation, or simple errors in judgment, as well as intentional efforts to ignore or circumvent applicable policies, laws, rules or procedures. Human errors, malfeasance and other misconduct, including the intentional misuse of client information in connection with insider trading or for other purposes, even if promptly discovered and remediated, can result in reputational damage and material losses and liabilities for GSBE.

In addition, GSBE faces the risk of operational failure or significant operational delay, termination or capacity constraints of any of the clearing agents, exchanges, clearing houses or other financial intermediaries that it uses to facilitate securities and derivatives transactions and transaction banking activities, and as interconnectivity with clients grows, GSBE will increasingly face the risk of operational failure or significant operational delay with respect to clients' systems.

There has been significant consolidation among clearing agents, exchanges and clearing houses and an increasing number of derivative transactions are cleared on exchanges, which has increased GSBE's exposure to operational failure or significant operational delay, termination or capacity constraints of the particular financial intermediaries that GSBE uses and could affect GSBE's ability to find adequate and cost-effective alternatives in the event of any such failure, delay, termination or constraint. Industry consolidation, whether among market participants or financial intermediaries, increases the risk of operational failure or significant operational delay as disparate complex systems need to be integrated, often on an accelerated basis.

The interconnectivity of multiple financial institutions with central agents, exchanges and clearing houses, and the increased centrality of these entities, increases the risk that an operational failure at one institution or entity may cause an industry-wide operational failure that could materially impact GSBE's ability to conduct business. Interconnectivity of financial institutions with other companies through, among other things, application programming interfaces or APIs presents similar risks. Any such failure, termination or constraint could adversely affect GSBE's ability to effect transactions, service GSBE's clients, manage GSBE's exposure to risk or expand GSBE's business or result in financial loss or liability to GSBE's clients, impairment of GSBE's liquidity, disruption of its business, regulatory intervention or reputational damage.

GSBE also relies on third-party vendors and is ultimately responsible for activities conducted by any third-party service provider and adverse regulatory consequences. Although GSBE takes actions to manage the risks associated with activities conducted through third-party relationships, any problems caused by a third-party service provider could adversely affect GSBE's ability to deliver products and services to GSBE's customers and to conduct its business.

Despite GSBE's and GS Group's resiliency plans and facilities, GSBE's ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports its businesses and the communities where GSBE is located. This may include a disruption involving electrical, satellite, undersea cable or other communications, internet, transportation or other facilities used by GSBE, its employees or third parties with which GSBE conducts business, including cloud service providers. These disruptions may occur as a result of events that affect only GSBE's buildings or systems or those of such third parties, or as a result of events with a broader impact globally, regionally or in the cities where those buildings or systems are located, including, but not limited, to, natural disasters, war, civil unrest, terrorism, economic or political developments, pandemics and weather events.

In addition, although GSBE seeks to diversify its third-party vendors to increase its resiliency, GSBE is also exposed to the risk that a disruption or other information technology event at a common service provider to GSBE's vendors could impede their ability to provide products or services to GSBE, including in connection with GSBE's new business initiatives. GSBE may not be able to effectively monitor or mitigate operational risks relating to its vendors' use of common service providers.

2. A failure to protect GSBE's computer systems, networks and information, and its clients' information, against cyber-attacks and similar threats could impair its ability to conduct its businesses, result in the disclosure, theft or destruction of confidential information, damage its reputation and cause losses.

GSBE's operations rely on the secure processing, storage and transmission of confidential and other information in GS Group's computer systems and networks and those of its vendors, and GSBE's technology risk function uses and benefits from the processes and resources of the GS Group technology risk function. There have been a number of highly publicized cases involving financial services companies, consumer-based companies, governmental agencies and other organisations reporting the unauthorised disclosure of client, customer or other confidential information in recent years, as well as cyber-attacks involving the dissemination, theft and destruction of corporate information or other assets, as a result of failure to follow procedures by employees or contractors or as a result of actions by third parties, including actions by foreign governments. There have also been several highly publicized cases where hackers have requested "ransom" payments in exchange for not disclosing customer information or for restoring access to information or systems.

GSBE and its affiliates is regularly the target of attempted cyber-attacks, including denial-of-service attacks, and must continuously monitor and develop systems to protect the integrity and functionality of its technology infrastructure and access to and the security of its data. GSBE and its affiliates may face an increasing number of attempted cyber-attacks as GSBE and its affiliates expand its mobile and other internet-based products and services. The increasing migration of GSBE's communication from devices GSBE provides to employee-owned devices presents additional risks of cyber-attacks, as do work-from-home arrangements such as those implemented in response to the COVID-19 pandemic. In addition, due to the interconnectivity with other GS

Group entities third-party vendors (and their respective service providers), central agents, exchanges, clearing houses and other financial institutions, GSBE could be adversely impacted if any of them is subject to a successful cyber-attack or other information security event. These impacts could include the loss of access to information or services from the third party subject to the cyber-attack or other information security event, which could, in turn, interrupt GSBE’s business.

Despite GSBE’s efforts to ensure the integrity of its systems and information, GSBE and its affiliates may not be able to anticipate, detect or implement effective preventive measures against all cyber threats, especially because the techniques used are increasingly sophisticated, change frequently and are often not recognised until launched. Cyber-attacks can originate from a variety of sources, including third parties who are affiliated with or sponsored by foreign governments or are involved with organised crime or terrorist organisations. Third parties may also attempt to place individuals within GS Group or induce employees, clients or other users of GS Group’s systems to disclose sensitive information or provide access to GS Group’s data or that of its clients, and these types of risks may be difficult to detect or prevent.

Although GSBE and GS Group take protective measures proactively and endeavour to modify them as circumstances warrant, its and GS Group’s computer systems, software and networks may be vulnerable to unauthorised access, misuse, computer viruses or other malicious code, cyber-attacks on GSBE’s vendors and other events that could have a security impact. Due to the complexity and interconnectedness of GS Group’s systems, the process of enhancing GS Group’s protective measures can itself create a risk of systems disruptions and security issues. In addition, protective measures that GS Group’s employs to compartmentalise its data may reduce its visibility into, and adversely affect its ability to respond to, cyber threats and issues with its systems.

If one or more of such events occur, this potentially could jeopardise GS Group’s or its clients’ or counterparties’ confidential and other information processed, stored in or transmitted through GS Group’s computer systems and networks, or otherwise cause interruptions or malfunctions in GSBE’s operations or those of its clients’, its counterparties’ or third parties’, which could impact their ability to transact with GSBE or otherwise result in legal or regulatory action, significant losses or reputational damage. In addition, such an event could persist for an extended period of time before being detected, and, following detection, it could take considerable time for GSBE to obtain full and reliable information about the extent, amount and type of information compromised. During the course of an investigation, GSBE may not know the full impact of the event and how to remediate it, and actions, decisions and mistakes that are taken or made may further increase the negative effects of the event on GSBE’s business, results of operations and reputation.

GS Group has expended, and expects to continue to expend, significant resources on an ongoing basis to modify its protective measures and to investigate and remediate vulnerabilities or other exposures, but these measures may be ineffective and GS Group, including GSBE, may be subject to legal or regulatory action, as well as financial losses that are either not insured against or not fully covered through any insurance it maintains.

GSBE's confidential information may also be at risk from the compromise of clients' personal electronic devices or as a result of a data security breach at an unrelated company. Losses due to unauthorised account activity could harm GSBE's reputation and may have adverse effects on its business, financial condition and results of operations.

The increased use of mobile and cloud technologies can heighten these and other operational risks, as can work-from-home arrangements. Certain aspects of the security of such technologies are unpredictable or beyond GS Group's control, and the failure by mobile technology and cloud service providers to adequately safeguard their systems and prevent cyber-attacks could disrupt GS Group's operations and result in misappropriation, corruption or loss of confidential and other information. In addition, there is a risk that encryption and other protective measures, despite their sophistication, may be defeated, particularly to the extent that new computing technologies vastly increase the speed and computing power available.

GSBE routinely transmits and receives personal, confidential and proprietary information by email and other electronic means. GSBE has discussed and worked with clients, vendors, service providers, counterparties and other third parties to develop secure transmission capabilities and protect against cyber-attacks, but does not have, and may be unable to put in place, secure capabilities with all of its clients, vendors, service providers, counterparties and other third parties and it may not be able to ensure that these third parties have appropriate controls in place to protect the confidentiality of the information. An interception, misuse or mishandling of personal, confidential or proprietary information being sent to or received from a client, vendor, service provider, counterparty or other third party could result in legal liability, regulatory action and reputational harm.

