Goldman Sachs Mitsui Marine Derivative Products, L.P.

Balance Sheet

December 31, 2023

INDEX

Report of Independent Auditors

To the General Partner of Goldman Sachs Mitsui Marine Derivative Products, L.P.:

Opinion

We have audited the accompanying balance sheet of Goldman Sachs Mitsui Marine Derivative Products, L.P. (the "Company") as of December 31, 2023 including the related notes (referred to as the "balance sheet").

In our opinion, the accompanying balance sheet presents fairly, in all material respects, the financial position of the Company as of December 31, 2023 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Balance Sheet section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Balance Sheet

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

In preparing the balance sheet, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the balance sheet is available to be issued.

Auditors' Responsibilities for the Audit of the Balance Sheet

Our objectives are to obtain reasonable assurance about whether the balance sheet as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the balance sheet.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the balance sheet, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the balance sheet.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the balance sheet.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers LLP

New York, New York
February 27, 2024

Balance Sheet

$ in thousands		As of December 2023
Assets		
Cash	**$**	**550,985**
Customer and other receivables		**3,430**
Derivative assets (at fair value)		**844,629**
Other assets		**718**
Total assets	**$**	**1,399,762**
Liabilities and partners' capital		
Customer and other payables	**$**	**12,753**
Payables to affiliates, net		**292,526**
Derivative liabilities (at fair value)		**663,029**
Other liabilities		**963**
Total liabilities		**969,271**
Guarantees		
Partners' capital		**430,491**
Total liabilities and partners' capital	**$**	**1,399,762**

The accompanying notes are an integral part of this balance sheet.

Note 1.

Description of Business

Goldman Sachs Mitsui Marine Derivative Products, L.P. (the Partnership) is a Delaware limited partnership owned by Goldman Sachs Mitsui Marine Derivative Products, G.P., Inc. as general partner, a wholly-owned subsidiary of Goldman Sachs Bank USA (GS Bank USA), and GS Bank USA and Mitsui Sumitomo Insurance Co., Ltd. (Mitsui Sumitomo), as limited partners.

The Partnership is a subsidiary of GS Bank USA, a wholly-owned subsidiary of The Goldman Sachs Group, Inc. (Group Inc.), a bank holding company under the Bank Holding Company Act of 1956 (BHC Act) and a financial holding company under the amendments to the BHC Act effected by the U.S. Gramm Leach-Bliley Act of 1999. The Partnership is registered with the U.S. Commodity Futures Trading Commission (CFTC) as a swap dealer.

The Partnership's business is to act as an intermediary in transactions involving certain financial instruments, including interest rate, currency and credit derivative contracts. The Partnership enters into derivatives with third parties and simultaneously enters into Mirror Transactions or other offsetting derivatives with GS Bank USA. As such, the Partnership is not subject to net market risk. The Partnership has exposure to the credit risk of Group Inc. and Mitsui Sumitomo as guarantors of all of the Partnership's obligations resulting from derivative transactions. See Note 10 for further information on transactions with related parties.

The Limited Partnership Agreement outlines certain events which, upon their occurrence, entitle the limited partners to declare a suspension of the activities of the Partnership. Upon declaration or occurrence of a suspension and prior to its revocation, the Partnership shall not enter into or become obligated under any new contracts as defined in the Limited Partnership Agreement. As of December 31, 2023, no partner declared a suspension.

Note 2.

Basis of Presentation

This balance sheet is prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP). All references to December 2023 refer to the date December 31, 2023.

Note 3.

Significant Accounting Policies

The Partnership's significant accounting policies include when and how to measure the fair value of assets and liabilities, and when to consolidate an entity. See Note 4 for policies on fair value measurements, and below and Note 7 for policies on consolidation accounting. All other significant accounting policies are either described below or included in the following footnotes:

Fair Value Measurements	Note 4
Derivatives Activities	Note 5
Collateral Received and Pledged	Note 6
Variable Interest Entities	Note 7
Guarantees	Note 8
Regulation and Capital Adequacy	Note 9
Transactions with Related Parties	Note 10
Income Taxes	Note 11
Credit Concentrations	Note 12

Consolidation

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

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

Variable Interest Entities. A VIE is an entity that lacks one or more of the characteristics of a voting interest entity. The Partnership has a controlling financial interest in a VIE when the Partnership has a variable interest or interests that provide it with (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. See Note 7 for further information about VIEs.

