

THE GOLDMAN SACHS GROUP, INC. GLOBAL RESOLUTION PLAN

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When we use the terms “Goldman Sachs,” “GS Group,” “the firm,” “we,” “us,” and “our” in this document, we mean The Goldman Sachs Group, Inc. (Group Inc. or the parent company) and its consolidated subsidiaries.

1. Summary of our Resolution Plan

Introduction

Since we submitted our first resolution plan, Goldman Sachs has made substantial progress in identifying and remediating obstacles to our resolution. We have already implemented numerous changes (some self-initiated and others required by regulation) to make the firm less complex and more resolvable. The Board of Directors of Group Inc. (our “Board”) and GS Group’s senior management are committed to enhancing our resolvability and have taken an active role by giving direction and providing resources for the many projects that have been undertaken to further improve our resolvability. We recognize that enhanced resolvability of Goldman Sachs is an important step in addressing the “too big to fail” concern.

We believe we have developed a strategy for a rapid and orderly resolution of Goldman Sachs under the U.S. bankruptcy code that accomplishes two primary objectives. Our strategy and the many steps we have taken to make it operationally feasible have been designed to ensure that any resolution of Goldman Sachs:

- would not pose a systemic risk to the U.S. financial system; and
- would not require any external support (including taxpayer funds or extraordinary government support by the U.S. or any other government to the firm or its subsidiaries) or result in any loss to the Federal Deposit Insurance Corporation (the “FDIC”) Deposit Insurance Fund.

Specifically, we have designed our strategy to avoid the disorderly sell-down of assets, to ensure continuity of our critical operations, and to protect our U.S. insured depository institution, Goldman Sachs Bank USA (“GS Bank USA”). This strategy and the financial projections in our resolution plan (“Resolution Plan”) have been prepared using assumptions about funding, liquidity, market conditions and third-party behavior under baseline, adverse and severely adverse economic scenarios provided by the FDIC and the Board of Governors of the Federal Reserve System (the “Federal Reserve Board” and, together with the FDIC, our “Regulators”). The strategy has also been prepared based on a hypothetical loss event as required by our Regulators.

We believe our strategy would result in our rapid and orderly resolution under all three economic scenarios, given key attributes of our financial profile and our structure, including:

- our conservative risk management approach;

- the considerable flexibility that is inherent in our business model;
- the strength of our balance sheet;
- the highly liquid nature of most of our assets (which are primarily accounted for at fair value);
- our abundant total loss absorbing capacity (“TLAC”);
- our significant liquidity and long-dated and diversified financing; and
- our relatively small profile in many critical components of the global financial services infrastructure.

Nevertheless, we do not underestimate the complexity of resolving a financial institution such as Goldman Sachs. In order to ensure that we are positioned to execute our resolution strategy should it ever be required in practice, we have considered a wide variety of factors and interdependencies, including many financial, legal, regulatory, organizational, governance and operational matters.

We recognize that resolution planning is about more than merely the creation of a formal resolution plan. It is also about ensuring a strong planning process that is flexible as conditions change, and taking measures so that the Resolution Plan is fully operational. The circumstances of a real-world resolution of a complex financial institution are likely to be different from those envisioned in any specific plan. Therefore, as we undertook various initiatives to make Goldman Sachs more resolvable, we chose flexible solutions that could be adapted to a range of different facts and circumstances. Our Resolution Plan therefore contains a considerable degree of flexibility, and we believe that the orderly resolution of our firm could be achieved in many different scenarios.

The resolution planning process, as required by our Regulators, is a critical building block in addressing the “too big to fail” problem, an objective we fully support. We also support the goal that all financial institutions, regardless of size or complexity, should be able to be resolved without cost to the taxpayer. We have devoted substantial resources across the firm to our resolution planning process, which we have found to be a useful exercise, not only to improve the resilience and resolvability of Goldman Sachs, but also to reduce complexity in our structure and to drive efficiencies across the organization.

Our Resolution Plan has been prepared under the final rule (the “Final Rule”) released by the Regulators implementing the requirement in the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”) that we prepare resolution plans, and subsequent guidance (the “Guidance”) from our Regulators.

Cautionary Note on Forward-Looking Statements

The Resolution Plan is based on a series of hypothetical scenarios and assumptions about future events and circumstances. Accordingly, many of the statements and assessments in the Resolution Plan constitute “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements include statements, other than historical information or statements of current conditions, that relate to our future plans, objectives and resolution strategies (including our expectations and projections regarding the implementation of those strategies), among other things, and to the objectives and effectiveness of our risk management, capital and liquidity policies. The Resolution Plan is based on many significant assumptions, including assumptions about the actions of regulators and creditors, and the ability of Group Inc. to advance funds to and re-capitalize the material operating subsidiaries, the state of the capital markets and the economy and the impact of a significant loss event on Goldman Sachs. None of these assumptions may prove to be correct in an actual resolution situation. The Resolution Plan is not binding on a bankruptcy court, our Regulators or any other resolution authority, and the scenarios that we describe and the assumptions that we make in the Resolution Plan are hypothetical and do not necessarily reflect events to which we are or may become subject. In the event of the resolution of Goldman Sachs, the strategies implemented by Goldman Sachs, our Regulators or any other resolution authority could differ, possibly materially, from the strategies we have described. As a result, our actual resolution strategies, or the outcomes of our resolution strategies, could differ, possibly materially, from those we have described.

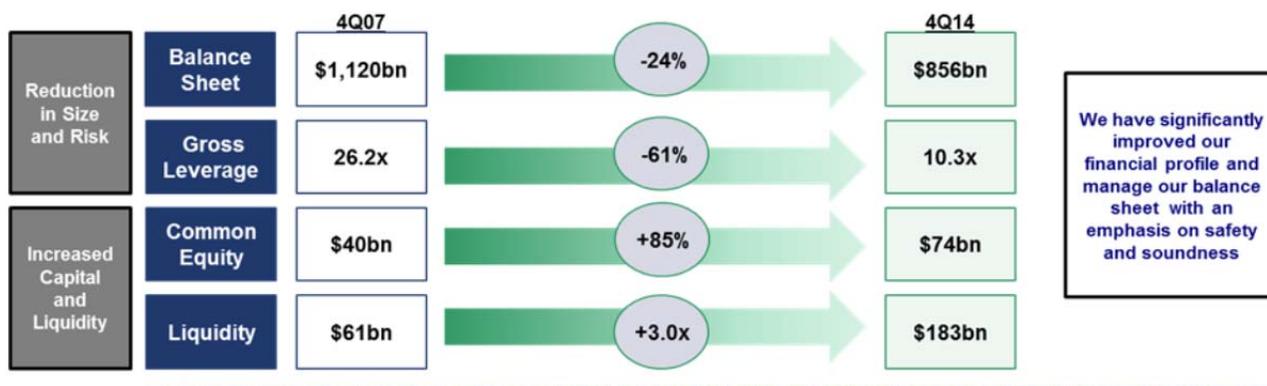
We have also included information about projects we have undertaken, or are considering, in connection with resolution planning. Some of these projects are in process or under development. The statements with respect to these projects and their impact and effectiveness are forward-looking statements, based on our current expectations regarding our ability to complete and effect those projects and any actions that third parties must take, or refrain from taking, to permit us to complete those projects. As a result, the timing of those projects may change, possibly materially, from what is currently expected and these projects may not be effective or have the impact we anticipate.

Operationalization of our Plan

A particular challenge of resolution planning is that, although we hope our plan will never be tested in reality, it must be operationally feasible in practice. We are conscious that mistaken assumptions or unaddressed issues could impact important aspects of the plan in the pressurized circumstances of an actual resolution. In order to mitigate this risk, it was essential for numerous subject matter experts, dispersed across the business and operational areas of the firm and supported by external experts, to assist with resolution planning and contribute their specialized “real world” knowledge.

Financial Profile¹

Since 2007, Goldman Sachs has taken many actions that have materially strengthened our financial profile, improved our resiliency and reduced the possibility of our causing a systemic disruption to the US financial system.



To Decrease our Size and Risk Levels, we have:

- reduced our balance sheet by 24% (from \$1.12 trillion to \$856 billion);
- lowered our level 3 assets² by 39% (from \$69 billion to \$42 billion); and,
- significantly increased the volume of our derivatives that are centrally cleared.

¹ Unless otherwise stated, all financial data is as of December 31, 2014.

² See “Fair Value Measurements” Note 5 of the Group Inc.’s Annual Report on Form 10-K for the year ended December 31, 2014.

To Increase Capital and Liquidity, we have:

- grown our common shareholders' equity by 85% (from \$40 billion to \$74 billion);
- increased our Global Core Liquid Assets ("GCLA")³ to 21% of our balance sheet from 5% at year-end 2007 (a more than \$120 billion increase to \$183 billion);
- increased the term of our non-GCLA secured funding book to more than 120 days; and
- significantly reduced our leverage ratio from 26.2 times to 10.3 times.

To Reduce Complexity, we have:

- closed all of our proprietary trading businesses;
- sold our investment in ICBC (a Chinese bank);
- sold several businesses and activities including:
 - our Americas reinsurance and European insurance businesses⁴;
 - our hedge fund administration business;
 - our electronic trade management platform;
 - our mortgage servicing business; and
 - our investment in a metals warehouse;
- discontinued our bespoke credit correlation trading activities;
- simplified our corporate structure and significantly reduced the number of legal entities;
- rationalized our intercompany transactions to reduce interconnectedness; and
- made progress on exiting a substantial portion of our investments in "covered funds" under the Volcker Rule (including in private equity and hedge funds).

³ GCLA refers to unencumbered, highly liquid securities and cash.

⁴ We retain a minority stake in these businesses.

Our Resolution Strategy

With this improved and conservative financial profile as the foundation of our Resolution Plan, our resolution strategy is to ensure that, after a very significant idiosyncratic loss event and severe liquidity outflows (which in aggregate we assume to be greater than those assumed in the LCR⁵), our material operating entities could continue to operate for a sufficient period to allow their orderly wind-down despite the failure of our parent company. As a result of the preparations that we have made, we believe that we could now achieve this goal by focusing capital and liquidity resources on our most important entities (our major banks, broker-dealers and service entities), so they could be sold or wound down in an orderly fashion outside of formal resolution proceedings.

Our strategy is consistent with a single point of entry (“SPOE”) strategy, under which the parent company of a failing institution is resolved, while other key entities of the institution, including operating subsidiaries, are left to continue their activities outside of resolution proceedings. In general, SPOE relies on there being sufficient capital or debt at the top-level parent to absorb the institution’s losses, so that only shareholders and creditors of the parent would suffer losses. The abundant TLAC positioned at our parent in the form of equity, subordinated and senior unsecured debt, in combination with our significant liquidity and our long-dated and diversified funding, should enhance our ability to execute an SPOE-type strategy at Goldman Sachs, thereby avoiding fire-sales of assets, minimizing losses and permitting transfer of client positions in an orderly fashion.

The Sequence of our Strategy

After the loss event and significant liquidity outflows, but in advance of making a bankruptcy filing, our parent company would:

- provide certain material entities with additional liquidity, to the extent needed, to support ongoing operations outside of insolvency proceedings;
- extend the maturity of intercompany loans to subsidiaries; and
- re-capitalize certain material entities by contribution of assets or by forgiving intercompany debt.

The parent company would then enter bankruptcy proceedings, along with a small number of less significant entities that have insufficient capital or liquidity to survive without parent support, and that would not impact our orderly resolution.

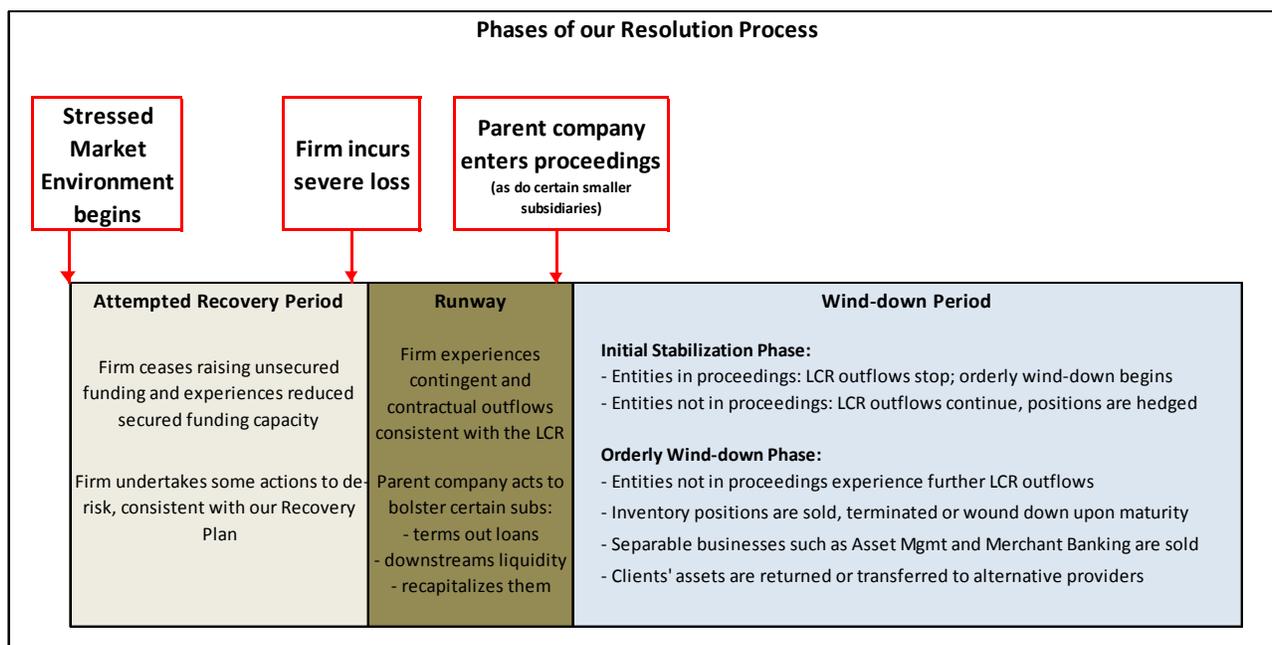
⁵ LCR refers to the Liquidity Coverage Ratio, which came into effect January 1, 2015 under regulations adopted by the Regulators.

After the parent company enters bankruptcy proceedings, the boards and management of the material operating entities and material service entities that are not in proceedings (as well as any other subsidiaries that are not in proceedings) would take steps to ensure the survival of these entities for long enough to allow their assets to be sold without resorting to fire-sales, and their businesses either to be sold or wound down in an orderly manner. In order to facilitate this, detailed plans have been created, among other things, to:

- retain those staff who have been identified as critical to an orderly wind-down;
- activate a communication strategy to ensure that regulators, staff, clients and other stakeholders are aware that the entities are still solvent and operating;
- provide for seamless operational continuity and continued access to financial market utilities (“FMUs”) and other vendors and infrastructure;
- cease revenue-generating activity, except to the extent necessary to maintain critical operations pending their assumption by other market participants, and hedge inventory to a risk-neutral position, or as close as possible; and
- facilitate client transfers to alternative service providers.

Under the direction of their respective administrators, material operating entities that are in proceedings would sell their inventory positions, and we expect that their derivative counterparties would terminate open transactions. We also expect that third-party creditors of these entities would be repaid in full.

The chart below illustrates the different phases over which our resolution strategy would operate:



Based on conservative assumptions, in part provided by our Regulators, we have prepared financial projections for the phases of our resolution, including the period following the bankruptcy of our parent company (the “wind-down period”). Given the long weighted average maturity of our secured funding book, we believe asset dispositions could take place in an orderly fashion to minimize losses and the impact of sales on asset prices in the market. Although our projections reflect conservative assumptions regarding the timing of asset sales, the material operating entities winding down their activities are still projected to have sufficient capital and liquidity after the liquidity injections and re-capitalizations to adjust their approach: if necessary, they could allow either more or less time for asset sales. In addition, derivatives could be unwound through contractual maturities, portfolio sales, novations or bilateral terminations. After the market-making and client positions are wound down and separable businesses (such as asset management and merchant banking) are sold, the firm’s resulting balance sheet would largely be cash, financed by a combination of debt and equity.

Resolution Strategy for our Material Entities

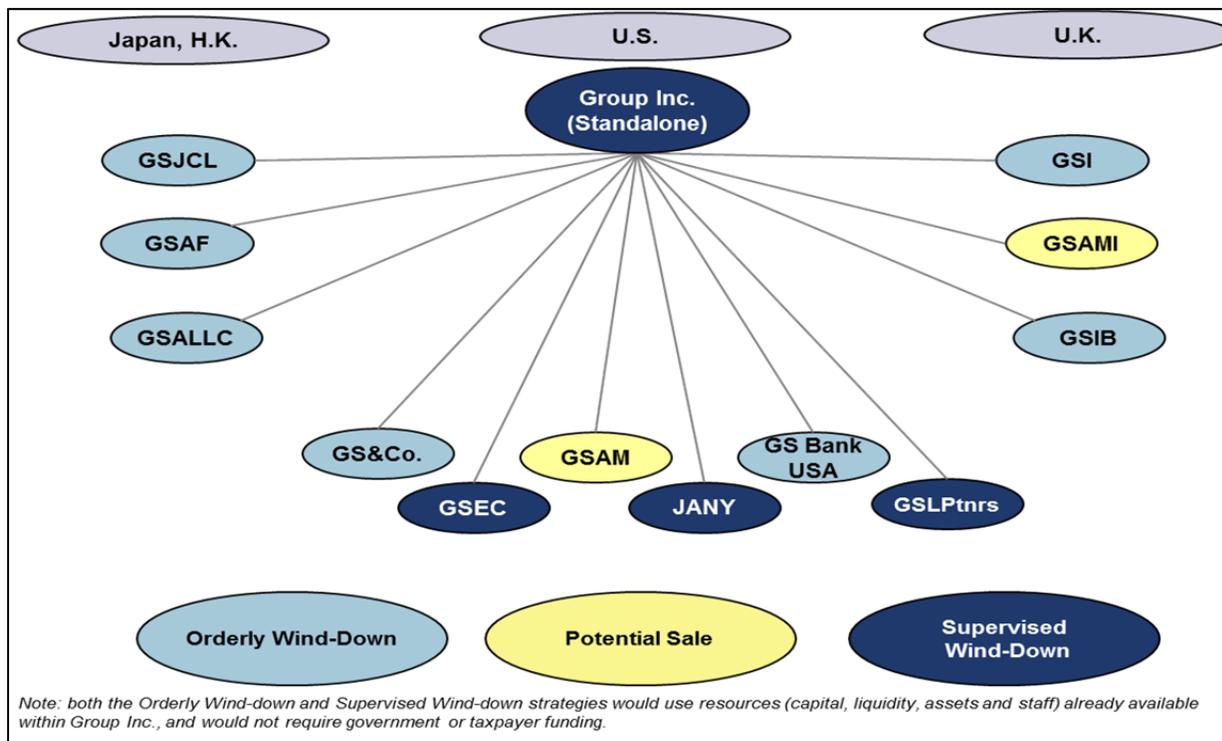
The table below summarizes actions we reflect in our financial projections to bolster the financial strength of our material operating entities and the range of options for the resolution of these entities. The amount of liquidity and capital injected into each entity is a function of both entity need and resource availability at the parent company under the assumption of severe loss and significant liquidity outflows. Each of the options for resolution set forth below is theoretically available for all of our entities; however, we have highlighted those that are either reflected in our projections or are, in our opinion, the most reasonable and executable alternative options.