3. GSBE may incur losses as a result of ineffective risk management processes and strategies.

GSBE seeks to monitor and control its risk exposure through a risk and control framework encompassing a variety of separate, but complementary financial, credit, operational, compliance and legal reporting systems, internal controls, management review processes and other mechanisms that cover risks associated with GSBE's own activities, as well as activities conducted through third-party relationships. In doing so, GSBE uses and benefits from the risk management processes of GS Group. GSBE's risk management process seeks to balance its ability to profit from market-making, lending or other positions with its exposure to potential losses. Whilst GSBE employs a broad and diversified set of risk monitoring and risk mitigation techniques, those techniques and the judgements that accompany their application cannot anticipate every economic and financial outcome or the specifics and timing of such outcomes. Thus, in the course of its activities, GSBE has incurred and may in the future incur losses. Market conditions in recent years have involved unprecedented dislocations and highlight the limitations inherent in using historical data to manage risk.

The models that GSBE uses to assess and control its risk exposures reflect assumptions about the degrees of correlation or lack thereof among prices of various asset classes or other market indicators. In times of market stress or other unforeseen circumstances previously uncorrelated indicators may become correlated, or conversely previously correlated indicators may move in different directions. These types of market movements have at times limited the effectiveness of GSBE's hedging strategies and have caused it to incur significant losses, and they may do so in the future. These changes in correlation have been and may in the future be exacerbated where other market participants are using models with assumptions or algorithms that are similar to GSBE's. In these and other cases, it may be difficult to reduce GSBE's risk positions due to the activity of other market participants or widespread market dislocations, including circumstances where asset values are declining significantly or no market exists for certain assets.

In addition, the use of models in connection with risk management and numerous other critical activities presents risks that such models may be ineffective, either because of poor design, ineffective testing or improper or flawed inputs, as well as unpermitted access to such models resulting in unapproved or malicious changes to the model or its inputs.

To the extent that GSBE has positions through its lending, market-making or other activities or it makes investments directly through its investing activities, including private equity, that do not have an established liquid trading market or are otherwise subject to restrictions on sale or hedging, GSBE may not be able to reduce its positions and therefore reduce its risk associated with those positions.

Prudent risk management, as well as regulatory restrictions, may cause GSBE to limit its exposure to counterparties, geographic areas or markets, which may limit its business opportunities and increase the cost of funding or hedging activities.

Thus, as a consequence of a inadequacy or lapse of GSBE's risk management framework, it may, in the course of its activities, incur losses and its financial condition or results of operations could be materially and adversely affected.

4. GSBE may incur losses as a result of unforeseen or catastrophic events, including pandemics, terrorist attacks, extreme weather events or other natural disasters.

The occurrence of unforeseen or catastrophic events, including pandemics such as COVID-19, or other widespread health emergencies (or concerns over the possibility of such an emergency), terrorist attacks, extreme terrestrial or solar weather events or other natural disasters, could create economic and financial disruptions, and could lead to operational difficulties (including travel limitations and limitations on occupancy in GS Group's offices) that could impair GSBE's ability to manage its businesses and result in losses.

5. Climate change concerns could disrupt GSBE's business, adversely affect client activity levels, adversely affect the creditworthiness of its counterparties and damage GSBE's reputation.

Climate change may cause extreme weather events that disrupt operations at one or more of GSBE's primary locations, which may negatively affect its ability to service and interact with its clients. Climate change may also have a negative impact on the financial condition of its clients, which may decrease revenues from those clients and increase the credit risk associated with loans and other credit exposures to those clients.

Additionally, GSBE's reputation and client relationships may be damaged as a result of its involvement, or its clients' involvement, in certain industries or projects associated with causing or exacerbating climate change, as well as any decisions GSBE makes to continue to conduct or change its activities in response to considerations relating to climate change. New regulations or guidance relating to climate change, as well as the perspectives of Group Inc.'s shareholders, employees or other stakeholders regarding climate change, may affect whether and on what terms and condition GSBE can engage in certain activities or offer certain products.

6. GSBE is reliant on Group Inc. and certain Group Inc. subsidiaries for client business, various services and capital.

GSBE is an indirect wholly-owned subsidiary of Group Inc. As an indirect wholly-owned subsidiary, GSBE relies on various business relationships of Group Inc. and its subsidiaries (the "**Group affiliates**") generally, including the ability to receive various services, as well as, in part, the capital and liquidity of GSBE's parent, Group Inc., as well as the liquidity of Goldman Sachs Funding LLC ("**Funding Intermediate Holding Company**" or "**Funding IHC**"). Although GSBE has taken steps to reduce its reliance on other Group affiliates, it remains an operating subsidiary of a larger organisation and therefore its interconnectedness within the organisation will continue. Because GSBE's business relies upon Group Inc. and Group affiliates to a significant extent, risks that could affect these entities could also have a significant impact on GSBE.

Furthermore, GSBE relies upon certain Group affiliates for various support services, including, but not limited to, trade execution, relationship management, settlement and clearing, risk management and other technical, operational and administrative services. Such services are provided to GSBE pursuant to the intercompany services agreement, which is generally terminable upon mutual agreement of Group Inc. and its subsidiaries, subject to certain exceptions, including material breach of the agreement.

As a consequence of the foregoing, in the event GSBE’s relationships with other Group affiliates are not maintained, for any reason, including as a result of possible strategic decisions that Group Inc. may make from time-to-time or as a result of material adverse changes in Group Inc.'s performance, GSBE’s interest and non-interest revenues may decline, the cost of operating and funding its business may increase and GSBE's business, financial condition and earnings may be materially and adversely affected.

Furthermore, GSBE receives a portion of its funding in the form of unsecured funding indirectly from Group Inc. and from Funding IHC, and collateralised financings from other Group affiliates. To the extent such funding is not available to GSBE, its growth could be constrained and/or its cost of funding could increase.

VI. LEGAL AND REGULATORY RISKS

In the category "Legal and Regulatory Risks", the risks are classified according to their materiality. The most material risks are mentioned first.

1. GSBE’s and its affiliates’ businesses and the businesses of its clients, are subject to extensive and pervasive regulation and supervison around the world.

As a participant in the financial services industry and a subsidiary of a systemically important financial institution, GSBE is subject to extensive regulation, principally in Germany and the EU more generally, but also in the U.S. as a direct subsidiary of GS Bank USA, a New York chartered bank and a member of the Federal Reserve System, and as an indirect subsidiary of Group Inc., a financial holding company subject to regulation and supervision by the Board of Governors of the Federal Reserve System ("**FRB**"), and in certain other jurisdictions. In particular, as an investment firm GSBE is subject to organisational requirements and conduct of business obligations under the German Securities Trading Act which transposes Directive 2014/65/EU (MiFID II) into German law. In connection with this, GSBE is subject to supervision by the German Federal Financial Supervisory Authority ("**BaFin**"). Further, BaFin also supervises money laundering under the German Money Laundering Act and has instructed GSBE to comply with its due diligence obligations regarding clients and the risk analysis requirements.

As a consequence of this extensive regulation and supervision, GSBE faces the risk of significant intervention by law enforcement, regulatory and tax authorities, as well as private litigation, in all jurisdictions in which it conducts its businesses. In many cases, GSBE's activities have been and may continue to be subject to overlapping and divergent regulation in different jurisdictions. Among other things, as a result of regulators, taxing authorities, law enforcement authorities or private parties challenging GS Group's and GSBE's compliance with existing laws and regulations, GS Group and GSBE or their employees have been and could be, fined, criminally charged or sanctioned; prohibited from engaging in some of GSBE's business activities; prevented from engaging in new activities, subjected to limitations or conditions on activities, including higher capital requirements; or subjected to new or substantially higher taxes or other governmental charges in connection with the conduct of its business or with respect to its and GS Group's employees. These limitations or conditions may limit business activities and negatively impact GSBE's profitability and may expose GSBE to reputational risks.

In addition to the impact on the scope and profitability of GSBE's business activities, day-to-day compliance with existing laws and regulations has involved and will continue to involve significant amounts of time, including that of GSBE's senior leaders and that of a large number of dedicated compliance and other reporting and operational personnel, all of which may negatively impact GSBE's profitability.