Use of Estimates

Preparation of this balance sheet requires management to make certain estimates and assumptions, the most important of which relate to fair value measurements. These estimates and assumptions are based on the best available information, but actual results could be materially different.

Cash

Cash included cash and due from banks of $360.2 million as of December 2023, substantially all of which was held at a related party, Goldman Sachs & Co. LLC (GS&Co.), and was not covered by Federal Deposit Insurance Corporation (FDIC) insurance. Cash also included interest-bearing deposits of $190.8 million as of December 2023, substantially all of which was not covered by FDIC insurance. $28.3 million of these deposits were held at GS&Co. Substantially all of the remaining $162.5 million of the Partnership's interest-bearing deposits were held with a major financial institution. See Note 10 for further information on cash held at an affiliate.

Customer and Other Receivables

Customer and other receivables included receivables from customers and counterparties. Substantially all of such receivables consist of receivables resulting from unsettled transactions and collateral posted in connection with certain derivative transactions. These receivables are accounted for at amortized cost, which generally approximates fair value. As the receivables do not give rise to material credit risk for the Partnership, generally no allowance for credit losses is held against the receivables. As these receivables are not accounted for at fair value, they are not included in the Partnership's fair value hierarchy in Notes 4 and 5. Had these receivables been included in the Partnership's fair value hierarchy, substantially all would have been classified in level 2 as of December 2023. Interest on customer and other receivables is recognized over the life of the transaction.

Customer and Other Payables

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

Payables to Affiliates, Net

Payables to affiliates primarily consisted of cash collateral provided by GS Bank USA. See Note 6 for further information about the collateral provided by GS Bank USA.

Offsetting Assets and Liabilities

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

Derivatives are reported on a net-by-counterparty basis (i.e., the net payable or receivable for derivative assets and liabilities for a given counterparty) in the balance sheet when a legal right of setoff exists under an enforceable netting agreement.

In the balance sheet, derivatives are reported net of cash collateral received and posted under enforceable credit support agreements, when transacted under an enforceable netting agreement. See Note 6 for further information about collateral received and pledged, including rights to deliver or repledge collateral. See Note 5 for further information about offsetting assets and liabilities.

Foreign Currency Translation

Assets and liabilities denominated in non-U.S. currencies are translated at rates of exchange prevailing on the date of the balance sheet.

Recent Accounting Development

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

Note 4.

Fair Value Measurements

The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets and liabilities are marked to mid-market valuation. Fair value measurements do not include transaction costs.

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

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

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

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

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

The valuation techniques and nature of significant inputs used to determine the fair value of the Partnership's derivatives are described below.

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

$ in thousands	As of December 2023
Total level 1 financial assets	$ —
Total level 2 financial assets	917,101
Total level 3 financial assets	334,170
Counterparty and cash collateral netting	(406,642)
Total financial assets at fair value	**$ 844,629**
Total assets	$ 1,399,762
Total level 3 financial assets divided by:	
Total assets	23.9%
Total financial assets at fair value	39.6%
Total level 1 financial liabilities	$ —
Total level 2 financial liabilities	917,101
Total level 3 financial liabilities	334,170
Counterparty and cash collateral netting	(588,242)
Total financial liabilities at fair value	**$ 663,029**
Total liabilities	$ 969,271
Total level 3 financial liabilities divided by:	
Total liabilities	34.5%
Total financial liabilities at fair value	50.4%

In the table above:

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

Valuation Techniques and Significant Inputs for Derivatives

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

- **Interest Rate.** In general, the key inputs used to value interest rate derivatives are transparent, even for most long-dated contracts. Interest rate swaps and options denominated in the currencies of leading industrialized nations are characterized by high trading volumes and tight bid/offer spreads. Interest rate derivatives that reference indices, such as an inflation index, or the shape of the yield curve (e.g., 10-year swap rate vs. 2-year swap rate) are more complex, but the key inputs are generally observable.
- **Currency.** Prices for currency derivatives based on the exchange rates of leading industrialized nations, including those with longer tenors, are generally transparent. The primary difference between the price transparency of developed and emerging market currency derivatives is that emerging markets tend to be observable for contracts with shorter tenors.
- **Credit.** Price transparency for credit default swaps, including both single names and baskets of credits, varies by market and underlying reference entity or obligation. Credit default swaps that reference indices, large corporates and major sovereigns generally exhibit the most price transparency. For credit default swaps with other underliers, price transparency varies based on credit rating, the cost of borrowing the underlying reference obligations, and the availability of the underlying reference obligations for delivery upon the default of the issuer. Credit default swaps that reference loans, asset-backed securities and emerging market debt instruments tend to have less price transparency than those that reference corporate bonds. In addition, more complex credit derivatives, such as those sensitive to the correlation between two or more underlying reference obligations, generally have less price transparency.

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

Level 1. The Partnership had no level 1 derivatives as of December 2023.

Level 2. Level 2 derivatives include derivatives for which all significant valuation inputs are corroborated by market evidence.

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

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

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

- For level 3 interest rate derivatives, significant unobservable inputs include correlations of certain currencies and interest rates, and specific interest rate volatilities.
- For level 3 credit derivatives, significant unobservable inputs include illiquid credit spreads, which are unique to specific reference obligations and reference entities.

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

Note 5.

Derivatives Activities

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

The Partnership did not have any exchange-traded derivatives as of December 2023.

The Partnership acts as an intermediary and enters into various types of OTC derivatives, including:

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

Derivatives are reported on a net-by-counterparty basis (i.e., the net payable or receivable for derivative assets and liabilities for a given counterparty) when a legal right of setoff exists under an enforceable netting agreement (counterparty netting). Derivatives are accounted for at fair value, net of cash collateral received or posted under enforceable credit support agreements (cash collateral netting).

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

	As of December 2023	
$ in thousands	**Derivative Assets**	**Derivative Liabilities**
Interest rates	**$ 716,764**	**$ 716,764**
Currencies	**469,374**	**469,374**
Credit	**962,361**	**962,361**
Total gross fair value	**$ 2,148,499**	**$ 2,148,499**
Offset in the balance sheet		
Counterparty netting	**$ (1,199,648)**	**$ (1,199,648)**
Cash collateral netting	**(104,222)**	**(285,822)**
Total amounts offset	**$ (1,303,870)**	**$ (1,485,470)**
Included in the balance sheet	**$ 844,629**	**$ 663,029**
Not offset in the balance sheet		
Cash collateral	**$ (9,385)**	**$ —**
Securities collateral	**(22,947)**	**(115,153)**
Total	**$ 812,297**	**$ 547,876**

$ in thousands	**Notional Amounts as of December 2023**
Interest rates	**$15,477,309**
Currencies	**2,887,347**
Credit	**9,386,257**
Total	**$27,750,913**

In the tables above:

- Gross fair values exclude the effects of both counterparty netting and collateral, and therefore are not representative of the Partnership's exposure.
- Where the Partnership has received or posted collateral under credit support agreements, but has not yet determined such agreements are enforceable, the related collateral has not been netted.
- Total derivative liabilities included $33.5 million of derivative liabilities with affiliates.
- Notional amounts, which represent the sum of gross long and short derivative contracts, provide an indication of the volume of the Partnership's derivative activity and do not represent anticipated losses.
- Total gross fair value of derivatives included derivative assets of $91.2 million and derivative liabilities of $17.7 million, which are not subject to an enforceable netting agreement or are subject to a netting agreement that the Partnership has not yet determined to be enforceable.

- The Partnership enters into Mirror Transactions, as well as offsetting total return swaps (TRS). See Note 10 for further information about Mirror Transactions and Note 7 for further information about offsetting TRS.

