UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2019 **Commission File Number: 001-14965**

The Goldman Sachs Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware	13-4019460
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
200 West Street New York, N.Y. (Address of principal executive offices)	10282 (Zip Code)

(212) 902-1000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Exchange on which registered
Common stock, par value $.01 per share	GS	NYSE
Depositary Shares, Each Representing 1/1,000th Interest in a Share of Floating Rate Non-Cumulative Preferred Stock, Series A	GS PrA	NYSE
Depositary Shares, Each Representing 1/1,000th Interest in a Share of Floating Rate Non-Cumulative Preferred Stock, Series C	GS PrC	NYSE
Depositary Shares, Each Representing 1/1,000th Interest in a Share of Floating Rate Non-Cumulative Preferred Stock, Series D	GS PrD	NYSE
Depositary Shares, Each Representing 1/1,000th Interest in a Share of 5.50% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series J	GS PrJ	NYSE
Depositary Shares, Each Representing 1/1,000th Interest in a Share of 6.375% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series K	GS PrK	NYSE
Depositary Shares, Each Representing 1/1,000th Interest in a Share of 6.30% Non-Cumulative Preferred Stock, Series N	GS PrN	NYSE
5.793% Fixed-to-Floating Rate Normal Automatic Preferred Enhanced Capital Securities of Goldman Sachs Capital II	GS/43PE	NYSE
Floating Rate Normal Automatic Preferred Enhanced Capital Securities of Goldman Sachs Capital III	GS/43PF	NYSE
Medium-Term Notes, Series A, Index-Linked Notes due 2037 of GS Finance Corp.	GCE	NYSE Arca
Medium-Term Notes, Series B, Index-Linked Notes due 2037	GSC	NYSE Arca
Medium-Term Notes, Series E, Index-Linked Notes due 2028 of GS Finance Corp.	FRLG	NYSE Arca

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☒ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐
Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

As of June 30, 2019, the aggregate market value of the common stock of the registrant held by non-affiliates of the registrant was approximately $73.4 billion.

As of February 7, 2020, there were 345,672,769 shares of the registrant's common stock outstanding.

Documents incorporated by reference: Portions of The Goldman Sachs Group, Inc.'s Proxy Statement for its 2020 Annual Meeting of Shareholders are incorporated by reference in the Annual Report on Form 10-K in response to Part III, Items 10, 11, 12, 13 and 14.

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PART I

Item 1. Business

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 individuals. Our purpose is to advance sustainable economic growth and financial opportunity. Our goal, reflected in our *One Goldman Sachs* initiative, is to deliver the full range of our services and expertise to support our clients in a more accessible, comprehensive and efficient manner, across businesses and product areas.

When we use the terms "Goldman Sachs," "we," "us" and "our," we mean The Goldman Sachs Group, Inc. (Group Inc. or parent company), a Delaware corporation, and its consolidated subsidiaries. When we use the term "our subsidiaries," we mean the consolidated subsidiaries of Group Inc. References to "this Form 10-K" are to our Annual Report on Form 10-K for the year ended December 31, 2019. All references to 2019, 2018 and 2017 refer to our years ended, or the dates, as the context requires, December 31, 2019, December 31, 2018 and December 31, 2017, respectively.

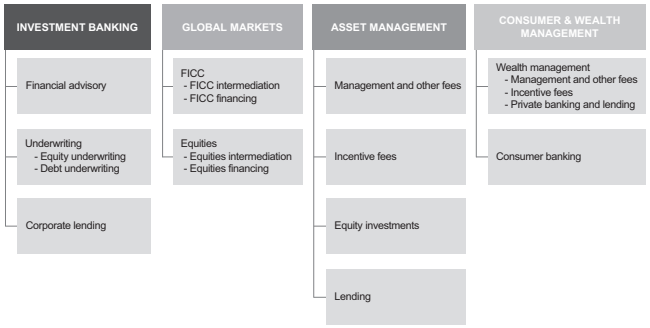
Group Inc. is a bank holding company (BHC) and a financial holding company (FHC) regulated by the Board of Governors of the Federal Reserve System (FRB). Our U.S. depository institution subsidiary, Goldman Sachs Bank USA (GS Bank USA), is a New York State-chartered bank.

As of December 2019, we had offices in over 30 countries and 46% of our headcount was based outside the Americas. Our clients are located worldwide and we are an active participant in financial markets around the world.

Our Business Segments

We report our activities in four business segments: Investment Banking, Global Markets, Asset Management, and Consumer & Wealth Management. Investment Banking generates revenues from financial advisory, underwriting and corporate lending activities. Global Markets consists of Fixed Income, Currency and Commodities (FICC) and Equities, and generates revenues from intermediation and financing activities. Asset Management generates revenues from management and other fees, incentive fees, equity investments and lending. Consumer & Wealth Management consists of Wealth management and Consumer banking, and generates revenues from management and other fees, incentive fees, private banking and lending, and consumer-oriented activities.

The chart below presents our four business segments and their revenue sources.



Prior to the fourth quarter of 2019, we reported our activities in the following four business segments: Investment Banking, Institutional Client Services, Investing & Lending, and Investment Management. Our new segments reflect the following changes:

- Investing & Lending results are now included across the four segments as described below.
- Investment Banking additionally includes the results from lending to corporate clients, including middle-market lending, relationship lending and acquisition financing, previously reported in Investing & Lending.
- Institutional Client Services has been renamed Global Markets and additionally includes the results from providing warehouse lending and structured financing to institutional clients, previously reported in Investing & Lending, and the results from transactions in derivatives related to client advisory and underwriting assignments, previously reported in Investment Banking.
- Investment Management has been renamed Asset Management and additionally includes the results from investments in equity securities and lending activities related to our asset management businesses, including investments in debt securities and loans backed by real estate, both previously reported in Investing & Lending.
- Consumer & Wealth Management is a new segment that includes management and other fees, incentive fees and results from deposit-taking activities related to our wealth management business, all previously reported in Investment Management. It also includes the results from providing loans through our private bank, providing unsecured loans and accepting deposits through our digital platform, *Marcus by Goldman Sachs* (Marcus), and providing credit cards, all previously reported in Investing & Lending.

Investment Banking

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

Investment Banking generates revenues from the following:

- **Financial advisory.** We are a leader in providing financial advisory services, including strategic advisory assignments with respect to mergers and acquisitions, divestitures, corporate defense activities, restructurings and spin-offs. In particular, we help clients execute large, complex transactions for which we provide multiple services, including cross-border structuring expertise. We also assist our clients in managing their asset and liability exposures and their capital.
- **Underwriting.** We help 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 and acquisition financing, of a wide range of securities and other financial instruments, including loans. Underwriting consists of the following:

  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 and bridge loans, including in connection with acquisition financing, 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.
- **Corporate lending.** We make loans to corporate clients, including middle-market lending, relationship lending and acquisition financing. The hedges related to this lending and financing activity are reported as part of our corporate lending activity. We also provide transaction banking services to certain of our corporate clients.

Global Markets

Global Markets serves our clients who 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. Global Markets 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.

As a market maker, we provide prices to clients globally across thousands of products in all major asset classes and markets. At times, we take the other side of transactions ourselves if a buyer or seller is not readily available, and at other times we connect our clients to other parties who want to transact. Our willingness to make markets, commit capital and take risk in a broad range of products is crucial to our client relationships. Market makers provide liquidity and play a critical role in price discovery, which contributes to the overall efficiency of the capital markets. In connection with our market-making activities, we maintain (i) market-making positions, typically for a short period of time, in response to, or in anticipation of, client demand, and (ii) positions to actively manage our risk exposures that arise from these market-making activities (collectively, inventory). We carry our inventory at fair value with changes in valuation reflected in net revenues.

Our clients are institutions that are primarily professional market participants, including investment entities whose ultimate clients include individual investors investing for their retirement, buying insurance or putting aside surplus cash in a deposit account.

We execute a high volume of transactions for our clients in large, highly liquid markets (such as markets for U.S. Treasury securities, stocks and certain agency mortgage pass-through securities). We also execute transactions for our clients in less liquid markets (such as mid-cap corporate bonds, emerging market currencies and certain non-agency mortgage-backed securities) for spreads and fees that are generally somewhat larger than those charged in more liquid markets. Additionally, we structure and execute transactions involving customized or tailor-made products that address our clients' risk exposures, investment objectives or other complex needs (such as a jet fuel hedge for an airline), as well as derivative transactions related to client advisory and underwriting activities.

Through our global sales force, we maintain relationships with our clients, receiving orders and distributing investment research, trading ideas, market information and analysis. Much of this connectivity between us and our clients is maintained on technology platforms, including *Marquee*, and operates globally where markets are open for trading. *Marquee* provides institutional investors with market intelligence, risk analytics, proprietary datasets and trade execution across multiple asset classes.

Global Markets and our other businesses are supported by our Global Investment Research division, which, as of December 2019, provided fundamental research on approximately 3,000 companies worldwide and more than 40 national economies, as well as on industries, currencies and commodities.

Global Markets 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, stock or other asset 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).

Global Markets consists of FICC and Equities.

FICC. FICC generates revenues from intermediation and financing activities.

- **FICC intermediation.** Includes client execution activities related to making markets in both trading cash and derivative instruments, as detailed below.

  Interest Rate Products. Government bonds (including inflation-linked securities) across maturities, other government-backed securities, and interest rate swaps, options and other derivatives.

  Credit Products. Investment-grade corporate securities, high-yield securities, credit derivatives, exchange-traded funds (ETFs), 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 and other securities and loans), and other asset-backed securities, loans and derivatives.

  Currencies. Currency options, spot/forwards and other derivatives on G-10 currencies and emerging-market products.

  Commodities. Commodity derivatives and, to a lesser extent, physical commodities, involving crude oil and petroleum products, natural gas, base, precious and other metals, electricity, coal, agricultural and other commodity products.

- **FICC financing.** Includes providing financing to our clients through securities sold under agreements to repurchase (repurchase agreements), as well as through structured credit, warehouse lending (including residential and commercial mortgage lending) and asset-backed lending, which are typically longer term in nature.

Equities. Equities generates revenues from intermediation and financing activities.

- **Equities intermediation.** We make markets in equity securities and equity-related products, including ETFs, convertible securities, options, futures and over-the-counter (OTC) derivative instruments, on a global basis. As a principal, we facilitate client transactions by providing liquidity to our clients, including with large blocks of stocks or derivatives, requiring the commitment of our capital.

We also structure and make markets in derivatives on indices, industry sectors, 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. We are one of the leading participants in the trading and development of equity derivative instruments.

Our exchange-based market-making activities include making markets in stocks and ETFs, futures and options on major exchanges worldwide.

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 complex "high-touch" execution through both traditional and electronic platforms, including *Marquee*.

- **Equities financing.** Includes prime brokerage and other equities financing activities, including securities lending, margin lending and swaps.

  We earn fees by providing clearing, settlement and custody services globally. In addition, we provide our hedge fund and other clients with a technology platform and reporting that enables them to monitor their security portfolios and manage risk exposures.

  We provide services that principally involve borrowing and lending securities to cover institutional clients' short sales and borrowing securities to cover our short sales and otherwise to make deliveries into the market. In addition, we are an active participant in broker-to-broker securities lending and third-party agency lending activities.

  We provide financing to our clients for their securities trading activities through margin loans that are collateralized by securities, cash or other acceptable collateral. We earn a spread equal to the difference between the amount we pay for funds and the amount we receive from our client.

  We execute swap transactions to provide our clients with exposure to securities and indices.

Asset Management

Asset Management provides investment services to help clients preserve and grow their financial assets. We provide these services to our institutional clients, as well as investors who primarily access our products through a network of third-party distributors around the world.

We manage client assets across a broad range of investment strategies and asset classes, including equity, fixed income and alternative investments. Alternative investments primarily includes hedge funds, credit funds, private equity, real estate, currencies, commodities and asset allocation strategies. Our investment offerings include those managed on a fiduciary basis by our portfolio managers, as well as strategies managed by third-party managers. We offer our investments in a variety of structures, including separately managed accounts, mutual funds, private partnerships and other commingled vehicles.

We also provide customized investment advisory solutions designed to address our clients' investment needs. These solutions begin with identifying clients' objectives and continue through portfolio construction, ongoing asset allocation and risk management and investment realization. We draw from a variety of third-party managers, as well as our proprietary offerings, to implement solutions for clients.

Asset Management generates revenues from the following:

- **Management and Other Fees.** The majority of revenues in management and other fees consists of asset-based fees on client assets that we manage. The fees that we charge vary by asset class, distribution channel and the type of services provided, and are affected by investment performance, as well as asset inflows and redemptions.
- **Incentive Fees.** In certain circumstances, we also receive incentive fees based on a percentage of a fund's or a separately managed account's return, or when the return exceeds a specified benchmark or other performance targets. Such fees include overrides, which consist of the increased share of the income and gains derived primarily from our private equity and credit funds when the return on a fund's investments over the life of the fund exceeds certain threshold returns. Incentive fees are recognized when it is probable that a significant reversal of such fees will not occur.
- **Equity Investments.** Our alternative investing activities relate to public and private equity investments in corporate, real estate and infrastructure entities. We also make investments through consolidated investment entities, substantially all of which are engaged in real estate investment activities.
- **Lending.** We provide financing related to our asset management business and invest in debt securities and loans backed by real estate. These activities include investments in mezzanine debt, senior debt and distressed debt securities.

Consumer & Wealth Management

Consumer & Wealth Management helps clients achieve their individual financial goals by providing a broad range of wealth advisory and banking services, including financial planning, investment management, deposit taking, and lending. Services are offered through our global network of advisors and via our digital platforms.

Wealth Management. Wealth Management provides tailored wealth advisory services to clients across the wealth spectrum. We operate globally serving individuals, families, family offices, and select foundations and endowments. Our relationships are established directly or introduced through corporations that sponsor financial wellness programs for their employees.

We offer personalized financial planning inclusive of income and liability management, compensation and benefits analysis, trust and estate structuring, tax optimization, philanthropic giving, and asset protection. We also provide customized investment advisory solutions, and offer structuring and execution capabilities in security and derivative products across all major global markets. We leverage a broad, open-architecture investment platform and our global execution capabilities to help clients achieve their investment goals. In addition, we offer clients a full range of private banking services, including a variety of deposit alternatives and loans that our clients use to finance investments in both financial and nonfinancial assets, bridge cash flow timing gaps or provide liquidity and flexibility for other needs.

Wealth management generates revenues from the following:

- **Management and other fees.** Includes fees related to managing assets, providing investing and wealth advisory solutions, providing financial planning and counseling services via our subsidiary, The Ayco Company, L.P. and executing brokerage transactions for wealth management clients.
- **Incentive fees.** In certain circumstances, we also receive incentive fees based on a percentage of a fund's return, or when the return exceeds a specified benchmark or other performance targets. Such fees include overrides, which consist of the increased share of the income and gains derived primarily from our private equity and credit funds when the return on a fund's investments over the life of the fund exceeds certain threshold returns. Incentive fees are recognized when it is probable that a significant reversal of such fees will not occur.
- **Private banking and lending.** Includes interest income allocated to deposit-taking and net interest income earned on lending activities for wealth management clients.

Consumer Banking. We engage in consumer-oriented businesses. We issue unsecured loans, through Marcus and credit cards, to finance the purchases of goods or services. We also accept deposits through Marcus, primarily through GS Bank USA and Goldman Sachs International Bank (GSIB). These deposits include savings and time deposits which provide us with a diversified source of funding that reduces our reliance on wholesale funding.

Consumer banking revenues consist of net interest income earned on unsecured loans issued to consumers through Marcus and credit card lending activities, and net interest income allocated to consumer deposits.

Business Continuity and Information Security

Business continuity and information security, including cyber security, are high priorities for us. Their importance has been highlighted by (i) numerous highly publicized events in recent years, including cyber attacks against financial institutions, governmental agencies, large consumer-based companies and other organizations that resulted in the unauthorized disclosure of personal information and other sensitive or confidential information, the theft and destruction of corporate information and requests for ransom payments, and (ii) extreme weather events.

Our Business Continuity & Technology Resilience Program has been developed to provide reasonable assurance of business continuity in the event of disruptions at our critical facilities or of our systems, and to comply with regulatory requirements, including those of FINRA. Because we are a BHC, our Business Continuity & Technology Resilience Program is also subject to review by the FRB. The key elements of the program are crisis management, business continuity, technology resilience, business recovery, assurance and verification, and process improvement. In the area of information security, we have developed and implemented a framework of principles, policies and technology designed to protect the information provided to us by our clients and our own information from cyber attacks and other misappropriation, corruption or loss. Safeguards are designed to maintain the confidentiality, integrity and availability of information.

Human Capital Management

We believe that a major strength and principal reason for our success is the quality and dedication of our people and the shared sense of being part of a team. We strive to maintain a work environment that fosters professionalism, excellence, diversity, cooperation among our employees worldwide and high standards of business ethics.

Instilling our culture in all employees is a continuous process, in which training plays an important part. All employees are offered the opportunity to participate in education and periodic seminars that we sponsor at various locations throughout the world. Another important part of instilling our culture is our employee review process. Employees are reviewed by supervisors, co-workers and employees they supervise in a 360-degree review process that is integral to our team approach, and which includes an evaluation of an employee's performance with respect to risk management, compliance and diversity. As of December 2019, we had headcount of 38,300.

Competition

The financial services industry and all of our businesses are intensely competitive, and we expect them to remain so. Our competitors are other entities that provide investment banking (including transaction banking), market-making, investment management services, and commercial and/or consumer lending and deposit-taking products, as well as those entities that make investments in securities, commodities, derivatives, real estate, loans and other financial assets. These entities include brokers and dealers, investment banking firms, commercial banks, credit card issuers, insurance companies, investment advisers, mutual funds, hedge funds, private equity funds, merchant banks, consumer finance companies and financial technology and other internet-based companies. We compete with some entities globally and with others on a regional, product or niche basis. We compete based on a number of factors, including transaction execution, products and services, innovation, reputation and price.

We have faced, and expect to continue to face, pressure to retain market share by committing capital to businesses or transactions on terms that offer returns that may not be commensurate with their risks. In particular, corporate clients seek such commitments (such as agreements to participate in their loan facilities) from financial services firms in connection with investment banking and other assignments.

Consolidation and convergence have significantly increased the capital base and geographic reach of some of our competitors, and have also hastened the globalization of the securities and other financial services markets. As a result, we have had to commit capital to support our international operations and to execute large global transactions. To take advantage of some of our most significant opportunities, we will have to compete successfully with financial institutions that are larger and have more capital and that may have a stronger local presence and longer operating history outside the U.S.

We also compete with smaller institutions that offer more targeted services, such as independent advisory firms. Some clients may perceive these firms to be less susceptible to potential conflicts of interest than we are, and, as described below, our ability to effectively compete with them could be affected by regulations and limitations on activities that apply to us but may not apply to them.

A number of our businesses are subject to intense price competition. Efforts by our competitors to gain market share have resulted in pricing pressure in our investment banking, market-making and asset management businesses. For example, the increasing volume of trades executed electronically, through the internet and through alternative trading systems, has increased the pressure on trading commissions, in that commissions for electronic trading are generally lower than those for non-electronic trading. It appears that this trend toward low-commission trading will continue. Price competition has also led to compression in the difference between the price at which a market participant is willing to sell an instrument and the price at which another market participant is willing to buy it (i.e., bid/offer spread), which has affected our market-making businesses. In addition, we believe that we will continue to experience competitive pressures in these and other areas in the future as some of our competitors seek to obtain market share by further reducing prices, and as we enter into or expand our presence in markets that may rely more heavily on electronic trading and execution.

We also compete on the basis of the types of financial products that we and our competitors offer. In some circumstances, our competitors may offer financial products that we do not offer and that our clients may prefer.

The provisions of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), the requirements promulgated by the Basel Committee on Banking Supervision (Basel Committee) and other financial regulations could affect our competitive position to the extent that limitations on activities, increased fees and compliance costs or other regulatory requirements do not apply, or do not apply equally, to all of our competitors or are not implemented uniformly across different jurisdictions. For example, the provisions of the Dodd-Frank Act that prohibit proprietary trading and restrict investments in certain hedge and private equity funds differentiate between U.S.-based and non-U.S.-based banking organizations and give non-U.S.-based banking organizations greater flexibility to trade outside of the U.S. and to form and invest in funds outside the U.S.

Likewise, the obligations with respect to derivative transactions under Title VII of the Dodd-Frank Act depend, in part, on the location of the counterparties to the transaction. The impact of the Dodd-Frank Act and other regulatory developments on our competitive position has depended and will continue to depend to a large extent on the manner in which the required rulemaking and regulatory guidance evolve, the extent of international convergence, and the development of market practice and structures under the new regulatory regimes, as described further in "Regulation" below.

We also face intense competition in attracting and retaining qualified employees. Our ability to continue to compete effectively has depended and will continue to depend upon our ability to attract new employees, retain and motivate our existing employees and to continue to compensate employees competitively amid intense public and regulatory scrutiny on the compensation practices of large financial institutions. Our pay practices and those of certain of our competitors are subject to review by, and the standards of, the FRB and other regulators inside and outside the U.S., including the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA) in the U.K. We also compete for employees with institutions whose pay practices are not subject to regulatory oversight. See "Regulation — Compensation Practices" and "Risk Factors — Our businesses may be adversely affected if we are unable to hire and retain qualified employees" in Part I, Item 1A of this Form 10-K for further information about such regulation.

Regulation

As a participant in the global financial services industry, we are subject to extensive regulation and supervision worldwide. The regulatory regimes applicable to our operations worldwide have recently been, and continue to be, subject to significant changes. The Basel Committee is the primary global standard setter for prudential bank regulation; however, its standards do not become effective in a jurisdiction until the relevant regulators have adopted rules to implement its standards. The implications of these regulations for our businesses depend to a large extent on their implementation by the relevant regulators globally, and the market practices and structures that develop.

New regulations have been adopted or are being considered by regulators and policy makers worldwide, as described below. Recent developments have added additional uncertainty to the implementation, scope and timing of regulatory reforms and potential for deregulation in some areas. The effects of any changes to the regulations affecting our businesses, including as a result of the proposals described below, are uncertain and will not be known until the changes are finalized and market practices and structures develop under the revised regulations.

Our principal subsidiaries operating in Europe, Goldman Sachs International (GSI), GSIB and Goldman Sachs Asset Management International (GSAMI), are incorporated and headquartered in the U.K. As a result of the U.K.'s withdrawal from the E.U. (Brexit), we expect considerable change in the regulatory framework that will govern transactions and business undertaken by our U.K. subsidiaries.

The E.U. and the U.K. agreed to a withdrawal agreement (the Withdrawal Agreement), which became effective on January 31, 2020 when the U.K. ceased to be an E.U. member state. The transition period under the Withdrawal Agreement will last until the end of December 2020 and the U.K. Government has stated that it does not intend to agree to an extension to this period. During the transition period, the U.K. will be treated as if it were a member state of the E.U. and therefore our U.K. subsidiaries will still benefit from non-discriminatory access to E.U. clients and infrastructure. At the end of the transition period, firms established in the U.K., including our U.K. subsidiaries, are expected to lose their pan-E.U. "passports" and generally to be treated like entities in countries outside the E.U., whose access to the E.U. is governed by E.U. and national law and may depend on the making of E.U. equivalence decisions or on their obtaining licenses or exemptions under national regimes, subject to any other arrangements such as a free trade agreement. After the end of the transition period, the U.K. will not be required to continue to apply E.U. financial services legislation and may not adopt rules that correspond to E.U. legislation not already operative in the U.K. by then (such as some parts of the 2019 E.U. capital requirements regulation). We have strengthened the capabilities of our operating subsidiaries in the remaining E.U. countries, particularly Goldman Sachs Bank Europe SE (GSBE), our German bank subsidiary, and have started to move certain activities there.

Banking Supervision and Regulation

Group Inc. is a BHC under the U.S. Bank Holding Company Act of 1956 (BHC Act) and an FHC under amendments to the BHC Act effected by the U.S. Gramm-Leach-Bliley Act of 1999 (GLB Act), and is subject to supervision and examination by the FRB, which is our primary regulator.

The FRB has a rating system for large financial institutions that is intended to align with its supervisory program. It consists of component ratings for capital planning and positions, liquidity risk management and positions, and governance and controls. The FRB has proposed guidance for the governance and controls component.

Under the system of "functional regulation" established under the BHC Act, the primary regulators of our U.S. non-bank subsidiaries directly regulate the activities of those subsidiaries, with the FRB exercising a supervisory role. Such "functionally regulated" subsidiaries include broker-dealers registered with the SEC, such as our principal U.S. broker-dealer, Goldman Sachs & Co. LLC (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.

Our principal U.S. bank subsidiary, GS Bank USA, is supervised and regulated by the FRB, the FDIC, the New York State Department of Financial Services (NYDFS) and the Consumer Financial Protection Bureau (CFPB). A number of our activities are conducted partially or entirely through GS Bank USA and its subsidiaries, including: bank loans (including leveraged lending); personal loans and mortgages; credit cards; interest rate, credit, currency and other derivatives; deposit-taking; and agency lending.

Certain of our subsidiaries are regulated by the banking and securities regulatory authorities of the countries in which they operate. As described below, our E.U. subsidiaries, including our U.K. subsidiaries during the Brexit transition period, are subject to various European regulations, as well as national laws, which to some extent implement European directives.

GSI, our U.K. broker-dealer subsidiary and a designated investment firm, and GSIB, our U.K. bank subsidiary, are regulated by the PRA and the FCA. GSI provides broker-dealer services in and from the U.K., and GSIB acts as a primary dealer for European government bonds and is involved in lending (including securities lending) and deposit-taking activities. GSBE, our German bank subsidiary, is primarily regulated by the ECB within the context of the European Single Supervisory Mechanism. Goldman Sachs Paris Inc. et Cie., an investment firm primarily regulated by the French Prudential Supervision and Resolution Authority, may, among other activities, conduct activities that GSBE, as a bank subsidiary, is prevented from undertaking.