GSBE's revenues and profitability and those of its competitors have been and will continue to be impacted by requirements relating to capital, additional loss-absorbing capacity, leverage, minimum liquidity and long-term funding levels, requirements related to resolution and recovery planning, derivatives clearing and margin rules and levels of regulatory oversight, as well as limitations on which and, if permitted, how certain business activities may be carried out by financial institutions. In addition, as a subsidiary of GS Bank USA, GSBE is subject to limits on the nature and scope of its activities under the FRB's Regulation K. In particular, GSBE's activities are limited to those that are permissible under Regulation K, and its underwriting and market making in equity securities are each subject to limits based on GSBE's and/or GS Bank USA's capital.

If there are new laws or regulations or changes in the enforcement of existing laws or regulations applicable to GSBE or GS Bank USA specifically, GS Group generally or the business activities of either GSBE's or GS Group's clients, including capital, liquidity, leverage, long-term debt, TLAC and margin requirements, restrictions on leveraged lending or other business practices, reporting requirements, requirements relating to the implementation of the EU Bank Recovery and Resolution Directive, tax burdens and compensation restrictions, that are imposed on a limited subset of financial institutions (whether based on size, method of funding, activities, geography or other criteria), compliance with these new laws and regulations, or changes in the enforcement of existing laws or regulations, could adversely affect GSBE's or GS Group's ability to compete effectively with other institutions that are not affected in the same way. In addition, regulation imposed on financial institutions or market participants generally, such as taxes on stock transfers and other financial transactions, could adversely impact levels of market activity more broadly, and thus impact GSBE's business. Changes to laws and regulations, such as tax laws, could also have a disproportionate impact on GSBE, based on the way those laws or regulations are applied to financial services and financial firms or due to its corporate structure.

These developments could impact GSBE's profitability in the affected jurisdictions, or even make it uneconomic to continue to conduct all or certain businesses in those jurisdictions, or could result in GSBE incurring significant costs associated with changing business practices, restructuring businesses, moving all or certain businesses and employees to other locations or complying with applicable capital requirements, including liquidating assets or raising capital in a manner that adversely increases GSBE's funding costs or otherwise adversely affects its shareholder and creditors.

The implementation of higher capital requirements, more stringent requirements relating to liquidity and requirements relating to the prohibition on proprietary trading and lending to covered funds by e.g. the provisions under the German Banking Act as regards the separation of certain banking activities may adversely affect GSBE's profitability and competitive position, particularly if these requirements do not apply equally to GSBE's competitors or are not implemented uniformly across jurisdictions. GSBE may also become subject to higher and more stringent capital and other regulatory requirements as a result of the implementation of Basel Committee standards, including those published in December 2017.

GSBE is also subject to laws and regulations, such as the EU's General Data Protection Regulation ("GDPR"), relating to the privacy of the information of clients, employees or others, and any failure to comply with these laws and regulations could expose GSBE to liability and/or reputational damage. As new privacy-related laws and regulations are implemented, the time and resources needed for GSBE to comply with such laws and regulations, as well as GSBE's potential liability for non-compliance and reporting obligations in the case of data breaches, may significantly increase.

In addition, GSBE's business is increasingly subject to laws and regulations relating to surveillance, encryption and data on-shoring in the jurisdictions in which GSBE operates. Compliance with these and other laws and regulations may require GSBE to change its policies, procedures and technology for information security, which could, among other things, make GSBE more vulnerable to cyber-attacks and misappropriation, corruption or loss of information or technology.

Increasingly, regulators and courts have sought to hold financial institutions liable for the misconduct of their clients where they have determined that the financial institution should have detected that the client was engaged in wrongdoing, even though the financial institution had no direct knowledge of the activities engaged in by its client. Regulators and courts continue to seek to establish "fiduciary" obligations to counterparties to which no such duty had been assumed to exist. To the extent that such efforts are successful, the cost of, and liabilities associated with, engaging in market-making and other similar activities could increase significantly. Any such wrongdoing by GSBE's clients could have materially negative legal, regulatory and reputational consequences.

2. A failure to appropriately identify and address potential conflicts of interest could adversely affect GSBE's businesses.

Due to the broad scope of GS Group's businesses and client base, GSBE regularly addresses potential conflicts of interest within the organisation, including situations where GSBE's services to a particular client or GS Group's investments or other interests conflict, or are perceived to conflict, with the interests of that client or another client, as well as situations where one or more of GS Group's businesses have access to material non-public information that may not be shared within GS Group and situations where it may be a creditor of an entity with which GSBE or GS Group also has an advisory or other relationship.

In addition, in certain areas GSBE or one or more of its affiliates may act as a fiduciary which could give rise to a conflict if GSBE also act as a principal in the same business.

GSBE has extensive procedures and controls that are designed to identify and address conflicts of interest, including those designed to prevent the improper sharing of information among GSBE and its affiliates. However, appropriately identifying and dealing with conflicts of interest is complex and difficult, particularly as GSBE expands its activities and its reputation, which is one of its most important assets, could be damaged and the willingness of clients to enter into transactions with GSBE may be adversely affected if GSBE or its affiliates fail, or appear to fail, to identify, disclose and deal appropriately with conflicts of interest. In addition, potential or perceived conflicts could give rise to litigation or regulatory enforcement actions. Additionally, The Goldman Sachs Group, Inc.'s *One Goldman Sachs* initiative aims to increase collaboration among its businesses, which may increase the potential for actual or perceived conflicts of interest and improper information sharing.

3. GSBE may be adversely affected by increased governmental and regulatory scrutiny or negative publicity.

Governmental scrutiny from regulators, legislative bodies and law enforcement agencies with respect to matters relating to GSBE's or GS Group's business practices, past actions, compensation and other matters has increased dramatically. Political and public sentiment regarding financial institutions has in the past and may in the future result in a significant amount of adverse press coverage, as well as adverse statements or charges by regulators or other government officials. Press coverage and other public statements that assert some form of wrongdoing (including, in some cases, press coverage and public statements that do not directly involve GSBE, Group Inc. or GS Group's other subsidiaries) often result in some type of investigation by regulators, legislators and law enforcement officials or in lawsuits.

Responding to these investigations and lawsuits, regardless of the ultimate outcome of the proceeding, is time-consuming and expensive and can divert the time and effort of GSBE's management. Penalties and fines sought by regulatory authorities have increased substantially over the last several years, and certain regulators have been more likely in recent years to commence enforcement actions or to advance or support legislation targeted at the financial services industry. Adverse publicity, governmental scrutiny and legal and enforcement proceedings can also have a negative impact on GSBE's reputation and on the morale and performance of GSBE's employees, which could adversely affect GSBE's business and results of operations.

The financial services industry generally and GSBE's businesses in particular have been subject to negative publicity. GSBE's reputation and businesses may be adversely affected by negative publicity or information regarding its business and personnel, whether or not accurate or true, that may be posted on social media or other internet forums or published by news organisations. Postings on these types of forums may also adversely impact risk positions of GSBE's clients and other parties that owe it money, securities or other assets and increase the chance that they will not perform their obligation to GSBE or reduce the revenues received from their use of GSBE's services. The speed and pervasiveness with which information can be disseminated through these channels, in particular social media, may magnify risks relating to negative publicity.

4. GSBE operates under an extensive regulatory regime, including supervision by the ECB.

GSBE is subject to laws and regulations, administrative actions and policies as well as related oversight from the local regulators in each of the jurisdictions in which it has operations (in particular, but not limited to, Germany). GSBE is under the direct supervision, and subject to the regulations, of the European Central Bank (the "**ECB**") as a result of the size of its assets and considerations by the ECB in the context of the single supervisory mechanism ("**SSM**"), which is based, inter alia, on the Council Regulation (EU) No. 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions ("**SSM Regulation**"). The laws and regulations, administrative actions and policies that apply to or could impact GSBE, are subject to change and may lead to additional regulatory requirements, increased cost of compliance and reporting for GSBE. Furthermore, they may require re-adjustment of GSBE's business plan or have other material adverse effects on its business, results from normal operations or financial condition. In connection with this, it is to be noted, that due to the expansion of business activities following the end of the Brexit transition period the supervisory requirements for GSBE will further increase. The ECB regularly assesses and measures the risks for each bank under its supervision. Within the so called Supervisory Review and Enforcement Process (SREP), but also generally in connection with the

Brexit transition process, the organisation of GSBE has to be further strengthened. A non-compliance with organisational requirements could result in regulatory actions.