Fair Value of Derivatives by Level

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

	As of December 2023			
$ in thousands	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Interest rates	$ —	$ 716,413	$ 351	$ 716,764
Currencies	—	469,374	—	469,374
Credit	—	483,491	478,870	962,361
Gross fair value	—	1,669,278	479,221	2,148,499
Counterparty netting in levels	—	(752,177)	(145,051)	(897,228)
Subtotal	$ —	$ 917,101	$ 334,170	$ 1,251,271
Cross-level counterparty netting				(302,420)
Cash collateral netting				(104,222)
Net fair value				**$ 844,629**
Liabilities				
Interest rates	$ —	$ (716,413)	$ (351)	$ (716,764)
Currencies	—	(469,374)	—	(469,374)
Credit	—	(483,491)	(478,870)	(962,361)
Gross fair value	—	(1,669,278)	(479,221)	(2,148,499)
Counterparty netting in levels	—	752,177	145,051	897,228
Subtotal	$ —	$ (917,101)	$ (334,170)	$(1,251,271)
Cross-level counterparty netting				302,420
Cash collateral netting				285,822
Net fair value				**$ (663,029)**

In the table above:

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

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

Credit Derivatives

The Partnership enters into a broad array of credit derivatives through Mirror Transactions or offsetting TRS. Credit derivatives are generally individually negotiated contracts and can have various settlement and payment conventions. Credit events include failure to pay, bankruptcy, acceleration of indebtedness, restructuring, repudiation and dissolution of the reference entity.

The Partnership enters into the following types of credit derivatives:

- **Credit Default Swaps.** Single-name credit default swaps protect the buyer against the loss of principal on one or more bonds, loans or mortgages (reference obligations) in the event the issuer of the reference obligations suffers a credit event. The buyer of protection pays an initial or periodic premium to the seller and receives protection for the period of the contract. If there is no credit event, as defined in the contract, the seller of protection makes no payments to the buyer. If a credit event occurs, the seller of protection is required to make a payment to the buyer, calculated according to the terms of the contract.
- **Total Return Swaps.** A TRS transfers the risks relating to economic performance of a reference obligation from the protection buyer to the protection seller. Typically, the protection buyer receives a floating rate of interest and protection against any reduction in fair value of the reference obligation, and the protection seller receives the cash flows associated with the reference obligation, plus any increase in the fair value of the reference obligation.

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

The table below presents information about credit derivatives.

	As of December 2023				
	Credit Spread on Underlier (basis points)				
$ in millions	0 - 250	251 - 500	501 - 1,000	Greater than 1,000	Total
Maximum Payout/Notional Amount of Written Credit Derivatives by Tenor					
Less than 1 year	$ 35	$ —	$ —	$ —	$ 35
1 – 5 years	1,418	—	—	199	1,617
Greater than 5 years	891	2,150	—	—	3,041
Total	**$ 2,344**	**$ 2,150**	**$ —**	**$ 199**	**$ 4,693**
Maximum Payout/Notional Amount of Purchased Credit Derivatives					
Offsetting	$ 2,344	$ 2,150	$ —	$ 199	$ 4,693
Fair Value of Written Credit Derivatives					
Asset	$ 462	$ —	$ —	$ 29	$ 491
Liability	60	411	—	—	471
Net asset/(liability)	**$ 402**	**$ (411)**	**$ —**	**$ 29**	**$ 20**

In the table above:

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

Derivatives with Credit-Related Contingent Features

Certain of the Partnership's derivatives have been transacted under bilateral agreements with counterparties who may require the Partnership to post collateral or terminate the transactions based on changes in the credit ratings of the Partnership and/or Group Inc. The Partnership assesses the impact of these bilateral agreements by determining the collateral or termination payments that would occur assuming a downgrade by all rating agencies. A downgrade by any one rating agency, depending on the agency's relative ratings of the Partnership and/or Group Inc. at the time of the downgrade, may have an impact which is comparable to the impact of a downgrade by all rating agencies.

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

$ in thousands	As of December 2023
Net derivative liabilities under bilateral agreements	$ 301,738
Collateral posted	$ 278,373
Additional collateral or termination payments:	
One-notch downgrade	$ 8,079
Two-notch downgrade	$ 20,869

Note 6.

Collateral Received and Pledged

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

In many cases, the Partnership is permitted to deliver or repledge financial instruments received as collateral in connection with collateralized derivative transactions.

Under the terms of the relevant derivative transactions, as of December 2023, the fair value of securities collateral the Partnership received from external counterparties was $24.9 million. The fair value of securities collateral the Partnership posted to external counterparties was $128.7 million.

As of December 2023, in accordance with the terms of the Limited Partnership Agreement and the Pledge and Security Agreement, GS Bank USA provided $167.6 million in net cash collateral to the Partnership. In the event of the Partnership or GS Bank USA's bankruptcy, collateral pledged by GS Bank USA is subject to net settlement of all existing obligations between the related parties based on the existing Master Netting Agreement.