Capital and Liquidity Requirements. We and GS Bank USA are subject to regulatory risk-based capital and leverage requirements that are calculated in accordance with the regulations of the FRB (Capital Framework). The Capital Framework is largely based on the Basel Committee's framework for strengthening the regulation, supervision and risk management of banks (Basel III) and also implements certain provisions of the Dodd-Frank Act. Under the tailoring rules adopted by the U.S. federal bank regulatory agencies in October 2019, we and GS Bank USA are subject to "Category I" standards because we have been designated as a global systemically important bank (G-SIB). Accordingly, under the Capital Framework, we and GS Bank USA are "Advanced approach" banking organizations. Under the FRB's capital adequacy requirements, we and GS Bank USA must meet specific regulatory capital requirements that involve quantitative measures of assets, liabilities and certain off-balance-sheet items. The sufficiency of our capital levels is also subject to qualitative judgments by regulators. We and GS Bank USA are also subject to liquidity requirements established by the U.S. federal bank regulatory agencies.

GSI and GSIB are subject to capital requirements prescribed in the E.U. Capital Requirements Regulation (CRR) and the E.U. Fourth Capital Requirements Directive (CRD IV), which are largely based on Basel III. GSI and GSIB are subject to liquidity requirements established by U.K. regulatory authorities that are similar to those applicable to GS Bank USA and us.

Amendments to the CRR and CRD IV (respectively, CRR II and CRD V) became effective on June 27, 2019. CRR II will generally begin to apply in June 2021, and E.U. member states are directed to implement CRD V by December 2020.

Risk-Based Capital Ratios. The Capital Framework provides for an additional capital ratio requirement that includes three components: (i) for capital conservation (capital conservation buffer), (ii) for countercyclicality (countercyclical capital buffer) and (iii) as a consequence of our designation as a G-SIB (G-SIB surcharge). The additional capital ratio requirement must be satisfied entirely with capital that qualifies as Common Equity Tier 1 (CET1). GS Bank USA is not subject to the G-SIB surcharge.

The FRB proposed a rule in April 2018 that would, among other things, replace the capital conservation buffer with a stress capital buffer (SCB) requirement for large BHCs subject to the FRB's Comprehensive Capital Analysis and Review (CCAR). See "Regulation — Banking Supervision and Regulation — Stress Tests" for further information about this proposed rule.

The countercyclical capital buffer is designed to counteract systemic vulnerabilities and currently applies only to banking organizations subject to Category I, II or III standards, including us. Several other national supervisors also require countercyclical capital buffers. The G-SIB surcharge and countercyclical capital buffer applicable to us could change in the future and, as a result, the minimum capital ratios to which we are subject could change.

The U.S. federal bank regulatory agencies adopted a rule in December 2018 that provides an optional three-year phase-in period for the day-one regulatory capital effects of the adoption of the Current Expected Credit Losses (CECL) accounting standard. The FRB also released a statement indicating that it will not incorporate CECL into the calculation of the allowance for credit losses in supervisory stress tests through the 2021 stress test cycle. See Note 3 to the consolidated financial statements in Part II, Item 8 of this Form 10-K for further information about CECL.

The U.S. federal bank regulatory agencies adopted a rule in November 2019 that will implement the Basel Committee's standardized approach for measuring counterparty credit risk exposures in connection with derivative contracts (SA-CCR). Under the rule, beginning January 1, 2022, but with the option to adopt starting April 1, 2020, "Advanced approach" banking organizations will be required to use SA-CCR for purposes of calculating their standardized risk-weighted assets (RWAs) and, with some adjustments, for purposes of determining their supplementary leverage ratios (SLRs) discussed below.

The Basel Committee standards include guidelines for calculating incremental capital ratio requirements for banking institutions that are systemically significant from a domestic but not global perspective (D-SIBs). When these guidelines are implemented by national regulators, they may apply, among others, to certain subsidiaries of G-SIBs. These guidelines are in addition to the framework for G-SIBs, but are more principles-based. CRD V and CRR II provide that institutions that are systemically important at the E.U. or member state level, known as other systemically important institutions (O-SIIs), may be subject to additional capital ratio requirements of up to 3% of CET1, according to their degree of systemic importance (O-SII buffers). The designated authority may impose an O-SII buffer that is greater than 3% in certain cases. CRD IV and the CRR currently provide for an additional requirement of up to 2%. O-SIIs are identified annually, along with their applicable buffers. The PRA has identified Goldman Sachs Group UK Limited (GSG UK), the parent company of GSI and GSIB, as an O-SII. GSG UK's O-SII buffer is currently set at zero percent.

The Basel Committee finalized revisions to the framework in January 2019 for calculating capital requirements for market risk, which is expected to increase market risk capital requirements for most banking organizations. The revised framework, among other things, revises the standardized approach and internal models used to calculate market risk requirements and clarifies the scope of positions subject to market risk capital requirements. The Basel Committee has proposed that national regulators implement the revised framework beginning January 1, 2022. CRR II, which became effective in June 2019 and establishes a reporting standard, will require E.U. financial institutions to report their market risk calculations under the revised framework as early as January 1, 2021. The U.S. federal bank regulatory agencies have not yet proposed rules implementing the 2019 version of the revised market risk framework for U.S. financial institutions.

The Basel Committee published standards in December 2017 that it described as the finalization of the Basel III post-crisis regulatory reforms. These standards set a floor on internally modeled capital requirements at a percentage of the capital requirements under the standardized approach. They also revise the Basel Committee's standardized and model-based approaches for credit risk, provide a new standardized approach for operational risk capital and revise the frameworks for credit valuation adjustment (CVA) risk. The Basel Committee has proposed that national regulators implement these standards beginning January 1, 2022, and that the new floor be phased in through January 1, 2027. In November 2019, the Basel Committee proposed further revisions to the framework for CVA risk.

The Basel Committee has also published updated frameworks relating to Pillar 3 disclosure requirements and the regulatory capital treatment of securitization exposures and a revised G-SIB assessment methodology. The U.S. federal bank regulatory agencies have not yet proposed rules implementing the December 2017 standards for purposes of risk-based capital ratios or the Basel Committee frameworks.

See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Equity Capital Management and Regulatory Capital" in Part II, Item 7 of this Form 10-K and Note 20 to the consolidated financial statements in Part II, Item 8 of this Form 10-K for information about our capital ratios and those of GS Bank USA and GSI.

As described in "Other Restrictions" below, in September 2016, the FRB issued a proposed rule that would, among other things, require FHCs to hold additional capital in connection with covered physical commodity activities.

Leverage Ratios. Under the Capital Framework, we and GS Bank USA are subject to Tier 1 leverage ratios and SLRs established by the FRB. In April 2018, the FRB and the OCC issued a proposed rule which would replace the current 2% SLR buffer for G-SIBs, including us, with a buffer equal to 50% of their G-SIB surcharge. This proposal, together with the adopted rule requiring use of SA-CCR for purposes of calculating the SLR, would implement certain of the revisions to the leverage ratio framework published by the Basel Committee in December 2017.

The Basel Committee adopted changes in June 2019 to the leverage ratio treatment of client-cleared derivatives and adopted a requirement to publicly disclose daily average balances for certain components of leverage ratio calculations.

The U.S. federal bank regulatory agencies' November 2019 rule implementing SA-CCR similarly allows for greater recognition of collateral in the calculation of total leverage exposure relating to client-cleared derivative contracts.

CRR II establishes a 3% minimum leverage ratio requirement for certain E.U. financial institutions, including GSI and GSIB. This requirement will begin to apply in June 2021.

See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Equity Capital Management and Regulatory Capital" in Part II, Item 7 of this Form 10-K and Note 20 to the consolidated financial statements in Part II, Item 8 of this Form 10-K for information about our and GS Bank USA's Tier 1 leverage ratios and SLRs, and GSI's leverage ratio.

Liquidity Ratios. The Basel Committee's framework for liquidity risk measurement, standards and monitoring requires banking organizations to measure their liquidity against two specific liquidity tests: the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR).

The LCR rule issued by the U.S. federal bank regulatory agencies and applicable to both us and GS Bank USA is generally consistent with the Basel Committee's framework and is designed to ensure that a banking organization maintains an adequate level of unencumbered, high-quality liquid assets equal to or greater than the expected net cash outflows under an acute short-term liquidity stress scenario. The LCR rule issued by the European Commission and applicable to GSI and GSIB is also generally consistent with the Basel Committee's framework. We are required to maintain a minimum LCR of 100%. We disclose, on a quarterly basis, our average daily LCR. See "Available Information" below and "Management's Discussion and Analysis of Financial Condition and Results of Operations — Equity Capital Management and Regulatory Capital" in Part II, Item 7 of this Form 10-K for information about our average daily LCR.

The NSFR is designed to promote medium- and long-term stable funding of the assets and off-balance-sheet activities of banking organizations over a one-year time horizon. The Basel Committee's NSFR framework requires banking organizations to maintain a minimum NSFR of 100%.

The U.S. federal bank regulatory agencies issued a proposed rule in May 2016 that would implement the NSFR for large U.S. banking organizations, including us and GS Bank USA, but have not yet released a final rule. CRR II implements the NSFR for certain E.U. financial institutions, including GSG UK, GSI and GSIB during the Brexit transition period.

The FRB's enhanced prudential standards require BHCs with $100 billion or more in total consolidated assets, to comply with enhanced liquidity and overall risk management standards, which include maintaining a level of highly liquid assets based on projected funding needs for 30 days, and increased involvement by boards of directors in liquidity and overall risk management. Although the liquidity requirement under these rules has some similarities to the LCR, it is a separate requirement.

See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Risk Management — Overview and Structure of Risk Management" and "— Liquidity Risk Management" in Part II, Item 7 of this Form 10-K for information about the LCR and NSFR, as well as our risk management practices and liquidity.

Stress Tests. As required by the FRB's CCAR rules, we submit an annual capital plan for review by the FRB. In addition, we are required to perform company-run stress tests on an annual basis. As described in "Available Information" below, we publish summaries of our stress tests results on our website.

Our annual stress test submission is incorporated into the annual capital plans that we submit to the FRB as part of the CCAR process for large BHCs, which is designed to ensure that capital planning processes will permit continued operations by such institutions during times of economic and financial stress. As part of CCAR, the FRB evaluates an institution's plan to make capital distributions, such as by repurchasing or redeeming stock or making dividend payments, across a range of macroeconomic and company-specific assumptions based on the institution's and the FRB's stress tests. If the FRB objects to an institution's capital plan, the institution is generally prohibited from making capital distributions other than those to which the FRB has not objected. In addition, an institution faces limitations on capital distributions to the extent that actual capital issuances are less than the amounts indicated in its capital plan.

The FRB issued a proposed rule in April 2018 to establish stress buffer requirements. Under the proposal, the SCB would replace the static component of the capital conservation buffer. The SCB, subject to a minimum, would reflect stressed losses in the supervisory severely adverse scenario of the FRB's CCAR stress tests and would also include four quarters of planned common stock dividends. The proposal would also introduce a stress leverage buffer requirement, similar to the SCB, which would apply to the Tier 1 leverage ratio. In addition, the proposal would require BHCs to reduce their planned capital distributions if those distributions would not be consistent with the applicable capital buffer constraints based on the BHCs' own baseline scenario projections.

Under rules adopted by the U.S. federal bank regulatory agencies implementing 2018 amendments to the Dodd-Frank Act, depository institutions with total consolidated assets between $100 billion and $250 billion, such as GS Bank USA, are no longer required to conduct annual company-run stress tests. They are still required to have their own capital planning process. GSI and GSIB have their own capital planning and stress testing process, which incorporates internally designed stress tests and those required under the PRA's Internal Capital Adequacy Assessment Process.

Dividends and Stock Repurchases. Dividend payments to our shareholders and our stock repurchases are subject to the oversight of the FRB.

U.S. federal and state laws impose limitations on the payment of dividends by U.S. depository institutions, such as GS Bank USA. In general, the amount of dividends that may be paid by GS Bank USA is limited to the lesser of the amounts calculated under a recent earnings test and an undivided profits test. Under the recent earnings test, a dividend may not be paid if the total of all dividends declared by the entity in any calendar year is in excess of the current year's net income combined with the retained net income of the two preceding years, unless the entity obtains prior regulatory approval. Under the undivided profits test, a dividend may not be paid in excess of the entity's undivided profits (generally, accumulated net profits that have not been paid out as dividends or transferred to surplus).

The applicable U.S. banking regulators have authority to prohibit or limit the payment of dividends if, in the banking regulator's opinion, payment of a dividend would constitute an unsafe or unsound practice in light of the financial condition of the banking organization.

Source of Strength. The Dodd-Frank Act requires BHCs to act as a source of strength to their bank subsidiaries and to commit capital and financial resources to support those subsidiaries. This support may be required by the FRB at times when BHCs might otherwise determine not to provide it. Capital loans by a BHC to a subsidiary bank are subordinate in right of payment to deposits and to certain other indebtedness of the subsidiary bank. In addition, if a BHC commits to a U.S. federal banking agency that it will maintain the capital of its bank subsidiary, whether in response to the FRB's invoking its source-of-strength authority or in response to other regulatory measures, that commitment will be assumed by the bankruptcy trustee for the BHC and the bank will be entitled to priority payment in respect of that commitment, ahead of other creditors of the BHC.

Transactions between Affiliates. Transactions between GS Bank USA or its subsidiaries and Group Inc. or its other subsidiaries and affiliates are subject to restrictions under the Federal Reserve Act and regulations issued by the FRB. These laws and regulations generally limit the types and amounts of transactions (such as loans and other credit extensions, including credit exposure arising from repurchase and reverse repurchase agreements, securities borrowing and derivative transactions, from GS Bank USA or its subsidiaries to Group Inc. or its other subsidiaries and affiliates and purchases of assets by GS Bank USA or its subsidiaries from Group Inc. or its other subsidiaries and affiliates) that may take place and generally require those transactions to be on market terms or better to GS Bank USA or its subsidiaries. These laws and regulations generally do not apply to transactions between GS Bank USA and its subsidiaries.

The BHC Act prohibits the FRB from requiring a payment by a BHC subsidiary to a depository institution if the functional regulator of that subsidiary objects to the payment. In that case, the FRB could instead require the divestiture of the depository institution and impose operating restrictions pending the divestiture.

Resolution and Recovery. We are required by the FRB and the FDIC to submit a periodic plan for our rapid and orderly resolution in the event of material financial distress or failure (resolution plan). If the regulators jointly determine that an institution has failed to remediate identified shortcomings in its resolution plan and that its resolution plan, after any permitted resubmission, is not credible or would not facilitate an orderly resolution under the U.S. Bankruptcy Code, the regulators may jointly impose more stringent capital, leverage or liquidity requirements or restrictions on growth, activities or operations, or may jointly order the institution to divest assets or operations, in order to facilitate orderly resolution in the event of failure. We submitted our 2019 resolution plan in June 2019 and the FRB and FDIC did not identify deficiencies or shortcomings. In October 2019, the FRB and FDIC adopted a rule requiring U.S. G-SIBs to submit resolution plans on a two-year cycle (alternating between full and targeted submissions). Our next required submission is a targeted submission by July 1, 2021. See "Risk Factors — The application of Group Inc.'s proposed resolution strategy could result in greater losses for Group Inc.'s security holders" in Part I, Item 1A of this Form 10-K and "Available Information" in Part I, Item 1 of this Form 10-K for further information about our resolution plan.

We are also required by the FRB to submit, on a periodic basis, a global recovery plan that outlines the steps that we could take to reduce risk, maintain sufficient liquidity, and conserve capital in times of prolonged stress.

The FDIC has issued a rule requiring each insured depository institution (IDI) with $50 billion or more in assets, such as GS Bank USA, to provide a resolution plan. Our resolution plan for GS Bank USA must, among other things, demonstrate that it is adequately protected from risks arising from our other entities. GS Bank USA's most recent resolution plan was submitted in June 2018. In April 2019, the FDIC released an advanced notice of proposed rulemaking about potential changes to its resolution planning requirements for IDIs, including GS Bank USA, and delayed the next round of IDI resolution plan submissions until the rulemaking process is complete.

The U.S. federal bank regulatory agencies have adopted rules imposing restrictions on qualified financial contracts (QFCs) entered into by G-SIBs, which became fully effective on January 1, 2020. The rules are intended to facilitate the orderly resolution of a failed G-SIB by limiting the ability of the G-SIB to enter into a QFC unless (i) the counterparty waives certain default rights in such contract arising upon the entry of the G-SIB or one of its affiliates into resolution, (ii) the contract does not contain enumerated prohibitions on the transfer of such contract and/or any related credit enhancement, and (iii) the counterparty agrees that the contract will be subject to the special resolution regimes set forth in the Dodd-Frank Act orderly liquidation authority (OLA) and the Federal Deposit Insurance Act of 1950 (FDIA), described below. Compliance can be achieved by adhering to the International Swaps and Derivatives Association Universal Resolution Stay Protocol (ISDA Universal Protocol) or International Swaps and Derivatives Association 2018 U.S. Resolution Stay Protocol (U.S. ISDA Protocol) described below.

Certain of our subsidiaries, along with those of a number of other major global banking organizations, adhere to the ISDA Universal Protocol, which was developed and updated in coordination with the Financial Stability Board (FSB), an international body that sets standards and coordinates the work of national financial authorities and international standard-setting bodies. The ISDA Universal Protocol imposes a stay on certain cross-default and early termination rights within standard ISDA derivative contracts and securities financing transactions between adhering parties in the event that one of them is subject to resolution in its home jurisdiction, including a resolution under the OLA or the FDIA in the U.S. In addition, certain Group Inc. subsidiaries adhere to the U.S. ISDA Protocol, which was based on the ISDA Universal Protocol and was created to allow market participants to comply with the final QFC rules adopted by the federal bank regulatory agencies.

The amended E.U. Bank Recovery and Resolution Directive (BRRD II) establishes a framework for the recovery and resolution of financial institutions in the E.U., such as GSI and GSIB during the Brexit transition period. The BRRD II provides national supervisory authorities with tools and powers to pre-emptively address potential financial crises in order to promote financial stability and minimize taxpayers' exposure to losses, such as the power to impose a temporary stay. The BRRD II requires E.U. member states to grant "bail-in" powers to E.U. resolution authorities to recapitalize a failing entity by writing down its unsecured debt or converting its unsecured debt into equity. Financial institutions in the E.U. must provide that contracts recognize those temporary stay and bail-in powers unless doing so would be impracticable. Further, certain U.K. financial institutions, including GSI and GSIB, have been required by the PRA to submit solvent wind-down plans on how they could be wound down in a stressed environment.

Total Loss-Absorbing Capacity (TLAC). The FRB has issued a rule addressing U.S. implementation of the FSB's TLAC principles and term sheet on minimum TLAC requirements for G-SIBs. The rule (i) establishes minimum TLAC requirements, (ii) establishes minimum "eligible long-term debt" (i.e., debt that is unsecured, has a maturity of at least one year from issuance and satisfies certain additional criteria) requirements, (iii) prohibits certain parent company transactions and (iv) caps the amount of parent company liabilities that are not eligible long-term debt.

The rule also prohibits a BHC that has been designated as a U.S. G-SIB from (i) guaranteeing liabilities of subsidiaries that are subject to early termination provisions if the BHC enters into an insolvency or receivership proceeding, subject to an exception for guarantees permitted by rules of the U.S. federal banking agencies imposing restrictions on QFCs; (ii) incurring liabilities guaranteed by subsidiaries; (iii) issuing short-term debt; or (iv) entering into derivatives and certain other financial contracts with external counterparties.

Additionally, the rule caps, at 5% of the value of the parent company's eligible TLAC, the amount of unsecured non-contingent third-party liabilities that are not eligible long-term debt that could rank equally with or junior to eligible long-term debt.

The FRB, the OCC and the FDIC issued a proposed rule in April 2019 that would require "Advanced approach" banking organizations, such as us, to deduct from their own regulatory capital certain investments above thresholds in unsecured debt instruments issued by G-SIBs, including those issued for purposes of satisfying TLAC requirements.

The BRRD II subjects institutions to a minimum requirement for own funds and eligible liabilities (MREL), which is generally consistent with the FSB's TLAC standard. In June 2018, the Bank of England published a statement of policy on internal MREL, which requires a material U.K. subsidiary of an overseas banking group, such as GSI, to meet a minimum internal MREL requirement to facilitate the transfer of losses to its resolution entity, which for GSI is Group Inc. The transitional minimum internal MREL requirement began to phase in from January 1, 2019 and will become fully effective on January 1, 2022. In order to comply with the MREL statement of policy, bail-in triggers have been provided to the Bank of England over certain intercompany regulatory capital and senior debt instruments issued by GSI. These triggers enable the Bank of England to write down such instruments or convert such instruments to equity. The triggers can be exercised by the Bank of England if it determines that GSI has reached the point of non-viability and the FRB and the FDIC have not objected to the bail-in or if Group Inc. enters bankruptcy or similar proceedings.

CRR II and the BRRD II are designed to, among other things, implement the FSB's minimum TLAC requirement for G-SIBs. For example, CRR II requires subsidiaries of a non-E.U. G-SIB that account for more than 5% of its RWAs, operating income or leverage exposure, such as GSG UK, to meet 90% of the TLAC requirement applicable to E.U. G-SIBs.

CRD V requires a non-E.U. group with more than €40 billion of assets in the E.U., such as us, to establish an E.U. intermediate holding company (E.U. IHC) if it has two or more of certain types of E.U. financial institution subsidiaries, including broker-dealers and banks. CRR II requires E.U. IHCs to satisfy MREL requirements and certain other prudential requirements. The directives are subject to implementing rulemakings by E.U. member states, which have not yet occurred.

Insolvency of an IDI or a BHC. Under the FDIA, if the FDIC is appointed as conservator or receiver for an IDI such as GS Bank USA, upon its insolvency or in certain other events, the FDIC has broad powers, including the power:

- To transfer any of the IDI's assets and liabilities to a new obligor, including a newly formed "bridge" bank, without the approval of the depository institution's creditors;
- To enforce the IDI's contracts pursuant to their terms without regard to any provisions triggered by the appointment of the FDIC in that capacity; or
- To repudiate or disaffirm any contract or lease to which the IDI is a party, the performance of which is determined by the FDIC to be burdensome and the repudiation or disaffirmance of which is determined by the FDIC to promote the orderly administration of the IDI.

In addition, the claims of holders of domestic deposit liabilities and certain claims for administrative expenses against an IDI would be afforded a priority over other general unsecured claims, including deposits at non-U.S. branches and claims of debtholders of the IDI, in the "liquidation or other resolution" of such an institution by any receiver. As a result, whether or not the FDIC ever sought to repudiate any debt obligations of GS Bank USA, the debtholders (other than depositors at U.S. branches) would be treated differently from, and could receive, if anything, substantially less than, the depositors at U.S. branches of GS Bank USA.

The Dodd-Frank Act created a new resolution regime (known as OLA) for BHCs and their affiliates that are systemically important. Under OLA, the FDIC may be appointed as receiver for the systemically important institution and its failed non-bank subsidiaries if, upon the recommendation of applicable regulators, the U.S. Secretary of the Treasury determines, among other things, that the institution is in default or in danger of default, that the institution's failure would have serious adverse effects on the U.S. financial system and that resolution under OLA would avoid or mitigate those effects.

If the FDIC is appointed as receiver under OLA, then the powers of the receiver, and the rights and obligations of creditors and other parties who have dealt with the institution, would be determined under OLA, and not under the bankruptcy or insolvency law that would otherwise apply. The powers of the receiver under OLA were generally based on the powers of the FDIC as receiver for depository institutions under the FDIA.

Substantial differences in the rights of creditors exist between OLA and the U.S. Bankruptcy Code, including the right of the FDIC under OLA to disregard the strict priority of creditor claims in some circumstances, the use of an administrative claims procedure to determine creditors' claims (as opposed to the judicial procedure utilized in bankruptcy proceedings), and the right of the FDIC to transfer claims to a "bridge" entity. In addition, OLA limits the ability of creditors to enforce certain contractual cross-defaults against affiliates of the institution in receivership. The FDIC has issued a notice that it would likely resolve a failed FHC by transferring its assets to a "bridge" holding company under its "single point of entry" or "SPOE" strategy pursuant to OLA.

Deposit Insurance. Deposits at GS Bank USA have the benefit of FDIC insurance up to the applicable limits. The FDIC's Deposit Insurance Fund is funded by assessments on IDIs. GS Bank USA's assessment (subject to adjustment by the FDIC) is currently based on its average total consolidated assets less its average tangible equity during the assessment period, its supervisory ratings and specified forward-looking financial measures used to calculate the assessment rate. In addition, deposits at GSIB are covered by the Financial Services Compensation Scheme up to the applicable limits.

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

An institution may be downgraded to, or deemed to be in, a capital category that is lower than is indicated by its capital ratios if it is determined to be in an unsafe or unsound condition or if it receives an unsatisfactory examination rating with respect to certain matters. FDICIA imposes progressively more restrictive constraints on operations, management and capital distributions, as the capital category of an institution declines. Failure to meet the capital requirements could also require a depository institution to raise capital. Ultimately, critically undercapitalized institutions are subject to the appointment of a receiver or conservator, as described in "Insolvency of an IDI or a BHC" above.

The prompt corrective action regulations do not apply to BHCs. However, the FRB is authorized to take appropriate action at the BHC level, based upon the undercapitalized status of the BHC's depository institution subsidiaries. In certain instances, relating to an undercapitalized depository institution subsidiary, the BHC would be required to guarantee the performance of the undercapitalized subsidiary's capital restoration plan and might be liable for civil money damages for failure to fulfill its commitments on that guarantee. Furthermore, in the event of the bankruptcy of the BHC, the guarantee would take priority over the BHC's general unsecured creditors, as described in "Source of Strength" above.

Volcker Rule and Other Restrictions on Activities. As a BHC, we are subject to limitations on the types of business activities we may engage in.

Volcker Rule. The Volcker Rule prohibits "proprietary trading," but permits activities such as underwriting, market making and risk-mitigation hedging, requires an extensive compliance program and includes additional reporting and record-keeping requirements.