Material Entity	Liquidity and Capital		Resolution Approach		
	Liquidity Injection	Recapitalization	Potential Sale	Orderly Wind-down Outside of Proceedings	Supervised Orderly Wind-down in Proceedings
Group Inc.			x	x	✓
GS&Co.	✓	✓	x	✓	x
GSI	✓	✓	x	✓	x
GS Bank USA	✓	✓	x	✓	x
GSJCL	NR	NR	x	✓	x
GSIB	NR	NR	x	✓	x
JANY	x	x	✓	✓	✓ ¹
GSEC	x	x	x	x	✓
GSLPtnrs	x	x	x	✓	✓ ¹
GSAF	✓	NR	x	✓	x
GSALLC	NR	NR	x	✓	x
GSAM	NR	NR	✓	x	x
GSAMI	NR	NR	✓	x	x

NR = Not Required

Note 1: Alternative options are available, but to be conservative, a Supervised Orderly Wind-down in Proceedings is included in our Resolution Plan.

The chart below shows how we expect our material operating entities to be treated under our resolution strategy.



Please see Section 2 for a further discussion of our material entities, the full names of each, key financial data, a description of their businesses and interconnectedness, and details on their resolution strategy.

Flexibility in our Strategy

We have built a degree of flexibility into our resolution planning process so that satisfactory resolution of our firm could still be achieved, even if some elements of our strategy did not materialize as we have envisioned. We have considered the impact of a larger loss, larger liquidity outflows, and alternate timing of events. Depending on the magnitude of these alternate circumstances, it is possible that several (or all) of our material entities would enter insolvency proceedings. These proceedings could include: FDIC receivership for GS Bank USA, a liquidation under the Securities Investor Protection Act for our U.S. broker-dealers; relevant broker-dealer or bank resolution regimes in the U.K. and Japan; and bankruptcy or various other proceedings for our other material entities. We have also considered an alternative scenario where one or more additional entities remain outside proceedings. However, in all these alternative scenarios, the firm's strategy has been designed with the goal of ensuring that it would wind down over a period

of time in an orderly manner, without reliance on extraordinary government support or taxpayers' funds, and without any loss to the FDIC Deposit Insurance Fund.

Conclusion of our Resolution

At the conclusion of the resolution of GS Group, the firm would have sold or unwound all of its assets, and third-party creditors of our material entities, other than parent company stakeholders, would have been repaid in full. The only surviving businesses would be the asset management and merchant banking businesses, which would have been sold (these businesses are small in terms of balance sheet, but they have significant assets under supervision). All our other assets would have been sold.

Attributes of our Structure that are Key to our Resolution Strategy

Several attributes of the GS Group structure are key to our resolution strategy. For example:

We have abundant Total Loss Absorbing Capacity: We have positioned significant balances of external TLAC at our parent company (equal to more than 30% of our risk-weighted assets ("RWAs") calculated under the Standardized Capital Rules⁶) in the form of common and preferred equity, as well as subordinated and senior unsecured debt⁷. These significant balances stand ready to absorb any losses that our banks and broker-dealers might incur, thereby insulating taxpayers from risk of loss and providing the ultimate resources necessary for re-capitalizing the material operating entities.

We have significant liquidity, and long-dated and diversified financing: In order to pre-fund our estimated potential cash and collateral needs during a liquidity crisis, we maintain a significant balance of unencumbered, highly liquid securities and cash, which we call our GCLA, much of which is pre-positioned at material operating entities. We have also extended the maturity of our external liabilities so that they are long-dated in comparison to our assets. As a result, we have reduced the likelihood of having to take economically inefficient actions in the face of sudden liquidity pressures:

- our GCLA balance was \$183 billion as of December 2014;

⁶ The standardized approach and market risk rules set out in the Federal Reserve Board's risk-based capital rules.

⁷ Based on the Financial Stability Board's termsheet, excluding structured notes, but without the requirement that callable debt be excluded or that structured notes and other non-eligible liabilities be senior to plain vanilla debt.

- the weighted average maturity of our unsecured long-term borrowings as of December 2014 was approximately 8 years;
- as of December 2014, our banks had deposits of \$83 billion, of which \$34 billion were time deposits with a weighted average maturity of approximately three years; and
- the weighted average maturity of our secured funding (excluding funding collateralized by highly liquid securities that are eligible for inclusion in our GCLA) exceeded 120 days as of December 2014. The vast majority of our secured funding transactions do not feature cross-default provisions, and therefore would not terminate early as a result of a parent company event of default.

For further information, see “Liquidity Risk Management and Funding Sources” in Section 4 of this document.

Our organizational structure lends itself to our proposed form of resolution: We believe that our organizational structure lends itself to our resolution strategy which is to keep certain material operating and service entities (which house the vast majority of the firm’s assets, most of its staff and most of its critical operations) out of proceedings:

- our parent company has discontinued the practice of issuing debt with an original maturity of less than one year;
- we do not have and do not permit upstream guarantees of the parent company by its subsidiaries, so the contagion of losses across the firm is avoided;
- significant pre-positioned intercompany loans from our parent company to material operating entities act as internal TLAC by permitting swift and comprehensive re-capitalization of those entities via debt forgiveness where needed;
- our parent company, acting as a source of strength to GS Bank USA, our insured depository institution, must provide capital and liquidity to that entity as required;
- we hold substantial liquidity in many of our material operating entities; and
- we operate primarily through subsidiaries rather than branches, many of which are regulated in their own right so capital is available locally to support exposures in the relevant jurisdictions.

The entities that would be kept out of proceedings account for the vast majority of our assets and activities: These entities account for 87% of the firm's assets, 97% of its derivatives (by notional), 80% of its staff and substantially all of the firm's core business lines and critical operations. By keeping them out of proceedings, we would be able to facilitate a gradual and orderly wind-down of these entities in order to avoid the disruption that could be caused by a sudden cessation of their activities.

Our other entities would be highly unlikely to present systemic risk to the financial markets or threaten the continuity of critical operations: Our other entities do not represent a large percentage of the firm's assets, and we do not, in any case, expect that all of them would enter resolution or other insolvency proceedings. For example, we have a large number of smaller investing entities, most of which we expect would remain out of proceedings.

Our systemic footprint is limited: Goldman Sachs does not participate to any significant degree in many of the types of activity that are core to some financial services firms, such as broad-based retail banking, credit cards, debit cards, broad-based retail brokerage, or significant payment and transaction services (e.g. custody banking or payment services). The lack of a significant presence in these activities likely reduces the systemic impact of a resolution event involving Goldman Sachs, given the critical role such services play in the global financial system.

Our accounting practices give transparency into our true exposures: Our practice of marking substantially all of our assets to market (97% of our balance sheet as of year-end 2014) means that write-downs are immediately identified and reflected in net revenues and in risk management systems. Further, the discipline of marking exposures to market (and the supporting discipline of a rigorous price verification process) gives us ongoing transparency into our true exposures and greatly reduces the likelihood that unrecognized losses would come to light during a resolution process.

Our inventory of financial instruments is highly diversified and most of it is in the form of liquid securities or cleared derivatives: Our inventory of financial instruments is used to facilitate our role as a market maker and enables us to execute client transactions across multiple products, markets and geographies. We do not have one-directional market exposures that are disproportionate to our capital and liquidity resources. Consequently, we believe that an orderly wind down of these positions could be completed with minimal disruption to the financial markets:

- Given the significant tenor in our secured funding book, dispositions of securities inventory could take place in an orderly fashion over time, avoiding fire-sales and disruption to financial markets.
- We have considered the method and the financial consequences of unwinding our over-the-counter (“OTC”) derivatives portfolio. We expect that only a small portion of our derivatives would terminate due to cross-default provisions because most of them are subject to the ISDA Resolution Stay Protocol (“ISDA Protocol”), which (once it and its supporting regulation come into effect) is designed to impose a stay on certain cross-default and early termination rights in standard ISDA derivatives contracts in the event of resolution. A portion of the derivatives contracts in our surviving entities would unwind naturally because they reach contractual maturity within a short period of our parent company entering bankruptcy proceedings. We would then expect to exit the remaining derivative positions either through sale of portfolios, novations, negotiated terminations or allowing positions to reach contractual maturity. We have modeled a number of different scenarios which support our belief in the viability of our resolution strategy and the potential to use different exit strategies for derivatives. Our expectation of an orderly unwind is further enhanced by the fact that, at December 31, 2014, approximately 60% (by notional) of all our derivatives are now either cleared or exchange traded.

Our resolution strategy requires relatively little cross-jurisdictional coordination: Cross-jurisdictional issues are reduced by the high concentration of our operations in only three countries (the United States, the United Kingdom and Japan).

We have actively worked to remove any obstacles to our Resolution Plan caused by our structure:

We have sought to mitigate the effect of cross-default Provisions: We have taken action to make our firm substantially less vulnerable to the effect of cross-default provisions. All our legal entities (excluding our investment management entities) that engage in more than immaterial levels of derivatives activities have signed the ISDA Protocol. We have considered the method and the financial consequences of unwinding our derivatives portfolio in both the “current state” (which assumes the ISDA Protocol is not yet fully in effect) and a “future state” (in which the ISDA Protocol is fully in effect after supporting regulations have been adopted). In the future state, we expect that only a small portion of our derivatives would terminate due to

cross-default because most of them would be subject to the ISDA Protocol. Although the vast majority of our secured funding transactions do not feature cross-default provisions, we are committed to furthering industry changes to mitigate the risk caused by cross-default provisions in secured financing transactions.

Where our businesses do have a systemic footprint, we have taken steps to mitigate it:

We recognize that some of our businesses play an important role in their business sector and we have taken numerous steps to mitigate the risk of potential systemic impact in the event of the resolution of Goldman Sachs. If the firm were to enter resolution, we expect that our counterparties may elect to move their assets to alternative providers, and we have enhanced our operational capabilities and prepared a feasibility plan that seeks to ensure that client assets can be transferred in a timely manner during the orderly wind-down process. For example:

- We have reduced the systemic footprint of our prime brokerage business: mindful of the systemic implications of being the sole provider of prime brokerage services to a large number of clients, we have taken numerous steps to help ensure that such clients are ready and able to transfer their business to alternative service providers in a manner that does not disrupt their business or exacerbate the liquidity position of our firm. The following are among the steps we have taken:
 - we have actively encouraged clients to maintain multiple prime brokerage relationships and the vast majority of them now do so;
 - we have built automated tools to enable streamlined transfers of assets across legal entities and custody platforms; and
 - we have developed plans to help ensure that all prime brokerage clients' cash can be transferred to third-parties during the wind-down phase.
- We have also reduced the systemic footprint of our private wealth management business: we have prepared a model and a methodology that identifies how our private wealth management clients could be transferred to other service providers in an orderly manner. This detailed analysis outlines two separate options for transferring client accounts and assets. The primary plan considers the operational capabilities and considerations for transferring client accounts, positions and collateral to a single buyer. A contingency scenario is also outlined if no single buyer is identified and client accounts and assets must be moved away from Goldman Sachs to multiple alternative suppliers. Our plan leverages a tried and tested approach for transferring client assets used in previous industry

transactions; it identifies how we could support the volume and pace of transfers, and discusses considerations relevant to our business, our clients, the potential acquirer(s) of the business, and the custodians.

We have made significant progress towards a less complex and more rational corporate

structure: We have established a number of criteria for a less complex and more rational legal entity structure with the goal of ensuring the safety and soundness of the firm under a range of conditions, protecting our insured depository institution from losses incurred by non-bank affiliates, and minimizing risk to U.S. financial stability. We have also evaluated the firm's existing corporate structure against the criteria. Following this, we dedicated significant resources to start taking the steps necessary to achieve the goals that we have set out for ourselves. In a number of instances, we have already made the requisite changes; in other cases, projects are either currently underway or are planned to begin in the near future. We have already undertaken a simplification of our corporate structure, including by reducing the number of consolidated entities; in addition, in order to simplify the spin-off of businesses in a resolution scenario, we are grouping legal entities with common features into separate ownership chains under common holding companies (e.g., operating companies, service companies, investing companies). See section 2 for a further discussion of this work.

We have devoted substantial resources to reduce the level of intercompany exposures:

We have focused heavily on projects to clear certain transactions through Central Clearing Counterparties and to enter into trade "compressions" (whereby offsetting and near-offsetting OTC derivative transactions are matched and bi-laterally terminated at mutually agreed prices). We expect the level of intercompany exposures to reduce further in the future.

We have enhanced our systems and processes for managing, identifying and valuing the securities collateral received from and posted to both external parties and affiliates:

We have enhanced our systems and processes to ensure that collateral flows can be properly managed in a timely manner, even against the backdrop of spikes in volume during a resolution process. In particular, our systems are able to identify the data attributes that are essential to manage effectively the sources and uses of securities collateral. These data attributes include:

- the supporting documentation relating to the collateral;
- the legal enforceability, segregation or re-hypothecation status of the collateral;
- the valuation of the collateral; and

- monitoring and control of collateral movements.

We have developed multiple points of access and optionality with respect to financial market utilities (including agent banks that provide infrastructure): We rely on well-developed strategies and infrastructure that provide for seamless operational continuity and continued access to FMUs, including agent banks. Furthermore, we are taking steps to provide optionality to our operating entities to maintain access to FMUs following the bankruptcy of our parent company or other affiliates, and have prepared playbooks to support the operationalization of the necessary actions. We have also considered the possibility that those providers may call for higher margin from us in a stress scenario and have provided for that in our financial projections.

We have taken steps to ensure the operational continuity of shared services: We have devoted significant resources to ensure the readiness of affiliates and third parties, following the bankruptcy of Group Inc., to continue providing services to any of Group Inc.'s subsidiaries that have the capacity to pay. Specifically:

- we have established a firmwide Shared Services Committee to oversee the operational continuity of shared services in both a business as usual context and in the context of the resolution of the firm;
- we have identified the staff functions that are essential to maintaining the firm's critical operations and developed options to ensure the retention of the relevant employees;
- we have revised the documentation supporting our intercompany services through resilient service level agreements and completed the first phase of implementation of a project to ensure that the inter-affiliate provisions of services are identified and documented;
- we have enhanced the legal agreements between our material entities to enable continued access to intellectual property and information technology in a resolution scenario;
- we have transferred all of our shared technology fixed assets into service entities;
- we have identified all resolution-critical external vendors and are seeking to negotiate modifications of our legal agreements with them to provide for the continuity of service for surviving entities, even if a contracting entity enters some form of insolvency proceedings; and
- we have created a series of playbooks that describe the arrangements made to safeguard against the loss of access to employees, vendors, technology, intellectual property or facilities in the event that any of our material service providers enters insolvency proceedings.

We have restructured our affiliated service entities to provide for the continuity of services after the insolvency of our parent company: We have developed a number of criteria and guiding actions to enhance our service delivery model and to enable our operating entities to continue to function for a period of time after the parent company enters insolvency proceedings. Our service entity subsidiaries can provide continuity of services after the insolvency of our parent company because they are themselves operationally resilient; in addition, we expect them to continue to provide services because they are contractually obligated to do so. They are operationally resilient because they have (or have access to) sufficient capital and liquidity to meet their medium-term needs, and they have their own operational infrastructure and governance structures; and they are contractually obligated because our intercompany services agreements (which govern the provision of shared services across our affiliates) specifically provide that affiliated shared service providers may neither terminate the agreements nor suspend or delay performance of their obligations to provide services due to the insolvency of the service recipient or other affiliates.

We have ensured that we have resolution-ready management information systems: We undertook an assessment of our ability to prepare the information required in a resolution situation in a timely manner, by legal entity, and concluded that most of it can be readily produced either because it is already used by the firm in the ordinary course of its business, or because it could be prepared quickly on an ad-hoc basis. Where needed, we have added the ability to obtain additional management information. At this time, we believe that there are no material gaps where we need to enhance or amend our management information systems in order to provide the full range of information that might be required in order to make appropriate decisions both before and during a resolution situation.

We have prepared a communication strategy and a series of playbooks to facilitate operationalization of our Resolution Plan: We believe that advance preparation is a valuable tool in ensuring that people can respond quickly in the event of a rapidly unfolding situation. To that end we have prepared a series of playbooks to enable our staff and senior management to make well-considered decisions and take appropriate actions across functions and legal entities. We have also prepared a communication strategy to facilitate the timely provision of information to regulators, staff, clients and other stakeholders in a resolution scenario, and playbooks which outline how cross-jurisdictional intercompany shared services could be maintained in a resolution scenario.

Conclusion

We have designed our strategy with the goal of minimizing systemic risk to the U.S. financial system and ensuring that the shareholders and creditors of Group Inc. (rather than taxpayers) would bear losses resulting from the failure of our parent company. In our view, re-capitalizing our largest subsidiaries after an idiosyncratic loss event and before the failure of the parent company, and then winding them down outside of formal proceedings, would greatly reduce the systemic disruption that a disorderly sell-down of assets or a sudden closure of critical operations might otherwise cause. This strategy has also been designed to allow clients, counterparties and depositors of those entities to recover their assets in full, to protect our insured depository institution, GS Bank USA, and to minimize overall losses.