There is an extensive and complex program of final and proposed regulatory enhancements which reflects, in part, the EU's commitment to the G20 policy framework. These proposed or adopted numerous market reforms that have impacted and may continue to impact GSBE's businesses. These include stricter capital and liquidity requirements, including legislation (in the form of EU Directive 2013/36/EU, as amended or replaced from time to time, the "**CRD IV**" and a Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 646/2012 (as amended, supplemented or replaced from time to time, the "**CRR**", together with the CRD IV, the "**CRD IV/CRR-package**")) to implement the Basel Committee's December 2010 final capital framework for strengthening international capital standards (the "**Basel III**" capital requirements) for GSBE.

On 7 June 2019 the following regulations and directives amending the CRD IV/CRR-package and the EU Bank Recovery and Resolution Directive (the "**BRRD**"), have been published in the Office Journal of the European Union and each of these legal acts came into force on 27 June 2019: (i) Regulation (EU) 2019/876, amending, inter alia, the CRR, (ii) Regulation (EU) 2019/877, amending the SRM Regulation, (iii) Directive (EU) 2019/878, amending CRD IV and (iv) Directive (EU) 2019/879, amending, inter alia, the BRRD (so-called "**CRD-V/CRR-II/BRRD-II-Package**"). Most of the provisions of the CRD-V/CRR-II/BRRD-II-Package have or will become applicable and/or had or have to be transposed into national law until 28 December 2020 or 28 June 2021. The CRD-V/CRR-II/BRRD-II-Package includes, among others, (i) adjustments to the leverage ratio requirement, (ii) the introduction of a binding detailed net stable funding ratio which will require credit institutions to finance their long-term activities (assets and off-balance sheet items) with stable sources of funding (liabilities), (iii) a requirement to have more risk-sensitive own funds (i.e. capital requirements) for institutions that trade in securities and derivatives, following Basel's work on the 'fundamental review of the trading book', and (iv) the implementation of new standards on the total loss absorbing capacity by which the TLAC Standard of global systemically important institutions is being implemented into binding European law.

These requirements and, in particular, any requests from regulators for higher capitalisation and higher capital ratios could have a material adverse effect on the business, results of operations or financial condition of GSBE.

Additionally, Directive 2014/49/EU on deposit guarantee schemes already requires that the financial means dedicated to the compensation of the depositors in times of stress will have to amount to 0.8 per cent. of the amount of the covered deposits by 3 July 2024. The calculation of the contributions shall be made in due consideration of the individual bank's risk profile. Due to the Deposit Protection Act (*Einlagensicherungsgesetz*), which has implemented the Directive 2014/49/EU into German law, the associated systems of calculation of contributions have been updated, resulting in an additional financial burden because of new annual contributions for GSBE from 2015 until 2024. Further, on 24 November 2015, the European Commission proposed to create a uniform Euro area wide deposit guarantee scheme for bank deposits ("**EDIS**"), which would include the creation of the European Deposit Insurance Fund, to be financed through contributions from the banking industry. Subject to the final agreement and subsequent implementation, the creation of the EDIS may have material adverse effects on GSBE business, results of operations or financial condition which might, in turn, negatively affect its ability to fulfil its obligations under securities issued or guaranteed by it.

5. GSBE is subject to resolution and recovery regulation and planning in Europe and Germany.

At the European level, the BRRD entered into force on 2 July 2014 which defines a framework for the recovery and resolution of credit institutions and investment firms. Its stated aim is to provide national "resolution authorities" with powers and tools to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses.

Further, the EU institutions have established a single resolution mechanism (the "**SRM**") which has been introduced by Regulation (EU) No. 806/2014 of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (the "**SRM Regulation**"). Under the SRM, a single resolution process applies to all banks established in EU member states participating in the SSM (that is, all member states in the Eurozone and other member states participating in the SSM). The SRM Regulation is closely connected with the bank recovery and resolution directive ("**BRRD**") which is implemented into German law by the Restructuring and Resolution Act (*Sanierungs- und Abwicklungsgesetz* – "**SAG**"). The resolution tools available to the SRB and the Commission under the SRM Regulation are intended to correspond to those set out in the BRRD, with the SRB having decision rights with regard to many of the functions assigned to national resolution authorities by the BRRD. As a result of the application of the resolution tools, creditors of GSBE may already prior to the occurrence of insolvency or a liquidation of GSBE be exposed to the risk of losing part or all of their invested capital.

The SAG and the SRM provide for a broad range of resolution measures, related effects and uncertainties. Such resolution tools and powers can be applied if, inter alia, the continued existence of GSBE or Group affiliates is at risk (*Bestandsgefährdung*) and a resolution action is necessary in the public interest (*Öffentliches Interesse*). The resolution tools include the bail-in tool and the write down or conversion of capital instruments tool (collectively referred to as "Resolution Measures").

The bail-in tool and the write down or conversion of capital instruments tool empower the competent resolution authorities – besides other resolution powers and, under certain conditions and subject to certain exceptions – to permanently write down the value (including a write down to zero) of, in the case of the write down or conversion of capital instruments tool, own funds instruments and, in the case of the bail-in tool, unsubordinated liabilities and subordinated liabilities not qualifying as own funds instruments of the relevant financial institution, including bonds, or order their conversion into equity instruments (the "**Bail-in**") in order to recapitalise an institution that meets the requirements for resolution or to capitalise a bridge institution established to carry on parts of the business of the institution for a transitional period; the write down or conversion of capital instruments tool may also be applied if not GSBE itself, but the group of GSBE meets the resolution requirements. The application of the Resolution Measures may release GSBE from its obligations under securities issued or guaranteed by it. Potential investors in securities issued or guaranteed by GSBE should therefore take into consideration that, if GSBE is failing or likely to fail and thus already prior to any liquidation or insolvency or such procedures being instigated, they will to a particular extent be exposed to a risk of default and that it is likely that they will suffer a partial or full loss of their investment.

Investors should be aware that the exercise of any such resolution power or even the suggestion of any such potential exercise in respect of GSBE (or any member of its group) could have a material adverse effect on the rights of holders of Securities, and could lead to a loss of some or all of the investment. The resolution regime is designed to be triggered prior to insolvency of the relevant institution, and holders of securities issued or guaranteed by such institution may not be able to anticipate the exercise of any resolution power (including exercise of the "bail-in" tool) by the competent authority. Further, holders of securities issued or guaranteed by an institution which has been taken into a resolution regime will have very limited rights to challenge the exercise of powers by the competent authority, even where such powers have resulted in the write down of the securities or conversion of the securities to equity.

The single resolution Fund ("**SRF**") established by the SRM Regulation may in certain circumstances and subject to various conditions provide medium term funding for potential resolution measures in respect of any bank that is subject to the SRM. Credit institutions such as GSBE are required to provide contributions to the SRF, including annual contributions and ex-post contributions. These contributions constitute a substantial financial burden for GSBE. Should another bank be subject to resolution measures under the SRM, GSBE could be obliged to provide further contributions. As a result, financial losses of GSBE could arise and materially negatively affect the financial position of GSBE and its ability to fulfil its obligations it has under securities issued or guaranteed by it.

6. The application of regulatory strategies and requirements to facilitate the orderly resolution of large financial institutions could create greater risk of loss for GSBE's security holders.

The circumstances in which a resolution authority would exercise its "bail-in" powers to recapitalise a failing entity by writing down its unsecured debt or converting it into equity are uncertain. If these powers were to be exercised (or if there was a suggestion that they could be exercised) in respect of GSBE, such exercise would likely have a material adverse effect on the value of debt investments in GSBE, including a potential loss of some or all of such investments.

7. Substantial civil or criminal liability or significant regulatory action against GSBE or its affiliates could have material adverse financial effects or cause significant reputational harm, which in turn could seriously harm GSBE's business prospects.

GSBE has been involved in a number of judicial, regulatory and other proceedings concerning matters arising in connection with the conduct of GSBE's business.

In addition, GS Group is involved in a number of judicial, regulatory and other proceedings, as well as investigations and reviews by various governmental and regulatory bodies and self-regulatory organisations. Proceedings by regulatory or other governmental authorities could result in the imposition of significant fines, penalties and other sanctions against GS Group, including restrictions on GS Group's activities. As an indirect subsidiary of Group Inc. and a direct subsidiary of GS Bank USA, any such fines, penalties or other sanctions, including any that could be imposed on GSBE directly, could adversely affect GSBE, possibly materially.