In addition, the Volcker Rule limits the sponsorship of, and investment in, "covered funds" (as defined in the rule) by banking entities, including us. It also limits certain types of transactions between us and our sponsored and advised funds, similar to the limitations on transactions between depository institutions and their affiliates. Covered funds include our private equity funds, certain of our credit and real estate funds, our hedge funds and certain other investment structures. The limitation on investments in covered funds requires us to limit our investment in each such fund to 3% or less of the fund's net asset value, and to limit our aggregate investment in all such funds to 3% or less of our Tier 1 capital.

The FRB has extended the conformance period to July 2022 for our investments in, and relationships with, certain legacy "illiquid funds" (as defined in the Volcker Rule) that were in place prior to December 2013. See Note 8 to the consolidated financial statements in Part II, Item 8 of this Form 10-K for further information about our investments in such funds.

The FRB, OCC, FDIC, CFTC and SEC (Volcker Rule regulators) finalized amendments in October 2019 to their regulations implementing the Volcker Rule, tailoring compliance requirements based on the size and scope of a banking entity's trading activities and clarifying and amending certain definitions, requirements and exemptions. These amendments became effective on January 1, 2020 but with a required compliance date of January 1, 2021. In January 2020, the Volcker Rule regulators issued a proposal to clarify and amend certain definitions, requirements and exemptions with respect to covered funds. The ultimate impact of any amendments to the Volcker Rule regulations will depend on, among other things, further rulemaking and implementation guidance from the Volcker Rule regulators.

Other Restrictions. FHCs generally can engage in a broader range of financial and related activities than are otherwise permissible for BHCs as long as they continue to meet the eligibility requirements for FHCs. The broader range of permissible activities for FHCs includes underwriting, dealing and making markets in securities and making investments in non-FHCs (merchant banking activities). In addition, certain FHCs are permitted to engage in certain commodities activities in the U.S. that may otherwise be impermissible for BHCs, so long as the assets held pursuant to these activities do not equal 5% or more of their consolidated assets.

The FRB, however, has the authority to limit an FHC's ability to conduct activities that would otherwise be permissible, and will likely do so if the FHC does not satisfactorily meet certain requirements of the FRB. For example, if an FHC or any of its U.S. depository institution subsidiaries ceases to maintain its status as well-capitalized or well-managed, the FRB may impose corrective capital and/or managerial requirements, as well as additional limitations or conditions. If the deficiencies persist, the FHC may be required to divest its U.S. depository institution subsidiaries or to cease engaging in activities other than the business of banking and certain closely related activities.

If any IDI subsidiary of an FHC fails to maintain at least a "satisfactory" rating under the Community Reinvestment Act, the FHC would be subject to restrictions on certain new activities and acquisitions.

In addition, we are required to obtain prior FRB approval before engaging in certain banking and other financial activities both within and outside the U.S.

The FRB issued a proposed rule in September 2016 which, if adopted, would impose new requirements on the physical commodity activities and certain merchant banking activities of FHCs. The proposed rule would, among other things, (i) require FHCs to hold additional capital in connection with covered physical commodity activities, including merchant banking investments in companies engaged in physical commodity activities; (ii) tighten the quantitative limits on permissible physical trading activity; and (iii) establish new public reporting requirements on the nature and extent of an FHC's physical commodity holdings and activities. In addition, in a September 2016 report, the FRB recommended that Congress repeal (i) the authority of FHCs to engage in merchant banking activities; and (ii) the authority described above for certain FHCs to engage in certain otherwise impermissible commodities activities.

Effective January 1, 2020, U.S. G-SIBs, like us, are required to comply with a rule regarding single counterparty credit limits, which imposes more stringent requirements for credit exposures among major financial institutions. In addition, the FRB has proposed early remediation requirements, which are modeled on the prompt corrective action regime, described in "Prompt Corrective Action" above, but are designed to require action to begin in earlier stages of a company's financial distress, based on a range of triggers, including capital and leverage, stress test results, liquidity and risk management.

The New York State banking law imposes lending limits (which take into account credit exposure from derivative transactions) and other requirements that could impact the manner and scope of GS Bank USA's activities.

The U.S. federal bank regulatory agencies have issued guidance that focuses on transaction structures and risk management frameworks and that outlines high-level principles for safe-and-sound leveraged lending, including underwriting standards, valuation and stress testing. This guidance has, among other things, limited the percentage amount of debt that can be included in certain transactions.

Broker-Dealer and Securities Regulation

Our 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, record-keeping, the financing of clients' purchases, and the conduct of directors, officers and employees. In the U.S., 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. U.S. self-regulatory organizations, such as FINRA and the NYSE, adopt rules that apply to, and examine, broker-dealers such as GS&Co.

U.S. state securities and other U.S. 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, as described further below, as well as in "Other Regulation." For a description of net capital requirements applicable to GS&Co., see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Equity Capital Management and Regulatory Capital — U.S. Regulated Broker-Dealer Subsidiaries" in Part II, Item 7 of this Form 10-K.

In Europe, we provide broker-dealer services, including through GSI, that are subject to oversight by national regulators. These services are regulated in accordance with national laws, many of which implement E.U. directives, and, increasingly, by directly applicable E.U. regulations. These national and E.U. laws require, among other things, compliance with certain capital adequacy standards, customer protection requirements and market conduct and trade reporting rules. Certain of our European subsidiaries are also regulated by the securities, derivatives and commodities exchanges of which they are members.

Goldman Sachs Japan Co., Ltd. (GSJCL), our regulated Japanese broker-dealer, is subject to capital requirements imposed by Japan's Financial Services Agency. GSJCL is also regulated by the Tokyo Stock Exchange, the Osaka Exchange, the Tokyo Financial Exchange, the Japan Securities Dealers Association, the Tokyo Commodity Exchange, the Securities and Exchange Surveillance Commission, the Bank of Japan and the Ministry of Finance, among others.

The Securities and Futures Commission in Hong Kong, the Monetary Authority of Singapore, the China Securities Regulatory Commission, the Korean Financial Supervisory Service, the Reserve Bank of India, the Securities and Exchange Board of India, the Australian Securities and Investments Commission and the Australian Securities Exchange, among others, regulate various of our subsidiaries and also have capital standards and other requirements comparable to the rules of the SEC.

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.

In the E.U., MiFID II includes extensive market structure reforms, such as the establishment of new trading venue categories for the purposes of discharging the obligation to trade OTC derivatives on a trading platform and enhanced pre- and post-trade transparency covering a wider range of financial instruments. In equities, MiFID II introduced volume caps on non-transparent liquidity trading for trading venues, limited the use of broker-dealer crossing networks and created a new regime for systematic internalizers, which are investment firms that execute client transactions outside a trading venue. Additional control requirements were introduced for algorithmic trading, high frequency trading and direct electronic access. Commodities trading firms are required to calculate their positions and adhere to specific limits. Other reforms introduced enhanced transaction reporting, the publication of best execution data by investment firms and trading venues, transparency on costs and charges of service to investors, changes to the way investment managers can pay for the receipt of investment research and mandatory unbundling for broker-dealers between execution and other major services.

The SEC adopted a rule in June 2019 that requires broker-dealers to act in the best interest of their customers, and also issued an interpretation clarifying the SEC's views of the existing fiduciary duty owed by investment advisers to their clients. Additionally, the SEC adopted a rule that requires broker-dealers and investment advisers to provide a standardized, short-form disclosure highlighting services offered, applicable standards of conduct, fees and costs, the differences between brokerage and advisory services, and any conflicts of interest. Several states have also proposed adopting uniform fiduciary duty standards applicable to broker-dealers and advisers.

The SEC, FINRA and regulators in various non-U.S. jurisdictions have imposed both conduct-based and disclosure-based requirements with respect to research reports and research analysts and may impose additional regulations.

GS&Co., GS Bank USA and other U.S. subsidiaries are also subject to rules adopted by U.S. federal agencies pursuant to the Dodd-Frank Act that require any person who organizes or initiates certain asset-backed securities transactions to retain a portion (generally, at least five percent) of any credit risk that the person conveys to a third party. For certain securitization transactions, retention by third-party purchasers may satisfy this requirement.

Swaps, Derivatives and Commodities Regulation

The commodity futures, commodity options and swaps industry in the U.S. is subject to regulation under the U.S. Commodity Exchange Act (CEA). The CFTC is the U.S. federal agency charged with the administration of the CEA. In addition, the SEC is the U.S. federal agency charged with the regulation of security-based swaps. The rules and regulations of various self-regulatory organizations, such as the Chicago Mercantile Exchange, other futures exchanges and the National Futures Association, also govern commodity futures, commodity options and swaps activities.

The terms "swaps" and "security-based swaps" include a wide variety of derivative instruments in addition to those conventionally referred to as swaps (including certain forward contracts and options), and relate to a wide variety of underlying assets or obligations, including currencies, commodities, interest or other monetary rates, yields, indices, securities, credit events, loans and other financial obligations.

CFTC rules require registration of swap dealers, mandatory clearing and execution of interest rate and credit default swaps and real-time public reporting and adherence to business conduct standards for all in-scope swaps. GS&Co. and other subsidiaries, including GS Bank USA, GSI and J. Aron & Company LLC (J. Aron), are registered with the CFTC as swap dealers. In December 2016, the CFTC proposed revised capital regulations for swap dealers that are not subject to the capital rules of a prudential regulator, such as the FRB, as well as a liquidity requirement for those swap dealers. Certain of our registered swap dealers will be subject to the CFTC's capital requirements, when they are adopted.

Our affiliates registered as swap dealers are subject to the margin rules issued by the CFTC (in the case of our non-bank swap dealers) and the FRB (in the case of GS Bank USA). The rules for variation margin have become effective, and those for initial margin will phase in through September 2020 depending on certain activity levels of the swap dealer and the relevant counterparty. In contrast to the FRB margin rules, inter-affiliate transactions under the CFTC margin rules are generally exempt from initial margin requirements. The FRB issued proposed rules in September 2019 to conform its margin rules on inter-affiliate transactions to the CFTC's margin rules and to allow initial margin requirements to phase in through September 2021 depending on certain activity levels of the swap dealer and the relevant counterparty. The CFTC issued proposed rules in October 2019 to similarly modify the phase-in of initial margin requirements.

The CFTC has adopted rules relating to cross-border regulation of swaps, and has proposed cross-border business conduct and registration rules. The CFTC has entered into agreements with certain non-U.S. regulators, including in the E.U., regarding the cross-border regulation of derivatives and the mutual recognition of cross-border clearing houses, and has approved substituted compliance with certain non-U.S. regulations, including E.U. regulations, related to certain business conduct requirements and margin rules. The U.S. prudential regulators have not yet made a determination with respect to substituted compliance for transactions subject to non-U.S. margin rules.

Similar types of swap regulation have been proposed or adopted in jurisdictions outside the U.S., including in the E.U. and Japan. For example, the E.U. has established regulatory requirements relating to portfolio reconciliation and reporting, clearing certain OTC derivatives and margining for uncleared derivatives activities under the European Market Infrastructure Regulation.

SEC rules govern the registration and regulation of security-based swap dealers. The SEC adopted a number of rules and rule amendments for security-based swap dealers in 2019, including (i) capital, margin and segregation requirements, (ii) record-keeping, reporting and notification requirements, and (iii) the application of risk mitigation techniques to uncleared portfolios of security-based swaps and the cross-border application of certain security-based swap requirements. The compliance date for these SEC rules, as well as SEC rules addressing registration requirements and business conduct standards, is generally October 2021.

The CFTC has proposed position limit rules that will limit the size of positions in physical commodity derivatives that can be held by any entity, or any group of affiliates or other parties trading under common control, subject to certain exemptions, such as for bona fide hedging positions. These proposed rules would apply to positions in swaps, as well as futures and options on futures. Currently, position limits on futures on physical commodities are administered by the relevant exchanges, with the exception of futures on agricultural commodities, which are administered by the CFTC.

J. Aron is authorized by the U.S. Federal Energy Regulatory Commission (FERC) to sell wholesale physical power at market-based rates. As a FERC-authorized power marketer, J. Aron 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, as described in "Risk Factors — Our commodities activities, particularly our physical commodities activities, subject us to extensive regulation and involve certain potential risks, including environmental, reputational and other risks that may expose us to significant liabilities and costs" in Part I, Item 1A of this Form 10-K.

GS&Co. is registered with the CFTC as a futures commission merchant, and several of our subsidiaries, including GS&Co., are registered with the CFTC and act as commodity pool operators and commodity trading advisors. Goldman Sachs Financial Markets, L.P. is registered with the SEC as an OTC derivatives dealer.

Asset Management and Wealth Management Regulation

Our asset management and wealth management businesses are subject to extensive oversight by regulators 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 European subsidiaries, including GSAMI, are subject to the Alternative Investment Fund Managers Directive and related regulations, which govern the approval, organizational, marketing and reporting requirements of E.U.-based alternative investment managers and the ability of alternative investment fund managers located outside the E.U. to access the E.U. market.

Consumer Regulation

Our U.S. consumer-oriented activities are subject to extensive oversight by federal and state regulators. These businesses are subject to supervision and regulation by the CFPB with respect to federal consumer protection laws, including laws relating to fair lending and the prohibition of unfair, deceptive or abusive acts or practices in connection with the offer, sale or provision of consumer financial products and services. Our consumer-oriented businesses are also subject to various state and local consumer protection laws. These laws, rules and regulations, among other things, impose obligations relating to our marketing, origination, servicing and collections activity in our consumer businesses. Our U.K. consumer deposit-taking activities are subject to U.K consumer protection regulations.

Compensation Practices

Our compensation practices are subject to oversight by the FRB and, with respect to some of our subsidiaries and employees, by other regulatory bodies worldwide.

The FSB has released standards for local regulators to implement certain compensation principles for banks and other financial companies designed to encourage sound compensation practices. The U.S. federal bank regulatory agencies have provided guidance designed to ensure that incentive compensation arrangements at banking organizations take into account risk and are consistent with safe and sound practices. The guidance sets forth the following three key principles with respect to incentive compensation arrangements: (i) the arrangements should provide employees with incentives that appropriately balance risk and financial results in a manner that does not encourage employees to expose their organizations to imprudent risk; (ii) the arrangements should be compatible with effective controls and risk management; and (iii) the arrangements should be supported by strong corporate governance. The guidance provides that supervisory findings with respect to incentive compensation will be incorporated, as appropriate, into the organization's supervisory ratings, which can affect its ability to make acquisitions or perform other actions. The guidance also provides that enforcement actions may be taken against a banking organization if its incentive compensation arrangements or related risk management, control or governance processes pose a risk to the organization's safety and soundness.

The Dodd-Frank Act requires the U.S. financial regulators, including the FRB and SEC, to adopt rules on incentive-based payment arrangements at specified regulated entities having at least $1 billion in total assets. The U.S. financial regulators proposed revised rules in 2016, which have not been finalized.

The NYDFS issued guidance in October 2016 emphasizing that its regulated banking institutions, including GS Bank USA, must ensure that any incentive compensation arrangements tied to employee performance indicators are subject to effective risk management, oversight and control.

In the E.U., the CRR and CRD IV include compensation provisions designed to implement the FSB's compensation standards. These rules have been implemented by E.U. member states and, among other things, limit the ratio of variable to fixed compensation of certain employees, including those identified as having a material impact on the risk profile of E.U.-regulated entities, including GSI. CRR II and CRD V amend certain aspects of these rules, including, among other things, by increasing minimum compensation deferral periods.

The E.U. has also introduced rules regulating compensation for certain persons providing services to certain investment funds. These requirements are in addition to the guidance issued by U.S. financial regulators and the Dodd-Frank Act provision, each as described above.

Anti-Money Laundering and Anti-Bribery Rules and Regulations

The U.S. Bank Secrecy Act (BSA), as amended by the USA PATRIOT Act of 2001 (PATRIOT Act), contains anti-money laundering and financial transparency laws and mandates the implementation of various regulations applicable to all financial institutions, including standards for verifying client identification at account opening, and obligations to monitor client transactions and report suspicious activities. Through these and other provisions, the BSA and the PATRIOT Act seek to promote the identification of parties that may be involved in terrorism, money laundering or other suspicious activities. Anti-money laundering laws outside the U.S. contain some similar provisions.

In addition, we are subject to laws and regulations worldwide, including the U.S. Foreign Corrupt Practices Act (FCPA) and the U.K. Bribery Act, relating to corrupt and illegal payments to, and hiring practices with regard to, government officials and others. The scope of the types of payments or other benefits covered by these laws is very broad and regulators are frequently using enforcement proceedings to define the scope of these laws. The obligation of financial institutions to identify their clients, to monitor for and report suspicious transactions, to monitor direct and indirect payments to government officials, to respond to requests for information by regulatory authorities and law enforcement agencies, and to share information with other financial institutions, has required the implementation and maintenance of internal practices, procedures and controls.

Privacy and Cyber Security Regulation

Certain of our businesses are subject to laws and regulations enacted by U.S. federal and state governments, the E.U. or other non-U.S. jurisdictions and/or enacted by various regulatory organizations or exchanges relating to the privacy of the information of clients, employees or others, including the GLB Act, the E.U.'s General Data Protection Regulation (GDPR), the Japanese Personal Information Protection Act, the Hong Kong Personal Data (Privacy) Ordinance, the Australian Privacy Act and the Brazilian Bank Secrecy Law. The GDPR has heightened our privacy compliance obligations, impacted our businesses' collection, processing and retention of personal data and imposed strict standards for reporting data breaches. The GDPR also provides for significant penalties for non-compliance. In addition, California and several other states have recently enacted, or are actively considering, consumer privacy laws that impose compliance obligations with regard to the collection, use and disclosure of personal information.

The NYDFS also requires financial institutions regulated by the NYDFS, including GS Bank USA, to, among other things, (i) establish and maintain a cyber security program designed to ensure the confidentiality, integrity and availability of their information systems; (ii) implement and maintain a written cyber security policy setting forth policies and procedures for the protection of their information systems and nonpublic information; and (iii) designate a Chief Information Security Officer. In addition, in October 2016, the U.S. federal bank regulatory agencies issued an advance notice of proposed rulemaking on potential enhanced cyber risk management standards for large financial institutions.

Information about our Executive Officers

Set forth below are the name, age, present title, principal occupation and certain biographical information for the executive officers who have been appointed by, and serve at the pleasure of, Group Inc.'s Board of Directors (Board).

Sheara Fredman, 44
Ms. Fredman has been Controller and Chief Accounting Officer since November 2019. She had previously served as Head of Regulatory Controllers from September 2017 and, prior to that, she had served as Global Product Controller.

Elizabeth M. Hammack, 48
Ms. Hammack has been Global Treasurer since January 2018. She had previously served as Global Head of Short Term Macro Trading and Global Repo Trading from August 2015 to January 2018. Prior to that, she was Co-Head of U.S. Interest Rate Products Cash Trading from January 2011 to August 2015.

Brian J. Lee, 53
Mr. Lee has been Chief Risk Officer since November 2019. He had previously served as Controller and Chief Accounting Officer from March 2017 and, prior to that, he had served as Deputy Controller from 2014.

John F.W. Rogers, 63
Mr. Rogers has been an Executive Vice President since April 2011 and Chief of Staff and Secretary to the Board since December 2001.

Stephen M. Scherr, 55
Mr. Scherr has been Chief Financial Officer since November 2018. He had previously served as Chief Executive Officer of Goldman Sachs Bank USA from May 2016, and Head of the Consumer & Commercial Banking Division from 2016 to 2018. From June 2014 to November 2017, he was Chief Strategy Officer, and from 2011 to 2016 he was Head of the Latin America business. He was also Global Head of the Financing Group from 2008 to 2014.

Karen P. Seymour, 58
Ms. Seymour has been an Executive Vice President, General Counsel and Secretary since January 2018. Since January 2019, she has been Head of the Legal Division and was previously Co-Head of the Legal Division from January 2018 to January 2019. From 2000 through January 2002 and 2005 through 2017, she was a partner at Sullivan & Cromwell LLP, a global law firm, including serving as a member of its management committee from April 2015 to December 2017, and as the co-managing partner of its litigation group from December 2012 to April 2015.

David M. Solomon, 58
Mr. Solomon has been Chairman of the Board since January 2019 and Chief Executive Officer and a director since October 2018. He had previously served as President and Chief or Co-Chief Operating Officer from January 2017 and Co-Head of the Investment Banking Division from July 2006 to December 2016.

Laurence Stein, 52
Mr. Stein has been Chief Administrative Officer since January 2018. He had previously served as Global Head of the Operations Division from October 2015 to December 2017. From August 2009 to October 2015, he was Chief Operating Officer of the Securities Division.

John E. Waldron, 50
Mr. Waldron has been President and Chief Operating Officer since October 2018. He had previously served as Co-Head of the Investment Banking Division from December 2014. Prior to that he was Global Head of Investment Banking Services/Client Coverage for the Investment Banking Division and had oversight of the Investment Banking Services Leadership Group, and from 2007 to 2009 was Global Co-Head of the Financial Sponsors Group.

Available Information

Our internet address is www.goldmansachs.com and the investor relations section of our website is located at www.goldmansachs.com/investor-relations, where we make available, free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as well as proxy statements, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Also posted on our website, and available in print upon request of any shareholder to our Investor Relations Department (Investor Relations), are our certificate of incorporation and by-laws, charters for our Audit, Risk, Compensation, Corporate Governance and Nominating, and Public Responsibilities Committees, our Policy Regarding Director Independence Determinations, our Policy on Reporting of Concerns Regarding Accounting and Other Matters, our Corporate Governance Guidelines and our Code of Business Conduct and Ethics governing our directors, officers and employees. Within the time period required by the SEC, we will post on our website any amendment to the Code of Business Conduct and Ethics and any waiver applicable to any executive officer, director or senior financial officer.

Our website also includes information about (i) purchases and sales of our equity securities by our executive officers and directors; (ii) disclosure relating to certain non-GAAP financial measures (as defined in the SEC's Regulation G) that we may make public orally, telephonically, by webcast, by broadcast or by other means; (iii) DFAST results; (iv) the public portion of our resolution plan submission; (v) our Pillar 3 disclosure; and (vi) our average daily LCR.

Investor Relations can be contacted at The Goldman Sachs Group, Inc., 200 West Street, 29th Floor, New York, New York 10282, Attn: Investor Relations, telephone: 212-902-0300, e-mail: gs-investor-relations@gs.com. We use our website, our Twitter account (twitter.com/GoldmanSachs), our Instagram account (instagram.com/GoldmanSachs) and other social media channels as additional means of disclosing public information to investors, the media and others. Our officers may use similar social media channels to disclose public information. It is possible that certain information we or our officers post on our website and on social media could be deemed material, and we encourage investors, the media and others interested in Goldman Sachs to review the business and financial information we or our officers post on our website and on the social media channels identified above. The information on our website and those social media channels is not incorporated by reference into this Form 10-K.

Cautionary Statement Pursuant to the U.S. Private Securities Litigation Reform Act of 1995

We have included in this Form 10-K, and our management may make, statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are not historical facts or statements of current conditions, but instead represent only our beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside our control.

These statements may relate to, among other things, (i) our future plans and results, including our target ROE, ROTE, efficiency ratio and CET1 capital ratio, and how they can be achieved, (ii) various legal proceedings, governmental investigations or other contingencies as set forth in Notes 27 and 18 to the consolidated financial statements in Part II, Item 8 of this Form 10-K, (iii) the results of stress tests, (iv) the objectives and effectiveness of our business continuity plan, information security program, risk management and liquidity policies, (v) our resolution plan and resolution strategy and their implications for stakeholders, (vi) the design and effectiveness of our resolution capital and liquidity models and triggers and alerts framework, (vii) trends in or growth opportunities for our businesses, including the timing and benefits of business and strategic initiatives and changes in and the importance of the efficiency ratio, (viii) the effect of changes to regulations, as well as our future status, activities or reporting under banking and financial regulation, (ix) our NSFR and SCB, (x) our level of future compensation expense as a percentage of operating expenses, (xi) our investment banking transaction backlog, (xii) our expected tax rate, (xiii) our proposed capital actions (including those permitted by our CCAR 2019 capital plan), (xiv) our expected interest income, (xv) our credit exposures, (xvi) our expected provisions for credit losses, (xvii) our preparations for Brexit, including a hard Brexit scenario, (xviii) the replacement of LIBOR and other IBORs and our program for the transition to alternative risk-free reference rates, (xix) the adequacy of our allowance for credit losses, (xx) the projected growth of our deposits and associated interest expense savings, (xxi) the projected growth of our consumer loan and credit card businesses, (xxii) our business initiatives, including those related to transaction banking and new consumer financial products, (xxiii) our expense savings initiatives and increasing use of strategic locations, (xxiv) our planned 2020 parent vanilla debt issuances, (xxv) the amount of GCLA we expect to hold, (xxvi) our expected G-SIB surcharge and (xxvii) expenses we may incur, including future litigation expense and those associated with investing in our consumer lending, credit card and transaction banking businesses.

By identifying these statements for you in this manner, we are alerting you to the possibility that our actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition in these forward-looking statements. Important factors that could cause our results, financial condition and capital actions to differ from those in these statements include, among others, those described below and in "Risk Factors" in Part I, Item 1A of this Form 10-K.

Statements about our investment banking transaction backlog are subject to the risk that such transactions may be modified or may not be completed at all and related net revenues may not be realized or may be materially less than expected. Important factors that could have such a result include, for underwriting transactions, a decline or weakness in general economic conditions, outbreak of hostilities, volatility in the securities markets or an adverse development with respect to the issuer of the securities and, for financial advisory transactions, a decline in the securities markets, an inability to obtain adequate financing, an adverse development with respect to a party to the transaction or a failure to obtain a required regulatory approval. For information about other important factors that could adversely affect our investment banking transactions, see "Risk Factors" in Part I, Item 1A of this Form 10-K.