Specifically, our resolution strategy has been designed to enable what we consider are key tenets of a successful resolution of Goldman Sachs:

Avoid Disorderly Sell-down of Assets: When operating entities remain out of proceedings, the early termination of their secured funding transactions and the resulting seizure and sell-down of collateral by lenders could be avoided. Taking into account the ISDA Protocol, we could also avoid early termination of the large majority of our OTC derivative contracts. As a result, we would be able to sell our assets in an orderly manner over a reasonable period of time, avoiding any fire-sales, while our clients, counterparties and depositors would be able to recover their assets in full, outside of proceedings. Further, the risk of complications or value destruction caused by multiple competing insolvencies could be greatly limited.

Ensure Continuity of Critical Operations: Because most of our critical operations are carried out by our material operating entities which would continue to benefit from access to technology, intellectual property, shared intragroup services, vendors and FMUs, they should be able to continue to function after the bankruptcy of Group Inc. Clients could therefore continue to rely on critical operations either until the business is sold or wound down, or the clients themselves decide to transfer their business to alternative service providers.

Protect GS Bank USA: By re-capitalizing GS Bank USA to the extent necessary, either by means of the forgiveness of intercompany loans or through a direct infusion of equity, Group Inc. acts as a source of strength to that entity.

We have also prepared the strategy for our Resolution Plan with the goal of ensuring that the firm would not require any external support. Our Resolution Plan does not rely on emergency financial

support from government sources, including not relying on access to the Federal Reserve discount window. In addition, our Resolution Plan does not require any taxpayer support because losses, which we believe could be minimized under our strategy, are borne by parent company shareholders and creditors utilizing the abundant loss absorbing capacity we have available.

In the event of the actual resolution of Goldman Sachs, we do not expect to depend on buyers of the entirety (or even significant components) of the firm, but instead assume orderly disposals of individual assets or businesses. However, potential purchasers of our businesses or individual assets could include private equity funds, hedge funds, insurance companies, sovereign wealth funds or certain other financial institutions.

An important step towards ending the moral hazard of financial institutions that are perceived to be too big to fail is ensuring that large financial firms can be resolved safely, without taxpayer support or systemic disruption to financial markets or global economies. We know that our Resolution Plan is an important component of that effort, and we believe that the strategy we have developed, and the operational changes we have made so that it can be implemented, achieve that goal.

2. Material Entities and their Operational and Financial Interconnectedness

As defined in the Final Rule, a “Material Entity” is a subsidiary or foreign office of Group Inc. that is significant to the activities of a critical operation or core business line. We identify and present below those subsidiaries that meet these criteria. For purposes of our Resolution Plan, we have distinguished between material operating entities (those that are engaged in an operating business) and material service entities (those that provide services to other Material Entities). Group Inc. is, itself, a material entity. The remaining material operating entities and material service entities for our Resolution Plan are as follows.

Jurisdiction	Material Operating Entities	Material Service Entities
United States	<ul style="list-style-type: none"> ▪ Goldman, Sachs & Co. (GS&Co.) (U.S. broker-dealer) ▪ Goldman Sachs Bank USA (GS Bank USA) (FDIC-insured U.S. bank) ▪ J. Aron & Company (JANY) (U.S. commodity & foreign exchange market maker) ▪ Goldman Sachs Execution & Clearing, L.P. (GSEC) (U.S. broker-dealer) ▪ Goldman Sachs Asset Management L.P. (GSAM) (U.S. investment advisor) ▪ Goldman Sachs Lending Partners, LLC (GSLPtrns) (U.S. lending entity) 	<ul style="list-style-type: none"> ▪ Goldman Sachs Services L.L.C. (GSSLLC) (U.S. staffing service entity)
United Kingdom	<ul style="list-style-type: none"> ▪ Goldman Sachs International (GSI) (U.K. broker-dealer) ▪ Goldman Sachs International Bank (GSIB) (U.K. bank) ▪ Goldman Sachs Asset Management International (GSAMI) (U.K. investment advisor) 	<ul style="list-style-type: none"> ▪ Goldman Sachs Services Limited (GSSL) (U.K. staffing service entity) ▪ Goldman Sachs Property Management (GSPM) (U.K. facilities service entity)
Other	<ul style="list-style-type: none"> ▪ Goldman Sachs Asia L.L.C. (GSALLC) (Delaware L.L.C. which acts as a broker in Hong Kong, Taiwan & South Korea) ▪ Goldman Sachs (Asia) Finance (GSAF) (Mauritian market-making entity in Hong Kong) ▪ Goldman Sachs Japan Co., Ltd. (GSJCL) (Japanese broker-dealer) 	<ul style="list-style-type: none"> ▪ Goldman Sachs Services Private Limited (GSSPL) (Indian staffing service entity) ▪ Goldman Sachs Japan Holdings, Ltd. (GSJH) (Japanese staffing and facilities service entity)

RESOLUTION PLAN 2015

Financial Information by Material Entity as of December 31, 2014

Material Entity	Description	Total Assets \$bn	Total Liabilities (excludes capital and unsecured intercompany debt) \$bn	Capital and unsecured intercompany debt \$bn	Revenues \$bn Net Income (Pre-tax) \$bn
The Goldman Sachs Group, Inc.	Parent holding company	278.5	192.1	86.4	8.8 8.2
Goldman, Sachs & Co.	U.S. broker-dealer	474.9	437.1	37.8	11.0 2.6
Goldman Sachs International	U.K. broker-dealer	376.3	287.7	88.6	6.2 2.0
Goldman Sachs Bank USA	FDIC-insured U.S. bank	118.2	92.7	25.5	3.1 2.3
Goldman Sachs Japan Co., Ltd.	Japanese broker-dealer	46.1	42.0	4.1	0.8 0.2
Goldman Sachs International Bank	U.K. bank	35.5	29.3	6.8	0.1 0.0
J. Aron & Co.	U.S. market-making entity	27.9	25.8	2.1	1.3 0.7
Goldman Sachs Execution & Clearing L.P.	U.S. broker-dealer	18.3	15.2	3.1	0.7 0.0
GS Lending Partners LLC	U.S. lending entity	9.1	1.9	7.2	0.7 0.5
Goldman Sachs (Asia) Finance	Mauritian market-making entity whose operations are based in Hong Kong	7.7	3.3	4.4	0.3 0.1
Goldman Sachs (Asia) L.L.C.	Delaware LLC which acts as a broker-dealer in Hong Kong, Taiwan and South Korea	2.9	1.5	1.4	1.1 0.1
Goldman Sachs Asset Management L.P.	U.S. investment advisor	0.8	0.1	0.7	1.5 0.3
Goldman Sachs Asset Management International	U.K. investment advisor	0.3	0.2	0.1	0.5 0.0
Material service entities		3.8	2.8	1.0	-

Information in the table above has been prepared in accordance with U.S. Generally Accepted Accounting Principles on a stand-alone entity basis.

Interconnectedness of Material Entities

Both the nature of our businesses and our corporate legal entity structure give rise to financial and operational interconnectedness among subsidiaries within our group and between the parent company and subsidiaries. We have identified the following areas of interconnectedness among subsidiaries and between the parent company and subsidiaries:

Intercompany Transactions. GS Group subsidiaries enter into transactions with each other for risk management, client facilitation or other reasons. In these situations, the transactions are based on agreed terms in intercompany agreements, entered into on an arms' length basis and collateralized as appropriate on a next day basis. In order to facilitate transactions with clients in other countries, our material operating entities offer introducing arrangements for other affiliates; this practice would cease in resolution when we stop entering into new transactions with counterparties.

As at December 31, 2014, the principal intercompany transactional or hedging relationships between our material operating entities are set out below:

	Group Inc.	GS&Co.	GSI	GS Bank USA	GSJCL	GSIB	JANY	GSEC	GSLPtnrs	GSAF	GSALLC	GSAM	GSAMI
Group Inc.		X	X	X			X			X			
GS&Co.	X		X	X	X	X	X		X	X			X
GSI	X	X		X	X	X	X	X	X	X			X
GS Bank USA	X	X	X		X	X	X		X	X			
GSJCL		X	X	X			X			X			
GSIB		X	X	X			X						
JANY	X	X	X	X	X	X			X	X			
GSEC			X										
GSLPtnrs		X	X	X			X						
GSAF	X	X	X	X	X		X						
GSALLC													
GSAM													
GSAMI		X	X										

x = Transactional or Hedging relationship

We have devoted substantial resources to reducing this aspect of interconnectedness, primarily through trade compressions (whereby offsetting and near-offsetting OTC derivative transactions are matched and bi-laterally terminated at mutually agreed prices), clearing of intercompany

transactions, collateralization of exposures and better alignment of client transactions and risk-management entities. Other steps we have taken are discussed in more detail below (see “Actions we have taken to mitigate the effect of interconnectedness and ensure a more rational, less complex legal entity structure”).

Subsidiary Capital and Funding Policies. Equity capital and most of our unsecured funding is raised by Group Inc., which downstreams capital and liquidity to its subsidiaries to meet their capital, funding and liquidity needs (including, in the case of our regulated subsidiaries, their regulatory capital and liquidity requirements). The benefits of a centralized approach to subsidiary capitalization and funding include enhanced control and greater flexibility to meet our subsidiaries’ changing requirements. Funding is also raised at the subsidiary level through a variety of products, including secured funding, unsecured borrowings and deposits. The table below reflects material unsecured funding relationships between material operating entities.⁸

Material Entity	Borrows from Parent	Borrows from Material Entities	Lends to Material Entities
Group Inc.	x	✓	✓
GSCO	✓	x	x
GSI	✓	✓	x
GS Bank	✓	x	x
GSJCL	✓	x	x
GSIB	✓	✓	✓
JANY	x	x	✓
GSEC	✓	x	x
GSLPtnrs	✓	x	✓
GSAF	✓	x	✓
GSALLC	x	x	x
GSAM	x	x	x
GSAMI	x	x	x

To mitigate the risk of disruption to our inter-company funding, we have pre-positioned liquidity and intercompany debt at key material entities; we also hold substantial liquidity at our parent company, which gives us the flexibility to place additional liquidity at affiliates in the event that it is required.

Secured Funding. Many of the firm’s material operating entities lend to and borrow from each other on a secured basis, generally as a mechanism for collateral realignment, cash reinvestment,

⁸ Information is as of December 31, 2014. Balances of more than \$500 million are considered material.

or sourcing securities for an entity's GCLA. The majority of these transactions are collateralized by GCLA-eligible securities, which are highly liquid. A significant portion of the remainder relates to the covering of short positions, which allows the lending entity to manage risk, or is used for collateral and funding optimization.

Cross-default Provisions. Historically, documents that govern our OTC derivative transactions have typically contained cross-default provisions, which provide counterparties the right to terminate their transactions with one Goldman Sachs legal entity, even if it is solvent and performing its obligations under the transaction, because of certain credit-related events at certain other Goldman Sachs legal entities.

We have taken actions to mitigate the effect of cross-default provisions, including by signing the ISDA Protocol; these are described above under "Summary of our Resolution Strategy."

Guarantees of Subsidiaries. Group Inc. has guaranteed the payment obligations of GS&Co., GS Bank USA and GSEC, in each case subject to certain exceptions. Group Inc. also provides guarantees to clients in respect of certain transactions entered into by subsidiary companies. GS Group subsidiaries only provide guarantees to other subsidiary companies on a very limited basis. We do not have and do not permit upstream guarantees of the parent company by its subsidiaries. Group Inc. guarantees do not contain cross-default provisions, and do not on their own trigger early termination rights.

In order to mitigate this aspect of interconnectedness, we have obtained at least one stand-alone rating from a major credit rating agency for each of our five largest material operating entities. The resolution-related benefit of this is to reduce the number of transactional guarantees that Group Inc. is required to issue.

Access to Market Infrastructure. Certain GS Group subsidiaries provide other affiliates with access to various FMUs such as exchanges, clearing houses, custodians and agent banks. Such transactions are governed by intercompany agreements and charged at arms' length pricing. See Section 6 below for further information on our memberships in material clearing, payment and settlement systems.

The table below shows our material operating entities' relationships with the twenty FMUs that are most important to them. Entities with direct membership in an FMU are marked with an "X", while those accessing the FMU indirectly through another material entity are marked with the material entity providing access to the FMU. For example, GS&Co. provides access to GSI at the Chicago

Mercantile Exchange Clearing, Inc. Note that none of the entities that provide other material operating entities access to FMUs and agent banks are projected to go into proceedings.

Material Operating Entities' Access to Financial Market Utilities

	Group Inc.	GS&Co.	GSI	GS Bank USA	GSJCL	GSIB	JANY	GSEC	GSLPmfs	GSAF	GSALLC	GSAM	GSAMI
Chicago Mercantile Exchange Clearing, Inc.	X	A	A	A	A	A		X		A			
Citibank, N.A.	X	X	X		B					X	X		
CLS Bank Limited	X	A	A	A	A								
The Depository Trust Company	X	A	X					X					
Eurex Clearing AG	B	X	B		X								
Euroclear	X	X	X	X	X								
European Central Counterparty Ltd.	B	X											
Fixed Income Clearing Corporation	X	A	A					X					
HSBC	X	X	X							X			
ICE Clear Credit LLC	X	X	B										
ICE Clear Europe	X	X					B	B					
ICE Clear U.S.	X	A	A	A		A	X		A				
Japan Securities Clearing Corporation	C	C	C	X									
Japan Securities Depository	C	C	C	X									
LCH Clearent Ltd.	X	X	X		X	A/B							
National Securities Clearing Corporation Ltd.	X	A	A					X					
Options Clearing Corporation	X	A	A	A		A	X						
Standard Chartered Bank	X	X	X							X	X		
SWIFT	X	X	X	X	X	X		X	X	X	X	X	X
The Bank of New York Mellon	X	X	X		X								

X - Direct Access; A - Access via GS&Co.; B - Access via GSI; C - Access via GSJCL

In order to reduce reliance on single points of access to critical FMUs, we are undertaking a project to ensure either that more than one GS entity has membership in each FMU, or that we have tried-and-tested alternative access via a third party.

Operational Services. GS Group subsidiaries regularly provide services to each other based on intercompany agreements for which arms' length fees are paid. Such services may relate to: employee services; technology or intellectual property; facilities and other fixed assets; and vendor services.

The table below illustrates the services provided and received by material entities:

Material Entity Shared Services Relationships

		RECEIVES																		
		All Entities	Group Inc.	GS&Co.	GSI	GSBank USA	GSJCL	GSIB	JANY	GSEC	GSLPtrns	GSAF	GSALLC	GSAM	GSAMI	GSSPL	GSJH	GSSL	GSSLLC	GSPM
PROVIDES	Group Inc	IP, V		F	F				F											
	GS&Co.	IP, V	P		P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	GSI	IP, V	P			P	P	P			P	P	P	P	P	P	P	P	P	P, F
	GSBank USA	IP																		
	GSJCL	IP	P	P	P		P	P			P	P	P	P	P	P	P			
	GSIB	IP																		
	JANY	IP																		
	GSEC	IP																		
	GSLPtrns	IP																		
	GSAF	IP											F							
	GSALLC	IP, V	P	P	P	P	P	P			P	P		P	P	P	P			
	GSAM	IP, V																		
	GSAMI	IP, V																		
	GSSPL			P	P		P						P							
	GSJH	V	T	T	T	T	P, T, F	T	T	T	T	T	T	P, T	P, T	T		T	T	
	GSSL				P															
	GSSLLC			P																
GSPM		T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	

P = PERSONNEL, IP = INTELLECTUAL PROPERTY, T = TECHNOLOGY ASSETS, F = FACILITIES, V= VENDORS

We have reduced the risks relating to affiliates’ dependency on other affiliates for the provision of shared services by documenting such services in legal agreements that provide for continuity of service, even if a contracting entity enters some form of insolvency proceeding.

Actions we have taken to mitigate the effect of interconnectedness and ensure a more rational, less complex legal entity structure:

The criteria we have established to mitigate interconnectedness and ensure a more rational and less complex legal entity structure include the following:

- The following set of criteria relates to interconnectedness between legal entities, including intercompany transactions:
 - Secured funding contracts with third parties generally should not contain certain types of cross-default provisions, and their use in derivatives agreements should be limited (note that all of our material entities, excluding our investment management entities, that engage in derivative transactions have signed the ISDA Protocol).
 - Where possible, clients should transact with the legal entity that manages the related market risk, thereby reducing the volume of intercompany derivative transactions.
 - Where there is a high volume of intercompany transactions (because such alignment of clients with risk-management entities is not possible), they should be centrally cleared,

where possible. Non-cleared trades should be collateralized on a daily basis and, in the event of default by one party, should close out at mid-market prices.

- Intercompany receivables of whatever nature should be settled regularly.

The benefit of these criteria in a resolution situation is that the failure of one legal entity to meet its obligations does not automatically mean that all the affiliates with which it does business must also enter insolvency proceedings. It also reduces the volume and complexity of trade unwinds in resolution.

2. We have established criteria aimed at maintaining clean ownership lines with consistent funding and guarantee flows:

- As few cross-holdings as possible between operating entities.
- Material operating or material service entities should not be owned by another material operating or material service entity.
- Capital, unsecured funding and intercompany guarantees should flow downstream to subsidiaries.

A simple ownership structure reduces the complexity of resolution, since it avoids situations where one entity in the ownership chain is in proceedings and another is not. Because guarantees flow in only one direction (downstream), the likelihood of one company's bankruptcy precipitating the bankruptcy of another is reduced.

3. We have established the following criteria to align resources with the entities they serve:

- Staff should normally be employed by the entity for which they work.
- To the extent that staff are not employed by the entity for which they work (for example, because they are employed by service entities, or because they live in a different country, or because they work for several legal entities), the service they provide should be documented in a service-level agreement that allows for the continued provision of services in a resolution scenario.
- The entity that benefits from technology, intellectual property or facility fixed assets should normally hold these assets on its own balance sheet.
- To the extent that technology, intellectual property or facility fixed assets benefit more than one legal entity, or where they are owned by service entities, the use of such assets should be documented in a service-level agreement that allows for the continued provision of services in a resolution scenario.

- Entities that have a critical dependency on another group entity for access to an FMU should have contingency arrangements in place for alternative access.

These criteria are designed to ensure that our major operating entities are not forced into premature liquidation because of inadequate non-financial resources such as staff, technology, intellectual property, physical assets or access to critical FMUs.