GSBE faces the risk of investigations and proceedings by governmental and self-regulatory organisations in all jurisdictions in which GSBE conducts its business. Interventions by authorities may result in adverse judgments, settlements, fines, penalties, injunctions or other relief. In addition to the monetary consequences, these measures could, for example, impact GSBE's ability to engage in, or impose limitations on, certain aspects of its business.

Litigation or regulatory action at the level of other GS Group entities may also have an impact on GSBE, including limitations on activities and reputational harm. The number of these investigations and proceedings, as well as the amount of penalties and fines sought, has increased substantially in recent years with regard to many firms in the financial services industry, including GS Group.

The trend of large settlements with governmental entities may adversely affect the outcomes for other financial institutions in similar actions, especially where governmental officials have announced that the large settlements will be used as the basis or a template for other settlements. The uncertain regulatory enforcement environment makes it difficult to estimate probable liabilities, and settlements of matters therefore frequently exceed the amount of any reserve established.

VII. COMPETITION RISKS

In the category "Competition Risks", the risks are classified according to their materiality. The most material risks are mentioned first.

1. The financial services industry is highly competitive.

The financial services industry and GSBE's activities are intensely competitive, and GSBE expects them to remain so. GSBE competes on the basis of a number of factors, including its products and services, innovation, reputation, creditworthiness and price. As GSBE expands into new business areas and new geographic regions, it will face competitors with more experience and more established relationships with clients, regulators and industry participants in the relevant market, which could adversely affect its ability to expand.

Governments and regulators have adopted regulations, imposed taxes, adopted compensation restrictions or otherwise put forward various proposals that have impacted or may impact GSBE's ability to conduct certain of its businesses in a cost-effective manner or at all in certain or all jurisdictions, including proposals relating to restrictions on the type of activities in which financial institutions are permitted to engage. These or other similar rules, many of which do not apply to all GSBE's competitors, could impact its ability to compete effectively.

Pricing and other competitive pressures in GSBE's businesses have continued to increase, particularly in situations where some of GSBE's competitors may seek to increase market share by reducing prices.

The financial services industry is highly interrelated in that a significant volume of transactions occur among a limited number of members of that industry. Many of GSBE's and GS Group's transactions are syndicated to other financial institutions and financial institutions are often counterparties in transactions. This has led to claims by other market participants and regulators that such institutions have colluded in order to manipulate markets or market prices, including allegations that antitrust laws have been violated. While GS Group has extensive procedures and controls that are designed to identify and prevent such activities, allegations of such activities, particularly by regulators, can have a negative reputational impact and can subject GSBE to large fines and settlements, and potentially significant penalties, including treble damages.

2. GSBE's businesses would be adversely affected if it is unable to hire and retain qualified employees.

GSBE's performance is largely dependent on the talents and efforts of highly skilled people; therefore, GSBE's continued ability to compete effectively in its businesses, to manage its businesses effectively and to expand into new lines of business depends on its ability and GS

Group’s ability to attract new talented and diverse employees and to retain and motivate existing employees. Factors that affect GSBE’s and GS Group’s ability to attract and retain such employees include the level and composition of GS Group’s compensation and benefits, and GS Group’s reputation as a successful business with a culture of fairly hiring, training and promoting qualified employees. As a significant portion of the compensation that GS Group pays to its employees is in the form of year-end discretionary compensation, a significant portion of which is in the form of deferred equity-related awards, declines in GS Group’s profitability, or in the outlook for its future profitability, as well as regulatory limitations on compensation levels and terms, can negatively impact GSBE’s and GS Group’s ability to hire and retain highly qualified employees.

Competition from within the financial services industry and from businesses outside the financial services industry, including the technology industry, for qualified employees has often been intense. GS Group (including GSBE) has experienced increased competition in hiring and retaining employees to address the demands of new regulatory requirements and GSBE’s technology initiatives. This is also the case in emerging and growth markets, where GSBE may often compete for qualified employees with entities that have a significantly greater presence or more extensive experience in the region.

Changes in law or regulation in jurisdictions in which GSBE’s operations are located that affect taxes on GSBE’s employees’ income, or the amount or composition of compensation, may also adversely affect GSBE’s ability to hire and retain qualified employees in those jurisdictions.

GSBE’s compensation practices are subject to review by the ECB within the context of the European Single Supervisory Mechanism, BaFin and the Deutsche Bundesbank. As a large financial institution, GSBE is subject to limitations on compensation practices. These limitations, including any imposed by or as a result of future legislation or regulation, may require GSBE to alter compensation practices in ways that could adversely affect its ability to attract and retain talented employees.

B. GENERAL INFORMATION ON THE REGISTRATION DOCUMENT

I. THE REGISTRATION DOCUMENT AS A PART OF A BASE PROSPECTUS

Within the meaning of Article 8 paragraph 6 sentence 1 of the Prospectus Regulation the Registration Document will either form a constituent part of a base prospectus consisting of separate documents or the Registration Document will be incorporated by reference into a base prospectus drawn up as s single document.

The Registration Document and/or the other separate documents of the base prospectus are available on the website www.gs.de under the sections "About us", "GS Products", "Base Prospectus" and/or "Registration Documents".

II. SUPPLEMENTS

The information in the Registration Document is supplemented, corrected or clarified ("**updated**") by way of future supplements under the conditions as laid out in Article 23 of the Prospectus Regulation.

All supplements will be published on the website www.gs.de under the sections "About us", "GS Products", "Base Prospectus" and/or "Registration Documents".

A supplement to the Registration Document will be published if there is a significant new factor or a material mistake or a material inaccuracy relating to the information included in the Registration Document which may affect the assessment of the securities.

III. PERSONS RESPONSIBLE

Goldman Sachs Bank Europe SE, Frankfurt am Main, Germany accepts responsibility for the information provided in the Registration Document. GSBE furthermore declares that the information contained in the Registration Document is, to the best of its knowledge, in accordance with the facts and that the Registration Document makes no omission likely to affect its import.

IV. THIRD PARTY INFORMATION

In the Registration Document information from third parties is incorporated. GSBE confirms that this information has been accurately reproduced and that, as far as GSBE is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information incorrect or misleading.

V. COMPETENT AUTHORITY APPROVAL

In connection with the approval of the Registration Document the following should be noted:

a) the Registration Document has been approved by the German Federal Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – "**BaFin**"), as competent authority (the "**Competent Authority**") under Regulation (EU) 2017/1129;

b) BaFin only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129 and

c) the approval should not be considered as an endorsement of Goldman Sachs Bank Europe SE, Frankfurt am Main, Germany that is the subject of this Registration Document.

C. INFORMATION ABOUT GOLDMAN SACHS BANK EUROPE SE

I. STATUTORY AUDITORS

The statutory auditor for the financial statements of GSBE as of and for the financial years ended 31 December 2020 and 31 December 2019 was PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft ("**PwC GmbH**"), Friedrich-Ebert-Anlage 35 – 37, 60327 Frankfurt am Main. PwC GmbH is a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*), a public body (*Körperschaft des öffentlichen Rechts*), Rauchstraße 26, 10787 Berlin.

II. GENERAL INFORMATION

The company was known as Goldman Sachs AG ("**GSAG**") until 15 January 2019. On 15 January 2019, GSAG merged with its wholly-owned subsidiary, Goldman Sachs Gestión S.A., on a retroactive basis as of 1 January 2018. At the same time, the legal form was changed to a *Societas Europaea* (SE) and the legal and commercial name to Goldman Sachs Bank Europe SE.

GSBE is registered under the number HRB 114190 in the commercial register of the local court in Frankfurt am Main and mainly operates under the laws of Germany.

It has the following legal entity identifier (LEI): 8IBZUGJ7JPLH368JE346.

GSBE has its registered office at:

Goldman Sachs Bank Europe SE
Marienturm
Taunusanlage 9-10
60329 Frankfurt am Main
Germany.

GSBE can be reached via telephone under +49 69 75 321 000 or via www.gs.de (whereby the information contained on such website shall not form part of the Registration Document).

GSBE is supervised by the European Central Bank (*ECB*) within the context of the European Single Supervisory Mechanism, the Federal Financial Supervisory Authority (*BaFin*) and the Deutsche Bundesbank.

There have been no recent events particular to GSBE which are to a material extent relevant to the evaluation of GSBE's solvency.

III. BUSINESS OVERVIEW

Goldman Sachs Bank Europe SE provides a wide range of financial services to a diversified client base that includes corporations, financial institutions, and ultrahigh- net-worth individuals, from its registered office in Frankfurt am Main and branches in Amsterdam, Copenhagen, Dublin, London, Luxembourg, Madrid, Milan, Paris, Stockholm and Warsaw. The major markets in which GSBE operates are Germany and Europe.