Statements about our future effective income tax rate are subject to the risk that it may differ from the anticipated rate indicated in such statements, possibly materially, due to, among other things, changes in our earnings mix, our profitability and entities in which we generate profits, the assumptions we have made in forecasting our expected tax rate, as well as guidance that may be issued by the U.S. Internal Revenue Service.

Statements about our NSFR and SCB are based on our current interpretation and expectations of the relevant proposals, and reflect significant assumptions about how our NSFR and SCB are calculated. Our actual NSFR and SCB will depend on the final rules and, for the SCB, the results of the applicable supervisory stress tests, and the methods used to calculate our NSFR and SCB may differ, possibly materially, from those used to calculate our NSFR and SCB for future disclosures.

Statements about the level of compensation expense, including as a percentage of operating expenses, and our efficiency ratio as our platform business initiatives reach scale are subject to the risks that the compensation and other costs to operate our businesses, including platform initiatives, may be greater than currently expected.

Statements about our expected provisions for credit losses are subject to the risk that actual credit losses may differ and our expectations may change, possibly materially, from that currently anticipated due to, among other things, changes to the composition of our loan portfolio and changes in the economic environment in future periods and our forecasts of future economic conditions, as well as changes in our models, policies and other management judgments.

Statements about the projected growth of our deposits and associated interest expense savings, and our consumer loan and credit card businesses, are subject to the risk that actual growth may differ, possibly materially, from that currently anticipated due to, among other things, changes in interest rates and competition from other similar products.

Statements about our target ROE, ROTE, efficiency ratio, and expense savings, and how they can be achieved, are based on our current expectations regarding our business prospects and are subject to the risk that we may be unable to achieve our targets due to, among other things, changes in our business mix, lower profitability of new business initiatives, increases in technology and other costs to launch and bring new business initiatives to scale, and increases in liquidity requirements.

Statements about our target ROE, ROTE and CET1 capital ratio, and how they can be achieved, are based on our current expectations regarding the capital requirements applicable to us and are subject to the risk that our actual capital requirements may be higher than currently anticipated because of, among other factors, changes in the regulatory capital requirements applicable to us resulting from changes in regulations or the interpretation or application of existing regulations or changes in the nature and composition of our activities.

Statements about the timing, costs and benefits of business and expense savings initiatives, the level and composition of more durable revenues and increases in market share are based on our current expectations regarding our ability to implement these initiatives and actual results may differ, possibly materially, from current expectations due to, among other things, a delay in the timing of these initiatives, increased competition and an inability to reduce expenses and grow businesses with durable revenues.

Statements about planned 2020 parent vanilla debt issuances and the amount of GCLA we expect to hold are subject to the risk that actual issuances and GCLA levels may differ, possibly materially, from that currently expected due to changes in market conditions, business opportunities or our funding and projected liquidity needs.

Item 1A. Risk Factors

We face a variety of risks that are substantial and inherent in our businesses, including market, liquidity, credit, operational, legal, regulatory and reputational risks. The following are some of the more important factors that could affect our businesses.

Our businesses have been and may continue to be adversely affected by conditions in the global financial markets and economic conditions generally.

Our businesses, by their nature, do not produce predictable earnings, and all of our businesses are materially affected by conditions in the global financial markets and economic conditions generally, both directly and through their impact on client activity levels and creditworthiness. These conditions can change suddenly and negatively.

Our financial performance is highly dependent on the environment in which our businesses operate. A favorable business environment is generally characterized by, among other factors, high global gross domestic product growth, regulatory and market conditions that result in transparent, liquid and efficient capital markets, low inflation, high business and investor confidence, stable geopolitical conditions, clear regulations and strong business earnings.

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

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

General uncertainty about economic, political and market activities, and the scope, timing and impact of regulatory reform, as well as weak consumer, investor and CEO confidence resulting in large part from such uncertainty, has in the past negatively impacted client activity, which can adversely affect many of our businesses. Periods of low volatility and periods of high volatility combined with a lack of liquidity, have at times had an unfavorable impact on our market-making businesses.

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

Our revenues and profitability and those of our competitors have been and will continue to be impacted by requirements relating to capital, additional loss-absorbing capacity, leverage, minimum liquidity and long-term funding levels, requirements related to resolution and recovery planning, derivatives clearing and margin rules and levels of regulatory oversight, as well as limitations on which and, if permitted, how certain business activities may be carried out by financial institutions.

Our businesses and those of our clients are subject to extensive and pervasive regulation around the world.

As a participant in the financial services industry and a systemically important financial institution, we are subject to extensive regulation in jurisdictions around the world. We face the risk of significant intervention by law enforcement, regulatory and taxing authorities, as well as private litigation, in all jurisdictions in which we conduct our businesses. In many cases, our activities have been and may continue to be subject to overlapping and divergent regulation in different jurisdictions. Among other things, as a result of law enforcement authorities, regulators or private parties challenging our compliance with existing laws and regulations, we or our employees have been, and could be, fined, criminally charged or sanctioned; prohibited from engaging in some of our business activities; subjected to limitations or conditions on our business activities, including higher capital requirements; or subjected to new or substantially higher taxes or other governmental charges in connection with the conduct of our businesses or with respect to our employees. These limitations or conditions may limit our business activities and negatively impact our profitability.

In addition to the impact on the scope and profitability of our business activities, day-to-day compliance with existing laws and regulations has involved and will, except to the extent that some of these regulations are modified or otherwise repealed, continue to involve significant amounts of time, including that of our senior leaders and that of a large number of dedicated compliance and other reporting and operational personnel, all of which may negatively impact our profitability.

If there are new laws or regulations or changes in the enforcement of existing laws or regulations applicable to our businesses or those of our clients, including capital, liquidity, leverage, long-term debt, total loss-absorbing capacity and margin requirements, restrictions on leveraged lending or other business practices, reporting requirements, requirements relating to recovery and resolution planning, tax burdens and compensation restrictions, that are imposed on a limited subset of financial institutions (whether based on size, method of funding, activities, geography or other criteria), compliance with these new laws or regulations, or changes in the enforcement of existing laws or regulations, could adversely affect our ability to compete effectively with other institutions that are not affected in the same way. In addition, regulation imposed on financial institutions or market participants generally, such as taxes on financial transactions, could adversely impact levels of market activity more broadly, and thus impact our businesses.

These developments could impact our profitability in the affected jurisdictions, or even make it uneconomic for us to continue to conduct all or certain of our businesses in those jurisdictions, or could cause us to incur significant costs associated with changing our business practices, restructuring our businesses, moving all or certain of our businesses and our employees to other locations or complying with applicable capital requirements, including reducing dividends or share repurchases, liquidating assets or raising capital in a manner that adversely increases our funding costs or otherwise adversely affects our shareholders and creditors.

U.S. and non-U.S. regulatory developments, in particular the Dodd-Frank Act and Basel III, have significantly altered the regulatory framework within which we operate and have adversely affected and may in the future affect our profitability. Among the aspects of the Dodd-Frank Act that have affected or may in the future affect our businesses are: increased capital, liquidity and reporting requirements; limitations on activities in which we may engage; increased regulation of and restrictions on OTC derivatives markets and transactions; limitations on incentive compensation; limitations on affiliate transactions; requirements to reorganize or limit activities in connection with recovery and resolution planning; increased deposit insurance assessments; and increased standards of care for broker-dealers and investment advisers in dealing with clients. The implementation of higher capital requirements, more stringent requirements relating to liquidity, long-term debt and total loss-absorbing capacity and the prohibition on proprietary trading and the sponsorship of, or investment in, covered funds by the Volcker Rule may continue to adversely affect our profitability and competitive position, particularly if these requirements do not apply equally to our competitors or are not implemented uniformly across jurisdictions.

As described in "Business — Regulation — Banking Supervision and Regulation" in Part I, Item 1 of this Form 10-K, our proposed capital actions and capital plan are reviewed by the FRB as part of the CCAR process. If the FRB objects to our proposed capital actions in our capital plan, we could be prohibited from taking some or all of the proposed capital actions, including increasing or paying dividends on common or preferred stock or repurchasing common stock or other capital securities. Our inability to carry out our proposed capital actions could, among other things, prevent us from returning capital to our shareholders and impact our return on equity. Additionally, as a consequence of our designation as a G-SIB, we are subject to the G-SIB buffer. Our G-SIB buffer is updated annually based on financial data from the prior year. Expansion of our businesses, growth in our balance sheet or increased reliance on short-term wholesale funding may result in an increase in our G-SIB buffer and a corresponding increase in our capital requirements.

We are also subject to laws and regulations, such as the GDPR and the California Consumer Privacy Act, relating to the privacy of the information of clients, employees or others, and any failure to comply with these laws and regulations could expose us to liability and/or reputational damage. As new privacy-related laws and regulations are implemented, the time and resources needed for us to comply with such laws and regulations, as well as our potential liability for non-compliance and reporting obligations in the case of data breaches, may significantly increase.

In addition, our businesses are increasingly subject to laws and regulations relating to surveillance, encryption and data on-shoring in the jurisdictions in which we operate. Compliance with these laws and regulations may require us to change our policies, procedures and technology for information security, which could, among other things, make us more vulnerable to cyber attacks and misappropriation, corruption or loss of information or technology.

We have entered into consumer-oriented deposit-taking, lending and credit card businesses, and we expect to expand the product and geographic scope of our offerings. Entering into these businesses subjects us to numerous additional regulations in the jurisdictions in which these businesses operate. Not only are these regulations extensive, but they involve types of regulations and supervision, as well as regulatory compliance risks, that we have not previously encountered. The level of regulatory scrutiny and the scope of regulations affecting financial interactions with consumers is often much greater than that associated with doing business with institutions and high-net-worth individuals. Complying with these regulations is time-consuming, costly and presents new and increased risks.

Increasingly, regulators and courts have sought to hold financial institutions liable for the misconduct of their clients where such regulators and courts have determined that the financial institution should have detected that the client was engaged in wrongdoing, even though the financial institution had no direct knowledge of the activities engaged in by its client. Regulators and courts have also increasingly found liability as a "control person" for activities of entities in which financial institutions or funds controlled by financial institutions have an investment, but which they do not actively manage. In addition, regulators and courts continue to seek to establish "fiduciary" obligations to counterparties to which no such duty had been assumed to exist. To the extent that such efforts are successful, the cost of, and liabilities associated with, engaging in brokerage, clearing, market-making, prime brokerage, investing and other similar activities could increase significantly. To the extent that we have fiduciary obligations in connection with acting as a financial adviser or investment adviser or in other roles for individual, institutional, sovereign or investment fund clients, any breach, or even an alleged breach, of such obligations could have materially negative legal, regulatory and reputational consequences.

For information about the extensive regulation to which our businesses are subject, see "Business — Regulation" in Part I, Item 1 of this Form 10-K.

Our businesses have been and may be adversely affected by declining asset values. This is particularly true for those businesses in which we have net "long" positions, receive fees based on the value of assets managed, or receive or post collateral.

Many of our businesses have net "long" positions in debt securities, loans, derivatives, mortgages, equities (including private equity and real estate) and most other asset classes. These include positions we take when we act as a principal to facilitate our clients' activities, including our exchange-based market-making activities, or commit large amounts of capital to maintain positions in interest rate and credit products, as well as through our currencies, commodities, equities and mortgage-related activities. In addition, we invest in similar asset classes. Substantially all of our investing and market-making positions and a portion of our loans are marked-to-market on a daily basis and declines in asset values directly and immediately impact our earnings, unless we have effectively "hedged" our exposures to those declines.

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

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

We receive asset-based management fees based on the value of our clients' portfolios or investment in funds managed by us and, in some cases, we also receive incentive fees based on increases in the value of such investments. Declines in asset values would ordinarily reduce the value of our clients' portfolios or fund assets, which in turn would ordinarily reduce the fees we earn for managing such assets.

We post collateral to support our obligations and receive collateral to support the obligations of our clients and counterparties in connection with our client execution businesses. When the value of the assets posted as collateral or the credit ratings of the party posting collateral decline, the party posting the collateral may need to provide additional collateral or, if possible, reduce its trading position. An example of such a situation is a "margin call" in connection with a brokerage account. Therefore, declines in the value of asset classes used as collateral mean that either the cost of funding positions is increased or the size of positions is decreased. If we are the party providing collateral, this can increase our costs and reduce our profitability and if we are the party receiving collateral, this can also reduce our profitability by reducing the level of business done with our clients and counterparties.

In addition, volatile or less liquid markets increase the difficulty of valuing assets, which can lead to costly and time-consuming disputes over asset values and the level of required collateral, as well as increased credit risk to the recipient of the collateral due to delays in receiving adequate collateral. In cases where we foreclose on collateral, sudden declines in the value or liquidity of the collateral may, despite credit monitoring, over-collateralization, the ability to call for additional collateral or the ability to force repayment of the underlying obligation, result in significant losses to us, especially where there is a single type of collateral supporting the obligation. In addition, we have been, and may in the future be, subject to claims that the foreclosure was not permitted under the legal documents, was conducted in an improper manner or caused a client or counterparty to go out of business.

Our businesses have been and may be adversely affected by disruptions in the credit markets, including reduced access to credit and higher costs of obtaining credit.

Widening credit spreads, as well as significant declines in the availability of credit, have in the past adversely affected our ability to borrow on a secured and unsecured basis and may do so in the future. We fund ourselves on an unsecured basis by issuing long-term debt, by accepting deposits at our bank subsidiaries, by issuing hybrid financial instruments or by obtaining loans or lines of credit from commercial or other banking entities. We seek to finance many of our assets on a secured basis. Any disruptions in the credit markets may make it harder and more expensive to obtain funding for our businesses. If our available funding is limited or we are forced to fund our operations at a higher cost, these conditions may require us to curtail our business activities and increase our cost of funding, both of which could reduce our profitability, particularly in our businesses that involve investing, lending and market making.

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

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

Our market-making activities have been and may be affected by changes in the levels of market volatility.

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

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

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

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

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

Our asset management and wealth management businesses may be affected by the poor investment performance of our investment products or a client preference for products other than those which we offer or for products that generate lower fees.

Poor investment returns in our asset management and wealth management businesses, due to either general market conditions or underperformance (relative to our competitors or to benchmarks) by funds or accounts that we manage or investment products that we design or sell, affects our ability to retain existing assets and to attract new clients or additional assets from existing clients. This could affect the management and incentive fees that we earn on assets under supervision or the commissions and net spreads that we earn for selling other investment products, such as structured notes or derivatives. To the extent that our clients choose to invest in products that we do not currently offer, we will suffer outflows and a loss of management fees. Further, if, due to changes in investor sentiment or the relative performance of certain asset classes or otherwise, clients invest in products that generate lower fees (e.g., passively managed or fixed income products), our asset management and wealth management businesses could be adversely affected.

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

We seek to monitor and control our risk exposure through a risk and control framework encompassing a variety of separate but complementary financial, credit, operational, compliance and legal reporting systems, internal controls, management review processes and other mechanisms. Our risk management process seeks to balance our ability to profit from market-making, investing or lending positions, and underwriting activities, with our exposure to potential losses. While we employ a broad and diversified set of risk monitoring and risk mitigation techniques, those techniques and the judgments that accompany their application cannot anticipate every economic and financial outcome or the specifics and timing of such outcomes. Thus, in the course of our activities, we have incurred and may in the future incur losses. Market conditions in recent years have involved unprecedented dislocations and highlight the limitations inherent in using historical data to manage risk.

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

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

To the extent that we have positions through our market-making or origination activities or we make investments directly through our investing activities, including private equity, that do not have an established liquid trading market or are otherwise subject to restrictions on sale or hedging, we may not be able to reduce our positions and therefore reduce our risk associated with those positions. In addition, to the extent permitted by applicable law and regulation, we invest our own capital in private equity, credit, real estate and hedge funds that we manage and limitations on our ability to withdraw some or all of our investments in these funds, whether for legal, reputational or other reasons, may make it more difficult for us to control the risk exposures relating to these investments.

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

As we have expanded and intend to continue to expand the product and geographic scope of our offerings of credit products to consumers, we are presented with different credit risks and must expand and adapt our credit risk monitoring and mitigation activities to account for these business activities. A failure to adequately assess and control such risk exposures could result in losses to us.

For further information about our risk management policies and procedures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Risk Management" in Part II, Item 7 of this Form 10-K.

Our liquidity, profitability and businesses may be adversely affected by an inability to access the debt capital markets or to sell assets or by a reduction in our credit ratings or by an increase in our credit spreads.

Liquidity is essential to our businesses. It is of critical importance to us, as most of the failures of financial institutions have occurred in large part due to insufficient liquidity. Our liquidity may be impaired by an inability to access secured and/or unsecured debt markets, an inability to access funds from our subsidiaries or otherwise allocate liquidity optimally, an inability to sell assets or redeem our investments, or unforeseen outflows of cash or collateral. This situation may arise due to circumstances that we may be unable to control, such as a general market disruption or an operational problem that affects third parties or us, or even by the perception among market participants that we, or other market participants, are experiencing greater liquidity risk.

We employ structured products to benefit our clients and hedge our own risks. The financial instruments that we hold and the contracts to which we are a party are often complex, and these complex structured products often do not have readily available markets to access in times of liquidity stress. Our investing and financing activities may lead to situations where the holdings from these activities represent a significant portion of specific markets, which could restrict liquidity for our positions.

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

Our credit ratings are important to our liquidity. A reduction in our credit ratings could adversely affect our liquidity and competitive position, increase our borrowing costs, limit our access to the capital markets or trigger our obligations under certain provisions in some of our trading and collateralized financing contracts. Under these provisions, counterparties could be permitted to terminate contracts with us or require us to post additional collateral. Termination of our trading and collateralized financing contracts could cause us to sustain losses and impair our liquidity by requiring us to find other sources of financing or to make significant cash payments or securities movements.

As of December 2019, our counterparties could have called for additional collateral or termination payments related to our net derivative liabilities under bilateral agreements in an aggregate amount of $358 million in the event of a one-notch downgrade of our credit ratings and $1.27 billion in the event of a two-notch downgrade of our credit ratings. A downgrade by any one rating agency, depending on the agency's relative ratings of us at the time of the downgrade, may have an impact which is comparable to the impact of a downgrade by all rating agencies. For further information about our credit ratings, see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Risk Management — Liquidity Risk Management — Credit Ratings" in Part II, Item 7 of this Form 10-K.

Our cost of obtaining long-term unsecured funding is directly related to our credit spreads (the amount in excess of the interest rate of benchmark securities that we need to pay). Increases in our credit spreads can significantly increase our cost of this funding. Changes in credit spreads are continuous, market-driven, and subject at times to unpredictable and highly volatile movements. Our credit spreads are also influenced by market perceptions of our creditworthiness and movements in the costs to purchasers of credit default swaps referenced to our long-term debt. The market for credit default swaps has proven to be extremely volatile and at times has lacked a high degree of transparency or liquidity.

Regulatory changes relating to liquidity may also negatively impact our results of operations and competitive position. Numerous regulations have been adopted or proposed to introduce more stringent liquidity requirements for large financial institutions. These regulations address, among other matters, liquidity stress testing, minimum liquidity requirements, wholesale funding, limitations on the issuance of short-term debt and structured notes and prohibitions on parent guarantees that are subject to certain cross-defaults. New and prospective liquidity-related regulations may overlap with, and be impacted by, other regulatory changes, including rules relating to minimum long-term debt requirements and TLAC, guidance on the treatment of brokered deposits and the capital, leverage and resolution and recovery frameworks applicable to large financial institutions. Given the overlap and complex interactions among these new and prospective regulations, they may have unintended cumulative effects, and their full impact will remain uncertain, while regulatory reforms are being adopted and market practices develop.

We face enhanced risks as new business initiatives and acquisitions lead us to engage in new activities, transact with a broader array of clients and counterparties and expose us to new asset classes and new markets.

A number of our recent and planned business initiatives and expansions of existing businesses, including through acquisitions, may bring us into contact, directly or indirectly, with individuals and entities that are not within our traditional client and counterparty base, expose us to new asset classes and new markets, and present us with integration challenges. For example, we continue to transact business and invest in new regions, including a wide range of emerging and growth markets. Furthermore, in a number of our businesses, including where we make markets, invest and lend, we own interests in, or otherwise become affiliated with the ownership and operation of, public services, such as airports, toll roads and shipping ports, as well as physical commodities and commodities infrastructure components, both within and outside the U.S.

We have increased and intend to further increase our consumer-oriented deposit-taking and lending activities. For example, during 2019, we started to issue credit cards to consumers. To the extent we engage in those and other consumer-oriented activities, we have faced, and would continue to face, additional compliance, legal and regulatory risk, increased reputational risk and increased operational risk due to, among other things, higher transaction volumes and significantly increased retention and transmission of consumer and client information. We are also subject to additional legal requirements, including with respect to suitability and consumer protection (for example, Regulation Best Interest, fair lending laws and regulations and privacy laws and regulations). Further, identity fraud may increase and credit reporting practices may change in a manner that makes it more difficult for financial institutions, such as us, to evaluate the creditworthiness of consumers.

We have increased and intend to further increase our transaction banking activities. As a result, we expect to face additional compliance, legal and regulatory risk, including with respect to know-your-customer, anti-money laundering and reporting requirements and prohibitions on transfers of property belonging to countries, entities and individuals subject to sanctions by U.S. or other governmental authorities.

New business initiatives expose us to new and enhanced risks, including risks associated with dealing with governmental entities, reputational concerns arising from dealing with different types of clients, counterparties and investors, greater regulatory scrutiny of these activities, increased credit-related, market, sovereign and operational risks, risks arising from accidents or acts of terrorism, and reputational concerns with the manner in which certain assets are being operated or held or in which we interact with these counterparties. Legal, regulatory and reputational risks may also exist in connection with activities and transactions involving new products or markets where there is regulatory uncertainty or where there are different or conflicting regulations depending on the regulator or the jurisdiction involved, particularly where transactions in such products may involve multiple jurisdictions.

We have developed and pursued new business and strategic initiatives, and expect to continue to do so. If and to the extent we are unable to successfully execute those initiatives, we may incur unanticipated costs and losses, and face other adverse consequences, such as negative reputational effects. In addition, the actual effects of pursuing those initiatives may differ, possibly materially, from the benefits that we expect to realize from them, such as generating additional revenues, achieving expense savings, reducing operational risk exposures or using capital and funding more efficiently. Engaging in new activities exposes us to a variety of risks, including that we may be unable to successfully develop new, competitive, efficient and effective systems and processes, and hire and retain the necessary personnel. Due to our lack of historical experience with unsecured retail lending, our loan loss assumptions may prove to be incorrect and we may incur losses significantly above those which we originally anticipated in entering the business.

In recent years, we have invested, and may continue to invest, more in businesses that we expect will generate a higher level of more consistent revenues. In order to develop and be able to offer consumer financial products that compete effectively, we have made and expect to continue to make significant investments in technology and human capital resources in connection with our consumer-oriented activities. Such investments may not be successful or have returns similar to our other businesses.

Our operating expenses and efficiency ratio depend, in part, on our overall headcount and the proportion of our employees that are located in strategic locations. Our future human capital resource requirements and the benefits provided by strategic locations are uncertain, and we may not realize the benefits we anticipate.

A failure in our operational systems or infrastructure, or those of third parties, as well as human error, malfeasance or other misconduct, could impair our liquidity, disrupt our businesses, result in the disclosure of confidential information, damage our reputation and cause losses.

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

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

As our client base, including through our consumer businesses, and our geographical reach expand and the volume, speed, frequency and complexity of transactions, especially electronic transactions (as well as the requirements to report such transactions on a real-time basis to clients, regulators and exchanges) increase, developing and maintaining our operational systems and infrastructure becomes more challenging, and the risk of systems or human error in connection with such transactions increases, as well as the potential consequences of such errors due to the speed and volume of transactions involved and the potential difficulty associated with discovering errors quickly enough to limit the resulting consequences. As with other similarly situated institutions, we utilize credit underwriting models in connection with our businesses, including our consumer-oriented activities. Allegations, whether or not accurate, that the ultimate underwriting decisions do not treat consumers or clients fairly, or comply with the applicable law or regulation, can result in negative publicity, reputational damage and governmental and regulatory scrutiny.

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

The use of computing devices and phones is critical to the work done by our employees and the operation of our systems and businesses and those of our clients and our third-party service providers and vendors. Computers and computer networks are subject to various risks, including, among others, cyber attacks, inherent technological defects, system failures and errors by human operators. For example, fundamental security flaws in computer chips found in many types of these computing devices and phones have been reported in the past and may be discovered in the future. Cloud technologies are also critical to the operation of our systems and platforms and our reliance on cloud technologies is growing. Service disruptions may lead to delays in accessing, or the loss of, data that is important to our businesses and may hinder our clients' access to our platforms. Addressing these and similar issues could be costly and affect the performance of these businesses and systems. Operational risks may be incurred in applying fixes and there may still be residual security risks.

Additionally, although the prevalence and scope of applications of distributed ledger technology and similar technologies is growing, the technology is also nascent and may be vulnerable to cyber attacks or have other inherent weaknesses. We may be, or may become, exposed to risks related to distributed ledger technology through our facilitation of clients' activities involving financial products linked to distributed ledger technology, such as blockchain or cryptocurrencies, our investments in companies that seek to develop platforms based on distributed ledger technology, and the use of distributed ledger technology by third-party vendors, clients, counterparties, clearing houses and other financial intermediaries.

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

In addition, we face the risk of operational failure or significant operational delay, termination or capacity constraints of any of the clearing agents, exchanges, clearing houses or other financial intermediaries we use to facilitate our securities and derivatives transactions, and as our interconnectivity with our clients grows, we increasingly face the risk of operational failure or significant operational delay with respect to our clients' systems.

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

The interconnectivity of multiple financial institutions with central agents, exchanges and clearing houses, and the increased centrality of these entities, increases the risk that an operational failure at one institution or entity may cause an industry-wide operational failure that could materially impact our ability to conduct business. Any such failure, termination or constraint could adversely affect our ability to effect transactions, service our clients, manage our exposure to risk or expand our businesses or result in financial loss or liability to our clients, impairment of our liquidity, disruption of our businesses, regulatory intervention or reputational damage.