In addition, specifically with respect to simplifying the legal entity structure, we have established the following criteria:

4. Separation of Core from Non-Core Businesses:

- Core business activities and critical operations should generally be conducted in a small number of large, well-capitalized and well-funded entities (i.e. material operating entities).
- Market risk of core business activities should be centrally managed within the material operating entities.
- Non-core business activities that are likely to be spun off in a resolution scenario should generally be conducted in separate legal entities from core businesses.
- Investing and asset management entities containing non-core businesses should have their own holding company structure.

In resolution, the separation of core from non-core businesses allows the firm to concentrate its financial resources where they would have the greatest impact (i.e. on the core business lines and critical operations), and simplifies the spin-off of non-core businesses because they do not need to be “unraveled” from the rest of the business.

5. As Few Entities as Possible:

- Each business line should be conducted in the smallest number of legal entities that legal, regulatory and business efficiency considerations will allow.
- Unless specific circumstances warrant, there should not be more than one of each category of legal entity in any jurisdiction:
 - i. a bank;
 - ii. a broker-dealer; and
 - iii. an asset manager.

A reduction in the number of legal entities reduces the complexity of resolution, reduces the likelihood of conflicting resolution regimes, and reduces the likelihood that part of a business activity goes into insolvency proceedings and part remains out of proceedings.

We acknowledge that there is inherent subjectivity in identifying whether or not an entity structure or transaction flow is complex, and recognize the need for senior and knowledgeable stakeholders to apply judgment in considering all factors that influence our corporate structure.

We have developed a set of Guiding Actions that should be followed in order to meet the criteria set out above and evaluated ourselves against them. We have dedicated significant resources to take the steps necessary to achieve the goals that we have set out for ourselves. In a number of instances, we have already made the requisite changes, but in others, projects are either currently underway or are planned to begin in the near future to implement the actions necessary to better meet the relevant criteria. The guiding actions that we have established are as follows:

Guiding Actions we are taking to Simplify our Booking Model:

- reducing the number of entities involved in each transaction or product flow;
- reducing the interconnectedness of entities through central clearing;
- reducing the number of internal transactions which transfer risk and positions from one GS Group entity to another;
- aligning core businesses with material operating entities;
- retaining centralized risk management to the extent possible; and
- developing contingency arrangements for access to critical FMUs.

Guiding Actions we are taking to Simplify our Entity Structure:

- minimizing the overall number of legal entities;
- grouping entities with common features into separate ownership chains under common holding companies (e.g., operating companies, service companies, investing companies);
- facilitating the disposition of investing companies (which represent the vast majority of entities by number);
- aligning the domicile of legal entities with their principal place of business;
- minimizing the number of intermediate holding companies; and
- providing better tools for visualizing and understanding our corporate structure.

Guiding Actions we are taking to Enhance our Shared Services Arrangements:

- enhancing contractual arrangements between legal entities with respect to employees, intellectual property, vendors and physical assets;
- maximizing the use of service entities for shared critical services;
- bringing the ownership of service entities directly under Group Inc.;

- enhancing the resiliency of the material service entities; and
- developing standardized resolution clauses in contracts for shared services.

Resolution Strategy by Material Entity

The Goldman Sachs Group, Inc.

Description of Entity

Group Inc., a Delaware Corporation, is a bank holding company and a financial holding company regulated by the Federal Reserve Board. Group Inc. is the firm's "covered company" as defined under Section 165 of Dodd-Frank. Group Inc. shares are traded on the New York Stock Exchange under the symbol GS. Group Inc. raises capital and substantially all of the firm's unsecured funding. Group Inc. provides equity financing and debt financing to the firm's subsidiaries to ensure they hold sufficient capital and have sufficient liquidity in order to support their business activities and meet regulatory requirements, where applicable.

As a holding company, Group Inc. depends on dividends, distributions, and other payments from its subsidiaries to fund dividend payments and to fund all payments on its obligations, including debt obligations. Group Inc. has entered into derivative contracts (substantially all of which are with affiliates) to hedge interest rate, currency, and other market risks related to its third-party borrowings and its equity investments in foreign subsidiaries. Group Inc. no longer enters into third-party OTC derivative transactions, including for the purpose of hedging GS's long-term debt. Apart from its investments in affiliates and loans to them, Group Inc.'s assets are primarily comprised of investments in merchant banking funds, and it is required under the Volcker Rule to substantially divest itself of these. Group Inc. operates in the United States with its principal office in New York, at the firm's global headquarters which is located at 200 West Street, New York, NY.

Summary of Group Inc.'s Resolution Strategy

We believe that the most effective resolution strategy is one that meets the combined goals of facilitating an orderly wind-down of our material operating entities while being minimally disruptive to financial markets. Our strategy is a variant on the SPOE strategy, under which the parent company of a failing institution is resolved while leaving other key entities of the institution, including operating subsidiaries, to continue their activities outside of resolution proceedings. Our resolution strategy calls for Group Inc., before it enters bankruptcy proceedings, to downstream capital and liquidity, to the extent necessary, and extend the maturity of intercompany loans to material operating and service entities to support their ongoing operations and facilitate an orderly wind-down of these entities outside of proceedings. We believe this strategy also ensures the continuity of critical operations at our subsidiaries, and this strategy would result in losses being incurred by our equity holders and creditors, not by taxpayers.

Goldman, Sachs & Co.

Description of Entity

GS&Co. is the firm's primary U.S. based broker-dealer and Futures Commission Merchant ("FCM"). GS&Co. is a limited partnership, and provides a wide range of services to clients located worldwide. It is regulated by the Securities and Exchange Commission ("SEC"), the Financial Industry Regulatory Authority ("FINRA") and the Commodity Futures Trading Commission ("CFTC"). The Goldman, Sachs & Co. LLC ("GS&Co LLC") is the general partner. The limited partner and ultimate owner is Group Inc.

GS&Co. operates primarily in the United States, with its principal office in New York. Client assets are protected under rules set forth by the SEC and CFTC.

GS&Co. receives capital and substantially all of its unsecured funding from Group Inc. GS&Co. also lends and borrows on a secured basis, primarily with GSI and a limited number of other material entities. GS&Co. does not have material unsecured lending or borrowing relationships with other material entities. For further details, please refer to Section 4.

Summary of GS&Co.'s Resolution Strategy

Our resolution strategy calls for GS&Co. to be re-capitalized and provided with sufficient liquidity, as needed, to remain out of proceedings while it winds down in an orderly manner over time. This will result in a better systemic outcome because GS&Co. will have flexibility to determine the optimal pace of asset sales and derivative unwinds, thereby avoiding fire-sales, disruptions for clients with cash and securities at GS&Co., and the use of emergency government facilities.

A key aspect to our strategy is continued access to both shared services and FMUs. We believe, based on our financial projections, that the steps we have taken and ongoing projects will enable these services to continue throughout the resolution process.

We expect that prime brokerage and other GS&Co. clients would transfer their positions to alternate third-party providers. All securities inventory would be sold, and derivatives would be unwound either through early terminations, contractual maturities, portfolio sales, novations or bilateral terminations. After the market-making and client positions are wound down, GS&Co.'s balance sheet would largely be cash, financed by a combination of debt and equity. Our strategy is designed with the goal of having sufficient liquidity and capital to pay GS&Co.'s third-party creditors in full, with any remaining amounts ultimately returned to the bankruptcy estate of the parent company.

Goldman Sachs International

Description of Entity

GSI is an unlimited company incorporated in England, with its registered office in London. It is the firm's broker-dealer in Europe, Middle East and Africa. It is authorized by the U.K. Prudential Regulation Authority ("PRA") and regulated by the PRA and the U.K. Financial Conduct Authority ("FCA"). Client assets are protected under rules set forth by the FCA.

GSI receives capital and most of its unsecured funding from Group Inc., either directly or indirectly through intermediate holding companies. It also accesses the market directly for some unsecured funding. It lends and borrows on a secured basis, primarily with GS&Co. and a limited number of other material entities. In addition, GSI borrows on an unsecured basis from a limited number of other material entities, but none of these unsecured borrowings are significant in size. GSI also does not have material unsecured lending relationships with other material entities. For further details, please refer to Section 4.

Summary of GSI's Resolution Strategy

Similar to GS&Co., our resolution strategy calls for GSI to be re-capitalized and provided with sufficient liquidity, as needed, to remain out of proceedings while it winds down in an orderly manner over time. This will result in a better systemic outcome because GSI will have flexibility to determine the optimal pace of asset sales and derivative unwinds, thereby avoiding fire-sales, disruptions for clients with cash and securities at GSI, and the use of emergency government facilities.

A key aspect to our strategy is continued access to both shared services and FMUs. We believe, based on our financial projections, that the steps we have taken and ongoing projects will enable these services to continue throughout the resolution process. See additional details earlier in this section.

We expect that prime brokerage and other GSI clients would transfer their positions to alternate third-party providers. All securities inventory would be sold, and derivatives would be unwound either through early terminations, contractual maturities, portfolio sales, novations or bilateral terminations. After the market-making and client positions are wound down, GSI's balance sheet would largely be cash, financed by a combination of debt and equity. Our strategy is designed with the goal of having sufficient liquidity and capital to pay GSI's third-party creditors in full, with any remaining amounts ultimately returned to the bankruptcy estate of the parent company.

Goldman Sachs Bank USA

Description of Entity

GS Bank USA is the firm's U.S. insured depository institution and a wholly-owned subsidiary of Group Inc. GS Bank USA is a New York State-chartered bank and a member of the Federal Reserve System. It is supervised by the Federal Reserve Board, the New York State Department of Financial Services and the Consumer Financial Protection Bureau, and is a member of the FDIC. As a registered swap dealer, GS Bank USA is regulated by the CFTC.

The principal office location of GS Bank USA is New York; it has one domestic branch location in Utah and an overseas branch in the U.K. The primary activities of GS Bank USA are deposit taking, private bank and corporate lending, and market-making in interest rate derivative products.

GS Bank USA receives capital and unsecured funding directly from Group Inc. It also lends and borrows on a secured basis primarily with GS&Co. GS Bank USA does not have material unsecured lending or borrowing relationships with other material entities.

Summary of GS Bank USA's Resolution Strategy

Similar to GS&Co., our resolution strategy calls for GS Bank USA to be re-capitalized and provided with sufficient liquidity, as needed, to remain out of proceedings while it winds down in an orderly manner over time. This will result in a better systemic outcome because GS Bank USA will have flexibility to determine the optimal pace of asset sales and derivative unwinds, thereby avoiding fire-sales, disruptions for clients, and the use of emergency government facilities.

A key aspect to our strategy is continued access to both shared services and FMUs. We believe, based on our financial projections, that the steps we have taken and ongoing projects will enable these services to continue throughout the resolution process. In our projections, the injection of capital and liquidity will enable GS Bank USA to have sufficient liquidity to ensure that depositors have access to their insured deposits. Certain deposits are assumed to be repaid at contractual maturity dates. Loan inventory would be sold and all uninsured deposits are assumed to be withdrawn. Derivatives would be unwound either through early terminations, contractual maturities, portfolio sales, novations or bilateral terminations. Our strategy is designed with the goal of having sufficient capital and liquidity to pay our depositors and other third-party creditors in full, with any remaining amounts ultimately returned to the bankruptcy estate of the parent company. Accordingly, our strategy is designed with the goal of having no impact to the FDIC's Deposit Insurance Fund.

GS Bank is required to submit its own resolution plan to the FDIC by August 31, 2015.

Goldman Sachs Japan Co., Ltd.

Description of Entity

GSJCL is the firm's broker-dealer in Japan. GSJCL provides a wide range of services to clients located worldwide and is regulated by the Japan Financial Services Agency ("JFSA"). GSJCL is incorporated in Japan, and operates in Japan, with its principal office located in Tokyo. Client assets are protected under rules set forth by the JFSA.

GSJCL receives capital and substantially all of its unsecured funding from Group Inc., either directly or indirectly through intermediate holding companies. It borrows on a secured basis primarily from GSI and GS&Co. GSJCL does not have material unsecured lending or borrowing relationships with other material entities.

Summary of GSJCL's Resolution Strategy

Similar to GS&Co., our resolution strategy calls for GSJCL to be re-capitalized and provided with sufficient liquidity, if necessary, to remain out of proceedings while it winds down in an orderly manner over time. This will result in a better systemic outcome because GSJCL will have flexibility to determine the optimal pace of asset sales and derivative unwinds, thereby avoiding fire-sales, disruptions for clients, and the use of emergency government facilities.

A key aspect to our strategy is continued access to both shared services and FMUs. We believe, based on our financial projections, that the steps we have taken and ongoing projects will enable these services to continue throughout the resolution process. See additional details earlier in this section.

GSJCL would sell all securities inventory, and derivatives would be unwound either through early terminations, contractual maturities, portfolio sales, novations or bilateral terminations. After the market-making and client positions are wound down, GSJCL's balance sheet would largely be cash, financed by a combination of debt and equity. Our strategy is designed with the goal of having sufficient liquidity and capital to pay GSJCL's third-party creditors in full, with any remaining amounts ultimately returned to the bankruptcy estate of the parent company.

Goldman Sachs International Bank

Description of Entity

GSIB is the firm's U.K. registered bank. It operates in Europe under a pan-European services passport pursuant to the Banking Consolidation Directive, and has its registered office in London, U.K. It has two branches, one in Germany and one in Korea. GSIB acts as a primary dealer for European government bonds and is involved in bond market-making, lending and deposit taking activities, and agency lending. GSIB is authorized by the PRA and regulated by both the PRA and the FCA. GSIB is an unlimited company incorporated in England. Client assets are protected under rules set forth by the FCA.

GSIB receives capital and some of its unsecured funding from Group Inc., either directly or indirectly through intermediate holding companies. GSIB lends and borrows on a secured basis, primarily with GSI. GSIB also has unsecured borrowing and lending relationships with other material entities, as well as deposits from third parties.

Summary of GSIB's Resolution Strategy

Similar to GS&Co., our resolution strategy calls for GSIB to be re-capitalized and provided with sufficient liquidity, if necessary, to remain out of proceedings while it winds down in an orderly manner over time. This will result in a better systemic outcome because GSIB will have flexibility to determine the optimal pace of asset sales and derivative unwinds, thereby avoiding fire-sales, disruptions for clients, and the use of emergency government facilities.

A key aspect to our strategy is continued access to both shared services and FMUs. We believe, based on our financial projections, that the steps we have taken and ongoing projects will enable these services to continue throughout the resolution process. See additional details earlier in this section.

GSIB would sell all loans and securities inventory, and the limited derivatives held in the entity could be unwound either through early terminations, contractual maturities, portfolio sales, novations or bilateral terminations. Deposits would be repaid. After the market-making positions are wound down and deposits repaid, GSIB's balance sheet would largely be cash, financed by a combination of debt and equity. Our strategy is designed with the goal of having sufficient liquidity and capital to pay GSIB's third-party creditors in full, with any remaining amounts ultimately returned to the bankruptcy estate of the parent company.

J. Aron & Company

Description of Entity

JANY is a New York general partnership, indirectly wholly owned by Group Inc. JANY provides a range of market-making and advisory services to producers, investors, and other clients and counterparties worldwide. JANY transacts as principal and dealer in currencies, physical commodities and related derivative financial instruments on both exchange-regulated and OTC markets worldwide.

JANY is registered as a swap dealer with the CFTC, and is therefore subject to the CFTC's Swap Dealer rules, including reporting, risk management and clearing. JANY is authorized by the Federal Energy Regulatory Commission ("FERC") to sell wholesale physical power at market-based rates; it is subject to regulation under the U.S. Federal Power Act and FERC regulations and to the oversight of FERC.

JANY receives capital from Group Inc. indirectly through intermediate holding companies. It also lends on an unsecured basis to a limited number of other material entities. JANY does not have material secured lending or borrowing relationships with other material entities.

Summary of JANY's Resolution Strategy

We have considered a range of options for the orderly resolution of JANY. Because the business activities in JANY are well-aligned to the legal entity, it is an entity that could potentially be sold to a third party. We have also assessed the implications of an orderly wind-down of JANY both out of and in proceedings: based on our financial projections, JANY's third-party creditors and counterparties would be paid in full under either option.

A key aspect to our strategy is continued access to both shared services and FMUs. We believe, based on our financial projections, that the steps we have taken and ongoing projects will enable these services to continue throughout the resolution process. See additional details earlier in this section.

Orderly Wind-down in Proceedings: The wind-down in proceedings could occur in a scenario in which JANY is unable to meet its liquidity requirements causing it to seek Chapter 11 bankruptcy protection. In this scenario, JANY's derivatives would be assumed to close out immediately following the commencement of proceedings, and we assume that we would incur losses upon the unwind of these derivatives. At this time, JANY would also enter the orderly wind-down phase in which the entity would begin selling assets. If losses incurred on the unwinding of derivatives and disposition of assets were greater than the capital held in the entity, creditors would be made

whole through parent company transactional guarantees. In our projections, the parent company would have sufficient funding to make payments on behalf of JANY as contractually provided for. To be conservative, our Resolution Plan assumes JANY enters proceedings. We project that counterparties and creditors of the entity would not incur any losses and we believe this would not have a systemic impact. Alternative options could be pursued, including, as discussed below, wind-down outside of proceedings.

Orderly Wind-down Outside of Proceedings: In this scenario, JANY would be recapitalized, if necessary, and would receive liquidity from Group, Inc. to cover assumed liquidity outflows. During the orderly wind-down period, JANY would de-risk and de-lever through asset sales, and derivatives held in the entity would be unwound either through early terminations, contractual maturities, portfolio sales, novations or bilateral terminations. After the positions are wound down, the entity's resulting balance sheet would largely be cash on the asset side and a mix of debt and equity on the liability side. This strategy is designed with the goal of having sufficient capital and liquidity to pay JANY's third-party creditors in full, with any remaining amounts ultimately returned to the bankruptcy estate of the parent company. In our Resolution Plan we have included this option as an alternate scenario.

Goldman Sachs Execution & Clearing, L.P.

Description of Entity

GSEC is a registered U.S. broker-dealer and FCM and is regulated by the SEC and CFTC. GSEC, a limited partnership, operates in the United States with its primary office located in New York. GS&Co LLC is the general partner. The limited partner and ultimate owner is Group Inc. GSEC executes and clears client transactions on major stock, options, and futures exchanges, primarily with institutional clients such as corporations, financial institutions, investment funds and governments. Additionally, GSEC provides financing to a substantial and diversified client base. Client assets are protected under rules set forth by the SEC and CFTC.