The object of GSBE is the transaction of banking business and the provision of financial services. The objects and purposes of GSBE are provided for in Article 2 (*Object of the company*) of the Articles of Association of GSBE and include, for the avoidance of doubt, the right to establish branches in Germany and abroad, to acquire or invest in other companies, to acquire or establish such companies and to conduct any other business which is suitable to promote the object of the company.

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

GSBE generates revenues from the following business activities: Investment Banking, Fixed Income, Currency and Commodities (*FICC*), Equities (including the issuance of equity derivative securities), and Investment Management, which includes Asset Management and Wealth Management.

In December 2019, the U.K. and E.U. ratified the Brexit withdrawal agreement, resulting in the U.K. leaving the E.U. in January 2020. In December 2020, the U.K. and E.U. agreed the Trade and Cooperation Agreement, which includes provisions for the future trade arrangements between the two parties. Following the end of the Brexit transition period, GSBE has further expanded business activities across Investment Banking, FICC, Equities, and Investment Management. On 12 February 2021 certain business activities of Goldman Sachs Paris Inc. et Cie (GSPIC) pertaining to the Investment Banking business and the major part of the FICC and Equities business were transferred to GSBE.

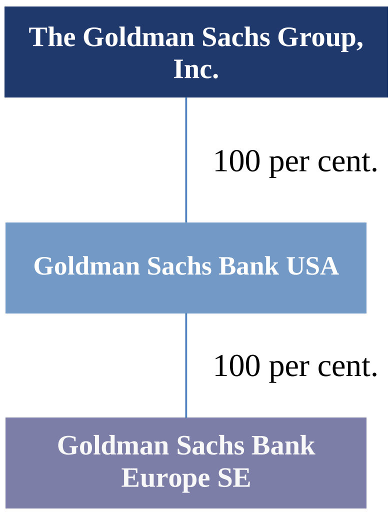
In addition to the funding GSBE sources from Funding IHC, a wholly-owned subsidiary of Group Inc., during the financial year 2021 GSBE started to source material parts of its funding from (i) Goldman Sachs Bank USA, being a wholly-owned subsidiary of Group Inc. (and which became the sole shareholder of GSBE on 1 July 2021), and (ii) from its deposit taking activities.

Other than that there have not been any material changes in the borrowing and funding structure of GSBE since the last financial year (31 December 2020).

IV. ORGANIZATIONAL STRUCTURE

The sole shareholder of GSBE is Goldman Sachs Bank USA with its registered office in New York, New York which in turn is a wholly-owned subsidiary of The Goldman Sachs Group Inc. GSBE has its registered office in Frankfurt am Main and branches in Amsterdam, Copenhagen, Dublin, London, Luxembourg, Madrid, Milan, Paris, Stockholm and Warsaw. A description of the branches' activities may be found in the section "Branches of the bank" on PDF-page 33 of the GSBE Annual Report 2020 (as defined in Section VII.1. below).

The Goldman Sachs Group, Inc. together with its affiliated companies is a globally active financial institution. Through its offices in the USA and the leading financial centres of the world Group Inc. is active in the financial services industry and reports its activities in four segments (i) Investment Banking which includes advice with respect to mergers and acquisitions, divestitures, restructurings and spin-offs as well as public offerings and private placements of a wide range of securities and other financial instruments and also corporate lending, (ii) Global Markets which includes client execution activities related to making markets in credit products, interest rate products, mortgages, currencies, commodities and shares, (iii) Asset Management which includes in particular investments (directly and indirectly through funds) and loans in various asset classes as well as investments by Goldman Sachs in consolidated investment entities and (iv) Consumer & Wealth Management which includes a broad range of wealth advisory and banking services, including financial planning, investment management, deposit taking and lending.



V. TREND INFORMATION

There has been no material adverse change in the prospects of GSBE since 31 December 2020 (date of its last published audited financial statement).

Since the end of the last financial period for which financial information has been published (31 December 2020) to the date of this Registration Document, there has been no significant change in the financial performance of GSBE.

In the beginning of 2020, the spread of coronavirus (COVID-19) across the globe and the accompanying temporary closures of non-essential businesses and stay-at-home requirements caused a sharp contraction in global economic activity, widespread unemployment, high levels of volatility across most financial assets and global markets, an unprecedented decline in global equity prices, and a significant widening of credit spreads. Global central banks responded quickly with accommodative monetary policy by reducing policy interest rates and increasing large scale asset purchases, and the establishment of a number of facilities to support the functioning of markets and to provide liquidity to markets. In addition, governments globally intervened with fiscal policy to mitigate the impact, which provided economic relief to businesses and individuals. These monetary and fiscal interventions, combined with the reopening of businesses and relaxation of earlier lockdowns, contributed to a sharp rebound in global economic activity during the second half of 2020. As a result, investors became more optimistic towards the prospect of a quicker economic recovery and a return to pre-pandemic levels, effecting sharp increases in equity prices and tighter credit spreads. Late in the year, medical professionals developed effective COVID-19 vaccines and governments began to distribute them globally, which is expected to reduce virus spread and further aid economic recovery.

As at the date of this Registration Document, there continues to be uncertainty regarding the impact of the COVID-19 pandemic on the near term economic outlook, even as efforts to distribute vaccines are underway. GSBE continues to successfully execute on its Business Continuity Planning (BCP) strategy and its priority remains to safeguard its employees and to seek to ensure continuity of business operations on behalf of its clients. The extent of the impact of the COVID-19 pandemic on GSBE's operational and financial performance, will depend on future developments.

VI. MANAGEMENT AND LEGAL REPRESENTATION

The administrative, management and supervisory bodies of GSBE comprise its Executive Board and its Supervisory Board. Set forth below are the names and occupations as well as the business addresses of the members of the Executive Board and the Supervisory Board at the date of this Registration Document.

Executive Board

Name	Occupation	Business Address	Principal Outside Activities
Dr. Wolfgang Fink (Chairman)	Managing Director	Taunusanlage 9-10, 60329 Frankfurt am Main	- Chairman of the Executive Boards of Goldman Sachs Europe SE and Goldman Sachs Group Europe SE - Member of the Board of the Association of German Banks
Thomas Degn-Petersen	Managing Director	Taunusanlage 9-10, 60329 Frankfurt am Main	- Co-Branch manager of Goldman Sachs International Bank, Frankfurt - Executive Board member of Goldman Sachs Europe SE - Member of the Board of Goldman Sachs Poland Services Sp. z.o.o - Non-executive director of Goldman Sachs Saudi Arabia - Member of the International Banking Committee of the German Banking Association - Accountant and member of the Chartered Institute of Management Accountants
Dr. Matthias Bock	Managing Director	Taunusanlage 9-10, 60329 Frankfurt am Main	- Executive Board member of the Goldman Sachs Europe SE - Deputy chairman of the Bankenverband Mitte e.V - Chairman of the Committee for Foreign Banks of the German Banking Association and member of the Legal Committee of the German Banking Association - Serves on the board of the Civitas Bernhard-Vogel foundation
Peter Hermann	Managing Director	Taunusanlage 9-10, 60329 Frankfurt am Main	- No other outside activities

Supervisory Board

Name	Occupation	Business Address	Principal Outside Activities
Dermot W. McDonogh (Chairman)	Managing Director	Plumtree Court 25 Shoe Lane London EC4A 4AU	- Director of Goldman Sachs International -Director of Goldman Sachs (UK) L.L.C. - Director of Goldman Sachs Bank USA, London Branch - Director of Goldman Sachs International Bank - Director and Chairman of the Supervisory Boards of Goldman Sachs Group Europe SE and Goldman Sachs Europe SE
Esta Stecher (Deputy Chairman)	Managing Director	200 West Street New York, NY 10282	- Director of Goldman Sachs International - Director and Chairperson of Goldman Sachs Bank USA - Deputy Chairperson of the Supervisory Boards of Goldman Sachs Group Europe SE and Goldman Sachs Europe SE -Chairperson of Boards of Directors of the Goldman Sachs Philanthropy Fund - Director of Columbia Investment Management Company LLC - Member of Council on Foreign Relations (U.S.A.) -Member of the President's Council of Columbia World Project (U.S.A.) - Leadership Council Member of Tax Policy Center (U.S.A.) -Member emeritus of the Association of General Counsel -Finance Committee Member of UJA Federation of New York
Sally A. Boyle	Advisory Director	Plumtree Court 25 Shoe Lane London EC4A 4AU	- Director of Goldman Sachs International - Member of the Supervisory Boards of Goldman Sachs Group Europe SE and Goldman Sachs Europe SE - Non-executive director at Royal Air Force

Dr. Wolfgang Feuring	Lawyer	Taunusanlage 9-10, 60329 Frankfurt am Main	- No other outside activities
Ulrich Pukropski	Retired (Partner in Financial Services)	Taunusanlage 9-10, 60329 Frankfurt am Main	- No other outside activities

There are no material potential conflicts of interest between any duties owed to GSBE by the members of the Executive Board or the Supervisory Board of GSBE identified above and their private interests and/or other obligations.