Note 7.

Variable Interest Entities

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

The Partnership enters into derivatives with certain mortgage-backed and corporate debt and other asset backed VIEs.

VIEs generally finance the purchase of assets by issuing debt and equity securities that are either collateralized by or indexed to the assets held by the VIE. The debt and equity securities issued by a VIE may include tranches of varying levels of subordination. See Note 3 for the Partnership's consolidation policies, including the definition of a VIE.

VIE Consolidation Analysis

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

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

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

VIE Activities

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

Mortgage-Backed VIEs. The Partnership enters into derivatives with mortgage-backed VIEs, primarily interest rate swaps, which are typically not variable interests. In each case, the Partnership enters into offsetting derivatives with GS Bank USA to mitigate its risk.

Corporate Debt and Other Asset-Backed VIEs. The Partnership enters into derivatives, such as TRS and basis swaps, with certain corporate debt and other asset-backed VIEs, under which the Partnership pays the VIE a return due to the beneficial interest holders and receives the return on the collateral owned by the VIE. The collateral owned by these VIEs is primarily other asset-backed loans and securities. The Partnership may be removed as the TRS counterparty and, in each case, enters into offsetting derivatives with GS Bank USA to mitigate its risk related to these swaps.

To mitigate Mitsui Sumitomo's exposure to potential liquidity needs as described in Note 10, the Partnership transacts in TRS with VIEs and also enters into an offsetting TRS with GS Bank USA. In the event of a Group Inc. and/or GS Bank USA default, the TRS will terminate, and the reference obligations held by the VIEs will liquidate with the proceeds used to provide Mitsui Sumitomo with access to secured funding. The TRS can be terminated by external investors of the VIEs at any time without cause.

Nonconsolidated VIEs

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

$ in thousands		As of December 2023
Total nonconsolidated VIEs		
Assets in VIEs	$	5,080,794
Carrying value of variable interests - assets	$	95,631
Carrying value of variable interests - liabilities	$	471,239
Maximum exposure to loss	$	4,834,544

In the table above:

- The maximum exposure to loss consists of derivative guarantees to VIEs or holders of variable interests in VIEs.
- The Partnership's exposure to the obligations of VIEs is generally limited to its interests in these entities.

- The maximum exposure to loss is the notional amount, which does not represent anticipated losses and has not been reduced by unrealized losses. As a result, the maximum exposure to loss exceeds liabilities recorded for derivatives provided to VIEs.

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

$ in thousands		As of December 2023
Mortgage-backed		
Assets in VIEs	$	1,744
Carrying value of variable interests - assets	$	351
Maximum exposure to loss	$	1,744
Corporate debt and other asset-backed		
Assets in VIEs	$	5,079,050
Carrying value of variable interests - assets	$	95,280
Carrying value of variable interests - liabilities	$	471,239
Maximum exposure to loss	$	4,832,800

As of December 2023, the carrying values of the Partnership's variable interest assets in nonconsolidated VIEs are included in derivative assets in the balance sheet. The carrying values of the Partnership's variable interest liabilities in nonconsolidated VIEs are included in derivative liabilities in the balance sheet.

Consolidated VIEs

As of December 2023, the Partnership had no consolidated VIEs.

Note 8.

Guarantees

The table below presents derivatives that meet the definition of a guarantee.

$ in thousands		As of December 2023
Carrying Value of Liability	$	—
Maximum Payout/Notional Amount by Period of Expiration		
2024	$	—
2025 - 2026		57,125
2027 - thereafter		—
Total	$	57,125

In the table above, the maximum payout is based on the notional amount of the contract and does not represent anticipated losses.

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

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

Note 9.

Regulation and Capital Adequacy

As a registered swap dealer, the Partnership is subject to the regulatory capital requirements imposed by the CFTC and the National Futures Association. Part 23 Subpart E of the CFTC rules specify uniform minimum capital requirements, as defined, for their registrants. The Partnership has elected to compute its minimum capital risk-based requirements in accordance with the bank-based capital requirements under the CFTC regulation, which require a Common Equity Tier 1 Capital ratio (CET1) of at least 6.5% and a Total Capital ratio of at least 8%. As of December 2023, the Partnership had a CET1 ratio of 21.8% and a Total Capital ratio of 21.8%.