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

In addition, although we seek to diversify our third-party vendors to increase our resiliency, we are also exposed to the risk that a disruption or other information technology event at a common service provider to our vendors could impede their ability to provide products or services to us. We may not be able to effectively monitor or mitigate operational risks relating to our vendors' use of common service providers.

Nearly all of our employees in our primary locations, including the New York metropolitan area, London, Bengaluru, Hong Kong, Tokyo and Salt Lake City, work in close proximity to one another, in one or more buildings. Notwithstanding our efforts to maintain business continuity, given that our headquarters and the largest concentration of our employees are in the New York metropolitan area, and our two principal office buildings in the New York area both are located on the waterfront of the Hudson River, depending on the intensity and longevity of the event, a catastrophic event impacting our New York metropolitan area offices, including a terrorist attack, extreme weather event or other hostile or catastrophic event, could negatively affect our business. If a disruption occurs in one location and our employees in that location are unable to occupy our offices or communicate with or travel to other locations, our ability to service and interact with our clients may suffer, and we may not be able to successfully implement contingency plans that depend on communication or travel.

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

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

We are regularly the target of attempted cyber attacks, including denial-of-service attacks, and must continuously monitor and develop our systems to protect the integrity and functionality of our technology infrastructure and access to and the security of our data. We may face an increasing number of attempted cyber attacks as we expand our mobile- and other internet-based products and services, as well as our usage of mobile and cloud technologies, and as we provide more of these services to a greater number of individual consumers. The increasing migration of our communication from devices we provide to employee-owned devices presents additional risks of cyber attacks. In addition, due to our interconnectivity with third-party vendors (and their respective service providers), central agents, exchanges, clearing houses and other financial institutions, we could be adversely impacted if any of them is subject to a successful cyber attack or other information security event. These impacts could include the loss of access to information or services from the third party subject to the cyber attack or other information security event, which could, in turn, interrupt certain of our businesses.

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

Although we take protective measures proactively and endeavor to modify them as circumstances warrant, our computer systems, software and networks may be vulnerable to unauthorized access, misuse, computer viruses or other malicious code, cyber attacks on our vendors and other events that could have a security impact. Due to the complexity and interconnectedness of our systems, the process of enhancing our protective measures can itself create a risk of systems disruptions and security issues. In addition, protective measures that we employ to compartmentalize our data may reduce our visibility into, and adversely affect our ability to respond to, cyber threats and issues with our systems.

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

We have expended, and expect to continue to expend, significant resources on an ongoing basis to modify our protective measures and to investigate and remediate vulnerabilities or other exposures, but these measures may be ineffective and we may be subject to legal or regulatory action, as well as financial losses that are either not insured against or not fully covered through any insurance maintained by us.

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

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

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

Our businesses, profitability and liquidity may be adversely affected by Brexit.

On January 31, 2020, the U.K. left the E.U. As discussed in "Business — Regulation" in Part I, Item 1 of this Form 10-K we expect considerable change in the regulatory framework that will govern transactions and business undertaken by our U.K. subsidiaries in the E.U. As a result, we face numerous risks that could adversely affect how we conduct our businesses or our profitability and liquidity.

Our principal subsidiaries operating in the E.U., GSI, GSIB and GSAMI, are incorporated and headquartered in the U.K. They all currently benefit from non-discriminatory access to E.U. clients and infrastructure based on E.U. treaties and E.U. legislation, including arrangements for cross-border "passporting" and the establishment of E.U. branches. The E.U and the U.K. Parliament have ratified the Withdrawal Agreement, which provides for a transition period for the U.K. and E.U. to negotiate and agree to a framework for their future relationship. The transition period is currently scheduled to end on December 31, 2020 and the relationship between the U.K and E.U. beyond that date is uncertain. At the end of the transition period, firms based in the U.K. are expected to lose their existing access arrangements to the E.U. markets.

As necessary, our German bank subsidiary, GSBE, will act as our main operating subsidiary in the E.U. and will assume certain functions that can no longer be efficiently and effectively performed by our U.K. operating subsidiaries, including GSI, GSIB and GSAMI. Implementing this strategy could materially adversely affect the manner in which we operate certain businesses in Europe, require us to restructure certain of our operations and expose us to higher operational, regulatory and compliance costs, higher taxes, higher subsidiary-level capital and liquidity requirements, additional restrictions on intercompany transactions, and new restrictions on the ability of our subsidiaries to share personal data, including client data, all of which could adversely affect our liquidity and profitability.

We have strengthened the capabilities of our operating subsidiaries in the remaining E.U. countries, particularly GSBE. Depending on the terms of the future relationship between the U.K. and E.U., Brexit could necessitate a rapid and significant expansion in the scope of GSBE's activities, as well as its headcount, balance sheet, and capital and funding needs. Although we have invested significant resources to plan for and address Brexit, there can be no assurance that we will be able to successfully execute our strategy. In addition, even if we are able to successfully execute our strategy, we face the risk that Brexit could have a disproportionately adverse effect on our E.U operations compared to some of our competitors who have more extensive pre-existing operations in the E.U. outside of the U.K.

In addition, Brexit has created an uncertain political and economic environment in the U.K., and may create such environments in current E.U. member states. Political and economic uncertainty has in the past led to, and the impact of Brexit could lead to, declines in market liquidity and activity levels, volatile market conditions, a contraction of available credit, changes in interest rates or exchange rates, weaker economic growth and reduced business confidence all of which could adversely impact our business.

Our businesses, profitability and liquidity may be adversely affected by deterioration in the credit quality of, or defaults by, third parties who owe us money, securities or other assets or whose securities or obligations we hold.

We are exposed to the risk that third parties that owe us money, securities or other assets will not perform their obligations. These parties may default on their obligations to us due to bankruptcy, lack of liquidity, operational failure or other reasons. A failure of a significant market participant, or even concerns about a default by such an institution, could lead to significant liquidity problems, losses or defaults by other institutions, which in turn could adversely affect us.

We are also subject to the risk that our rights against third parties may not be enforceable in all circumstances. In addition, deterioration in the credit quality of third parties whose securities or obligations we hold, including a deterioration in the value of collateral posted by third parties to secure their obligations to us under derivative contracts and loan agreements, could result in losses and/or adversely affect our ability to rehypothecate or otherwise use those securities or obligations for liquidity purposes.

A significant downgrade in the credit ratings of our counterparties could also have a negative impact on our results. While in many cases we are permitted to require additional collateral from counterparties that experience financial difficulty, disputes may arise as to the amount of collateral we are entitled to receive and the value of pledged assets. The termination of contracts and the foreclosure on collateral may subject us to claims for the improper exercise of our rights. Default rates, downgrades and disputes with counterparties as to the valuation of collateral typically increase significantly in times of market stress, increased volatility and illiquidity.

As part of our clearing and prime brokerage activities, we finance our clients' positions, and we could be held responsible for the defaults or misconduct of our clients. Although we regularly review credit exposures to specific clients and counterparties and to specific industries, countries and regions that we believe may present credit concerns, default risk may arise from events or circumstances that are difficult to detect or foresee.

Concentration of risk increases the potential for significant losses in our market-making, underwriting, investing and financing activities.

Concentration of risk increases the potential for significant losses in our market-making, underwriting, investing and financing activities. The number and size of these transactions has affected and may in the future affect our results of operations in a given period. Moreover, because of concentration of risk, we may suffer losses even when economic and market conditions are generally favorable for our competitors. Disruptions in the credit markets can make it difficult to hedge these credit exposures effectively or economically. In addition, we extend large commitments as part of our credit origination activities.

Rules adopted under the Dodd-Frank Act, and similar rules adopted in other jurisdictions, require issuers of certain asset-backed securities and any person who organizes and initiates certain asset-backed securities transactions to retain economic exposure to the asset, which has affected the cost of and structures used in connection with these securitization activities. Our inability to reduce our credit risk by selling, syndicating or securitizing these positions, including during periods of market stress, could negatively affect our results of operations due to a decrease in the fair value of the positions, including due to the insolvency or bankruptcy of the borrower, as well as the loss of revenues associated with selling such securities or loans.

In the ordinary course of business, we may be subject to a concentration of credit risk to a particular counterparty, borrower, issuer (including sovereign issuers) or geographic area or group of related countries, such as the E.U., and a failure or downgrade of, or default by, such entity could negatively impact our businesses, perhaps materially, and the systems by which we set limits and monitor the level of our credit exposure to individual entities, industries, countries and regions may not function as we have anticipated. Regulatory reform, including the Dodd-Frank Act, has led to increased centralization of trading activity through particular clearing houses, central agents or exchanges, which has significantly increased our concentration of risk with respect to these entities. While our activities expose us to many different industries, counterparties and countries, we routinely execute a high volume of transactions with counterparties engaged in financial services activities, including brokers and dealers, commercial banks, clearing houses, exchanges and investment funds. This has resulted in significant credit concentration with respect to these counterparties.

The financial services industry is both highly competitive and interrelated.

The financial services industry and all of our businesses are intensely competitive, and we expect them to remain so. We compete on the basis of a number of factors, including transaction execution, our products and services, innovation, reputation, creditworthiness and price. There has been substantial consolidation and convergence among companies in the financial services industry. This has hastened the globalization of the securities and other financial services markets. As a result, we have had to commit capital to support our international operations and to execute large global transactions. To the extent we expand into new business areas and new geographic regions, we will face competitors with more experience and more established relationships with clients, regulators and industry participants in the relevant market, which could adversely affect our ability to expand.

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

Pricing and other competitive pressures in our businesses have continued to increase, particularly in situations where some of our competitors may seek to increase market share by reducing prices. For example, in connection with investment banking and other assignments, in response to competitive pressure we have experienced, we have extended and priced credit at levels that may not always fully compensate us for the risks we take.

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

A failure to appropriately identify and address potential conflicts of interest could adversely affect our businesses.

Due to the broad scope of our businesses and our client base, we regularly address potential conflicts of interest, including situations where our services to a particular client or our own investments or other interests conflict, or are perceived to conflict, with the interests of that client or another client, as well as situations where one or more of our businesses have access to material non-public information that may not be shared with our other businesses and situations where we may be a creditor of an entity with which we also have an advisory or other relationship.

In addition, our status as a BHC subjects us to heightened regulation and increased regulatory scrutiny by the FRB with respect to transactions between GS Bank USA and entities that are or could be viewed as affiliates of ours and, under the Volcker Rule, transactions between us and covered funds.

We have extensive procedures and controls that are designed to identify and address conflicts of interest, including those designed to prevent the improper sharing of information among our businesses. However, appropriately identifying and dealing with conflicts of interest is complex and difficult, and our reputation, which is one of our most important assets, could be damaged and the willingness of clients to enter into transactions with us may be affected if we fail, or appear to fail, to identify, disclose and deal appropriately with conflicts of interest. In addition, potential or perceived conflicts could give rise to litigation or regulatory enforcement actions. Additionally, our *One Goldman Sachs* initiative aims to increase collaboration among our businesses, which may increase the potential for actual or perceived conflicts of interest and improper information sharing.

Our results have been and may in the future be adversely affected by the composition of our client base.

Our client base is not the same as that of our major competitors. Our businesses may have a higher or lower percentage of clients in certain industries or markets than some or all of our competitors. Therefore, unfavorable industry developments or market conditions affecting certain industries or markets have resulted in the past and may result in the future in our businesses underperforming relative to similar businesses of a competitor if our businesses have a higher concentration of clients in such industries or markets. For example, our market-making businesses have a higher percentage of clients with actively managed assets than our competitors and such clients have in the past and may in the future be disproportionately affected by low volatility.

Correspondingly, favorable or simply less adverse developments or market conditions involving industries or markets in a business where we have a lower concentration of clients in such industry or market have also resulted in the past and may result in the future in our underperforming relative to a similar business of a competitor that has a higher concentration of clients in such industry or market. For example, we have a smaller corporate client base in our market-making businesses than many of our peers and therefore those competitors may benefit more from increased activity by corporate clients.

Derivative transactions and delayed settlements may expose us to unexpected risk and potential losses.

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

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

As a signatory to the ISDA Universal Protocol or U.S. ISDA Protocol (ISDA Protocols) and being subject to the FRB's and FDIC's rules on QFCs and similar rules in other jurisdictions, we may not be able to exercise remedies against counterparties and, as this new regime has not yet been tested, we may suffer risks or losses that we would not have expected to suffer if we could immediately close out transactions upon a termination event. Various non-U.S. regulators have also proposed regulations contemplated by the ISDA Universal Protocol, and those implementing regulations may result in additional limitations on our ability to exercise remedies against counterparties. The ISDA Protocols and these rules and regulations extend to repurchase agreements and other instruments that are not derivative contracts, and their impact will depend on the development of market practices and structures.

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

In addition, as new complex derivative products are created, covering a wider array of underlying credit and other instruments, disputes about the terms of the underlying contracts could arise, which could impair our ability to effectively manage our risk exposures from these products and subject us to increased costs. The provisions of the Dodd-Frank Act requiring central clearing of credit derivatives and other OTC derivatives, or a market shift toward standardized derivatives, could reduce the risk associated with these transactions, but under certain circumstances could also limit our ability to develop derivatives that best suit the needs of our clients and to hedge our own risks, and could adversely affect our profitability and increase our credit exposure to central clearing platforms.

Certain of our businesses, our funding and financial products may be adversely affected by changes in or the discontinuance of Interbank Offered Rates (IBORs), in particular LIBOR.

The FCA, which regulates LIBOR, has announced that it will not compel panel banks to contribute to LIBOR after 2021. It is likely that banks will not continue to provide submissions for the calculation of LIBOR after 2021 and possibly prior to then. Similarly, it is not possible to know whether LIBOR will continue to be viewed as an acceptable market benchmark, what rate or rates may become accepted alternatives to LIBOR, or what the effect of any such changes in views or alternatives may have on the financial markets for LIBOR-linked financial instruments. Similar statements have been made with respect to other IBORs.

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

The language in our contracts and financial instruments that define IBORs, in particular LIBOR, have developed over time and have various events that trigger when a successor rate to the designated rate would be selected. If a trigger is satisfied, contracts and financial instruments often give the calculation agent (which may be us) discretion over the successor rate or benchmark to be selected. As a result, there is considerable uncertainty as to how the financial services industry will address the discontinuance of designated rates in contracts and financial instruments or such designated rates ceasing to be acceptable reference rates. This uncertainty could ultimately result in client disputes and litigation surrounding the proper interpretation of our IBOR-based contracts and financial instruments.

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

Certain of our businesses and our funding may be adversely affected by changes in other reference rates, currencies, indexes, baskets or ETFs to which products we offer or funding that we raise are linked.

Many of the products that we own or that we offer, such as structured notes, warrants, swaps or security-based swaps, pay interest or determine the principal amount to be paid at maturity or in the event of default by reference to rates or by reference to an index, currency, basket, ETF or other financial metric (the underlier). In the event that the composition of the underlier is significantly changed, by reference to rules governing such underlier or otherwise, the underlier ceases to exist (for example, in the event that a country withdraws from the Euro or links its currency to or delinks its currency from another currency or benchmark, or an index or ETF sponsor materially alters the composition of an index or ETF) or the underlier ceases to be recognized as an acceptable market benchmark, we may experience adverse effects consistent with those described above for IBORs.

Our businesses may be adversely affected if we are unable to hire and retain qualified employees.

Our performance is largely dependent on the talents and efforts of highly skilled people; therefore, our continued ability to compete effectively in our businesses, to manage our businesses effectively and to expand into new businesses and geographic areas depends on our ability to attract new talented and diverse employees and to retain and motivate our existing employees. Factors that affect our ability to attract and retain such employees include the level and composition of our compensation and benefits, and our reputation as a successful business with a culture of fairly hiring, training and promoting qualified employees. As a significant portion of the compensation that we pay to our employees is in the form of year-end discretionary compensation, a significant portion of which is in the form of deferred equity-related awards, declines in our profitability, or in the outlook for our future profitability, as well as regulatory limitations on compensation levels and terms, can negatively impact our ability to hire and retain highly qualified employees.

Competition from within the financial services industry and from businesses outside the financial services industry, including the technology industry, for qualified employees has often been intense. We have experienced increased competition in hiring and retaining employees to address the demands of new regulatory requirements, expanding consumer-oriented businesses and our technology initiatives. This is also the case in emerging and growth markets, where we are often competing for qualified employees with entities that have a significantly greater presence or more extensive experience in the region.

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

As described further in "Business — Regulation — Compensation Practices" in Part I, Item 1 of this Form 10-K, our compensation practices are subject to review by, and the standards of, the FRB. As a large global financial and banking institution, we are subject to limitations on compensation practices (which may or may not affect our competitors) by the FRB, the PRA, the FCA, the FDIC and other regulators worldwide. These limitations, including any imposed by or as a result of future legislation or regulation, may require us to alter our compensation practices in ways that could adversely affect our ability to attract and retain talented employees.

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

Governmental scrutiny from regulators, legislative bodies and law enforcement agencies with respect to matters relating to compensation, our business practices, our past actions and other matters has increased dramatically in the past several years. The financial crisis and the current political and public sentiment regarding financial institutions has resulted in a significant amount of adverse press coverage, as well as adverse statements or charges by regulators or other government officials. Press coverage and other public statements that assert some form of wrongdoing (including, in some cases, press coverage and public statements that do not directly involve us) often result in some type of investigation by regulators, legislators and law enforcement officials or in lawsuits.

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

The financial services industry generally and our businesses in particular have been subject to negative publicity. Our reputation and businesses may be adversely affected by negative publicity or information regarding our businesses and personnel, whether or not accurate or true, that may be posted on social media or other internet forums or published by news organizations. The speed and pervasiveness with which information can be disseminated through these channels, in particular social media, may magnify risks relating to negative publicity.

Substantial civil or criminal liability or significant regulatory action against us could have material adverse financial effects or cause us significant reputational harm, which in turn could seriously harm our business prospects.

We face significant legal risks in our businesses, and the volume of claims and amount of damages and penalties claimed in litigation and regulatory proceedings against financial institutions remain high. See Notes 18 and 27 to the consolidated financial statements in Part II, Item 8 of this Form 10-K for information about certain legal and regulatory proceedings and investigations in which we are involved. Our experience has been that legal claims by consumers and clients increase in a market downturn and that employment-related claims increase following periods in which we have reduced our headcount. Additionally, governmental entities have been and are plaintiffs in certain of the legal proceedings in which we are involved, and we may face future civil or criminal actions or claims by the same or other governmental entities, as well as follow-on civil litigation that is often commenced after regulatory settlements.

Significant settlements by several large financial institutions, including, in some cases, us, with governmental entities have been publicly announced. The trend of large settlements with governmental entities may adversely affect the outcomes for other financial institutions in similar actions, especially where governmental officials have announced that the large settlements will be used as the basis or a template for other settlements. The uncertain regulatory enforcement environment makes it difficult to estimate probable losses, which can lead to substantial disparities between legal reserves and subsequent actual settlements or penalties.

Claims of collusion or anti-competitive conduct have become more common. Civil cases have been brought against financial institutions (including us) alleging bid rigging, group boycotts or other anti-competitive practices. Antitrust laws generally provide for joint and several liability and treble damages. These claims have resulted in significant settlements in the past and may do so in the future.

We are subject to laws and regulations worldwide, including the FCPA and the U.K. Bribery Act, relating to corrupt and illegal payments to, and hiring practices with regard to, government officials and others. Violation of these or similar laws and regulations could result in significant monetary penalties, severe restrictions on our activities and damage to our reputation.

Certain law enforcement authorities have recently required admissions of wrongdoing, and, in some cases, criminal pleas, as part of the resolutions of matters brought against financial institutions or their employees. Any such resolution of a criminal matter involving us or our employees could lead to increased exposure to civil litigation, could adversely affect our reputation, could result in penalties or limitations on our ability to conduct our activities generally or in certain circumstances and could have other negative effects.

Group Inc. is a holding company and is dependent for liquidity on payments from its subsidiaries, many of which are subject to restrictions.

Group Inc. is a holding company and, therefore, 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. Many of our subsidiaries, including our broker-dealer and bank subsidiaries, are subject to laws that restrict dividend payments or authorize regulatory bodies to block or reduce the flow of funds from those subsidiaries to Group Inc.

In addition, our broker-dealer and bank subsidiaries are subject to restrictions on their ability to lend or transact with affiliates and to minimum regulatory capital and other requirements, as well as restrictions on their ability to use funds deposited with them in brokerage or bank accounts to fund their businesses. Additional restrictions on related-party transactions, increased capital and liquidity requirements and additional limitations on the use of funds on deposit in bank or brokerage accounts, as well as lower earnings, can reduce the amount of funds available to meet the obligations of Group Inc., including under the FRB's source of strength requirement, and even require Group Inc. to provide additional funding to such subsidiaries. Restrictions or regulatory action of that kind could impede access to funds that Group Inc. needs to make payments on its obligations, including debt obligations, or dividend payments. In addition, Group Inc.'s right to participate in a distribution of assets upon a subsidiary's liquidation or reorganization is subject to the prior claims of the subsidiary's creditors.

There has been a trend towards increased regulation and supervision of our subsidiaries by the governments and regulators in the countries in which those subsidiaries are located or do business. Concerns about protecting clients and creditors of financial institutions that are controlled by persons or entities located outside of the country in which such entities are located or do business have caused or may cause a number of governments and regulators to take additional steps to "ring fence" or require internal total loss-absorbing capacity (which may also be subject to "bail-in" powers, as described below) at those entities in order to protect clients and creditors of those entities in the event of financial difficulties involving those entities. The result has been and may continue to be additional limitations on our ability to efficiently move capital and liquidity among our affiliated entities, thereby increasing the overall level of capital and liquidity required by us on a consolidated basis.

Furthermore, Group Inc. has guaranteed the payment obligations of certain of its subsidiaries, including GS&Co. and GS Bank USA, subject to certain exceptions. In addition, Group Inc. guarantees many of the obligations of its other consolidated subsidiaries on a transaction-by-transaction basis, as negotiated with counterparties. These guarantees may require Group Inc. to provide substantial funds or assets to its subsidiaries or their creditors or counterparties at a time when Group Inc. is in need of liquidity to fund its own obligations.

The requirements for us and GS Bank USA to develop and submit recovery and resolution plans to regulators, and the incorporation of feedback received from regulators, may require us to increase capital or liquidity levels or issue additional long-term debt at Group Inc. or particular subsidiaries or otherwise incur additional or duplicative operational or other costs at multiple entities, and may reduce our ability to provide Group Inc. guarantees of the obligations of our subsidiaries or raise debt at Group Inc. Resolution planning may also impair our ability to structure our intercompany and external activities in a manner that we may otherwise deem most operationally efficient. Furthermore, arrangements to facilitate our resolution planning may cause us to be subject to additional taxes. Any such limitations or requirements would be in addition to the legal and regulatory restrictions described above on our ability to engage in capital actions or make intercompany dividends or payments.

See "Business — Regulation" in Part I, Item 1 of this Form 10-K for further information about regulatory restrictions.

The application of regulatory strategies and requirements in the U.S. and non-U.S. jurisdictions to facilitate the orderly resolution of large financial institutions could create greater risk of loss for Group Inc.'s security holders.

As described in "Business — Regulation — Banking Supervision and Regulation — Insolvency of an IDI or a BHC," if the FDIC is appointed as receiver under OLA, the rights of Group Inc.'s creditors would be determined under OLA, and substantial differences exist in the rights of creditors between OLA and the U.S. Bankruptcy Code, including the right of the FDIC under OLA to disregard the strict priority of creditor claims in some circumstances, which could have a material adverse effect on debtholders.

The FDIC has announced that a single point of entry strategy may be a desirable strategy under OLA to resolve a large financial institution in a manner that would, among other things, impose losses on shareholders, debtholders and other creditors of the top-tier BHC (in our case, Group Inc.), while the BHC's subsidiaries may continue to operate. It is possible that the application of the single point of entry strategy under OLA, in which Group Inc. would be the only entity to enter resolution proceedings (and its material broker-dealer, bank and other operating entities would not enter resolution proceedings), would result in greater losses to Group Inc.'s security holders (including holders of our fixed rate, floating rate and indexed debt securities), than the losses that would result from the application of a bankruptcy proceeding or a different resolution strategy, such as a multiple point of entry resolution strategy for Group Inc. and certain of its material subsidiaries.

Assuming Group Inc. entered resolution proceedings and that support from Group Inc. or other available resources to its subsidiaries was sufficient to enable the subsidiaries to remain solvent, losses at the subsidiary level would be transferred to Group Inc. and ultimately borne by Group Inc.'s security holders, third-party creditors of Group Inc.'s subsidiaries would receive full recoveries on their claims, and Group Inc.'s security holders (including our shareholders, debtholders and other unsecured creditors) could face significant and possibly complete losses. In that case, Group Inc.'s security holders would face losses while the third-party creditors of Group Inc.'s subsidiaries would incur no losses because the subsidiaries would continue to operate and would not enter resolution or bankruptcy proceedings. In addition, holders of Group Inc.'s eligible long-term debt and holders of Group Inc.'s other debt securities could face losses ahead of its other similarly situated creditors in a resolution under OLA if the FDIC exercised its right, described above, to disregard the priority of creditor claims.

OLA also provides the FDIC with authority to cause creditors and shareholders of the financial company in receivership to bear losses before taxpayers are exposed to such losses, and amounts owed to the U.S. government would generally receive a statutory payment priority over the claims of private creditors, including senior creditors.

In addition, under OLA, claims of creditors (including debtholders) could be satisfied through the issuance of equity or other securities in a bridge entity to which Group Inc.'s assets are transferred. If such a securities-for-claims exchange were implemented, there can be no assurance that the value of the securities of the bridge entity would be sufficient to repay or satisfy all or any part of the creditor claims for which the securities were exchanged. While the FDIC has issued regulations to implement OLA, not all aspects of how the FDIC might exercise this authority are known and additional rulemaking is possible.