VII. FINANCIAL INFORMATION CONCERNING GSBE'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFIT AND LOSSES

1. Historical financial information for the financial year 2020 (German Commercial Code (*Handelsgesetzbuch - HGB*))

The Annual Financial Statements and the Management Report of GSBE for the financial year ended 31 December 2020 (German Commercial Code (*Handelsgesetzbuch – HGB*)) ("**GSBE Annual Report 2020**") are incorporated by reference pursuant to Article 19 of the Prospectus Regulation (detailed information about the pages in the financial statements can be found in section "X. Information incorporated by reference").

2. Historical financial information for the financial year 2019 (German Commercial Code (*Handelsgesetzbuch - HGB*))

The Annual Financial Statements and the Management Report of GSBE for the financial year ended 31 December 2019 (German Commercial Code (*Handelsgesetzbuch – HGB*)) ("**GSBE Annual Report 2019**") are incorporated by reference pursuant to Article 19 of the Prospectus Regulation (detailed information about the pages in the financial statements can be found in section "X. Information incorporated by reference").

3. Auditing of historical financial information

PwC GmbH audited the financial statements of GSBE as of and for the financial years ended 31 December 2020 and 31 December 2019, and issued in each case an unqualified auditor's report (*Bestätigungsvermerk*).

4. Cash flow statement for the financial years 2020 and 2019

The cash flow statement for the financial years 2020 and 2019 of GSBE together with an audit report (*Bestätigungsvermerk*) can be found in the Appendix of the Registration Document (pages F-1 to F-5).

5. Legal and arbitration proceedings

During the last 12 months, there were no governmental, legal or arbitration proceedings which may have, or have had in the recent past, significant effects on GSBE's financial position or profitability, and none of them were settled during the last 12 months, respectively. Neither are there any such proceedings pending or threatened of which GSBE is aware.

6. Significant change in GSBE's financial position

Since the end of the last financial period for which audited financial statements have been published (31 December 2020) no significant change in GSBE's financial position has occurred.

7. Statements in relation to prospects, financial performance or financial position

In this Registration Document, where GSBE makes statements that "there has been no material adverse change in the prospects", "there has been no significant change in the financial performance" and "no significant change in the financial position" of GSBE, references in these statements to the "prospects", "financial performance" and "financial position" of GSBE are specifically to the respective ability of GSBE to meet its full payment obligations under the Securities in a timely manner. Material information about GSBE's prospects, financial performance and financial position is included in the GSBE Annual Report 2020 and the GSBE Annual Report 2019, which are incorporated by reference pursuant to Article 19 of the Prospectus Regulation into this Registration Document (detailed information about the pages in the financial statements can be found in section "X. Information incorporated by reference").

VIII. ADDITIONAL INFORMATION

1. Capitalisation

As of the date of this registration document GSBE's ordinary share capital amounts to EUR 328,642,800. GSBE's consolidated equity (German GAAP) as of 30 June 2021 amounted EUR 5,351,813,520.42. The sole shareholder of GSBE is Goldman Sachs Bank USA with its registered office in New York, New York. The ordinary share capital is recognized at nominal value and is fully paid in.

2. Credit Ratings

The credit ratings of GSBE[1] referred to in the Registration Document have been issued by Fitch, Inc. ("**Fitch**"), Moody's Investors Service, Inc. ("**Moody's**") and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**"), none of which entities is established in the European Union or registered under Regulation (EC) No. 1060/2009 (as amended, the "**CRA Regulation**"). In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not either (1) issued or validly endorsed by a credit rating agency established in the European Union and registered with the European Securities and Markets Authority ("**ESMA**") under the CRA Regulation) or (2) issued by a credit rating agency established outside the European Union which is certified under the CRA Regulation.

The EU affiliates of Fitch, Moody's and S&P are registered under the CRA Regulation. The ESMA has approved the endorsement by such EU affiliates of credit ratings issued by DBRS, Fitch, Moody's and S&P. Accordingly, credit ratings issued by Fitch, Moody's and S&P may be used for regulatory purposes in the EU.

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[1] *The information for this rating has been extracted from information made available by each rating agency referred to below. GSBE confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by such ratings agencies, no facts have been omitted which would render the reproduced information inaccurate or misleading. As at the date of the Registration Document the ratings for GSBE were:*

Short-term debt:

Fitch, Inc rating was F1: An 'F1' rating indicates the highest short-term credit quality and the strongest intrinsic capacity for timely payment of financial commitments; may have an added '+' to denote any exceptionally strong credit feature.

Moody's rating was P-1: 'P-1' issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations.

S&P rating was A-1: A short-term obligation rated 'A-1' is rated in the highest category by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong.

Long-term debt:

Fitch, Inc rating was A: An 'A' rating indicates high credit quality and denotes expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

Moody's rating was A1: Obligations rated 'A' are considered upper-medium grade and are subject to low credit risk. Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from 'Aa' through 'Caa'. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

S&P rating was A+: An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong. The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Credit ratings may be adjusted over time, and there is no assurance that these credit ratings will be effective after the date of the Registration Document. A credit rating is not a recommendation to buy, sell or hold any securities.

IX. DOCUMENTS AVAILABLE

During the validity of the Registration Document, the following documents may be inspected in electronic form on the following websites:

- the up-to-date Articles of Association of Goldman Sachs Bank Europe SE dated 8 April 2021 https://www.goldmansachs.com/investor-relations/financials/subsidiary-financial-info/gsw/GSBE-AoA.pdf;
- GSBE Annual Report 2020 https://www.goldmansachs.com/investor-relations/financials/current/subsidiary-financial-info/gsbe/gsbe-12-31-20-financial-statements-english.pdf; and
- GSBE Annual Report 2019 https://www.goldmansachs.com/investor-relations/financials/current/subsidiary-financial-info/gsbe/gsbe-12-31-19-financial-statements-english.pdf.

Information contained on such websites shall not form part of this Registration Document and has not been scrutinized or approved by the Competent Authority, unless specified differently in section "X. Information incorporated by reference" below.

X. INFORMATION INCORPORATED BY REFERENCE

The Registration Document should be read and construed in conjunction with the information incorporated by reference into this Registration Document. The information set forth under 2. (*Information*) below contained in the documents set forth under 1. (*Documents*) below which have been previously published and filed with the Competent Authority and which is hereby incorporated by reference into this Registration Document and deemed to form a part of this Registration Document.

1. Documents

- GSBE Annual Report 2020

- GSBE Annual Report 2019

2. Information

The table below sets out the relevant page references for the information incorporated into this Registration Document by reference. Information contained in the documents is incorporated by reference into this Registration Document. Insofar as reference is made to certain parts of the documents only these parts shall form part of the Registration Document and all other information contained in the documents is either not relevant for the investor or is covered elsewhere in this Registration Document.

Information incorporated by reference	**Page references in the Document***	**Section and pages in this Registration Document**
GSBE Annual Report 2020		
Management Report for the Financial Year 2020	pages 3-23	VII.1. / 46
Balance Sheet	page 24	VII.1. / 46
Income Statement for the Financial Year 2020	page 25	VII.1. / 46
Notes to the Financial Statements	pages 26-33	VII.1. / 46
Independent auditors' report	pages 34-37	VII.1. / 46
GSBE Annual Report 2019		
Balance Sheet	page 22	VII.2. / 46
Income Statement for the Financial Year 2019	page 23	VII.2. / 46
Notes to the Financial Statements	pages 24-30	VII.2. / 46
Independent auditors' report	pages 31-34	VII.2. / 46

* The page numbers referenced above relate to the order in which the pages appear in the PDF version of such document.