GSEC receives capital and all of its unsecured funding from Group Inc. It lends and borrows on a secured basis primarily with GS&Co. and GSI. GSEC does not have material unsecured borrowing or lending relationships with other material entities.

Summary of GSEC's Resolution Strategy

We are currently in the process of transitioning GSEC prime brokerage clients into GS&Co., our primary U.S. broker-dealer, and upon completion GSEC is no longer expected to be a material entity for the firm. The first phase of this project has already been completed. However, for purposes of the Resolution Plan, we have considered a range of options for the orderly resolution of GSEC. To be conservative, we have assumed that, because of the level of stress across the firm and parent company, the entity would not be able to meet its liquidity requirements as they arise, and we have therefore projected that it would enter into SIPA proceedings. However, we believe that the systemic impact and the specific impact to our clients and counterparties would be limited.

A key aspect to our strategy is continued access to both shared services and FMUs. We believe, based on our financial projections, that the steps we have taken and ongoing projects will enable these services to continue throughout the resolution process. See additional details earlier in this section.

We expect that prime brokerage and other clients generally would be transferred to alternate third-party providers. The entity's resulting balance sheet would largely be cash on the asset side and a mix of debt and equity on the liability side. Our strategy is designed with the goal of having sufficient liquidity and capital to pay GSEC's third-party creditors in full, with any remaining amounts ultimately returned to the bankruptcy estate of the parent company.

Goldman Sachs Lending Partners LLC

Description of Entity

GSLPtnrs primarily makes a market in, originates and syndicates bank loans and commercial and residential mortgage loans. GSLPtnrs hedges risk with credit derivatives, primarily credit default swaps, loan credit default swaps and related indices. GSLPtnrs is a Delaware limited liability company.

GSLPtnrs receives capital and all of its unsecured funding from Group Inc., either directly or indirectly through intermediate holding companies. GSLPtnrs has unsecured lending relationships with a limited number of other material entities, but does not have any material borrowing relationships with other material entities.

Summary of GSLPtnrs' Resolution Strategy

We have considered a range of options for the orderly resolution of GSLPtnrs, including an orderly wind-down outside of proceedings. In this scenario, GSLPtnrs would receive liquidity from Group, Inc. to cover assumed liquidity outflows, and capital via the forgiveness of its substantial intercompany debt. To be conservative, in our Resolution Plan we have assumed that this company enters Chapter 11 proceedings. If this were to be the case, we believe that the systemic impact and the specific impact to our clients and counterparties would be limited because the entity holds only a small proportion of GS Group's total lending commitments, and most of its commitments are part of syndicated credit facilities.

A key aspect to our strategy is continued access to both shared services and FMUs. We believe, based on our financial projections, that the steps we have taken and ongoing projects will enable these services to continue throughout the resolution process. See additional details earlier in this section.

GSLPtnrs would sell all loan inventory, and the limited derivatives held in the entity would be unwound through close-outs. In a scenario where GSLPtnrs is unwound outside of proceedings, the limited derivatives held in the entity would be unwound either through early terminations, contractual maturities, portfolio sales, novations or bilateral terminations. After these positions are wound down, the entity's resulting balance sheet would largely be cash financed by a combination of debt and equity. In both scenarios, our strategy is designed with the goal of having sufficient liquidity and capital to pay GSLPtnrs's third-party creditors in full, with any remaining amounts ultimately returned to the bankruptcy estate of the parent company.

Goldman Sachs (Asia) Finance

Description of Entity

GSAF is established in Mauritius having a principal place of business in Hong Kong and governed by the Financial Services Futures Commission in Mauritius. The ultimate parent is Group Inc. GSAF facilitates transactions for GS Group entities and directly invests in securities, currencies and other financial products. GSAF also provides facilities access, technology assets, technology intellectual property, and external vendor services to other material entities. GSAF is the main risk management entity for certain Asia risks. The risks are originated from client transactions that are booked in other GS Group entities such as GSI and GS Bank USA. For that reason, a significant portion of GSAF's OTC derivative transactions are intercompany transactions. An analysis is underway to streamline the intercompany OTC derivatives trade flow to reduce interconnectedness among GS Group entities and to identify the appropriate entities to hold the risks that are currently managed in GSAF.

GSAF receives capital and most of its unsecured funding from Group Inc., either directly or indirectly through intermediate holding companies. GSAF borrows and lends on a secured basis, primarily with GSI. GSAF has unsecured lending relationships with a limited number of other material entities, but does not have any material borrowing relationships with other material entities.

Summary of GSAF's Resolution Strategy

Similar to GS&Co., our resolution strategy calls for GSAF to be re-capitalized and provided with sufficient liquidity, if necessary, to remain out of proceedings while it winds down in an orderly manner over time. This will result in a better systemic outcome because GSAF will have flexibility to determine the optimal pace of asset sales and derivative unwinds, thereby avoiding fire-sales.

A key aspect to our strategy is continued access to both shared services and FMUs. We believe, based on our financial projections, that the steps we have taken and ongoing projects will enable these services to continue throughout the resolution process. See additional details earlier in this section.

GSAF is expected to sell all securities inventory, and derivatives would be unwound either through early terminations, contractual maturities, portfolio sales, novations or bilateral terminations. After the market-making positions are wound down, the entity's resulting balance sheet would largely be cash financed by a combination of debt and equity. Our strategy is designed with the goal of

having sufficient liquidity and capital to pay GSAF's third-party creditors in full, with any remaining amounts ultimately returned to the bankruptcy estate of the parent company.

Goldman Sachs (Asia) L.L.C.

Description of Entity

GSALLC is the firm's broker-dealer in Hong Kong. GSALLC provides a wide range of services to clients and is regulated by the Securities and Futures Commission in Hong Kong. GSALLC is established in Delaware having a principal place of business in Hong Kong. The ultimate parent is Group Inc.

GSALLC is primarily funded with capital from Group Inc., indirectly through intermediate holding companies. GSALLC does not have any material borrowing or lending relationships with other material entities.

Summary of GSALLC's Resolution Strategy

Similar to GS&Co., our resolution strategy calls for GSALLC to be re-capitalized and provided with sufficient liquidity, if necessary, to remain out of proceedings while it winds down in an orderly manner over time. GSALLC is in such a strong position with regard to capital and liquidity that our projections indicate that it would not require any additional support in our Resolution Plan.

A key aspect to our strategy is continued access to both shared services and FMUs. We believe, based on our financial projections, that the steps we have taken and ongoing projects will enable these services to continue throughout the resolution process. See additional details earlier in this section.

GSALLC has no inventory positions and facilitates client transactions on an agency basis. At the end of the resolution process, the entity's balance sheet would largely be cash financed by equity. Our strategy is designed with the goal of having sufficient liquidity and capital to pay GSALLC's third party creditors in full, with any remaining amounts ultimately returned to the bankruptcy estate of the parent company.

Goldman Sachs Asset Management, L.P. and Goldman Sachs Asset Management International

Description of Entities

GSAM is registered as an investment advisor with the SEC and is registered as a Commodity Pool Operator and a Commodity Trading Advisor with the CFTC. Additionally, GSAM is a member of the National Futures Association. GSAM is also registered with various Canadian Regulators including the Ontario Securities Commission as a Non-Canadian Adviser (Investment Counsel and Portfolio Manager). GSAM, a limited partnership established in Delaware, is an indirectly wholly owned subsidiary of Group Inc. GSAM operates in the United States, with its principal office in New York. Through its subsidiaries, GSAM has operations in Japan, Brazil and India. The activities of these subsidiaries are similar to that of GSAM and these subsidiaries are established generally in order to comply with local requirements.

GSAMI is an unlimited company, incorporated in England and authorized and regulated by the U.K. FCA. As part of the UK regulated group, it is subject to consolidated supervision by the UK PRA. GSAMI operates in Europe, Middle East and Africa, with its registered office located in London. GSAMI provides services in the European Economic Area under a services passport, pursuant to the Markets in Financial Instruments Directive.

Both GSAM and GSAMI are relatively small legal entities (based on capital and asset size); however, they have a substantial level of assets under supervision (in excess of \$750 billion as of December 2014).

GSAM and GSAMI are primarily funded with capital from Group Inc., either directly or indirectly through intermediate holding companies. These entities do not have any material borrowing or lending relationships with other material entities.

Summary of GSAM and GSAMI's Resolution Strategy

Our asset management business, including GSAM and GSAMI, would be prepared for sale as part of our resolution strategy. These entities, which provide asset management services and offer investment products, have limited connectivity with other affiliates and limited obstacles that would hinder a sale in whole or in part. In addition, we would not expect these entities to require additional capital or liquidity from the parent company. An alternative approach would be to transfer the management of these funds to other fund managers.

Material Service Entities

The firm has designated five entities as material service entities as follows:

Goldman Sachs Services L.L.C.: GSSLLC is a Limited Liability Company, domiciled in Wilmington, Delaware and is wholly owned directly by Group Inc. It operates in the United States from its office location in New Jersey. GSSLLC is a staffing service entity that employs non-revenue producing staff and provides operational support services to GS&Co. under a services agreement. The entity earns revenue by charging its employee-related and non-employee related expenses to GS&Co. with a mark-up, as applicable.

Goldman Sachs Services Limited: GSSL is a limited company, domiciled in Tortola, British Virgin Islands (BVI) and is indirectly wholly owned by Group Inc. The entity operates in the United Kingdom from its office location in Isle of Man. GSSL is a staffing service entity that employs both producing and non-revenue producing staff. These individuals are based in the U.K. and are seconded to GSI under a secondment agreement. The entity earns revenue by charging its employee-related and non-employee related expenses to GSI.

Goldman Sachs Property Management: GSPM is a Private Unlimited Company, domiciled in the United Kingdom and is wholly owned directly and indirectly by Group Inc. and operates from its office location in the United Kingdom. GSPM is a property management company that owns fixed assets (including facilities assets and technology assets) within the United Kingdom. The entity holds the technology assets (e.g. data servers, computer equipment, etc.) and facilities assets (e.g. leasehold improvements, furniture, fixtures) and provides services allowing access to use these fixed assets to other material entities in the firm. The entity earns revenues by charging the operating costs for use of the fixed assets with mark-up, as applicable, to other Material Entities

Goldman Sachs Services Private Ltd: GSSPL is a private limited company, domiciled in Bengaluru, India and is indirectly wholly owned by Group Inc. The entity operates in India from its office location in Bengaluru. GSSPL is a staffing service entity that employs predominantly non-revenue producing staff. It provides operational support services to and through material operating entities under a master services agreement. The entity earns revenue by charging its employee-related and non-employee related expenses primarily to material operating entities with mark-up, as applicable.

Goldman Sachs Japan Holdings, Ltd.: GSJH is a Yugen-Kaisha company, domiciled in Tokyo, Japan and indirectly wholly owned by Group Inc. The entity operates in Japan from its office

location in Tokyo. GSJH is both a staffing entity (employing both producing and non-revenue producing individuals) and a property management entity that owns fixed assets in Japan. GSJH seconds producing staff and provides non-revenue producing employees under both secondment and service arrangements primarily to GSJCL. The entity holds the technology (e.g. data servers, computer equipment, etc.) and facilities assets (e.g. leasehold improvements, furniture, fixtures) and provides services allowing access to use these fixed assets to other material entities in the firm. The entity earns revenue by charging its employee-related and non-employee related expenses to operating entities in Japan with a mark-up, as applicable

Summary of Resolution Strategy for the Firm's Material Service Entities

Our strategy would involve material service entities being pre-paid for their operating costs to ensure they have sufficient resources to allow continuity of services. As the material operating entities gradually unwind their positions, the material service entities will reduce their corresponding level of support. Our strategy is designed with the goal of keeping the material service entities in operation during the wind-down period and having sufficient liquidity to pay any creditors of the material service entities in full, with any remaining amounts ultimately returned to the bankruptcy estate of the parent company.

3. Description of Core Business Lines

Introduction

Goldman Sachs is a leading global investment banking, securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals.

Details about our businesses are included in our Annual Report on Form 10-K for the year ended December 31, 2014 (our “2014 Form 10-K”) and our Quarterly Report on Form 10-Q for the period ended March 31, 2015 (our “March 2015 Form 10-Q”). All references to March 2015 refer to the firm’s period ended, or the date, as the context requires, March 31, 2015. All references to 2014 and 2013 refer to our years ended, or the dates, as the context requires, December 31, 2014 and December 31, 2013, respectively.

Group Inc. is a bank holding company and a financial holding company regulated by the Federal Reserve Board. Our U.S. depository institution subsidiary, GS Bank USA, is a New York State-chartered bank.

Goldman Sachs has a number of important businesses within our four business segments: Investment Banking, Institutional Client Services, Investing & Lending and Investment Management. These businesses are the core of the Goldman Sachs franchise and allow us to serve clients and execute our strategy on a global basis. Recovery planning requires a definition of core and non-core businesses based on the ability of a firm to separate business lines for sale or closure, to raise or preserve liquidity, increase capital ratios and reduce balance sheet size.

Resolution planning, in contrast, requires a further definition of core as those business lines and associated support operations, services and functions that, upon failure, would result in a material loss of revenue, profit or franchise value, and may need to be singled out for specific actions as part of a resolution exercise. We define these business lines, which are primarily included in our Investment Banking and Institutional Client Services segments, as Resolution Core Business Lines and refer to them as RCBLs throughout this document. Other businesses in our Investing & Lending and Investment Management segments are important for GS Group but have not been defined as RCBLs for purposes of the Resolution Plan.

The remainder of this Section 3 describes only the firm’s RCBLs.

Investment Banking

Investment Banking serves public and private sector clients around the world. We provide financial advisory services and help companies raise capital to strengthen and grow their businesses. We seek to develop and maintain long-term relationships with a diverse global group of institutional clients, including governments, states and municipalities. Our goal is to deliver to our institutional clients the entire resources of the firm in a seamless fashion, with investment banking serving as the main initial point of contact with Goldman Sachs.

Financial Advisory. Financial Advisory includes strategic advisory assignments with respect to mergers and acquisitions, divestitures, corporate defense activities, restructurings, spin-offs and risk management. In particular, we help clients execute large, complex transactions for which we provide multiple services, including acquisition financing and cross-border structuring expertise. Financial Advisory also includes revenues from derivative transactions directly related to these client advisory assignments.

We also assist our clients in managing their asset and liability exposures and their capital. In addition, we may provide lending commitments and bank loan and bridge loan facilities in connection with our advisory assignments.

Underwriting. The other core activity of Investment Banking is helping companies raise capital to fund their businesses. As a financial intermediary, our job is to match the capital of our investing clients — who aim to grow the savings of millions of people — with the needs of our public and private sector clients — who need financing to generate growth, create jobs and deliver products and services. Our underwriting activities include public offerings and private placements, including local and cross-border transactions, of a wide range of securities and other financial instruments. Underwriting also includes revenues from derivative transactions entered into with public and private sector clients in connection with our underwriting activities.

- **Equity Underwriting.** We underwrite common and preferred stock and convertible and exchangeable securities. We regularly receive mandates for large, complex transactions and have held a leading position in worldwide public common stock offerings and worldwide initial public offerings for many years.
- **Debt Underwriting.** We underwrite and originate various types of debt instruments, including investment-grade and high-yield debt, bank loans and bridge loans, and emerging- and growth-market debt, which may be issued by, among others, corporate, sovereign, municipal and agency issuers. In addition, we underwrite and originate structured securities, which include mortgage-related securities and other asset-backed securities.

Institutional Client Services

Institutional Client Services serves our clients who come to the firm to buy and sell financial products, raise funding and manage risk. We do this by acting as a market maker and offering market expertise on a global basis. Institutional Client Services makes markets and facilitates client transactions in fixed income, equity, currency and commodity products. In addition, we make markets in and clear client transactions on major stock, options and futures exchanges worldwide. Market makers provide liquidity and play a critical role in price discovery, which contributes to the overall efficiency of the capital markets and acts to reduce costs to both investors and corporate issuers. Our willingness to make markets, commit capital and take risk in a broad range of products is crucial to our client relationships.

Our clients are primarily institutions that are professional market participants, including investment entities whose ultimate clients include individual investors.

Through our global sales force, we maintain relationships with our clients, receiving orders and distributing investment research, trading ideas, market information and analysis. As a market maker, we provide prices to clients globally across products in major asset classes and markets. As part of our normal business activities, we facilitate transactions between buyers and sellers either by connecting clients directly with each other or by holding inventory for this purpose. Much of this connectivity between the firm and its clients is maintained on technology platforms and operates globally wherever and whenever markets are open for trading.

Institutional Client Services generates revenues in the following ways:

- In large, highly liquid markets (such as markets for U.S. Treasury bills, large capitalization S&P 500 stocks or certain mortgage pass-through securities), we execute a high volume of transactions for our clients;
- In less liquid markets (such as mid-cap corporate bonds, growth market currencies or certain non-agency mortgage-backed securities), we execute transactions as required by our clients; and
- We also structure and execute transactions involving customized or tailor-made products that provide solutions to address our clients' specific risk exposures, investment objectives or other complex needs (such as a jet fuel hedge for an airline).

Institutional Client Services activities are organized by asset class and include both “cash” and “derivative” instruments. “Cash” refers to trading the underlying instrument (such as a stock, bond or barrel of oil). “Derivative” refers to instruments that derive their value from underlying asset prices, indices, reference rates and other inputs, or a combination of these factors (such as an option, which is the right or obligation to buy or sell a certain bond or stock index on a specified date in the future at a certain price, or an interest rate swap, which is the agreement to convert a fixed rate of interest into a floating rate or vice versa).

Fixed Income, Currency and Commodities Client Execution. Includes interest rate products, credit products, mortgages, currencies and commodities.

- **Interest Rate Products.** Government bonds, money market instruments such as commercial paper, treasury bills, repurchase agreements and other highly liquid securities and instruments, as well as interest rate swaps, options and other derivatives.
- **Credit Products.** Investment-grade corporate securities, high-yield securities, credit derivatives, bank and bridge loans, municipal securities, emerging market and distressed debt, and trade claims.
- **Mortgages.** Commercial mortgage-related securities, loans and derivatives, residential mortgage-related securities, loans and derivatives (including U.S. government agency-issued collateralized mortgage obligations, other prime, subprime and Alt-A securities and loans), and other asset-backed securities, loans and derivatives.
- **Currencies.** Most currencies, including growth-market currencies.
- **Commodities.** Crude oil and petroleum products, natural gas, base, precious and other metals, electricity, coal, agricultural and other commodity products.