In addition, certain jurisdictions, including the U.K. and the E.U., have implemented, or are considering, changes to resolution regimes to provide resolution authorities with the ability to recapitalize a failing entity by writing down its unsecured debt or converting its unsecured debt into equity. Such "bail-in" powers are intended to enable the recapitalization of a failing institution by allocating losses to its shareholders and unsecured debtholders. For example, the Bank of England requires a certain amount of intercompany funding that we provide to our material U.K. subsidiaries to contain a contractual trigger to expressly permit the Bank of England to exercise such "bail-in" powers in certain circumstances. If the intercompany funding we provide to our subsidiaries is "bailed in," Group Inc.'s claims on its subsidiaries would be subordinated to the claims of the subsidiaries' third-party creditors or written down. U.S. regulators are considering and non-U.S. authorities have adopted requirements that certain subsidiaries of large financial institutions maintain minimum amounts of total loss-absorbing capacity that would pass losses up from the subsidiaries to the top-tier BHC and, ultimately, to security holders of the top-tier BHC in the event of failure.

The application of Group Inc.'s proposed resolution strategy could result in greater losses for Group Inc.'s security holders.

In our resolution plan, Group Inc. would be resolved under the U.S. Bankruptcy Code. The strategy described in our resolution plan is a variant of the single point of entry strategy: Group Inc. and Goldman Sachs Funding LLC (Funding IHC), a wholly-owned, direct subsidiary of Group Inc., would recapitalize and provide liquidity to certain major subsidiaries, including through the forgiveness of intercompany indebtedness, the extension of the maturities of intercompany indebtedness and the extension of additional intercompany loans. If this strategy were successful, creditors of some or all of Group Inc.'s major subsidiaries would receive full recoveries on their claims, while Group Inc.'s security holders could face significant and possibly complete losses.

To facilitate the execution of our resolution plan, we formed Funding IHC. In exchange for an unsecured subordinated funding note and equity interest, Group Inc. transferred certain intercompany receivables and substantially all of its global core liquid assets (GCLA) to Funding IHC, and agreed to transfer additional GCLA above prescribed thresholds.

We also put in place a Capital and Liquidity Support Agreement (CLSA) among Group Inc., Funding IHC and our major subsidiaries. Under the CLSA, Funding IHC has provided Group Inc. with a committed line of credit that allows Group Inc. to draw sufficient funds to meet its cash needs during the ordinary course of business. In addition, if our financial resources deteriorate so severely that resolution may be imminent, (i) the committed line of credit will automatically terminate and the unsecured subordinated funding note will automatically be forgiven, (ii) all intercompany receivables owed by the major subsidiaries to Group Inc. will be transferred to Funding IHC or their maturities will be extended to five years, (iii) Group Inc. will be obligated to transfer substantially all of its remaining intercompany receivables and GCLA (other than an amount to fund anticipated bankruptcy expenses) to Funding IHC, and (iv) Funding IHC will be obligated to provide capital and liquidity support to the major subsidiaries. Group Inc.'s and Funding IHC's obligations under the CLSA are secured pursuant to a related security agreement. Such actions would materially and adversely affect Group Inc.'s liquidity. As a result, during a period of severe stress, Group Inc. might commence bankruptcy proceedings at an earlier time than it otherwise would if the CLSA and related security agreement had not been implemented.

If Group Inc.'s proposed resolution strategy were successful, Group Inc.'s security holders could face losses while the third-party creditors of Group Inc.'s major subsidiaries would incur no losses because those subsidiaries would continue to operate and not enter resolution or bankruptcy proceedings. As part of the strategy, Group Inc. could also seek to elevate the priority of its guarantee obligations relating to its major subsidiaries' derivative contracts or transfer them to another entity so that cross-default and early termination rights would be stayed under the ISDA Protocols, as applicable, which would result in holders of Group Inc.'s eligible long-term debt and holders of Group Inc.'s other debt securities incurring losses ahead of the beneficiaries of those guarantee obligations. It is also possible that holders of Group Inc.'s eligible long-term debt and other debt securities could incur losses ahead of other similarly situated creditors.

If Group Inc.'s proposed resolution strategy were not successful, Group Inc.'s financial condition would be adversely impacted and Group Inc.'s security holders, including debtholders, may as a consequence be in a worse position than if the strategy had not been implemented. In all cases, any payments to debtholders are dependent on our ability to make such payments and are therefore subject to our credit risk.

As a result of our recovery and resolution planning processes, including incorporating feedback from our regulators, we may incur increased operational, funding or other costs and face limitations on our ability to structure our internal organization or engage in internal or external activities in a manner that we may otherwise deem most operationally efficient.

The growth of electronic trading and the introduction of new trading technology may adversely affect our business and may increase competition.

Technology is fundamental to our business and our industry. The growth of electronic trading and the introduction of new technologies is changing our businesses and presenting us with new challenges. Securities, futures and options transactions are increasingly occurring electronically, both on our own systems and through other alternative trading systems, and it appears that the trend toward alternative trading systems will continue. Some of these alternative trading systems compete with us, particularly our exchange-based market-making activities, and we may experience continued competitive pressures in these and other areas. In addition, the increased use by our clients of low-cost electronic trading systems and direct electronic access to trading markets could cause a reduction in commissions and spreads. As our clients increasingly use our systems to trade directly in the markets, we may incur liabilities as a result of their use of our order routing and execution infrastructure.

We have invested significant resources into the development of electronic trading systems and expect to continue to do so, but there is no assurance that the revenues generated by these systems will yield an adequate return on our investment, particularly given the generally lower commissions arising from electronic trades.

In conducting our businesses around the world, we are subject to political, economic, legal, operational and other risks that are inherent in operating in many countries.

In conducting our businesses and maintaining and supporting our global operations, we are subject to risks of possible nationalization, expropriation, price controls, capital controls, exchange controls and other restrictive governmental actions, as well as the outbreak of hostilities or acts of terrorism. For example, sanctions have been imposed by the U.S. and the E.U. on certain individuals and companies in Russia and Venezuela. In many countries, the laws and regulations applicable to the securities and financial services industries and many of the transactions in which we are involved are uncertain and evolving, and it may be difficult for us to determine the exact requirements of local laws in every market. Any determination by local regulators that we have not acted in compliance with the application of local laws in a particular market or our failure to develop effective working relationships with local regulators could have a significant and negative effect not only on our businesses in that market, but also on our reputation generally. Further, in some jurisdictions a failure, or alleged failure, to comply with laws and regulations has subjected, and may in the future subject, us and our personnel not only to civil actions, but also criminal actions. We are also subject to the enhanced risk that transactions we structure might not be legally enforceable in all cases.

Our businesses and operations are increasingly expanding throughout the world, including in emerging and growth markets, and we expect this trend to continue. Various emerging and growth market countries have experienced severe economic and financial disruptions, including significant devaluations of their currencies, defaults or threatened defaults on sovereign debt, capital and currency exchange controls, and low or negative growth rates in their economies, as well as military activity, civil unrest or acts of terrorism. The possible effects of any of these conditions include an adverse impact on our businesses and increased volatility in financial markets generally.

While business and other practices throughout the world differ, our principal entities are subject in their operations worldwide to rules and regulations relating to corrupt and illegal payments, hiring practices and money laundering, as well as laws relating to doing business with certain individuals, groups and countries, such as the FCPA, the USA PATRIOT Act and the U.K. Bribery Act. While we have invested and continue to invest significant resources in training and in compliance monitoring, the geographical diversity of our operations, employees, clients and consumers, as well as the vendors and other third parties that we deal with, greatly increases the risk that we may be found in violation of such rules or regulations and any such violation could subject us to significant penalties or adversely affect our reputation.

In addition, there have been a number of highly publicized cases around the world, involving actual or alleged fraud or other misconduct by employees in the financial services industry in recent years, and we have had, and may in the future have, employee misconduct. This misconduct has included and may also in the future include intentional efforts to ignore or circumvent applicable policies, rules or procedures or misappropriation of funds and the theft of proprietary information, including proprietary software. It is not always possible to deter or prevent employee misconduct and the precautions we take to prevent and detect this activity have not been and may not be effective in all cases. See for example, "1Malaysia Development Berhad (1MDB)-Related Matters" in Note 27 to the consolidated financial statements in Part II, Item 8 of this Form 10-K.

Our commodities activities, particularly our physical commodities activities, subject us to extensive regulation and involve certain potential risks, including environmental, reputational and other risks that may expose us to significant liabilities and costs.

As part of our commodities business, we purchase and sell certain physical commodities, arrange for their storage and transport, and engage in market making of commodities. The commodities involved in these activities may include crude oil, refined oil products, natural gas, liquefied natural gas, electric power, agricultural products, metals (base and precious), minerals (including unenriched uranium), emission credits, coal, freight and related products and indices.

We make investments in and finance entities that engage in the production, storage and transportation of numerous commodities, including many of the commodities referenced above.

These activities subject us and/or the entities in which we invest to extensive and evolving federal, state and local energy, environmental, antitrust and other governmental laws and regulations worldwide, including environmental laws and regulations relating to, among others, air quality, water quality, waste management, transportation of hazardous substances, natural resources, site remediation and health and safety. Additionally, rising climate change concerns have led to additional regulation that could increase the operating costs and adversely affect the profitability of certain of our investments.

There may be substantial costs in complying with current or future laws and regulations relating to our commodities-related activities and investments. Compliance with these laws and regulations could require significant commitments of capital toward environmental monitoring, renovation of storage facilities or transport vessels, payment of emission fees and carbon or other taxes, and application for, and holding of, permits and licenses.

Commodities involved in our intermediation activities and investments are also subject to the risk of unforeseen or catastrophic events, which are likely to be outside of our control, including those arising from the breakdown or failure of transport vessels, storage facilities or other equipment or processes or other mechanical malfunctions, fires, leaks, spills or release of hazardous substances, performance below expected levels of output or efficiency, terrorist attacks, extreme weather events or other natural disasters or other hostile or catastrophic events. In addition, we rely on third-party suppliers or service providers to perform their contractual obligations and any failure on their part, including the failure to obtain raw materials at reasonable prices or to safely transport or store commodities, could expose us to costs or losses. Also, while we seek to insure against potential risks, we may not be able to obtain insurance to cover some of these risks and the insurance that we have may be inadequate to cover our losses.

The occurrence of any of such events may prevent us from performing under our agreements with clients, may impair our operations or financial results and may result in litigation, regulatory action, negative publicity or other reputational harm.

We may also be required to divest or discontinue certain of these activities for regulatory or legal reasons.

We may incur losses as a result of unforeseen or catastrophic events, including the emergence of a pandemic, terrorist attacks, extreme weather events or other natural disasters.

The occurrence of unforeseen or catastrophic events, including the emergence of a pandemic, such as coronavirus, or other widespread health emergency (or concerns over the possibility of such an emergency), terrorist attacks, extreme terrestrial or solar weather events or other natural disasters, could create economic and financial disruptions, and could lead to operational difficulties (including travel limitations) that could impair our ability to manage our businesses.

Climate change concerns could disrupt our businesses, affect client activity levels and creditworthiness and damage our reputation.

Climate change may cause extreme weather events that disrupt operations at one or more of our primary locations, which may negatively affect our ability to service and interact with our clients, and also may adversely affect the value of our investments, including our real estate investments. Climate change may also have a negative impact on the financial condition of our clients, which may decrease revenues from those clients and increase the credit risk associated with loans and other credit exposures to those clients. Additionally, our reputation may be damaged as a result of our involvement, or our clients' involvement, in certain industries or projects associated with climate change.

Item 1B. Unresolved Staff Comments

There are no material unresolved written comments that were received from the SEC staff 180 days or more before the end of our fiscal year relating to our periodic or current reports under the Exchange Act.

Item 2. Properties

In the U.S. and elsewhere in the Americas, we have offices consisting of approximately 6.8 million square feet of leased and owned space. Our principal executive offices are located at 200 West Street, New York, New York and consist of approximately 2.1 million square feet. The building is located on a parcel leased from Battery Park City Authority pursuant to a ground lease. Under the lease, Battery Park City Authority holds title to all improvements, including the office building, subject to our right of exclusive possession and use until June 2069, the expiration date of the lease. Under the terms of the ground lease, we made a lump sum ground rent payment in June 2007 of $161 million for rent through the term of the lease.

In Europe, the Middle East and Africa, we have offices consisting of approximately 2.2 million square feet of leased and owned space. Our European headquarters is located in London at Plumtree Court, consisting of 826,000 square feet under a lease which can be terminated in 2039.

In Asia, Australia and New Zealand, we have offices consisting of approximately 2.6 million square feet, including our offices in India, and regional headquarters in Tokyo and Hong Kong. In India, we have offices with approximately 1.6 million square feet, the majority of which have leases that will expire in 2028.

In the preceding paragraphs, square footage figures are provided only for properties that are used in the operation of our businesses. Our occupancy expenses include costs for office space held in excess of our current requirements. This space, the cost of which is charged to earnings as incurred, is held for potential growth or to replace currently occupied space that we may exit in the future. We regularly evaluate our space capacity in relation to current and projected headcount. We may incur exit costs in the future if we (i) reduce our space capacity or (ii) commit to, or occupy, new properties in locations in which we operate and dispose of existing space that had been held for potential growth. These costs may be material to our operating results in a given period.

Item 3. Legal Proceedings

We are involved in a number of judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of our businesses. Many of these proceedings are in early stages, and many of these cases seek an indeterminate amount of damages. We have estimated the upper end of the range of reasonably possible aggregate loss for matters where we have been able to estimate a range and we believe, based on currently available information, that the results of matters where we have not been able to estimate a range of reasonably possible loss, in the aggregate, will not have a material adverse effect on our financial condition, but may be material to our operating results in a given period. Given the range of litigation and investigations presently under way, our litigation expenses can be expected to remain high. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Use of Estimates" in Part II, Item 7 of this Form 10-K. See Notes 18 and 27 to the consolidated financial statements in Part II, Item 8 of this Form 10-K for information about our reasonably possible aggregate loss estimate and judicial, regulatory and legal proceedings.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

The principal market on which our common stock is traded is the NYSE under the symbol "GS." Information relating to the performance of our common stock from December 31, 2014 through December 31, 2019 is set forth in "Supplemental Financial Information — Common Stock Performance" in Part II, Item 8 of this Form 10-K. As of February 7, 2020, there were 6,845 holders of record of our common stock.

The table below presents purchases made by or on behalf of Group Inc. or any "affiliated purchaser" (as defined in Rule 10b-18(a)(3) under the Exchange Act) of our common stock during the fourth quarter of 2019.

	Total Shares Purchased	Average Price Paid Per Share	Total Shares Purchased as Part of a Publicly Announced Program	Maximum Shares That May Yet Be Purchased Under the Program
October	**5,607,574**	**$206.69**	**5,607,574**	**62,411,047**
November	**4,560,133**	**$220.03**	**4,560,133**	**57,850,914**
December	**–**	**–**	**–**	**57,850,914**
Total	**10,167,707**		**10,167,707**	

Since March 2000, our Board has approved a repurchase program authorizing repurchases of up to 605 million shares of our common stock. The repurchase program is effected primarily through regular open-market purchases (which may include repurchase plans designed to comply with Rule 10b5-1 and accelerated share repurchases), the amounts and timing of which are determined primarily by our current and projected capital position, but which may also be influenced by general market conditions and the prevailing price and trading volumes of our common stock. The repurchase program has no set expiration or termination date. Prior to repurchasing common stock, we must receive confirmation that the FRB does not object to such capital action.

Information relating to compensation plans under which our equity securities are authorized for issuance is presented in Part III, Item 12 of this Form 10-K.

Item 6. Selected Financial Data

The Selected Financial Data table is set forth in Part II, Item 8 of this Form 10-K.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Introduction

The Goldman Sachs Group, Inc. (Group Inc. or parent company), a Delaware corporation, together with its consolidated subsidiaries, 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 individuals. Founded in 1869, we are headquartered in New York and maintain offices in all major financial centers around the world. We report our activities in four business segments: Investment Banking, Global Markets, Asset Management, and Consumer & Wealth Management. See "Results of Operations" for further information about our business segments.

When we use the terms "we," "us" and "our," we mean Group Inc. and its consolidated subsidiaries. When we use the term "our subsidiaries," we mean the consolidated subsidiaries of Group Inc. References to "this Form 10-K" are to our Annual Report on Form 10-K for the year ended December 31, 2019. All references to "the consolidated financial statements" or "Supplemental Financial Information" are to Part II, Item 8 of this Form 10-K. All references to 2019, 2018 and 2017 refer to our years ended, or the dates, as the context requires, December 31, 2019, December 31, 2018 and December 31, 2017, respectively. Any reference to a future year refers to a year ending on December 31 of that year. Certain reclassifications have been made to previously reported amounts to conform to the current presentation.

In this discussion and analysis of our financial condition and results of operations, we have included information that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are not historical facts or statements of current conditions, but instead represent only our beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside our control.

By identifying the following statements for you in this manner, we are alerting you to the possibility that our actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition in these forward-looking statements. Important factors that could cause our results, financial condition and capital actions to differ from those in these statements include, among others, those described in "Risk Factors" in Part I, Item 1A of this Form 10-K and "Cautionary Statement Pursuant to the U.S. Private Securities Litigation Reform Act of 1995" in Part I, Item 1 of this Form 10-K.

These statements may relate to, among other things, (i) our future plans and results, including our target ROE, ROTE, efficiency ratio and CET1 capital ratio, and how they can be achieved, (ii) various legal proceedings, governmental investigations or other contingencies as set forth in Notes 27 and 18 to the consolidated financial statements in Part II, Item 8 of this Form 10-K, (iii) the results of stress tests, (iv) the objectives and effectiveness of our business continuity plan, information security program, risk management and liquidity policies, (v) our resolution plan and resolution strategy and their implications for stakeholders, (vi) the design and effectiveness of our resolution capital and liquidity models and triggers and alerts framework, (vii) trends in or growth opportunities for our businesses, including the timing and benefits of business and strategic initiatives and changes in and the importance of the efficiency ratio, (viii) the effect of changes to regulations, as well as our future status, activities or reporting under banking and financial regulation, (ix) our NSFR and SCB, (x) our level of future compensation expense as a percentage of operating expenses, (xi) our investment banking transaction backlog, (xii) our expected tax rate, (xiii) our proposed capital actions (including those permitted by our CCAR 2019 capital plan), (xiv) our expected interest income, (xv) our credit exposures, (xvi) our expected provisions for credit losses, (xvii) our preparations for Brexit, including a hard Brexit scenario, (xviii) the replacement of LIBOR and other IBORs and our program for the transition to alternative risk-free reference rates, (xix) the adequacy of our allowance for credit losses, (xx) the projected growth of our deposits and associated interest expense savings, (xxi) the projected growth of our consumer loan and credit card businesses, (xxii) our business initiatives, including those related to transaction banking and new consumer financial products, (xxiii) our expense savings initiatives and increasing use of strategic locations, (xxiv) our planned 2020 parent vanilla debt issuances, (xxv) the amount of GCLA we expect to hold, (xxvi) our expected G-SIB surcharge and (xxvii) expenses we may incur, including future litigation expense and those associated with investing in our consumer lending, credit card and transaction banking businesses.

Executive Overview

We generated net earnings of $8.47 billion for 2019, a decrease of 19%, compared with $10.46 billion for 2018. Diluted earnings per common share was $21.03 for 2019, a decrease of 17%, compared with $25.27 for 2018. Return on average common shareholders' equity (ROE) was 10.0% for 2019, compared with 13.3% for 2018. Book value per common share was $218.52 as of December 2019, 5.4% higher compared with December 2018.

During 2019, we recorded net provisions for litigation and regulatory proceedings of $1.24 billion, which reduced diluted earnings per common share by $3.16 and ROE by 1.5 percentage points.

Net revenues were $36.55 billion for 2019, essentially unchanged compared with 2018, reflecting lower net revenues in Investment Banking, driven by lower net revenues in Underwriting and Financial advisory, offset by slightly higher net revenues in Global Markets, due to higher net revenues in Fixed Income, Currency and Commodities (FICC). Net revenues in Asset Management and Consumer & Wealth Management were both essentially unchanged.

Provision for credit losses was $1.07 billion for 2019, 58% higher than 2018, primarily reflecting higher impairments related to corporate loans and higher provisions related to credit card loans.

Operating expenses were $24.90 billion for 2019, 6% higher than 2018, primarily reflecting significantly higher net provisions for litigation and regulatory proceedings and higher expenses for consolidated investments and technology. Our efficiency ratio (total operating expenses divided by total net revenues) for 2019 was 68.1%, compared with 64.1% for 2018.

Pre-tax earnings were $10.58 billion for 2019 and included our investments in our digital platform, *Marcus by Goldman Sachs* (Marcus), our credit card activities and the planned launch of our transaction banking activities, which collectively had a pre-tax loss of approximately $700 million.

We returned $6.88 billion of capital to common shareholders during 2019, including $5.34 billion of common share repurchases and $1.54 billion of common stock dividends. As of December 2019, our Common Equity Tier 1 (CET1) capital ratio as calculated in accordance with the Standardized Capital Rules was 13.3% and as calculated in accordance with the Advanced Capital Rules was 13.7%. See Note 20 to the consolidated financial statements for further information about our capital ratios.

In 2020, we announced strategic initiatives related to expense efficiencies and funding optimization with an emphasis on improving profitability and shareholder returns. We estimated that over the next three years we will generate (i) $1.3 billion of expense efficiencies, which will create capacity to fund growth, and (ii) $1.0 billion of interest expense savings through funding optimization from the growth of deposits and the reduction of wholesale unsecured funding.

Business Environment

During 2019, global real gross domestic product (GDP) growth appeared to decrease compared with 2018, reflecting decreased growth in both emerging markets and advanced economies, including in the U.S. Concerns about future global growth and a mixed macroeconomic environment led to accommodative monetary policies by global central banks, including three cuts to the federal funds rate by the U.S. Federal Reserve during the year to a target range of 1.5% to 1.75%. The market sentiment in 2019 was also impacted by geopolitical uncertainty, including ongoing trade concerns between the U.S. and China and multiple extensions of the deadline related to the U.K.'s decision to leave the E.U. (Brexit). See "Results of Operations — Segment Operating Results" for further information about the operating environment for each of our business segments.

Critical Accounting Policies

Fair Value

Fair Value Hierarchy. Trading assets and liabilities, certain investments and loans, and certain other financial assets and liabilities, are included in our consolidated balance sheets at fair value (i.e., marked-to-market), with related gains or losses generally recognized in our consolidated statements of earnings. The use of fair value to measure financial instruments is fundamental to our risk management practices and is our most critical accounting policy.

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

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

Instruments classified in level 3 of the fair value hierarchy are those which require one or more significant inputs that are not observable. Level 3 financial assets represented 2.3% as of December 2019 and 2.4% as of December 2018, of our total assets. See Notes 4 through 10 to the consolidated financial statements for further information about level 3 financial assets, including changes in level 3 financial assets and related fair value measurements. Absent evidence to the contrary, instruments classified in level 3 of the fair value hierarchy are initially valued at transaction price, which is considered to be the best initial estimate of fair value. Subsequent to the transaction date, we use other methodologies to determine fair value, which vary based on the type of instrument. Estimating the fair value of level 3 financial instruments requires judgments to be made. These judgments include:

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

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

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

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

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

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

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

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

Allowance for Credit Losses

We estimate and record an allowance for credit losses related to our loans held for investment and accounted for at amortized cost. The allowance for loan losses consists of specific loan-level reserves, portfolio-level reserves and reserves on Purchased Credit Impaired loans. The determination of each of these components entails significant judgment on various risk factors, including industry default and loss data, current macroeconomic indicators, borrower's capacity to meet its financial obligations, borrower's country of risk, loan seniority and collateral type. In addition, for loans backed by real estate, risk factors include loan-to-value ratio, debt service ratio and home price index. Risk factors for consumer and credit card loans include Fair Isaac Corporation (FICO) credit scores and delinquency status.

Our estimate of credit losses entails judgment about collectability at the reporting dates, and there are uncertainties inherent in those judgments. While we use the best information available to determine this estimate, future adjustments to the allowance may be necessary based on, among other things, changes in the economic environment or variances between actual results and the original assumptions used. Loans are charged off against the allowance for loan losses when deemed to be uncollectible. See Note 3 to the consolidated financial statements for further information about adoption of ASU No. 2016-13, "Financial Instruments — Credit Losses (Topic 326) — Measurement of Credit Losses on Financial Instruments."

We also record an allowance for losses on lending commitments which are held for investment and accounted for at amortized cost. Such allowance is determined using the same methodology as the allowance for loan losses, while also taking into consideration the probability of drawdowns or funding, and is included in other liabilities.

See Note 9 to the consolidated financial statements for further information about the allowance for credit losses.

Use of Estimates

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

Goodwill is assessed for impairment annually in the fourth quarter or more frequently if events occur or circumstances change that indicate an impairment may exist. When assessing goodwill for impairment, first, a qualitative assessment can be made to determine whether it is more likely than not that the estimated fair value of a reporting unit is less than its estimated carrying value. If the results of the qualitative assessment are not conclusive, a quantitative goodwill test is performed. Alternatively, a quantitative goodwill test can be performed without performing a qualitative assessment.

Estimating the fair value of our reporting units requires judgment. Critical inputs to the fair value estimates include projected earnings and allocated equity. There is inherent uncertainty in the projected earnings. The estimated carrying value of each reporting unit reflects an allocation of total shareholders' equity and represents the estimated amount of total shareholders' equity required to support the activities of the reporting unit under currently applicable regulatory capital requirements. See Note 12 to the consolidated financial statements for further information about goodwill.

If we experience a prolonged or severe period of weakness in the business environment, financial markets, our performance or our common stock price, or additional increases in capital requirements, our goodwill could be impaired in the future.

Identifiable intangible assets are tested for impairment whenever events or changes in circumstances suggest that an asset's or asset group's carrying value may not be fully recoverable. Judgment is required to evaluate whether indications of potential impairment have occurred, and to test intangible assets for impairment, if required. An impairment is recognized if the total of the estimated undiscounted cash flows relating to the asset or asset group is less than the corresponding carrying value. See Note 12 to the consolidated financial statements for further information about identifiable intangible assets.