Note 10.

Transactions with Related Parties

The Partnership enters into derivatives with third parties and it simultaneously enters into Mirror Transactions or offsetting TRS with GS Bank USA. Group Inc. and GS Bank USA have agreed to assume third-party credit risk under derivative contracts upon third-party default. In such circumstances, GS Bank USA has agreed to terminate its claims on the Partnership's obligation under the related Mirror Transactions, as well as offsetting TRS. See Note 7 for further information about offsetting TRS.

Group Inc. and Mitsui Sumitomo are required to provide the Partnership with sufficient liquidity to meet its obligations to counterparties and to ensure that the Partnership has a net worth of at least $10 million at all times. This support agreement cannot be terminated as long as the Partnership has any obligations to third parties.

Group Inc. pays the Partnership a fee for its intermediation service in accordance with the Limited Partnership Agreement.

Group Inc. and Mitsui Sumitomo have agreed to guarantee all of the Partnership's obligations from derivative contracts for which the Partnership pays a guarantee fee to Group Inc. and Mitsui Sumitomo. The Partnership's credit rating, which is impacted by this joint guarantee, is an important input in determining the fair value of derivative contracts with third parties and the corresponding Mirror Transactions and offsetting TRS.

As of December 2023, the Partnership's receivables from affiliates, which are included in other assets, were not material. Substantially all receivables from affiliates consisted of credit exposure fees receivable from Group Inc.

As of December 2023, the Partnership had $292.5 million of payables to affiliates, which was primarily with GS Bank USA related to collateral posted and other payables in the normal course of business.

As of December 2023, the Partnership had $28.3 million of interest-bearing and $350.4 million of non-interest-bearing deposits in brokerage accounts held at GS&Co., which were included in cash.

GS Bank USA made a capital contribution of $100.0 million to the Partnership during 2023.

Group Inc. affiliates provide all operational and administrative support for the Partnership. Due to the above related party transactions, results of the Partnership may differ from those that would have been achieved had the Partnership operated autonomously or as an entity independent of the Partnership's ultimate parent and its subsidiaries.

Note 11.

Income Taxes

Provision for Income Taxes

Income taxes are provided for using the asset and liability method under which deferred tax assets and liabilities are recognized for temporary differences between the financial reporting and tax bases of assets and liabilities. As of December 2023, the Partnership had no deferred tax assets or deferred tax liabilities. As of December 2023, the Partnership had no liability for uncertain tax positions. The Partnership's net tax receivable is included in other assets.

Regulatory Tax Examinations

The Partnership is subject to examination by the U.S. Internal Revenue Service and New York State and City.

All years, including and subsequent to 2020 for U.S. federal and New York State and City, remain open to examination by the taxing authorities.

Note 12.

Credit Concentrations

The Partnership's concentrations of credit risk arise from its client facilitation activities, and may be impacted by changes in economic, industry or political factors. These activities expose the Partnership to many different industries and counterparties, and may also subject the Partnership to a concentration of credit risk to a particular counterparty, including sovereign issuers. The Partnership seeks to mitigate credit risk by actively monitoring exposures and obtaining collateral from counterparties as deemed appropriate.

The Partnership measures and monitors its credit exposure based on amounts owed to the Partnership after taking into account risk mitigants that the Partnership considers when determining credit risk. Such risk mitigants include netting and collateral arrangements which permit the Partnership to offset receivables and payables with such counterparties and/or enable the Partnership to obtain collateral on an upfront or contingent basis.

As of December 2023, the Partnership had credit exposure related to derivative activity with two nonconsolidated VIEs, which represented 17% and 6% of total assets, respectively.

As of December 2023, the Partnership had $153.6 million of interest-bearing deposits and $6.9 million of cash and due from banks held with a major financial institution, of which, $0.3 million is insured by the FDIC. These amounts are included in cash.

The Partnership did not have credit exposure to any other external counterparty that met or exceeded 5% of total assets.

Note 13.

Subsequent Events

The Partnership evaluated subsequent events through February 27, 2024, the date this financial statement was issued, and determined that there were no material events or transactions that would require recognition or additional disclosure in this financial statement.