Equities. Includes equities client execution, and commissions and fees.

- **Equities Client Execution.** We make markets in equity securities and equity-related products, including convertible securities, options, futures and OTC derivative instruments, on a global basis. As a principal, we facilitate client transactions by providing liquidity to our clients with large blocks of stocks or derivatives, requiring the commitment of our capital. We also structure and make markets in derivatives on indices, industry groups, financial measures and individual company stocks. We develop strategies and provide information about portfolio

hedging and restructuring and asset allocation transactions for our clients. We also work with our clients to create specially tailored instruments to enable sophisticated investors to establish or liquidate investment positions or undertake hedging strategies.

- ***Commissions and Fees.*** We generate commissions and fees from executing and clearing institutional client transactions on major stock, options and futures exchanges worldwide, as well as OTC transactions. We provide our clients with access to a broad spectrum of equity execution services, including electronic “low-touch” access and more traditional “high-touch” execution.

4. Summary Financial Information: Assets, Liabilities, Capital and Funding

Set out on the following pages is financial information extracted from our 2014 Form 10-K.

Please see Part II, Items 7 and 8 of our 2014 Form 10-K for management's discussion and analysis of financial condition and results of operations and the notes to these consolidated financial statements, respectively.

Please see our March 2015 Form 10-Q for our first quarter 2015 financial information.

RESOLUTION PLAN 2015

- Set forth below are the consolidated statements of earnings from our 2014 Form 10-K⁹:

<i>in millions, except per share amounts</i>	Year Ended December		
	2014	2013	2012
Revenues			
Investment banking	\$ 6,464	\$ 6,004	\$ 4,941
Investment management	5,748	5,194	4,968
Commissions and fees	3,316	3,255	3,161
Market making	8,365	9,368	11,348
Other principal transactions	6,588	6,993	5,865
Total non-interest revenues	30,481	30,814	30,283
Interest income	9,604	10,060	11,381
Interest expense	5,557	6,668	7,501
Net interest income	4,047	3,392	3,880
Net revenues, including net interest income	34,528	34,206	34,163
Operating expenses			
Compensation and benefits	12,691	12,613	12,944
Brokerage, clearing, exchange and distribution fees	2,501	2,341	2,208
Market development	549	541	509
Communications and technology	779	776	782
Depreciation and amortization	1,337	1,322	1,738
Occupancy	827	839	875
Professional fees	902	930	867
Insurance reserves	—	176	598
Other expenses	2,585	2,931	2,435
Total non-compensation expenses	9,480	9,856	10,012
Total operating expenses	22,171	22,469	22,956
Pre-tax earnings	12,357	11,737	11,207
Provision for taxes	3,880	3,697	3,732
Net earnings	8,477	8,040	7,475
Preferred stock dividends	400	314	183
Net earnings applicable to common shareholders	\$ 8,077	\$ 7,726	\$ 7,292
Earnings per common share			
Basic	\$ 17.55	\$ 16.34	\$ 14.63
Diluted	17.07	15.46	14.13
Average common shares outstanding			
Basic	458.9	471.3	496.2
Diluted	473.2	499.6	516.1

⁹ The notes accompanying our consolidated financial statements in our 2014 Form 10-K are an integral part of our consolidated financial statements.

RESOLUTION PLAN 2015

- Set forth below are the consolidated statements of financial condition from our 2014 Form 10-K¹⁰:

<i>\$ in millions, except per share amounts</i>	As of December	
	2014	2013
Assets		
Cash and cash equivalents	\$ 57,600	\$ 61,133
Cash and securities segregated for regulatory and other purposes (includes \$34,291 and \$31,937 at fair value as of December 2014 and December 2013, respectively)	51,716	49,671
Collateralized agreements:		
Securities purchased under agreements to resell and federal funds sold (includes \$126,036 and \$161,297 at fair value as of December 2014 and December 2013, respectively)	127,938	161,732
Securities borrowed (includes \$66,769 and \$60,384 at fair value as of December 2014 and December 2013, respectively)	160,722	164,566
Receivables:		
Brokers, dealers and clearing organizations	30,671	23,840
Customers and counterparties (includes \$6,944 and \$7,416 at fair value as of December 2014 and December 2013, respectively)	63,808	74,040
Loans receivable	28,938	14,895
Financial instruments owned, at fair value (includes \$64,473 and \$62,348 pledged as collateral as of December 2014 and December 2013, respectively)	312,248	339,121
Other assets (includes \$18 at fair value as of December 2013)	22,599	22,509
Total assets	\$ 856,240	\$ 911,507
Liabilities and shareholders' equity		
Deposits (includes \$13,523 and \$7,255 at fair value as of December 2014 and December 2013, respectively)	\$ 83,008	\$ 70,807
Collateralized financings:		
Securities sold under agreements to repurchase, at fair value	88,215	164,782
Securities loaned (includes \$765 and \$973 at fair value as of December 2014 and December 2013, respectively)	5,570	18,745
Other secured financings (includes \$21,450 and \$23,591 at fair value as of December 2014 and December 2013, respectively)	22,809	24,814
Payables:		
Brokers, dealers and clearing organizations	6,636	5,349
Customers and counterparties	206,936	199,416
Financial instruments sold, but not yet purchased, at fair value	132,083	127,426
Unsecured short-term borrowings, including the current portion of unsecured long-term borrowings (includes \$18,826 and \$19,067 at fair value as of December 2014 and December 2013, respectively)	44,540	44,692
Unsecured long-term borrowings (includes \$16,005 and \$11,691 at fair value as of December 2014 and December 2013, respectively)	167,571	160,965
Other liabilities and accrued expenses (includes \$831 and \$388 at fair value as of December 2014 and December 2013, respectively)	16,075	16,044
Total liabilities	773,443	833,040
Commitments, contingencies and guarantees		
Shareholders' equity		
Preferred stock, par value \$0.01 per share; aggregate liquidation preference of \$9,200 and \$7,200 as of December 2014 and December 2013, respectively	9,200	7,200
Common stock, par value \$0.01 per share; 4,000,000,000 shares authorized, 852,784,764 and 837,219,068 shares issued as of December 2014 and December 2013, respectively, and 430,259,102 and 446,359,012 shares outstanding as of December 2014 and December 2013, respectively	9	8
Share-based awards	3,766	3,839
Nonvoting common stock, par value \$0.01 per share; 200,000,000 shares authorized, no shares issued and outstanding	-	-
Additional paid-in capital	50,049	48,998
Retained earnings	78,984	71,961
Accumulated other comprehensive loss	(743)	(524)
Stock held in treasury, at cost, par value \$0.01 per share; 422,525,664 and 390,860,058 shares as of December 2014 and December 2013, respectively	(58,468)	(53,015)
Total shareholders' equity	82,797	78,467
Total liabilities and shareholders' equity	\$ 856,240	\$ 911,507

¹⁰ The notes accompanying our consolidated financial statements in our 2014 Form 10-K are an integral part of our consolidated financial statements.

Equity Capital Management

We determine the appropriate level and composition of our equity capital by considering multiple factors including our current and future consolidated regulatory capital requirements, the results of our capital planning and stress testing process and other factors such as rating agency guidelines, subsidiary capital requirements, the business environment, conditions in the financial markets, and assessments of potential future losses due to adverse changes in our business and market environments. Our capital planning and stress testing process incorporates our internally designed stress tests and those required under Comprehensive Capital Analysis and Review and Dodd-Frank Act Stress Tests rules, and is also designed to identify and measure material risks associated with our business activities, including market risk, credit risk and operational risk. We project sources and uses of capital given a range of business environments, including stressed conditions. In addition, as part of our comprehensive capital management policy, we maintain a contingency capital plan that provides a framework for analyzing and responding to an actual or perceived capital shortfall.

We principally manage the level and composition of our equity capital through issuances and repurchases of our common stock. We may also, from time to time, issue or repurchase our preferred stock, junior subordinated debt issued to trusts, and other subordinated debt or other forms of capital as business conditions warrant. Prior to any repurchases, we must receive confirmation that the Federal Reserve Board does not object to such capital actions. We manage our capital requirements and the levels of our capital usage principally by setting limits on balance sheet assets and/or limits on risk, in each case both at the consolidated and business levels.

As of December 2014, our total shareholders' equity was \$82.80 billion (consisting of common shareholders' equity of \$73.60 billion and preferred stock of \$9.20 billion). As of December 2013, our total shareholders' equity was \$78.47 billion (consisting of common shareholders' equity of \$71.27 billion and preferred stock of \$7.20 billion).

Consolidated Regulatory Capital

As a bank holding company, the firm is subject to consolidated risk-based regulatory capital requirements which are computed in accordance with the applicable risk-based capital regulations of the Federal Reserve Board.

These capital requirements are expressed as capital ratios that compare measures of regulatory capital to RWAs. The firm's capital levels are subject to qualitative judgments by the regulators

about components of capital, risk weightings and other factors. In addition, the firm is subject to requirements with respect to leverage.

Furthermore, certain of the firm's subsidiaries are subject to separate regulations and capital requirements as described below.

Applicable Capital Framework. As of December 2013, the firm was subject to the risk-based capital regulations of the Federal Reserve Board that were based on the Basel I Capital Accord of the Basel Committee on Banking Supervision, and incorporated the revised market risk regulatory capital requirements (together, the "Prior Capital Rules"). As of January 1, 2014, the firm became subject to the Federal Reserve Board's revised risk-based capital and leverage regulations, subject to certain transitional provisions ("Revised Capital Framework"). These regulations are largely based on the Basel Committee's final capital framework for strengthening international capital standards ("Basel III") and also implement certain provisions of Dodd-Frank. Under the Revised Capital Framework, the firm is an "Advanced approach" banking organization.

The firm was notified in the first quarter of 2014 that it had completed a "parallel run" to the satisfaction of the Federal Reserve Board, as required under the Revised Capital Framework. As such, additional changes in the firm's capital requirements became effective on April 1, 2014.

Beginning on January 1, 2014, regulatory capital was calculated based on the Revised Capital Framework. Beginning April 1, 2014, there were no changes to the calculation of regulatory capital, but RWAs were calculated using (i) the Prior Capital Rules, adjusted for certain items related to capital deductions under the previous definition of regulatory capital and for the phase-in of new capital deductions ("Hybrid Capital Rules"), and (ii) the Advanced approach and market risk rules set out in the Revised Capital Framework (together, the "Basel III Advanced Rules"). The lower of the ratios calculated under the Hybrid Capital Rules and those calculated under the Basel III Advanced Rules are the binding regulatory capital requirements for the firm. The ratios calculated under the Basel III Advanced Rules were lower than those calculated under the Hybrid Capital Rules and therefore were the binding ratios for the firm as of December 2014.

As a result of the changes in the applicable capital framework in 2014, the firm's capital ratios as of December 2014 and those as of December 2013 were calculated on a different basis and, accordingly, are not comparable.

Effective on January 1, 2015, regulatory capital continues to be calculated under the Revised Capital Framework, but RWAs are required to be calculated under the Basel III Advanced Rules, as well as the Standardized approach and market risk rules set out in the Revised Capital Framework (together, the “Standardized Capital Rules”). The lower of the ratios calculated under the Basel III Advanced Rules and those calculated under the Standardized Capital Rules are the binding regulatory capital requirements for the firm.

Regulatory Capital and Capital Ratios. The Revised Capital Framework changed the definition of regulatory capital to include a new capital measure called Common Equity Tier 1 (“CET1”) and the related regulatory capital ratio of CET1 to RWAs (“CET1 ratio”), and changed the definition of Tier 1 capital. The Revised Capital Framework also increased the level of certain minimum risk-based capital and leverage ratios applicable to the firm.

The primary difference between the Basel III Advanced Rules and the Hybrid Capital Rules is that the latter utilizes prescribed risk-weightings for credit RWAs and does not contemplate the use of internal models to compute exposure for credit risk on derivatives and securities financing transactions, whereas the Basel III Advanced Rules permit the use of such models, subject to supervisory approval. In addition, RWAs under the Hybrid Capital Rules depend largely on the type of counterparty (e.g., whether the counterparty is a sovereign, bank, broker-dealer or other entity), rather than on internal assessments of each counterparty’s creditworthiness. Furthermore, the Hybrid Capital Rules do not include a capital requirement for operational risk.

As of December 2013, the firm calculated RWAs under the Prior Capital Rules.

Credit Risk

Credit RWAs are calculated based upon measures of exposure, which are then risk weighted. The exposure amount is generally based on the following:

- For on-balance-sheet assets, the carrying value; and
- For off-balance-sheet exposures, including commitments and guarantees, a credit equivalent exposure amount is calculated based on the notional amount of each exposure multiplied by a credit conversion factor.

Counterparty credit risk is a component of total credit risk, and includes credit exposure arising from derivatives, securities financing transactions and eligible margin loans.

- For the Basel III Advanced Rules, the firm uses the Internal Models Methodology for the measurement of exposure on derivatives, securities financing transactions and eligible margin loans. The Revised Capital Framework requires that a bank holding company obtain prior written agreement from its regulators before using the Internal Models Methodology; and
- For the Hybrid and Prior Capital Rules, the exposure amount for derivatives is based on a combination of positive net exposure and a percentage of the notional amount for each trade, and includes the effect of counterparty netting and collateral, as applicable; for securities financing transactions and eligible margin loans, it is based on the carrying value.

All exposures are then assigned a risk weight computed as follows:

- For the Basel III Advanced Rules, the firm has been given permission by its regulators to compute risk weights for certain exposures in accordance with the Advanced Internal Ratings-Based approach, which utilizes internal assessments of each counterparty's creditworthiness. Key inputs to the risk weight calculation are the probability of default, loss given default and the effective maturity. RWAs for securitization and equity exposures are calculated using specific required formula approaches; and
- For the Hybrid and Prior Capital Rules, a standard risk weight is assigned depending on, among other things, whether the counterparty is a sovereign, bank or a qualifying securities firm or other entity (and if collateral is held, the risk weight may depend on the nature of the collateral).

The Standardized Capital Rules utilize prescribed risk-weightings for credit RWAs and do not contemplate the use of internal models to compute exposure for credit risk on derivatives and securities financing transactions. The exposure measure for securities financing transactions is calculated to reflect adjustments for potential price volatility, the size of which depends on factors such as the type of and maturity of the security, and whether it is denominated in the same currency as the other side of the financing transaction. In addition, RWAs under the Standardized Capital Rules depend largely on the type of counterparty (e.g., whether the counterparty is a sovereign, bank, broker-dealer or other entity), rather than on internal assessments of each counterparty's creditworthiness.

Market Risk

RWAs for market risk are determined using measures for Value-at-Risk (“VaR”), stressed VaR, incremental risk and comprehensive risk based on internal models, and a standardized measurement method for specific risk. The market risk regulatory capital rules require that a bank holding company obtain prior written agreement from its regulators before using any internal model to calculate its risk-based capital requirement.

- VaR is the potential loss in value of inventory positions, as well as certain other financial assets and financial liabilities, due to adverse market movements over a defined time horizon with a specified confidence level. For both risk management purposes and regulatory capital calculations the firm uses a single VaR model which captures risks including those related to interest rates, equity prices, currency rates and commodity prices. However, VaR used for regulatory capital requirements (“regulatory VaR”) differs from risk management VaR due to different time horizons and confidence levels (10-day and 99% for regulatory VaR vs. one-day and 95% for risk management VaR), as well as differences in the scope of positions on which VaR is calculated. In addition, the daily trading net revenues used to determine risk management VaR exceptions (i.e., comparing the daily trading net revenues to the VaR measure calculated as of the prior business day) include intraday activity, whereas the Federal Reserve Board’s regulatory capital regulations require that intraday activity be excluded from daily trading net revenues when calculating regulatory VaR exceptions. Intraday activity includes bid/offer net revenues, which are more likely than not to be positive. Under these regulations, the firm’s positional losses observed on a single day exceeded its 99% one-day regulatory VaR on three occasions during 2014. There was no change in the VaR multiplier used to calculate Market RWAs;
- Stressed VaR is the potential loss in value of inventory positions during a period of significant market stress;
- Incremental risk is the potential loss in value of non-securitized inventory positions due to the default or credit migration of issuers of financial instruments over a one-year time horizon; and
- Comprehensive risk is the potential loss in value, due to price risk and defaults, within the firm’s credit correlation positions.

The standardized measurement method is used to determine RWAs for specific risk on certain positions by applying supervisory defined risk-weighting factors to such positions after applicable netting is performed.

RWAs for market risk under the Standardized Capital Rules are calculated in a manner that is generally consistent with the RWAs calculated under the Basel III Advanced Rules.

Operational Risk

The Basel III Advanced Rules include a capital requirement for operational risk. The firm has been given permission by its regulators to compute operational RWAs in accordance with the “Advanced Measurement Approach” of the Revised Capital Framework. Operational RWAs are therefore calculated based on an internal risk-based operational risk quantification model that meets the requirements for the “Advanced Measurement Approach.”

The Standardized Capital Rules do not include a capital requirement for operational risk.

Capital Ratios and RWAs. The firm was required to calculate ratios under both the Basel III Advanced Rules and Hybrid Capital Rules as of December 2014, in both cases subject to transitional provisions. The ratios calculated under the Basel III Advanced Rules presented in the table below were lower than those calculated under the Hybrid Capital Rules and therefore were the binding ratios for the firm as of December 2014.

Effective on January 1, 2015, the firm was required to calculate ratios under both the Basel III Advanced Rules and Standardized Capital Rules. The firm’s ratios calculated under the Standardized Capital Rules as of December 2014 are also presented in the table below, although the ratios were not binding until January 2015.