We also estimate and provide for potential losses that may arise out of litigation and regulatory proceedings to the extent that such losses are probable and can be reasonably estimated. In addition, we estimate the upper end of the range of reasonably possible aggregate loss in excess of the related reserves for litigation and regulatory proceedings where we believe the risk of loss is more than slight. See Notes 18 and 27 to the consolidated financial statements for information about certain judicial, litigation and regulatory proceedings. Significant judgment is required in making these estimates and our final liabilities may ultimately be materially different. Our total estimated liability in respect of litigation and regulatory proceedings is determined on a case-by-case basis and represents an estimate of probable losses after considering, among other factors, the progress of each case, proceeding or investigation, our experience and the experience of others in similar cases, proceedings or investigations, and the opinions and views of legal counsel.

In accounting for income taxes, we recognize tax positions in the financial statements only when it is more likely than not that the position will be sustained on examination by the relevant taxing authority based on the technical merits of the position. See Note 24 to the consolidated financial statements for further information about income taxes.

Recent Accounting Developments

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

Results of Operations

The composition of our net revenues has varied over time as financial markets and the scope of our operations have changed. The composition of net revenues can also vary over the shorter term due to fluctuations in U.S. and global economic and market conditions. See "Risk Factors" in Part I, Item 1A of this Form 10-K for further information about the impact of economic and market conditions on our results of operations.

Financial Overview

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

	Year Ended December		
$ in millions, except per share amounts	**2019**	2018	2017
Net revenues	**$36,546**	$36,616	$32,730
Pre-tax earnings	**$10,583**	$12,481	$11,132
Net earnings	**$ 8,466**	$10,459	$ 4,286
Net earnings to common	**$ 7,897**	$ 9,860	$ 3,685
Diluted earnings per common share	**$ 21.03**	$ 25.27	$ 9.01
ROE	**10.0%**	13.3%	4.9%
ROTE	**10.6%**	14.1%	5.2%
Net earnings to average total assets	**0.9%**	1.1%	0.5%
Return on average total shareholders' equity	**9.4%**	12.3%	5.0%
Average equity to average assets	**9.3%**	8.8%	9.5%
Dividend payout ratio	**19.7%**	12.5%	32.2%

In the table above:

- Net earnings to common represents net earnings applicable to common shareholders, which is calculated as net earnings less preferred stock dividends.
- Average equity to average assets is calculated by dividing average total shareholders' equity by average total assets.
- Dividend payout ratio is calculated by dividing dividends declared per common share by diluted earnings per common share.
- ROE is calculated by dividing net earnings to common by average monthly common shareholders' equity. Tangible common shareholders' equity is calculated as total shareholders' equity less preferred stock, goodwill and identifiable intangible assets. Return on average tangible common shareholders' equity (ROTE) is calculated by dividing net earnings to common by average monthly tangible common shareholders' equity. We believe that tangible common shareholders' equity is meaningful because it is a measure that we and investors use to assess capital adequacy and that ROTE is meaningful because it measures the performance of businesses consistently, whether they were acquired or developed internally. Tangible common shareholders' equity and ROTE are non-GAAP measures and may not be comparable to similar non-GAAP measures used by other companies. Return on average total shareholders' equity is calculated by dividing net earnings by average monthly total shareholders' equity.

  The table below presents our average equity and the reconciliation of average common shareholders' equity to average tangible common shareholders' equity.

	Average for the Year Ended December		
$ in millions	**2019**	2018	2017
Total shareholders' equity	**$ 90,297**	$ 85,238	$ 85,959
Preferred stock	**(11,203)**	(11,253)	(11,238)
Common shareholders' equity	**$ 79,094**	$ 73,985	$ 74,721
Goodwill and identifiable intangible assets	**(4,464)**	(4,090)	(4,065)
Tangible common shareholders' equity	**$ 74,630**	$ 69,895	$ 70,656

- In 2017, we recorded $4.40 billion of estimated income tax expense related to the Tax Cuts and Jobs Act (Tax Legislation). Excluding this expense, diluted earnings per common share was $19.76, ROE was 10.8% and ROTE was 11.4% for 2017. In the fourth quarter of 2018, we finalized this estimate to reflect the impact of updated information, including subsequent guidance issued by the U.S. Internal Revenue Service (IRS), resulting in a $487 million income tax benefit for 2018. Excluding this benefit, diluted earnings per common share was $24.02, ROE was 12.7% and ROTE was 13.4% for 2018. We believe that presenting our results excluding Tax Legislation is meaningful as excluding the above items increases the comparability of period-to-period results. See "Results of Operations — Provision for Taxes" for further information about Tax Legislation. Diluted earnings per common share, ROE and ROTE, excluding the impact of the above items related to Tax Legislation, are non-GAAP measures and may not be comparable to similar non-GAAP measures used by other companies. The tables below present the calculation of net earnings to common, diluted earnings per common share and average common shareholders' equity, excluding the impact of the above items related to Tax Legislation.

	Year Ended December	
in millions, except per share amounts	2018	2017
Net earnings to common, as reported	$9,860	$3,685
Impact of Tax Legislation	(487)	4,400
Net earnings to common, excluding the impact of Tax Legislation	$9,373	$8,085
Divided by average diluted common shares	390.2	409.1
Diluted earnings per common share, excluding the impact of Tax Legislation	$24.02	$19.76

	Average for the Year Ended December	
$ in millions	2018	2017
Common shareholders' equity, as reported	$73,985	$74,721
Impact of Tax Legislation	(42)	338
Common shareholders' equity, excluding the impact of Tax Legislation	$73,943	$75,059
Goodwill and identifiable intangible assets	(4,090)	(4,065)
Tangible common shareholders' equity, excluding the impact of Tax Legislation	$69,853	$70,994

- In 2017, as required, we adopted ASU No. 2016-09, "Compensation — Stock Compensation (Topic 718) — Improvements to Employee Share-Based Payment Accounting." The impact of adoption was a reduction to our provision for taxes of $719 million for 2017, which increased diluted earnings per common share by approximately $1.75 and both ROE and ROTE by approximately 1.0 percentage points. The impact for 2019 and 2018 was not material.

Net Revenues

The table below presents our net revenues by line item.

	Year Ended December		
$ in millions	**2019**	2018	2017
Investment banking	**$ 6,798**	$ 7,430	$ 7,076
Investment management	**6,189**	6,590	5,867
Commissions and fees	**2,988**	3,199	3,051
Market making	**10,157**	9,724	7,853
Other principal transactions	**6,052**	5,906	5,951
Total non-interest revenues	**32,184**	32,849	29,798
Interest income	**21,738**	19,679	13,113
Interest expense	**17,376**	15,912	10,181
Net interest income	**4,362**	3,767	2,932
Total net revenues	**$36,546**	$36,616	$32,730

In the table above:

- Investment banking consists of revenues (excluding net interest) from financial advisory and underwriting assignments. These activities are included in our Investment Banking segment. Revenues from transactions in derivatives related to client advisory and underwriting assignments, previously reported in investment banking, are now reported in market making. Reclassifications have been made to previously reported amounts to conform to the current presentation.
- Investment management consists of revenues (excluding net interest) from providing asset management services across all major asset classes to a diverse set of asset management clients (included in our Asset Management segment), as well as asset management services, wealth advisory services and certain transaction services for wealth management clients (included in our Consumer & Wealth Management segment).
- Commissions and fees consists of revenues from executing and clearing client transactions on major stock, options and futures exchanges worldwide, as well as over-the-counter (OTC) transactions. These activities are included in our Global Markets and Consumer & Wealth Management segments.
- Market making consists of revenues (excluding net interest) from client execution activities related to making markets in interest rate products, credit products, mortgages, currencies, commodities and equity products. These activities are included in our Global Markets segment.
- Other principal transactions consists of revenues (excluding net interest) from our equity investing activities, including revenues related to our consolidated investments (included in our Asset Management segment), and lending activities (included across our four segments).

Operating Environment. During 2019, market-making activities operated in an environment generally characterized by macroeconomic concerns, driven by continued trade tensions and concerns over a slowdown in future global economic growth. Volatility in equity markets decreased with the average daily VIX for the year lower compared with 2018. Monetary policies set by global central banks remained accommodative throughout the year. Investment banking activities reflected decreases in industry-wide completed mergers and acquisitions transactions and industry-wide equity underwriting transactions. Other principal transactions revenues benefited from company-specific events, including sales. Our assets under supervision increased from acquisitions, organic net inflows and appreciation in our client assets, reflecting generally higher equity and fixed income prices.

If macroeconomic concerns continue, or if there are continued declines in market-making activity levels, volatility or investment banking transaction levels, or if there are declines in assets under supervision or global equity markets, net revenues would likely be negatively impacted. See "Segment Operating Results" for information about the operating environment and material trends and uncertainties that may impact our results of operations.

2019 versus 2018

Net revenues in the consolidated statements of earnings were $36.55 billion for 2019, essentially unchanged compared with 2018, primarily reflecting lower investment banking revenues and investment management revenues, offset by higher net interest income and slightly higher market making revenues.

Non-Interest Revenues. Investment banking revenues in the consolidated statements of earnings were $6.80 billion for 2019, 9% lower than 2018, reflecting lower revenues in underwriting and financial advisory. The decrease in underwriting revenues was due to lower revenues in debt underwriting, driven by lower revenues from investment-grade and leveraged finance activity, and in equity underwriting, reflecting a decline in industry-wide initial public offerings. The decrease in financial advisory revenues reflected a decrease in industry-wide completed mergers and acquisitions transactions.

Investment management revenues in the consolidated statements of earnings were $6.19 billion for 2019, 6% lower than 2018, driven by significantly lower incentive fees. This decrease was partially offset by slightly higher management and other fees (including the impact of United Capital Financial Partners, Inc. (United Capital)), reflecting the impact of higher average assets under supervision, partially offset by a lower average effective fee due to shifts in the mix of client assets and strategies. United Capital was acquired in the third quarter of 2019.

Commissions and fees in the consolidated statements of earnings were $2.99 billion for 2019, 7% lower than 2018, primarily reflecting a decrease in our listed cash equity volumes in the U.S., generally consistent with market volumes.

Market making revenues in the consolidated statements of earnings were $10.16 billion for 2019, 4% higher than 2018, primarily reflecting significantly higher revenues in interest rate products and commodities, and slightly higher revenues in equity products, partially offset by significantly lower revenues in currencies and lower revenues in mortgages.

Other principal transactions in the consolidated statements of earnings were $6.05 billion for 2019, 2% higher than 2018, primarily reflecting significantly higher net gains from investments in public equities, partially offset by lower net gains from investments in debt instruments and slightly lower net gains from investments in private equities.

Net Interest Income. Net interest income in the consolidated statements of earnings was $4.36 billion for 2019, 16% higher than 2018, reflecting an increase in interest income primarily related to trading assets and loans reflecting the impact of higher average balances, and collateralized agreements reflecting the impact of higher interest rates, partially offset by impact of lower average balances. The increase in interest income was partially offset by higher interest expense primarily related to deposits reflecting the impact of higher interest rates and higher average balances, and collateralized financings reflecting an impact of higher interest rates. See "Statistical Disclosures — Distribution of Assets, Liabilities and Shareholders' Equity" for further information about our sources of net interest income.

2018 versus 2017

Net revenues in the consolidated statements of earnings were $36.62 billion for 2018, 12% higher than 2017, primarily due to significantly higher market making revenues and net interest income, as well as higher investment management revenues and slightly higher investment banking revenues.

Non-Interest Revenues. Investment banking revenues in the consolidated statements of earnings were $7.43 billion for 2018, 5% higher than 2017. Revenues in financial advisory were higher, reflecting an increase in industry-wide completed mergers and acquisitions volumes. Revenues in underwriting were slightly higher, due to significantly higher revenues in equity underwriting, driven by initial public offerings, partially offset by lower revenues in debt underwriting, reflecting a decline in leveraged finance activity.

Investment management revenues in the consolidated statements of earnings were $6.59 billion for 2018, 12% higher than 2017, primarily due to significantly higher incentive fees, as a result of harvesting. Management and other fees were also higher, reflecting higher average assets under supervision and the impact of the revenue recognition standard, partially offset by shifts in the mix of client assets and strategies. See Note 3 to the consolidated financial statements for further information about ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)."

Commissions and fees in the consolidated statements of earnings were $3.20 billion for 2018, 5% higher than 2017, reflecting an increase in our listed cash equity and futures volumes, generally consistent with market volumes.

Market making revenues in the consolidated statements of earnings were $9.72 billion for 2018, 24% higher than 2017, due to significantly higher revenues in equity products, interest rate products and commodities. These increases were partially offset by significantly lower results in mortgages and lower revenues in credit products.

Other principal transactions revenues in the consolidated statements of earnings were $5.91 billion for 2018, essentially unchanged compared with 2017, reflecting net losses from investments in public equities compared with net gains in the prior year, offset by significantly higher net gains from investments in private equities, driven by company-specific events, including sales, and corporate performance.

Net Interest Income. Net interest income in the consolidated statements of earnings was $3.77 billion for 2018, 28% higher than 2017, reflecting an increase in interest income primarily related to collateralized agreements and other interest-earning assets, reflecting the impact of higher interest rates, as well as loans reflecting the impact of higher average balances and higher yields. The increase in interest income was partially offset by higher interest expense primarily related to other interest-bearing liabilities, deposits and collateralized financings, each reflecting the impact of higher interest rates. See "Statistical Disclosures — Distribution of Assets, Liabilities and Shareholders' Equity" for further information about our sources of net interest income.

Provision for Credit Losses

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

The table below presents our provision for credit losses.

	Year Ended December		
$ in millions	**2019**	2018	2017
Provision for credit losses	**$ 1,065**	$ 674	$ 657

2019 versus 2018. Provision for credit losses in the consolidated statements of earnings was $1.07 billion for 2019, 58% higher than 2018, primarily reflecting higher impairments related to corporate loans, and higher provisions related to credit card loans.

2018 versus 2017. Provision for credit losses in the consolidated statements of earnings was $674 million for 2018, 3% higher than 2017, as the higher provision for credit losses primarily related to consumer loan growth in 2018 was partially offset by an impairment of approximately $130 million on a secured loan in 2017.

Operating Expenses

Our operating expenses are primarily influenced by compensation, headcount and levels of business activity. Compensation and benefits includes salaries, year-end discretionary compensation, amortization of equity awards and other items such as benefits. Discretionary compensation is significantly impacted by, among other factors, the level of net revenues, overall financial performance, prevailing labor markets, business mix, the structure of our share-based compensation programs and the external environment.

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

	Year Ended December		
$ in millions	**2019**	2018	2017
Compensation and benefits	**$12,353**	$12,328	$11,653
Brokerage, clearing, exchange and distribution fees	**3,252**	3,200	2,876
Market development	**739**	740	588
Communications and technology	**1,167**	1,023	897
Depreciation and amortization	**1,704**	1,328	1,152
Occupancy	**1,029**	809	733
Professional fees	**1,316**	1,214	1,165
Other expenses	**3,338**	2,819	1,877
Total operating expenses	**$24,898**	$23,461	$20,941
Headcount at period-end	**38,300**	36,600	33,600

2019 versus 2018. Operating expenses in the consolidated statements of earnings were $24.90 billion for 2019, 6% higher than 2018. Our efficiency ratio (total operating expenses divided by total net revenues) for 2019 was 68.1%, compared with 64.1% for 2018.

The increase in operating expenses compared with 2018 primarily reflected significantly higher net provisions for litigation and regulatory proceedings and higher expenses for consolidated investments and technology (increases primarily in depreciation and amortization, communications and technology, occupancy and other expenses). In addition, 2019 included higher expenses related to our credit card and transaction banking activities (increases were primarily in professional fees and other expenses) and also included the impact of United Capital. Compensation and benefits expenses were essentially unchanged compared with 2018.

Net provisions for litigation and regulatory proceedings for 2019 were $1.24 billion compared with $844 million for 2018. 2019 included a $140 million charitable contribution to Goldman Sachs Gives, our donor-advised fund.

As of December 2019, headcount increased 5% compared with December 2018, reflecting an increase in our technology professionals and the impact of United Capital.

2018 versus 2017. Operating expenses in the consolidated statements of earnings were $23.46 billion for 2018, 12% higher than 2017. Our efficiency ratio (total operating expenses divided by total net revenues) for 2018 was 64.1%, compared with 64.0% for 2017.

The increase in operating expenses compared with 2017 was primarily due to higher compensation and benefits expenses, reflecting improved operating performance, and significantly higher net provisions for litigation and regulatory proceedings. Brokerage, clearing, exchange and distribution fees were also higher, reflecting an increase in activity levels, and technology expenses increased, reflecting higher expenses related to computing services. In addition, expenses related to consolidated investments and our digital lending and deposit platform increased, with the increases primarily in depreciation and amortization expenses, market development expenses and other expenses. The increase compared with 2017 also included $297 million related to the revenue recognition standard. See Note 3 to the consolidated financial statements for further information about ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)."

Net provisions for litigation and regulatory proceedings for 2018 were $844 million compared with $188 million for 2017. 2018 included a $132 million charitable contribution to Goldman Sachs Gives, our donor-advised fund. Compensation was reduced to fund this charitable contribution to Goldman Sachs Gives.

As of December 2018, headcount increased 9% compared with December 2017, reflecting an increase in technology professionals and investments in new business initiatives.

Provision for Taxes

The effective income tax rate for 2019 was 20.0%, up from 16.2% for 2018, which included a $487 million income tax benefit in 2018 related to the finalization of the impact of the Tax Legislation. Additionally, the increase compared with 2018 was due to an increase in non-deductible litigation provisions and changes in the geographic mix of earnings partially offset by discrete tax benefits in 2019.

The effective income tax rate for 2018 was 16.2%, down from 61.5% for 2017, as 2017 included the estimated impact of Tax Legislation, which increased our effective income tax rate by 39.5 percentage points. Additionally, the decrease compared with 2017 reflected the impact of the lower U.S. corporate income tax rate in 2018. The estimated impact of Tax Legislation was an increase in income tax expense of $4.40 billion for 2017. During 2018, we finalized this estimate to reflect the impact of updated information, including subsequent guidance issued by the IRS, resulting in a $487 million income tax benefit for 2018.

In June 2019, the IRS and the U.S. Department of the Treasury (U.S. Treasury) released final, temporary and proposed regulations relating to the implementation of Global Intangible Low Taxed Income. The proposed regulations would be applicable only after final regulations are published. In December 2019, the IRS and U.S. Treasury released final and proposed regulations relating to the implementation of Base Erosion and Anti-Abuse Tax. The final regulations are generally consistent, with certain modifications, to the proposed regulations issued in December 2018. These final and proposed regulations did not have a material impact on our effective tax rate for 2019.

Based on our current interpretations of the rules and legislative guidance to date, we expect our 2020 tax rate to be approximately 21%, excluding the impact of tax benefits on employee share based awards and any non-deductible litigation.

Segment Assets and Operating Results

Commencing with the fourth quarter of 2019, we made certain changes to our business segments. Prior to the fourth quarter of 2019, we reported our activities in the following four business segments: Investment Banking, Institutional Client Services, Investing & Lending, and Investment Management. Beginning with the fourth quarter of 2019, we report our activities in four business segments: Investment Banking, Global Markets, Asset Management, and Consumer & Wealth Management. See "Business — Our Business Segments" in Part I, Item 1 of this Form 10-K for further information about changes to our business segments.

Segment Assets. The table below presents assets by segment.

$ in millions	Investment Banking	Global Markets	Asset Management	Consumer & Wealth Management	Total
As of December 2019					
Cash and cash equivalents	**$25,301**	**$ 82,819**	**$ 6,756**	**$18,670**	**$133,546**
Collateralized agreements	**13,376**	**196,278**	**3,433**	**8,675**	**221,762**
Customer and other receivables	**3,576**	**63,277**	**1,579**	**6,173**	**74,605**
Trading assets	**20,737**	**316,242**	**5,266**	**13,087**	**355,332**
Investments	**854**	**25,937**	**37,096**	**50**	**63,937**
Loans	**26,565**	**31,111**	**17,101**	**34,127**	**108,904**
Other assets	**1,600**	**9,396**	**20,871**	**3,015**	**34,882**
Total assets	**$92,009**	**$725,060**	**$92,102**	**$83,797**	**$992,968**
As of December 2018					
Cash and cash equivalents	$24,007	$ 82,521	$ 8,357	$15,662	$130,547
Collateralized agreements	18,619	238,682	6,481	10,761	274,543
Customer and other receivables	4,199	60,201	1,486	6,569	72,455
Trading assets	14,925	250,512	4,949	9,809	280,195
Investments	493	14,249	32,435	47	47,224
Loans	26,020	28,876	13,956	28,985	97,837
Other assets	1,188	8,661	17,339	1,807	28,995
Total assets	$89,451	$683,702	$85,003	$73,640	$931,796

The allocation process for segment assets is based on the activities of these segments. The allocation of assets includes allocation of global core liquid assets (GCLA) (which consists of unencumbered, highly liquid securities and cash), which is generally included within cash and cash equivalents, collateralized agreements and trading assets on our balance sheet. Due to the integrated nature of these segments, estimates and judgments are made in allocating these assets. See "Risk Management — Liquidity Risk Management" for further information about our GCLA.

Segment Operating Results. The table below presents our segment operating results.

	Year Ended December		
$ in millions	**2019**	2018	2017
Investment Banking			
Net revenues	**$ 7,599**	$ 8,178	$ 7,459
Provision for credit losses	**333**	124	34
Operating expenses	**4,685**	4,473	3,613
Pre-tax earnings	**$ 2,581**	$ 3,581	$ 3,812
Net earnings to common	**$ 1,996**	$ 2,924	$ 1,394
Average common equity	**$11,167**	$ 8,737	$ 8,753
Return on average common equity	**17.9%**	33.5%	15.9%
Global Markets			
Net revenues	**$14,779**	$14,438	$12,295
Provision for credit losses	**35**	52	178
Operating expenses	**10,851**	10,585	9,981
Pre-tax earnings	**$ 3,893**	$ 3,801	$ 2,136
Net earnings to common	**$ 2,729**	$ 2,796	$ 397
Average common equity	**$40,060**	$41,237	$44,448
Return on average common equity	**6.8%**	6.8%	0.9%
Asset Management			
Net revenues	**$ 8,965**	$ 8,835	$ 8,530
Provision for credit losses	**274**	160	322
Operating expenses	**4,817**	4,179	3,773
Pre-tax earnings	**$ 3,874**	$ 4,496	$ 4,435
Net earnings to common	**$ 3,013**	$ 3,668	$ 1,639
Average common equity	**$21,575**	$19,061	$16,904
Return on average common equity	**14.0%**	19.2%	9.7%
Consumer & Wealth Management			
Net revenues	**$ 5,203**	$ 5,165	$ 4,446
Provision for credit losses	**423**	338	123
Operating expenses	**4,545**	4,224	3,574
Pre-tax earnings	**$ 235**	$ 603	$ 749
Net earnings to common	**$ 159**	$ 472	$ 255
Average common equity	**$ 6,292**	$ 4,950	$ 4,616
Return on average common equity	**2.5%**	9.5%	5.5%
Total net revenues	**$36,546**	$36,616	$32,730
Total provision for credit losses	**1,065**	674	657
Total operating expenses	**24,898**	23,461	20,941
Total pre-tax earnings	**$10,583**	$12,481	$11,132
Net earnings to common	**$ 7,897**	$ 9,860	$ 3,685
Average common equity	**$79,094**	$73,985	$74,721
Return on average common equity	**10.0%**	13.3%	4.9%

In the table above, operating expenses related to corporate charitable contributions, previously not allocated to our segments, have now been allocated. This allocation reflects a change in the manner in which we measure the performance of our segments. As a result of this change, all operating expenses are now allocated to segments. Reclassifications have been made to previously reported segment amounts to conform to the current presentation.

Net revenues in our segments include allocations of interest income and expense to specific positions in relation to the cash generated by, or funding requirements of, such positions. See Note 25 to the consolidated financial statements for further information about our business segments.

The allocation of common shareholders' equity and preferred stock dividends to each segment is based on the estimated amount of equity required to support the activities of the segment under current applicable regulatory capital requirements. Net earnings for each segment is calculated by applying the firmwide tax rate to each segment's pre-tax earnings.

Compensation and benefits expenses within our segments reflect, among other factors, our overall performance, as well as the performance of individual businesses. Consequently, pre-tax margins in one segment of our business may be significantly affected by the performance of our other business segments. A description of segment operating results follows.

Investment Banking

Investment Banking generates revenues from the following:

- **Financial advisory.** Includes strategic advisory assignments with respect to mergers and acquisitions, divestitures, corporate defense activities, restructurings and spin-offs.
- **Underwriting.** Includes public offerings and private placements, including local and cross-border transactions and acquisition financing, of a wide range of securities and other financial instruments, including loans.
- **Corporate lending.** Includes lending to corporate clients, including middle-market lending, relationship lending and acquisition financing.

The table below presents the operating results of our Investment Banking segment.

	Year Ended December		
$ in millions	**2019**	2018	2017
Financial advisory	**$ 3,197**	$3,444	$3,161
Equity underwriting	**1,482**	1,628	1,235
Debt underwriting	**2,119**	2,358	2,680
Underwriting	**3,601**	3,986	3,915
Corporate lending	**801**	748	383
Net revenues	**7,599**	8,178	7,459
Provision for credit losses	**333**	124	34
Operating expenses	**4,685**	4,473	3,613
Pre-tax earnings	**2,581**	3,581	3,812
Provision for taxes	**516**	580	2,344
Net earnings	**2,065**	3,001	1,468
Preferred stock dividends	**69**	77	74
Net earnings to common	**$ 1,996**	$2,924	$1,394
Average common equity	**$11,167**	$8,737	$8,753
Return on average common equity	**17.9%**	33.5%	15.9%

The table below presents our financial advisory and underwriting transaction volumes.