The GSBE Annual Report 2020 has been published on the website https://www.goldmansachs.com/investor-relations/financials/index.html and can be downloaded under the following link https://www.goldmansachs.com/investor-relations/financials/current/subsidiary-financial-info/gsbe/gsbe-12-31-20-financial-statements-english.pdf.

The GSBE Annual Report 2019 has been published on the website https://www.goldmansachs.com/investor-relations/financials/index.html and can be downloaded under the following link https://www.goldmansachs.com/investor-relations/financials/current/subsidiary-financial-info/gsbe/gsbe-12-31-19-financial-statements-english.pdf.

APPENDIX: GSBE Cash Flow Statement for the financial years 2020 and 2019

The following independent auditors' certification is a translation from the authoritative German text which was issued on the German version of the cash flow statement of Goldman Sachs Bank Europe SE.

Certification

To Goldman Sachs Bank Europe SE, Frankfurt am Main

We have audited the statement of cash flows derived by the company from the annual financial statements for the 2020 financial year and the underlying accounting. The statement of cash flows supplements the annual financial statements of Goldman Sachs Bank Europe SE for the 2020 financial year prepared according to the requirements of German commercial law.

The legal representative of the company has the responsibility for preparing the statement of cash flows for the 2020 financial year according to the requirements of German commercial law.

Our assignment is to deliver a judgement, on the basis of the audit we conducted, concerning whether the statement of cash flows for the 2020 financial year was properly derived from the annual financial statements for the 2020 financial year and the underlying accounting in accordance with the requirements of German commercial law. Auditing of the underlying annual financial statements and the underlying accounting were not the subject of this assignment.

We have planned and performed our audit in accordance with the IDW auditing practice statement: Auditing of additional elements of financial statements (IDW PH 9.960.2) so that material errors in deriving the statement of cash flows from the annual financial statements and the underlying accounting can be identified with reasonable certainty.

According to our assessment on the basis of the findings obtained in the audit, the statement of cash flows for the 2020 financial year was properly derived from the annual financial statements for the 2020 financial year and the underlying accounting in accordance with the requirements of German commercial law.

Frankfurt am Main, 23 July 2021

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Stefan Palm	Kay Böhm
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

GOLDMAN SACHS BANK EUROPE SE

Cash Flow Statement

in millions €		December 2020	December 2019
1	Profit or loss for the period	89	54
2 +/–	Depreciation, value adjustments / write-ups on receivables and fixed assets	4	2
3 +/–	Increase / decrease in provisions	100	20
4 –/+	Increase / decrease in receivables from banks	(81)	(52)
5 –/+	Increase / decrease in receivables from customers	(4,236)	162
6 –/+	Increase / decrease in securities held in the trading book	(8,250)	(1,202)
7 –/+	Increase / decrease in other assets from operating activities	(4,571)	(823)
8 +/–	Increase / decrease in payables to banks	47	2
9 +/–	Increase / decrease in payables to customers	5,419	443
10 +/–	Increase / decrease in other liabilities from operating activities	10,563	1,799
11 +/–	Interest expenses / interest income	24	10
12 +/−	Income tax expense / income	48	31
13 +	Interest payments and dividend payments received	14	6
14 –	Interest paid	(36)	(14)
15 –/+	Income tax payments	(39)	(25)
16 =	**Cash flow from operating activities**	**(905)**	**413**
17 +	Payments received from disposals of financial assets	1	-
18 –	Payments for investments in financial assets	-	(18)
19 +	Payments received from the disposal of property, plant and equipment	-	-
20 –	Payments for investments in property, plant and equipment	(11)	(21)
21 +	Payments received from disposals of intangible assets	-	-
22 –	Payments for investments in intangible assets	-	-
23 =	**Cash flow from investing activities**	**(10)**	**(39)**
24 +	Payments from equity injections from shareholders of the parent company	2,500	300
25 =	**Cash flow from financing activities**	**2,500**	**300**
26	Net increase/(decrease) in cash and cash equivalents	1,585	674
27 +/–	Changes in cash and cash equivalents due to exchange rates and valuation	(0)	(0)
28 +/–	Changes in cash and cash equivalents due to the scope of consolidation	-	-
29 +	Cash and cash equivalents at the beginning of the period	1,010	336
30 =	**Cash and cash equivalents at the end of the period**	**2,595**	**1,010**

Goldman Sachs Bank Europe SE defines the cash and cash equivalents as liquid funds that are not subject to any significant risk of currency translation. This consists of the cash reserve, which is made up of balances at central banks.

The cash flow statement shows the composition and changes in cash and cash equivalents for the financial year. It is divided into the positions of operational business activity, investment activity and financing activity. The cash flow from current business activities is shown using the indirect method.

The following independent auditors' certification is a translation from the authoritative German text which was issued on the German version of the cash flow statement of Goldman Sachs Bank Europe SE.

Certification

To Goldman Sachs Bank Europe SE, Frankfurt am Main

We have audited the statement of cash flows derived by the company from the annual financial statements for the 2019 financial year and the underlying accounting. The statement of cash flows supplements the annual financial statements of Goldman Sachs Bank Europe SE for the 2019 financial year prepared according to the requirements of German commercial law.

The legal representative of the company has the responsibility for preparing the statement of cash flows for the 2019 financial year according to the requirements of German commercial law.

Our assignment is to deliver a judgement, on the basis of the audit we conducted, concerning whether the statement of cash flows for the 2019 financial year was properly derived from the annual financial statements for the 2019 financial year and the underlying accounting in accordance with the requirements of German commercial law. Auditing of the underlying annual financial statements and the underlying accounting were not the subject of this assignment.

We have planned and performed our audit in accordance with the IDW auditing practice statement: Auditing of additional elements of financial statements (IDW PH 9.960.2) so that material errors in deriving the statement of cash flows from the annual financial statements and the underlying accounting can be identified with reasonable certainty.

According to our assessment on the basis of the findings obtained in the audit, the statement of cash flows for the 2019 financial year was properly derived from the annual financial statements for the 2019 financial year and the underlying accounting in accordance with the requirements of German commercial law.

Frankfurt am Main, 30 July 2021

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Stefan Palm	Kay Böhm
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

GOLDMAN SACHS BANK EUROPE SE

Cash Flow Statement

in millions €			December 2019	December 2018
1		Profit or loss for the period	54	44
2	+/–	Depreciation, value adjustments / write-ups on receivables and fixed assets	2	-
3	+/–	Increase / decrease in provisions	20	2
4	–/+	Increase / decrease in receivables from banks	(52)	(5)
5	–/+	Increase / decrease in receivables from customers	162	(68)
6	–/+	Increase / decrease in securities held in the trading book	(1,202)	-
7	–/+	Increase / decrease in other assets from operating activities	(823)	(5)
8	+/–	Increase / decrease in payables to banks	2	-
9	+/–	Increase / decrease in payables to customers	443	18
10	+/–	Increase / decrease in other liabilities from operating activities	1,799	(5)
11	+/–	Interest expenses / interest income	10	-
12	+/–	Expenses / income from extraordinary items	-	2
13	+/–	Income tax expense / income	31	16
14	+	Interest payments and dividend payments received	6	3
15	–	Interest paid	(14)	(1)
16	–/+	Income tax payments	(25)	(12)
17	**=**	**Cash flow from operating activities**	**413**	**(12)**
18	+	Payments received from disposals of financial assets	-	-
19	–	Payments for investments in financial assets	(18)	-
20	+	Payments received from the disposal of property, plant and equipment	-	-
21	–	Payments for investments in property, plant and equipment	(21)	(2)
22	**=**	**Cash flow from investing activities**	**(39)**	**(2)**
23	+	Payments from equity injections from shareholders of the parent company	300	-
24	**=**	**Cash flow from financing activities**	**300**	**-**
25		Net increase/(decrease) in cash and cash equivalents	674	(14)
26	+/–	Changes in cash and cash equivalents due to exchange rates and valuation	(0)	-
27	+/–	Changes in cash and cash equivalents due to the scope of consolidation	-	-
28	+	Cash and cash equivalents at the beginning of the period	336	350
29	**=**	**Cash and cash equivalents at the end of the period**	**1,010**	**336**

Goldman Sachs Bank Europe SE defines the cash and cash equivalents as liquid funds that are not subject to any significant risk of currency translation. This consists of the cash reserve, which is made up of balances at central banks.

The cash flow statement shows the composition and changes in cash and cash equivalents for the financial year. It is divided into the positions of operational business activity, investment activity and financing activity. The cash flow from current business activities is shown using the indirect method.