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<i>\$ in millions</i>	As of December 2014
Common shareholders' equity	\$ 73,597
Deductions for goodwill and identifiable intangible assets, net of deferred tax liabilities	(2,787)
Deductions for investments in nonconsolidated financial institutions	(953)
Other adjustments	(27)
Common Equity Tier 1	69,830
Perpetual non-cumulative preferred stock	9,200
Junior subordinated debt issued to trusts	660
Other adjustments	(1,257)
Tier 1 capital	78,433
Qualifying subordinated debt	11,894
Junior subordinated debt issued to trusts	660
Other adjustments	(9)
Tier 2 capital ¹¹	12,545
Total capital	\$ 90,978
Basel III Advanced	
RWAs	\$ 570,313
CET1 ratio	12.2%
Tier 1 capital ratio	13.8%
Total capital ratio	16.0%
Tier 1 leverage ratio	9.0%
Standardized	
RWAs	\$ 619,216
CET1 ratio	11.3%
Tier 1 capital ratio	12.7%
Total capital ratio	14.7%

In the table above:

The deduction for goodwill and identifiable intangible assets, net of deferred tax liabilities, represents goodwill of \$3.65 billion and identifiable intangible assets of \$103 million (20% of \$515 million), net of associated deferred tax liabilities of \$961 million. The remaining 80% of the deduction of identifiable intangible assets will be phased in ratably per year from 2015 to 2018. Identifiable intangible assets that are not deducted during the transitional period are risk weighted.

The deduction for investments in nonconsolidated financial institutions represents the amount by which our investments in the capital of nonconsolidated financial institutions exceed certain prescribed thresholds. As of December 2014, 20% of the deduction was reflected (calculated based on transitional thresholds). The remaining 80% will be phased in ratably per year from 2015 to 2018. The balance that is not deducted during the transitional period is risk weighted.

Other adjustments within CET1 and Tier 1 capital primarily include accumulated other comprehensive loss, credit valuation adjustments on derivative liabilities, the overfunded portion of our defined benefit pension plan obligation, net of associated deferred tax liabilities, disallowed deferred tax assets and other required credit risk-based deductions. As of December 2014, 20% of the deductions related to credit valuation adjustments on derivative liabilities, the overfunded portion of our defined benefit pension plan obligation, net of associated deferred tax liabilities, disallowed deferred tax assets and other required credit risk-based deductions were

¹¹ Tier 2 capital under the Standardized Capital Rules is approximately \$300 million higher due to the allowance for losses on loans and lending commitments.

included in other adjustments within CET1 and 80% of the deductions were included in other adjustments within Tier 1 capital. Most of the deductions that were included in other adjustments within Tier 1 capital will be phased into CET1 ratably per year from 2015 to 2018. Other adjustments within Tier 1 capital also include a deduction for investments in the preferred equity of nonconsolidated financial institutions.

Junior subordinated debt issued to trusts is reflected in both Tier 1 capital (50%) and Tier 2 capital (50%) and is reduced by the amount of trust preferred securities we purchased. Junior subordinated debt issued to trusts will be fully phased out of Tier 1 capital by 2016, and then also from Tier 2 capital by 2022.

Qualifying subordinated debt represents subordinated debt issued by Group Inc. with an original term to maturity of five years or greater. The outstanding amount of subordinated debt qualifying for Tier 2 capital is reduced, or discounted, upon reaching a remaining maturity of five years.

The table below presents information about the firm's regulatory ratios as of December 2013 under the Prior Capital Rules.

<i>\$ in millions</i>	As of December 2013
Common shareholders' equity	\$ 71,267
Perpetual non-cumulative preferred stock	7,200
Junior subordinated debt issued to trusts	2,063
Deduction for goodwill and identifiable intangible assets	(4,376)
Deduction for equity investments in certain entities	(3,314)
Other adjustments	(369)
Tier 1 capital	72,471
Qualifying subordinated debt	12,773
Junior subordinated debt issued to trusts	687
Other adjustments	172
Tier 2 capital	13,632
Total capital	\$ 86,103
Credit RWAs	\$ 268,247
Market RWAs	164,979
Total RWAs	\$ 433,226
Tier 1 capital ratio	16.7%
Total capital ratio	19.9%
Tier 1 leverage ratio	8.1%

In the table above:

Junior subordinated debt issued to trusts is reflected in both Tier 1 capital (75%) and Tier 2 capital (25%).

The deduction for goodwill and identifiable intangible assets includes goodwill of \$3.71 billion and identifiable intangible assets of \$671 million.

Other adjustments within Tier 1 capital primarily include disallowed deferred tax assets and the overfunded portion of the firm's defined benefit pension plan obligation, net of associated deferred tax liabilities.

Qualifying subordinated debt represents subordinated debt issued by Group Inc. with an original term to maturity of five years or greater. The outstanding amount of subordinated debt qualifying for Tier 2 capital is reduced, or discounted, upon reaching a remaining maturity of five years.

Liquidity Risk Management and Funding Sources

Liquidity Risk Management

Liquidity is of critical importance to financial institutions. Most of the failures of financial institutions have occurred in large part due to insufficient liquidity. Accordingly, we have in place a comprehensive and conservative set of liquidity and funding policies to address both firm-specific and broader industry or market liquidity events. Our principal objective is to be able to fund the firm and to enable our core businesses to continue to serve clients and generate revenues, even under adverse circumstances.

We manage liquidity risk according to the following principles:

Global Core Liquid Assets. We maintain substantial liquidity (GCLA, previously GCE) to meet a broad range of potential cash outflows and collateral needs in a stressed environment.

Asset-Liability Management. We assess anticipated holding periods for our assets and their expected liquidity in a stressed environment. We manage the maturities and diversity of our funding across markets, products and counterparties, and seek to maintain liabilities of appropriate tenor relative to our asset base.

Contingency Funding Plan. We maintain a contingency funding plan to provide a framework for analyzing and responding to a liquidity crisis situation or periods of market stress. This framework sets forth the plan of action to fund normal business activity in emergency and stress situations.

See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity Risk Management” in Part II, Item 7 of the 2014 Form 10-K for information about our Liquidity Risk Management and GCLA.

Funding Sources

Our primary sources of funding are secured financings, unsecured long-term and short-term borrowings, and deposits. We seek to maintain broad and diversified funding sources globally across products, programs, markets, currencies and creditors to avoid funding concentrations.

We raise funding through a number of different products, including:

- Collateralized financings, such as repurchase agreements, securities loaned and other secured financings;
- Long-term unsecured debt (including structured notes) through syndicated U.S. registered offerings, U.S. registered and Rule 144A medium-term note programs, offshore medium-term note offerings and other debt offerings;
- Savings and demand deposits through deposit sweep programs and time deposits through internal and third-party broker-dealers; and
- Short-term unsecured debt through U.S. and non-U.S. hybrid financial instruments, commercial paper and promissory note issuances and other methods.

Our funding is primarily raised in U.S. dollar, Euro, British pound and Japanese yen. We generally distribute our funding products through our own sales force and third-party distributors, to a large, diverse creditor base in a variety of markets in the Americas, Europe and Asia. We believe that our relationships with our creditors are critical to our liquidity. Our creditors include banks, governments, securities lenders, pension funds, insurance companies, mutual funds and individuals. We have imposed various internal guidelines to monitor creditor concentration across our funding programs.

Secured Funding. We fund a significant amount of inventory on a secured basis. Secured funding is less sensitive to changes in our credit quality than unsecured funding, due to our posting of collateral to our lenders. Nonetheless, we continually analyze the refinancing risk of our secured funding activities, taking into account trade tenors, maturity profiles, counterparty concentrations, collateral eligibility and counterparty rollover probabilities. We seek to mitigate our refinancing risk by executing term trades with staggered maturities, diversifying counterparties, raising excess secured funding, and pre-funding residual risk through our GCLA.

We seek to raise secured funding with a term appropriate for the liquidity of the assets that are being financed, and we seek longer maturities for secured funding collateralized by asset classes that may be harder to fund on a secured basis especially during times of market stress.

Substantially all of our secured funding, excluding funding collateralized by liquid government obligations, is executed for tenors of one month or greater. Assets that may be harder to fund on a secured basis during times of market stress include certain financial instruments in the following categories: mortgage and other asset-backed loans and securities, non-investment-grade corporate debt securities, equities and convertible debentures and emerging market securities. Assets that are classified as level 3 in the fair value hierarchy are generally funded on an unsecured basis.

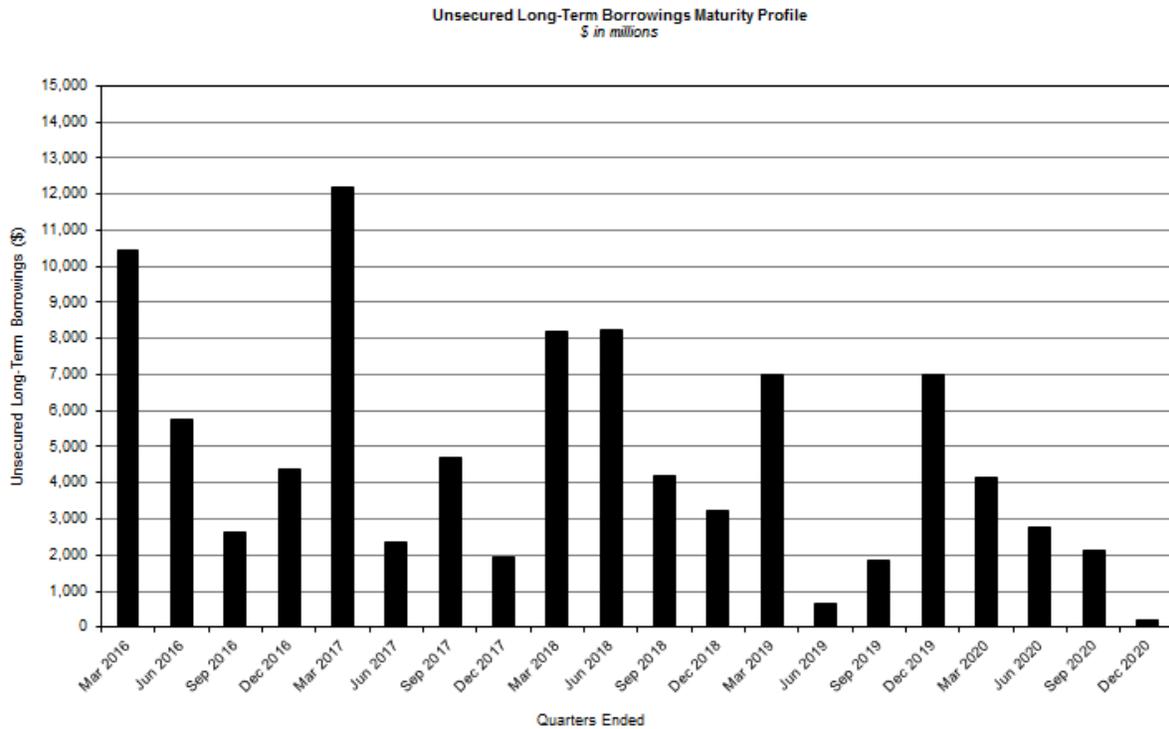
The weighted average maturity of our secured funding, excluding funding collateralized by highly liquid securities eligible for inclusion in our GCLA, exceeded 120 days as of December 2014.

A majority of our secured funding for securities not eligible for inclusion in the GCLA is executed through term repurchase agreements and securities lending contracts. We also raise financing through other types of collateralized financings, such as secured loans and notes.

In December 2014, GS Bank USA received approval to access funding from the Federal Home Loan Bank (FHLB). As of December 2014, we had not accessed this funding. As of March 2015, our outstanding borrowings against the FHLB were \$1 billion. In addition, GS Bank USA has access to funding through the Federal Reserve Bank discount window. While we do not rely on this funding in our liquidity planning and stress testing, we maintain policies and procedures necessary to access this funding and test discount window borrowing procedures .

In March 2015, GSI, and in April 2015 GSIB, received approval to access funding from the Bank of England. As of March 2015, we had not accessed this funding.

Unsecured Long-Term Borrowings. We issue unsecured long-term borrowings as a source of funding for inventory and other assets and to finance a portion of our GCLA. We issue in different tenors, currencies and products to maximize the diversification of our investor base. The chart below presents our quarterly unsecured long-term borrowings maturity profile through the fourth quarter of 2020 as of December 2014.



The weighted average maturity of our unsecured long-term borrowings as of December 2014 was approximately eight years. To mitigate refinancing risk, we seek to limit the principal amount of debt maturing on any one day or during any week or year. We enter into interest rate swaps to convert a substantial portion of our unsecured long-term borrowings into floating-rate obligations in order to manage our exposure to interest rates.

Deposits. As part of our efforts to diversify our funding base, we raise deposits mainly through GS Bank USA and GSIB. The tables below present the types and sources of our deposits.

As of December 2014			
<i>\$ in millions</i>	Savings and		Total
	Demand ¹	Time ²	
Private bank deposits ³	\$ 33,590	\$ 1,609	\$ 35,199
Certificates of deposit	–	25,908	25,908
Deposit sweep programs ⁴	15,691	–	15,691
Institutional	12	6,198	6,210
Total ⁵	\$ 49,293	\$ 33,715	\$ 83,008

As of December 2013			
<i>\$ in millions</i>	Savings and		Total
	Demand ¹	Time ²	
Private bank deposits ³	\$ 30,475	\$ 212	\$ 30,687
Certificates of deposit	–	19,709	19,709
Deposit sweep programs ⁴	15,511	–	15,511
Institutional	33	4,867	4,900
Total ⁵	\$ 46,019	\$ 24,788	\$ 70,807

1. Represents deposits with no stated maturity.
2. Weighted average maturity of approximately three years as of both December 2014 and December 2013.
3. Substantially all were from overnight deposit sweep programs related to private wealth management clients.
4. Represents long-term contractual agreements with several U.S. broker-dealers who sweep client cash to FDIC-insured deposits.
5. Deposits insured by the FDIC as of December 2014 and December 2013 were approximately \$45.72 billion and \$41.22 billion, respectively.

Unsecured Short-Term Borrowings. A significant portion of our unsecured short-term borrowings was originally long-term debt that is scheduled to mature within one year of the reporting date. We use unsecured short-term borrowings to finance liquid assets and for other cash management purposes. We issue hybrid financial instruments, commercial paper and promissory notes.

As of December 2014 and December 2013, our unsecured short-term borrowings, including the current portion of unsecured long-term borrowings, were \$44.54 billion and \$44.69 billion, respectively. See Note 15 to the consolidated financial statements in Part II, Item 8 of our 2014 Form 10-K for further information about our unsecured short-term borrowings.

5. Description of Derivatives and Hedging 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 or they may be privately negotiated contracts, which are usually referred to as OTC derivatives. Certain of the firm's OTC derivatives are cleared and settled through central clearing counterparties, while others are bilateral contracts between two counterparties.

Market-Making. As a market maker, the firm enters into derivative transactions to provide liquidity to clients and to facilitate the transfer and hedging of their risks. In this capacity, the firm typically acts as principal and is consequently required to commit capital to provide execution. As a market maker, it is essential to maintain an inventory of financial instruments sufficient to meet expected client and market demands.

Risk Management. The firm also enters into derivatives to actively manage risk exposures that arise from its market-making and investing and lending activities in derivative and cash instruments. The firm's holdings and exposures are hedged, in many cases, on either a portfolio or risk-specific basis, as opposed to an instrument-by-instrument basis. The offsetting impact of this economic hedging is reflected in the same business segment as the related revenues. In addition, the firm may enter into derivatives designated as hedges under U.S. GAAP. These derivatives are used to manage interest rate exposure in certain fixed-rate unsecured long-term and short-term borrowings, and deposits, and to manage foreign currency exposure on the net investment in certain non-U.S. operations.

The firm enters into various types of derivatives, including:

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

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

6. Memberships in Material Payment, Clearing and Settlement Systems

Set forth below is a list of our memberships and contractual relationships with the most material payment, clearing and settlement systems:

Market	Payment, Clearing and Settlement Systems	Description of Services
Global	<ul style="list-style-type: none"> The Bank of New York Mellon 	Agent bank providing tri-party services, corporate trust services, direct credit support, US government security clearing, custody services, and USD clearing to multiple GS entities globally
	<ul style="list-style-type: none"> Citibank 	Agent bank providing settlement and custody services across multiple global markets
	<ul style="list-style-type: none"> CLS Bank Limited 	Multi-currency cash settlement system that settles payment instructions related to trades in FX spot contracts, FX forwards, FX options, FX swaps, non-deliverable forwards, credit derivatives and 17 major currencies
	<ul style="list-style-type: none"> HSBC 	Agent bank providing settlement and custody services across multiple global markets
	<ul style="list-style-type: none"> Standard Chartered Bank 	Agent bank providing settlement and custody services across multiple global markets
	<ul style="list-style-type: none"> SWIFT 	Telecommunication platform for the exchange of standardized financial messages between financial institutions and corporations
Japan	<ul style="list-style-type: none"> Japan Securities Clearing Corporation 	Clearing service provider for Japanese equities, bonds and derivatives
	<ul style="list-style-type: none"> Japan Securities Depository 	Japan's central securities depository
Europe	<ul style="list-style-type: none"> Eurex Clearing AG 	Central counterparty for derivatives, equities, repo, energy and fixed income transactions
	<ul style="list-style-type: none"> Euroclear 	International central securities depository and provider of settlement services for cross-border transactions involving bonds, equities, derivatives and investment funds
	<ul style="list-style-type: none"> European Central Counterparty N.V. 	Central counterparty clearing equities from various European markets and from the US, as well as ETFs, currency ETCs and depository receipts
	<ul style="list-style-type: none"> ICE Clear Europe 	Clearing house for OTC energy and emissions markets and European credit default swaps
	<ul style="list-style-type: none"> LCH.Clearnet Group 	Central counterparty providing clearing for commodities (exchange traded and OTC), equities, fixed income, energy and freight, and interest rate and credit default swaps
United States	<ul style="list-style-type: none"> Chicago Mercantile Exchange, Inc. 	Clearing and settlement services provider for futures, options, and OTC derivatives products
	<ul style="list-style-type: none"> The Depository Trust Company 	Central depository providing depository and book-entry services for eligible securities and other financial assets
	<ul style="list-style-type: none"> Fixed Income Clearing Corporation 	Clearing, settlement, risk management, central counterparty services provider for U.S. Government securities and mortgage-backed securities
	<ul style="list-style-type: none"> ICE Clear Credit LLC 	Clearing house for North American credit default swaps
	<ul style="list-style-type: none"> ICE Clear U.S. 	Clearing house for agriculture, foreign exchange and equity index futures markets
	<ul style="list-style-type: none"> National Securities Clearing Corporation Ltd. 	Clearing, settlement, risk management, central counterparty services provider for equities, corporate and municipal debt, American depository receipts, ETFs, and unit investment trusts
<ul style="list-style-type: none"> Options Clearing Corporation 	Central clearing and settlement services provider for options on common stocks and other equity issues, stock indices, foreign currencies, interest rate composites, single-stock futures, futures, options on futures, and securities lending transactions	

7. Description of Foreign Operations

Our most significant overseas material operating entities for the purposes of resolution planning are:

- Goldman Sachs International (U.K. Broker-Dealer)
- Goldman Sachs International Bank (U.K. Bank)
- Goldman Sachs Japan Co., Ltd (Japan Broker-Dealer)

In total, we have a physical presence in over 30 countries, but we are highly concentrated in just three: the United States, the United Kingdom and Japan.

Due to the highly integrated nature of international financial markets, the firm manages its businesses based on the profitability of the enterprise as a whole. The methodology for allocating profitability to geographic regions is dependent on estimates and management judgment because a significant portion of the firm's activities require cross-border coordination in order to facilitate the needs of the firm's clients.

Geographic results for the firm (not just the RCBLs identified in Section 3 above) are generally allocated as follows:

- Investment Banking: location of the client and investment banking team.
- Institutional Client Services: Fixed Income, Currency and Commodities Client Execution, and Equities (excluding Securities Services): location of the market-making desk; Securities Services: location of the primary market for the underlying security.
- Investing & Lending: Investing: location of the investment; Lending: location of the client.
- Investment Management: location of the sales team.

The table below presents the total net revenues, pre-tax earnings and net earnings of the firm by geographic region allocated based on the methodology referred to above, as well as the percentage of total net revenues, pre-tax earnings and net earnings (excluding Corporate) for each geographic region. In the table below, Asia includes Australia and New Zealand.

<i>\$ in millions</i>	Year Ended December					
	2014		2013		2012	
Net revenues						
Americas	\$ 20,062	58%	\$ 19,858	58%	\$ 20,159	59%
Europe, Middle						
East and Africa	9,057	26%	8,828	26%	8,612	25%
Asia	5,409	16%	5,520	16%	5,392	16%
Total net revenues	\$ 34,528	100%	\$ 34,206	100%	\$ 34,163	100%
Pre-tax earnings						
Americas	\$ 7,144	57%	\$ 6,794	57%	\$ 6,956	61%
Europe, Middle						
East and Africa	3,338	27%	3,230	27%	2,931	26%
Asia	2,012	16%	1,868	16%	1,489	13%
Subtotal	12,494	100%	11,892	100%	11,376	100%
Corporate ¹²	(137)		(155)		(169)	
Total pre-tax earnings	\$ 12,357		\$ 11,737		\$ 11,207	
Net earnings						
Americas	\$ 4,558	53%	\$ 4,425	54%	\$ 4,255	56%
Europe, Middle						
East and Africa	2,576	30%	2,377	29%	2,361	31%
Asia	1,434	17%	1,345	17%	971	13%
Subtotal	8,568	100%	8,147	100%	7,587	100%
Corporate	(91)		(107)		(112)	
Total net earnings	\$ 8,477		\$ 8,040		\$ 7,475	

¹² Includes charitable contributions that have not been allocated to the firm's geographic regions.

8. Material Supervisory Authorities

Regulation

As a participant in the banking, securities, investment management, and derivatives industries, we are subject to extensive regulation worldwide. Regulatory bodies around the world are generally charged with safeguarding the integrity of the securities and other financial markets and with protecting the interests of the customers of market participants, including depositors in banking entities and the customers of banks, broker-dealers, investment advisers, swap dealers and security-based swap dealers. The following section refers to the firm (i.e., not only the Material Entities referred to in Section 2 or the RCBLs referred to in Section 3).

Bank Holding Company Regulation

Group Inc. is a bank holding company under the Bank Holding Company Act of 1956 (“BHC Act”) and a financial holding company under amendments to the BHC Act effected by the U.S. Gramm-Leach-Bliley Act of 1999.

As a bank holding company and a financial holding company under the BHC Act, Group Inc. is subject to supervision and examination by the Federal Reserve Board. Under the system of “functional regulation” established under the BHC Act, the Federal Reserve Board serves as the primary regulator of our consolidated organization, but generally defers to the primary regulators of our U.S. non-bank subsidiaries with respect to the activities of those subsidiaries. Such “functionally regulated” U.S. non-bank subsidiaries include broker-dealers registered with the SEC, such as our principal U.S. broker-dealer, GS&Co., entities registered with or regulated by the CFTC with respect to futures-related and swaps-related activities and investment advisers registered with the SEC with respect to their investment advisory activities.

Bank Subsidiaries

Our principal U.S. bank subsidiary, GS Bank USA, is supervised and regulated by the Federal Reserve Board, the FDIC, the New York State Department of Financial Services and the Consumer Financial Protection Bureau.

A number of our activities are conducted partially or entirely through GS Bank USA and our subsidiaries, including: origination of bank loans; interest rate, credit, currency and other derivatives; leveraged finance; mortgage origination; structured finance; and agency lending.

The firm's principal non-U.S. bank subsidiary, GSIB, is a wholly-owned credit institution, regulated by the PRA and the FCA in the U.K.

Broker-Dealer and Securities Regulation

Goldman Sachs' broker-dealer subsidiaries are subject to regulations that cover all aspects of the securities business, including sales methods, trade practices, use and safekeeping of clients' funds and securities, capital structure, recordkeeping, the financing of clients' purchases, and the conduct of directors, officers and employees. In the United States, the SEC is the federal agency responsible for the administration of the federal securities laws. GS&Co. is registered as a broker-dealer, a municipal advisor and an investment adviser with the SEC and as a broker-dealer in all 50 states and the District of Columbia. Self-regulatory organizations, such as the FINRA and the New York Stock Exchange (the "NYSE"), adopt rules that apply to, and examine, broker-dealers such as GS&Co.

In addition, state securities and other regulators also have regulatory or oversight authority over GS&Co. Similarly, our businesses are also subject to regulation by various non-U.S. governmental and regulatory bodies and self-regulatory authorities in virtually all countries where we have offices. GSEC and one of its subsidiaries are registered U.S. broker-dealers and are regulated by the SEC, the NYSE and FINRA.

Our exchange-based market-making activities are subject to extensive regulation by a number of securities exchanges. As a market maker on exchanges, we are required to maintain orderly markets in the securities to which we are assigned.

Swaps, Derivatives and Commodities Regulation

The commodity futures, commodity options and swaps industry in the United States is subject to regulation under the U.S. Commodity Exchange Act ("CEA"). The CFTC is the federal agency charged with the administration of the CEA. In addition, the SEC is the federal agency charged with the regulation of security-based swaps. Several of Goldman Sachs' subsidiaries are registered with the CFTC and act as futures commission merchants, commodity pool operators, commodity trading advisors or (as discussed below) swap dealers, and are subject to CFTC

regulations. The rules and regulations of various self-regulatory organizations, such as the Chicago Board of Trade and the Chicago Mercantile Exchange, other futures exchanges and the National Futures Association, also govern the commodity futures, commodity options and swaps activities of these entities. In addition, Goldman Sachs Financial Markets, L.P. is registered with the SEC as an OTC derivatives dealer and conducts certain OTC derivatives activities.

We have registered certain subsidiaries as “swap dealers” under the CFTC rules, including GS&Co., GS Bank USA, GSI and JANY. We expect that these entities, and our businesses more broadly, will be subject to significant and developing regulation and regulatory oversight in connection with swap-related activities. Similar regulations have been proposed or adopted in jurisdictions outside the United States, including the adoption of standardized execution and clearing, margining and reporting requirements for OTC derivatives.

The full impact of the various U.S. and non-U.S. regulatory developments in this area will not be known with certainty until all the rules are finalized and implemented and market practices and structures develop under the final rules.

JANY is authorized by the FERC to sell wholesale physical power at market-based rates. As a FERC-authorized power marketer, JANY is subject to regulation under the U.S. Federal Power Act and FERC regulations and to the oversight of FERC. As a result of our investing activities, Group Inc. is also an “exempt holding company” under the U.S. Public Utility Holding Company Act of 2005 and applicable FERC rules.

In addition, as a result of our power-related and commodities activities, we are subject to energy, environmental and other governmental laws and regulations.

Investment Management Regulation

Our investment management business is subject to significant regulation in numerous jurisdictions around the world relating to, among other things, the safeguarding of client assets, offerings of funds, marketing activities, transactions among affiliates and our management of client funds. Certain of our subsidiaries are registered with, and subject to oversight by, the SEC as investment advisers.

In Europe, we provide investment services that are subject to oversight by national regulators as well as the EU regulators. These investment services are regulated in accordance with national laws, many of which implement EU directives, and increasingly by directly applicable EU regulations. These national and EU laws require, among other things, compliance with certain capital adequacy standards, customer protection requirements and market conduct and trade reporting rules.

We provide investment services in and from the United Kingdom under the regulation of the PRA and the FCA.

Non-U.S. Regulated Broker-Dealer Subsidiaries

The firm's principal non-U.S. regulated broker-dealer subsidiaries include GSI and GSJCL. GSI, the firm's regulated U.K. broker-dealer, is regulated by the PRA and the FCA. GSJCL, the firm's Japanese broker-dealer, is regulated by Japan's Financial Services Agency. These and certain other non-U.S. subsidiaries of the firm are also subject to capital adequacy requirements promulgated by authorities of the countries in which they operate.

9. Principal Officers

Set forth below are the name, present title, principal occupation and certain biographical information for our executive officers as included in our 2014 Form 10-K, and our Chief Risk Officer. All of our executive officers have been appointed by and serve at the pleasure of our Board.

- **Lloyd C. Blankfein.** Mr. Blankfein has been our Chairman and Chief Executive Officer since June 2006, and a director since April 2003.
- **Alan M. Cohen.** Mr. Cohen has been an Executive Vice President of Goldman Sachs and our Global Head of Compliance since February 2004.
- **Gary D. Cohn.** Mr. Cohn has been our President and Chief Operating Officer (or Co-Chief Operating Officer) and a director since June 2006.
- **Edith W. Cooper.** Ms. Cooper has been an Executive Vice President of Goldman Sachs since April 2011 and our Global Head of Human Capital Management since March 2008. From 2002 to 2008, she served in various positions at the firm, including sales management within the Securities Division.
- **Gregory K. Palm.** Mr. Palm has been an Executive Vice President of Goldman Sachs since May 1999, and our General Counsel and head or co-head of the Legal Department since May 1992.
- **John F.W. Rogers.** Mr. Rogers has been an Executive Vice President of Goldman Sachs since April 2011 and Chief of Staff and Secretary to the Board since December 2001.
- **Harvey M. Schwartz.** Mr. Schwartz has been an Executive Vice President of Goldman Sachs and our Chief Financial Officer since January 2013. From February 2008 to January 2013, Mr. Schwartz was global co-head of the Securities Division.
- **Mark Schwartz.** Mr. Schwartz has been a Vice Chairman of Goldman Sachs and Chairman of Goldman Sachs Asia Pacific since rejoining the firm in June 2012. From 2006 to June 2012, he was Chairman of MissionPoint Capital Partners, an investment firm he co-founded.

- **Michael S. Sherwood.** Mr. Sherwood has been a Vice Chairman of Goldman Sachs since February 2008 and co-chief executive officer of Goldman Sachs International since 2005. He assumed responsibility for coordinating the firm's business and activities around Growth Markets in November 2013.
- **John S. Weinberg.** Mr. Weinberg has been a Vice Chairman of Goldman Sachs since June 2006. He currently focuses on client development and initiatives across our major divisions. He was a co-head of Goldman Sachs' Investment Banking Division from December 2002 to December 2014.
- **Craig W. Broderick.** Mr. Broderick has been Chief Risk Officer of Goldman Sachs since 2008. From 1999 to 2008, Mr. Broderick was Chief Credit Officer.

10. Governance Structure and Processes Related to Resolution Planning

Our Resolution Plan's governing and oversight bodies consist of the following groups and individuals:

- The Board of Directors of Group Inc. is the body responsible for establishing the strategic direction of GS Group and overseeing the performance of GS Group's business and management. The Board is responsible for providing general oversight of the process for developing the Resolution Plan. The Board reviews and approves the Resolution Plan on an annual basis. In addition, at its regularly held or special meetings, the Board reviews and approves any significant changes to the Resolution Plan that may occur during the year before submission to our Regulators.
- Senior executives of GS Group, including the Principal Accounting Officer, Chief Financial Officer and other key members of the Executive Office and the Firmwide Finance Committee, are responsible for oversight of the Resolution Plan's development, maintenance, implementation, filing and compliance. Annually, and at other Board meetings as needed, these senior executives are also responsible for presenting the Resolution Plan to the Board for its review and approval.
- The Resolution Plan's Steering Group (the "Steering Group") is co-chaired by the firm's Principal Accounting Officer, Chief Risk Officer and Head of Operations. Members of the Steering Group include the Steering Group Operating Officer (described below) and representatives of a wide range of departments, including our Legal, Controllers, Operations, Corporate Treasury and Technology departments. The Steering Group actively works to develop and maintain the Resolution Plan and to ensure that it contains information required by the relevant rules. The Steering Group, through the Steering Group Operating Officer, coordinates the activities of various workstreams and leads in the development and maintenance of specific parts of the Resolution Plan. In addition, the Steering Group provides direction and strategy for the Resolution Plan, helps to resolve issues and policy decisions, and approves scope changes and Resolution Plan deliverables. The Steering Group also acts as a liaison with senior executives (including the Executive Office and the Firmwide Finance Committee) and with our Regulators. The Steering Group meets frequently (usually weekly).

- The Steering Group Operating Officer is the senior management official primarily responsible for overseeing the development, maintenance, implementation and filing of the Resolution Plan and for GS Group's compliance with the Final Rule and the Guidance. The Steering Group Operating Officer is responsible for the day-to-day maintenance of the workstream activities that develop specific components of the Resolution Plan. The Steering Group Operating Officer and the supporting team are the content experts who manage the overall Resolution Plan activities, meet with the various global regulatory bodies, respond to requested comments on various regulatory proposals, and engage directly with the Steering Group and the Firmwide Finance Committee, as necessary. In addition, the Steering Group Operating Officer will meet and engage with outside legal counsel and consultants as necessary.
- Internal Audit provides independent assurance over the relevant procedures and controls with respect to the Resolution Plan.

Process Steps

The various components of the Resolution Plan were developed by the Group Operating Officer and members of the Steering Group based on the underlying regulations, communications with our Regulators, and information from, and communications with, various divisions of GS Group.

The Steering Group operates by receiving presentations on various topics, both from internal teams and from external advisors (legal and financial consultants), meeting with regulators and discussing the issues raised in order to formulate a direction for the Resolution Plan. They will challenge views and approaches to ensure the best solution is achieved

The Steering Group, which usually meets weekly:

- Analyzes the Guidance provided by our Regulators and determines how to incorporate the Guidance into our Resolution Plan
- Determines the preferred strategy under the various applicable economic scenarios
- Reviews the modeled financial projections for each economic scenario
- Analyzes counterparties' contractual rights, based on advice from internal and external counsel

- Analyzes jurisdiction-by-jurisdiction assumptions as to actions that individual authorities would take in consultation with external legal advisors
- Leverages a broad range of financial and other relevant information from our Management Information Systems
- Revisits our determinations with respect to RCBLs and Material Entities based on the information from our MIS
- Reviews our critical operations, as agreed with our Regulators, and considers how they could be maintained, sold or wound down in an orderly manner
- Analyzes the obstacles to resolution and their mitigants, and the progress in overcoming impediments identified in prior resolution plans
- Analyzes the feasibility of the Resolution Plan
- Determines whether there have been changes in the firm that require changes to the Resolution Plan

This Resolution Plan was updated and presented broadly across the firm. This included discussions with subject matter experts, senior management and various internal governance committees in a number of jurisdictions globally. Outside legal counsel was engaged to provide legal advice on jurisdictional, bankruptcy and other issues and to review the overall strategy and Resolution Plan. Once vetted, the Resolution Plan was presented to the firm's Firmwide Finance Committee, the Executive Office and the Board for review and approval.

The Resolution Plan was submitted to our Regulators on June 30, 2015.

11. Description of Material Management Information Systems

Management Information Systems (“MIS”) are critical to the firm’s key functions, which include trade booking, trade processing, valuation, risk management, cash and securities clearance and settlement, collateral management, funding, daily profit and loss calculation and reporting, accounting, financial reporting, and regulatory reporting. In most cases, a single application or information system supports a given function across businesses, product lines and entities; this allows for a significant level of consistency in the functionality and reporting available.

Our MIS have been used extensively to prepare financial and other information used in the preparation of our Resolution Plan.

The majority of the software applications used by the firm are internally developed proprietary applications, although we also utilize third-party vendor applications.

We focus on the rigor and effectiveness of the firm’s risk and financial reporting systems. The goal of our risk and financial reporting management technology is to provide the right information to the right people at the right time, which requires systems that are comprehensive, reliable and timely. We devote significant time and resources to our risk management and financial reporting technology to ensure that it consistently provides us with complete, accurate and timely information, not only on an aggregated GS Group view, but also at an entity and a business line level.

Our MIS have extensive ad hoc reporting capabilities, and most of our systems include legal entity information as part of the data they manage. We have performed a detailed assessment of our ability to satisfy MIS reporting requirements in resolution, and we have determined that there are no material gaps or weaknesses in our ability to provide relevant data in a crisis scenario.

Our MIS are overseen by an extensive governance framework, with documented policies, standards and procedures.

The firm has a broad business resilience program focused on mitigating a wide array of risks. For instance, we have multiple data centers, resilient desktops and capacity support to enable home working. We also have business recovery sites and capacity around the world. This business resilience program is designed to ensure that all critical applications are available for use in crisis scenarios.

GS Group has implemented a framework for managing access to systems and applications across the firm. Access to each individual application must be requested and granted separately, in most cases by the business team responsible for the application's function.

In the area of information security, we have developed and implemented a framework of principles, policies and technology to protect client and firm assets from cyber-attacks and other misappropriation, corruption or loss. Safeguards are applied to maintain the confidentiality and availability of information resources.