	Year Ended December		
$ in billions	**2019**	2018	2017
Announced mergers and acquisitions	**$ 1,401**	$1,274	$ 869
Completed mergers and acquisitions	**$ 1,256**	$1,168	$ 942
Equity and equity-related offerings	**$ 68**	$ 67	$ 69
Debt offerings	**$ 245**	$ 256	$ 289

In the table above:

- Volumes are per Dealogic.
- Announced and completed mergers and acquisitions volumes are based on full credit to each of the advisors in a transaction. Equity and equity-related offerings and debt offerings are based on full credit for single book managers and equal credit for joint book managers. Transaction volumes may not be indicative of net revenues in a given period. In addition, transaction volumes for prior periods may vary from amounts previously reported due to the subsequent withdrawal or a change in the value of a transaction.
- Equity and equity-related offerings includes Rule 144A and public common stock offerings, convertible offerings and rights offerings.
- Debt offerings includes non-convertible preferred stock, mortgage-backed securities, asset-backed securities and taxable municipal debt. Includes publicly registered and Rule 144A issues and excludes leveraged loans.

Operating Environment. During 2019, industry-wide completed mergers and acquisitions transactions decreased and industry-wide announced mergers and acquisitions transactions decreased slightly, both compared with a strong 2018. In underwriting, industry-wide equity underwriting transactions decreased compared with 2018, reflecting a decline in initial public offerings. Industry-wide debt underwriting activity reflected a decrease in loan syndications compared with 2018. In the future, if industry-wide mergers and acquisitions transactions, equity underwriting transactions or loan syndications continue to decline, net revenues in Investment Banking would likely be negatively impacted.

2019 versus 2018. Net revenues in Investment Banking were $7.60 billion for 2019, 7% lower compared with a strong 2018, reflecting lower net revenues in Underwriting and Financial advisory, partially offset by higher net revenues in Corporate lending.

The decrease in Underwriting net revenues was due to lower net revenues in Debt underwriting, driven by lower net revenues from investment-grade and leveraged finance activity, and in Equity underwriting, reflecting a decline in industry-wide initial public offerings. The decrease in Financial advisory net revenues reflected a decrease in industry-wide completed mergers and acquisitions transactions.

Provision for credit losses was $333 million for 2019, compared with $124 million for 2018, primarily reflecting higher impairments related to corporate loans.

Operating expenses were $4.69 billion for 2019, 5% higher than 2018, primarily due to higher net provisions for litigation and regulatory proceedings and higher expenses related to transaction banking activities. Pre-tax earnings were $2.58 billion for 2019, 28% lower than 2018.

As of December 2019, our investment banking transaction backlog was essentially unchanged compared with December 2018, due to lower estimated net revenues from potential debt underwriting transactions, particularly from asset-backed transactions, and equity underwriting transactions, offset by higher estimated net revenues from potential advisory transactions.

Our investment banking transaction backlog represents an estimate of our future net revenues from investment banking transactions where we believe that future revenue realization is more likely than not. We believe changes in our investment banking transaction backlog may be a useful indicator of client activity levels which, over the long term, impact our net revenues. However, the time frame for completion and corresponding revenue recognition of transactions in our backlog varies based on the nature of the assignment, as certain transactions may remain in our backlog for longer periods of time and others may enter and leave within the same reporting period. In addition, our transaction backlog is subject to certain limitations, such as assumptions about the likelihood that individual client transactions will occur in the future. Transactions may be cancelled or modified, and transactions not included in the estimate may also occur.

2018 versus 2017. Net revenues in Investment Banking were $8.18 billion for 2018, 10% higher than 2017, reflecting significantly higher net revenues in Corporate lending, higher net revenues in Financial advisory and slightly higher net revenues in Underwriting.

The increase in Corporate lending net revenues was driven by significantly higher net interest income from middle-market lending activities and higher results on hedges related to relationship lending activities. The increase in Financial advisory net revenues reflected an increase in industry-wide completed mergers and acquisitions volumes. The increase in Underwriting net revenues was due to significantly higher net revenues in Equity underwriting, driven by initial public offerings, partially offset by lower net revenues in Debt underwriting, reflecting a decline in leveraged finance activity.

Provision for credit losses was $124 million for 2018, compared with $34 million for 2017, primarily reflecting higher impairments related to corporate loans.

Operating expenses were $4.47 billion for 2018, 24% higher than 2017, due to higher net provisions for litigation and regulatory proceedings, increased compensation and benefits expenses, reflecting improved operating performance, and the impact of the revenue recognition standard. Pre-tax earnings were $3.58 billion for 2018, 6% lower than 2017.

As of December 2018, our investment banking transaction backlog increased compared with December 2017, driven by significantly higher estimated net revenues from potential advisory transactions. Estimated net revenues from potential debt and equity underwriting transactions were lower.

Global Markets

Our Global Markets segment consists of:

FICC. FICC generates revenues from intermediation and financing activities.

- **FICC intermediation.** Includes client execution activities related to making markets in both trading cash and derivative instruments, as detailed below.

  Interest Rate Products. Government bonds (including inflation-linked securities) across maturities, other government-backed securities, and interest rate swaps, options and other derivatives.

  Credit Products. Investment-grade corporate securities, high-yield securities, credit derivatives, exchange-traded funds (ETFs), 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 and other securities and loans), and other asset-backed securities, loans and derivatives.

  Currencies. Currency options, spot/forwards and other derivatives on G-10 currencies and emerging-market products.

  Commodities. Commodity derivatives and, to a lesser extent, physical commodities, involving crude oil and petroleum products, natural gas, base, precious and other metals, electricity, coal, agricultural and other commodity products.

  For further information about market-making activities, see "Market-Making Activities" below.

- **FICC financing.** Includes providing financing to our clients through securities sold under agreements to repurchase (repurchase agreements), as well as through structured credit, warehouse lending (including residential and commercial mortgage lending) and asset-backed lending, which are typically longer term in nature.

Equities. Equities generates revenues from intermediation and financing activities.

- **Equities intermediation.** We make markets in equity securities and equity-related products, including ETFs, convertible securities, options, futures and over-the-counter (OTC) derivative instruments, on a global basis. We also structure and make markets in derivatives on indices, industry sectors, financial measures and individual company stocks. Our exchange-based market-making activities include making markets in stocks and ETFs, futures and options on major exchanges worldwide. In addition, 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. For further information about market-making activities, see "Market-Making Activities" below.
- **Equities financing.** Includes prime brokerage and other equities financing activities, including securities lending, margin lending and swaps. We earn fees by providing clearing, settlement and custody services globally. We provide services that principally involve borrowing and lending securities to cover institutional clients' short sales and borrowing securities to cover our short sales and otherwise to make deliveries into the market. In addition, we are an active participant in broker-to-broker securities lending and third-party agency lending activities. We provide financing to our clients for their securities trading activities through margin loans that are collateralized by securities, cash or other acceptable collateral. In addition, we execute swap transactions to provide our clients with exposure to securities and indices.

Market-Making Activities

As a market maker, we facilitate transactions in both liquid and less liquid markets, primarily for institutional clients, such as corporations, financial institutions, investment funds and governments, to assist clients in meeting their investment objectives and in managing their risks. In this role, we seek to earn the difference between the price at which a market participant is willing to sell an instrument to us and the price at which another market participant is willing to buy it from us, and vice versa (i.e., bid/offer spread). In addition, we maintain (i) market-making positions, typically for a short period of time, in response to, or in anticipation of, client demand, and (ii) positions to actively manage our risk exposures that arise from these market-making activities (collectively, inventory). Our inventory is recorded in trading assets (long positions) or trading liabilities (short positions) in our consolidated balance sheets.

Our results are influenced by a combination of interconnected drivers, including (i) client activity levels and transactional bid/offer spreads (collectively, client activity), and (ii) changes in the fair value of our inventory and interest income and interest expense related to the holding, hedging and funding of our inventory (collectively, market-making inventory changes). Due to the integrated nature of our market-making activities, disaggregation of net revenues into client activity and market-making inventory changes is judgmental and has inherent complexities and limitations.

The amount and composition of our net revenues vary over time as these drivers are impacted by multiple interrelated factors affecting economic and market conditions, including volatility and liquidity in the market, changes in interest rates, currency exchange rates, credit spreads, equity prices and commodity prices, investor confidence, and other macroeconomic concerns and uncertainties.

In general, assuming all other market-making conditions remain constant, increases in client activity levels or bid/offer spreads tend to result in increases in net revenues, and decreases tend to have the opposite effect. However, changes in market-making conditions can materially impact client activity levels and bid/offer spreads, as well as the fair value of our inventory. For example, a decrease in liquidity in the market could have the impact of (i) increasing our bid/offer spread, (ii) decreasing investor confidence and thereby decreasing client activity levels, and (iii) widening of credit spreads on our inventory positions.

The table below presents the operating results of our Global Markets segment.

	Year Ended December		
$ in millions	**2019**	2018	2017
FICC intermediation	**$ 6,009**	$ 5,737	$ 5,067
FICC financing	**1,379**	1,248	1,151
FICC	**7,388**	6,985	6,218
Equities intermediation	**4,374**	4,681	4,000
Equities financing	**3,017**	2,772	2,077
Equities	**7,391**	7,453	6,077
Net revenues	**14,779**	14,438	12,295
Provision for credit losses	**35**	52	178
Operating expenses	**10,851**	10,585	9,981
Pre-tax earnings	**3,893**	3,801	2,136
Provision for taxes	**779**	616	1,313
Net earnings	**3,114**	3,185	823
Preferred stock dividends	**385**	389	426
Net earnings to common	**$ 2,729**	$ 2,796	$ 397
Average common equity	**$40,060**	$41,237	$44,448
Return on average common equity	**6.8%**	6.8%	0.9%

The table below presents the net revenues of our Global Markets segment by line item in the consolidated statements of earnings.

$ in millions	FICC	Equities	Global Markets
Year Ended December 2019			
Market making	**$5,813**	**$4,344**	**$10,157**
Commissions and fees	**–**	**2,900**	**2,900**
Other principal transactions	**1**	**51**	**52**
Net interest income	**1,574**	**96**	**1,670**
Total net revenues	**$7,388**	**$7,391**	**$14,779**
Year Ended December 2018			
Market making	$5,531	$4,193	$ 9,724
Commissions and fees	–	3,055	3,055
Other principal transactions	19	33	52
Net interest income	1,435	172	1,607
Total net revenues	$6,985	$7,453	$14,438
Year Ended December 2017			
Market making	$4,612	$3,241	$ 7,853
Commissions and fees	–	2,920	2,920
Other principal transactions	60	20	80
Net interest income	1,546	(104)	1,442
Total net revenues	$6,218	$6,077	$12,295

In the table above:

- The difference between commissions and fees and those in the consolidated statements of earnings represents commissions and fees included in our Consumer & Wealth Management segment.
- See "Net Revenues" for further information about market making revenues, commissions and fees, and net interest income. See Note 25 to the consolidated financial statements for net interest income by business segment.
- The primary driver of net revenues for FICC intermediation was client activity.

Operating Environment. During 2019, Global Markets operated in an environment generally characterized by concerns about future global growth and a mixed macroeconomic environment, which led to accommodative monetary policies set by global central banks. Volatility was lower, with the average daily VIX decreasing to 15 for 2019 compared with 17 for 2018. The yield curve for the U.S. Treasury 2-year note versus the 10-year widened 15 basis points and global equity markets generally increased (with the MSCI World Index up 24% compared with the end of 2018). These conditions contributed to lower client activity, primarily in Equities, compared with 2018. If activity levels or volatility continue to decline, or if macroeconomic concerns continue, net revenues in Global Markets would likely be negatively impacted.

2019 versus 2018. Net revenues in Global Markets were $14.78 billion for 2019, 2% higher than 2018.

Net revenues in FICC were $7.39 billion, 6% higher than 2018, due to slightly higher net revenues in FICC intermediation, driven by improved market-making conditions on our inventory, and higher net revenues in FICC financing, reflecting higher net revenues in structured credit financing.

The following provides information about our FICC intermediation net revenues by business, compared with 2018 results:

- Net revenues in commodities were significantly higher and interest rate products were higher, reflecting improved market-making conditions on our inventory.
- Net revenues in mortgages were significantly higher, primarily reflecting higher client activity.
- Net revenues in currencies were significantly lower, primarily reflecting challenging market-making conditions on our inventory.
- Net revenues in credit products were lower, reflecting lower client activity.

Net revenues in Equities were $7.39 billion, essentially unchanged compared with 2018. Net revenues in Equities intermediation were lower, reflecting lower net revenues in derivatives, partially offset by higher net revenues in cash products. This decrease was offset by higher net revenues in Equities financing, reflecting improved spreads.

Provision for credit losses was $35 million for 2019, compared with $52 million for 2018.

Operating expenses were $10.85 billion for 2019, 3% higher than 2018, due to higher net provisions for litigation and regulatory proceedings and higher expenses for technology (increases primarily in depreciation and amortization and communications and technology), partially offset by decreased compensation and benefits expenses. Pre-tax earnings were $3.89 billion for 2019, 2% higher than 2018.

2018 versus 2017. Net revenues in Global Markets were $14.44 billion for 2018, 17% higher than 2017.

Net revenues in FICC were $6.99 billion, 12% higher than 2017, due to higher net revenues in FICC intermediation, reflecting higher client activity and the impact of improved market-making conditions on our inventory, and FICC financing, reflecting an increase in lending activity.

The following provides information about our FICC intermediation net revenues by business, compared with 2017 results:

- Net revenues in currencies were significantly higher, reflecting higher client activity and the impact of improved market-making conditions on our inventory.
- Net revenues in commodities were significantly higher, reflecting higher client activity and the impact of improved market-making conditions on our inventory, compared with challenging conditions in 2017.
- Net revenues in credit products were higher, reflecting higher client activity, partially offset by the impact of challenging market-making conditions on our inventory.
- Net revenues in interest rate products were lower, reflecting lower client activity, partially offset by the impact of improved market-making conditions on our inventory.
- Net revenues in mortgages were lower, reflecting the impact of challenging market-making conditions on our inventory.

Net revenues in Equities were $7.45 billion, 23% higher than 2017. Net revenues in Equities financing were significantly higher, reflecting improved spreads and higher average client balances. Net revenues in Equities intermediation were higher, reflecting significantly higher net revenues in derivatives.

Provision for credit losses was $52 million for 2018, 71% lower than 2017, due to an impairment of approximately $130 million on a secured loan in 2017.

Operating expenses were $10.59 billion for 2018, 6% higher than 2017, primarily due to higher net provisions for litigation and regulatory proceedings, increased compensation and benefits expenses, reflecting improved operating performance, and higher brokerage, clearing, exchange and distribution fees. Pre-tax earnings were $3.80 billion for 2018, 78% higher than 2017.

Asset Management

We manage client assets across a broad range of investment strategies and asset classes to a diverse set of institutional clients and a network of third-party distributors around the world, including equity, fixed income and alternative investments. We provide investment solutions including those managed on a fiduciary basis by our portfolio managers, as well as those managed by a variety of third-party managers. We offer our investment solutions in a variety of structures, including separately managed accounts, mutual funds, private partnerships and other comingled vehicles. These solutions begin with identifying clients' objectives and continue through portfolio construction, ongoing asset allocation and risk management and investment realization.

In addition to managing client assets, we invest in alternative investments across a range of asset classes that seek to deliver long-term accretive risk-adjusted returns. Our investing activities, which are typically longer term, include investments in public and private equity and debt investments in real estate and infrastructure entities.

Asset Management generates revenues from the following:

- **Management and Other Fees.** The majority of revenues in management and other fees consists of asset-based fees on client assets that we manage. For further information about assets under supervision (AUS), see "Assets Under Supervision" below. The fees that we charge vary by asset class, distribution channel and the types of services provided, and are affected by investment performance, as well as asset inflows and redemptions.
- **Incentive Fees.** In certain circumstances, we also receive incentive fees based on a percentage of a fund's or a separately managed account's return, or when the return exceeds a specified benchmark or other performance targets. Such fees include overrides, which consist of the increased share of the income and gains derived primarily from our private equity and credit funds when the return on a fund's investments over the life of the fund exceeds certain threshold returns. Incentive fees are recognized when it is probable that a significant reversal of such fees will not occur.
- **Equity Investments.** Our alternative investing activities relate to public and private equity investments in corporate, real estate and infrastructure entities. We also make investments through consolidated investment entities, substantially all of which are engaged in real estate investment activities.
- **Lending.** We provide financing related to our asset management businesses and invest in debt securities and loans backed by real estate. These activities include investments in mezzanine debt, senior debt and distressed debt securities.

The table below presents the operating results of our Asset Management segment.

	Year Ended December		
$ in millions	**2019**	2018	2017
Management and other fees	**$ 2,600**	$ 2,612	$ 2,329
Incentive fees	**130**	384	296
Equity investments	**4,765**	4,207	4,405
Lending	**1,470**	1,632	1,500
Net revenues	**8,965**	8,835	8,530
Provision for credit losses	**274**	160	322
Operating expenses	**4,817**	4,179	3,773
Pre-tax earnings	**3,874**	4,496	4,435
Provision for taxes	**775**	729	2,728
Net earnings	**3,099**	3,767	1,707
Preferred stock dividends	**86**	99	68
Net earnings to common	**$ 3,013**	$ 3,668	$ 1,639
Average common equity	**$21,575**	$19,061	$16,904
Return on average common equity	**14.0%**	19.2%	9.7%

Operating Environment. Higher global equity markets and increased fixed income asset prices contributed positively to our assets under supervision and our global equity and lending investment portfolio within our Asset Management segment. In the future, if asset prices decline, or investors continue to favor asset classes that typically generate lower fees or investors withdraw their assets, or if macroeconomic concerns negatively impact company-specific events, net revenues in Asset Management would likely be negatively impacted.

2019 versus 2018. Net revenues in Asset Management were $8.97 billion for 2019, essentially unchanged compared with 2018, reflecting higher net revenues in Equity investments, offset by significantly lower Incentive fees and lower net revenues in Lending. Management and other fees were essentially unchanged.

The increase in Equity investments net revenues reflected significantly higher net gains from investments in public equities (2019 included $477 million of net gains), partially offset by slightly lower net gains from investments in private equities (2019 included $4.29 billion of net gains, driven by company-specific events, including sales, and corporate performance). For 2019, 50% of the net revenues in Equity investments were generated from corporate investments and 50% were generated from real estate.

The decrease in Lending net revenues primarily reflected lower net gains from investments in debt instruments. Management and other fees reflected the impact of higher average assets under supervision, offset by a lower average effective fee due to shifts in the mix of client assets and strategies.

Provision for credit losses was $274 million for 2019, 71% higher than 2018, primarily reflecting higher impairments related to Purchased Credit Impaired (PCI) loans.

Operating expenses were $4.82 billion for 2019, 15% higher than 2018, primarily due to higher expenses related to consolidated investments and increased compensation and benefits expenses. Pre-tax earnings were $3.87 billion for 2019, 14% lower than 2018.

2018 versus 2017. Net revenues in Asset Management were $8.84 billion for 2018, 4% higher than 2017, reflecting higher Management and other fees, net revenues in Lending and Incentive fees, partially offset by slightly lower net revenues in Equity investments.

The increase in Management and other fees reflected higher average assets under supervision and the impact of the revenue recognition standard, partially offset by shifts in the mix of client assets and strategies. The increase in Lending net revenues reflected significantly higher net interest income, partially offset by significantly lower net gains from investments in debt instruments.

The decrease in Equity investments net revenues reflected net losses from investments in public equities (2018 included $183 million of net losses) compared with net gains in the prior year, partially offset by significantly higher net gains from investments in private equities (2018 included $4.39 billion of net gains), driven by company-specific events, including sales, and corporate performance. For 2018, 57% of the net revenues in Equity investments were generated from corporate investments and 43% were generated from real estate.

Provision for credit losses was $160 million for 2018, 50% lower than 2017, primarily reflecting lower impairments related to PCI loans.

Operating expenses were $4.18 billion for 2018, 11% higher than 2017, primarily due to higher expenses related to consolidated investments and the impact of the revenue recognition standard. Pre-tax earnings were $4.50 billion for 2018, essentially unchanged compared with 2017.

Consumer & Wealth Management

Consumer & Wealth Management helps clients achieve their individual financial goals by providing a broad range of wealth advisory and banking services, including financial planning, investment management, deposit taking, and lending. Services are offered through our global network of advisors and via our digital platforms.

Wealth Management. Wealth Management provides tailored wealth advisory services to clients across the wealth spectrum. We operate globally serving individuals, families, family offices, and select foundations and endowments. Our relationships are established directly or introduced through corporations that sponsor financial wellness programs for their employees.

We offer personalized financial planning inclusive of income and liability management, compensation and benefits analysis, trust and estate structuring, tax optimization, philanthropic giving, and asset protection. We also provide customized investment advisory solutions, and offer structuring and execution capabilities in security and derivative products across all major global markets. We leverage a broad, open-architecture investment platform and our global execution capabilities to help clients achieve their investment goals. In addition, we offer clients a full range of private banking services, including a variety of deposit alternatives and loans that our clients use to finance investments in both financial and nonfinancial assets, bridge cash flow timing gaps or provide liquidity and flexibility for other needs.

Wealth management generates revenues from the following:

- **Management and other fees.** Includes fees related to managing assets, providing investing and wealth advisory solutions, providing financial planning and counseling services via our subsidiary, The Ayco Company, L.P. and executing brokerage transactions for wealth management clients.
- **Incentive fees.** In certain circumstances, we also receive incentive fees based on a percentage of a fund's return, or when the return exceeds a specified benchmark or other performance targets. Such fees include overrides, which consist of the increased share of the income and gains derived primarily from our private equity and credit funds when the return on a fund's investments over the life of the fund exceeds certain threshold returns. Incentive fees are recognized when it is probable that a significant reversal of such fees will not occur.
- **Private banking and lending.** Includes interest income allocated to deposit-taking and net interest income earned on lending activities for wealth management clients.

Consumer Banking. Our Consumer banking business issues unsecured loans, through Marcus and credit cards to finance the purchases of goods or services. We also accept deposits through Marcus, primarily through Goldman Sachs Bank USA and Goldman Sachs International Bank, that are used as a source of funding. These deposits include savings and time deposits which provide us with a diversified source of funding that reduces our reliance on wholesale funding.

Consumer banking revenues consist of net interest income earned on unsecured loans issued to consumers through Marcus and credit card lending activities, and net interest income allocated to consumer deposits.

The table below presents the operating results of our Consumer & Wealth Management segment.

	Year Ended December		
$ in millions	**2019**	2018	2017
Management and other fees	**$3,475**	$3,282	$3,156
Incentive fees	**81**	446	121
Private banking and lending	**783**	826	790
Wealth management	**4,339**	4,554	4,067
Consumer banking	**864**	611	379
Net revenues	**5,203**	5,165	4,446
Provision for credit losses	**423**	338	123
Operating expenses	**4,545**	4,224	3,574
Pre-tax earnings	**235**	603	749
Provision for taxes	**47**	97	461
Net earnings	**188**	506	288
Preferred stock dividends	**29**	34	33
Net earnings to common	**$ 159**	$ 472	$ 255
Average common equity	**$6,292**	$4,950	$4,616
Return on average common equity	**2.5%**	9.5%	5.5%

Operating Environment. Higher global equity markets and increased fixed income asset prices contributed positively to our assets under supervision within our Consumer & Wealth Management segment. Our consumer banking activities continue to reflect increased deposits and loans. In the future, if asset prices decline, or investors continue to favor asset classes that typically generate lower fees or investors withdraw their assets, or if consumers withdraw their deposits or consumer credit deteriorates, net revenues in Consumer & Wealth Management would likely be negatively impacted.

2019 versus 2018. Net revenues in Consumer & Wealth Management were $5.20 billion for 2019, essentially unchanged compared with 2018.

Net revenues in Wealth management were $4.34 billion, 5% lower than 2018, reflecting significantly lower Incentive fees and slightly lower net revenues in Private banking and lending. These decreases were partially offset by higher Management and other fees (including the impact of United Capital), reflecting higher average assets under supervision.

Net revenues in Consumer banking were $864 million, 41% higher than 2018, driven by higher net interest income, primarily reflecting an increase in deposit balances.

Provision for credit losses was $423 million for 2019, 25% higher than 2018, primarily reflecting higher provisions related to credit card loans.

Operating expenses were $4.55 billion for 2019, 8% higher than 2018, due to higher expenses related to our credit card activities and the impact of United Capital. Pre-tax earnings were $235 million for 2019, 61% lower than 2018.

2018 versus 2017. Net revenues in Consumer & Wealth Management were $5.17 billion for 2018, 16% higher than 2017.

Net revenues in Wealth management were $4.55 billion, 12% higher than 2017, primarily reflecting significantly higher Incentive fees, as a result of harvesting. In addition, Management and other fees were slightly higher, reflecting higher average assets under supervision and the impact of the revenue recognition standard, partially offset by shifts in the mix of client assets and strategies. Net revenues in Private banking and lending were slightly higher.

Net revenues in Consumer banking were $611 million, 61% higher than 2017, driven by significantly higher net interest income, primarily reflecting an increase in deposit balances.

Provision for credit losses was $338 million for 2018, compared with $123 million for 2017, reflecting higher provisions primarily related to consumer loan growth.

Operating expenses were $4.22 billion for 2018, 18% higher than 2017, primarily due to increased compensation and benefits expenses, reflecting improved operating performance, higher expenses related to our digital lending and deposit platform and the impact of the revenue recognition standard. Pre-tax earnings were $603 million for 2018, 19% lower than 2017.

Assets Under Supervision

Assets under supervision includes our institutional clients' assets and assets sourced through third-party distributors (both included in our Asset Management segment), as well as high-net-worth clients' assets (included in our Consumer & Wealth Management segment), where we earn a fee for managing assets on a discretionary basis. This includes net assets in our mutual funds, hedge funds, credit funds, private equity funds, real estate funds, and separately managed accounts for institutional and individual investors. Assets under supervision also include client assets invested with third-party managers, private bank deposits and advisory relationships where we earn a fee for advisory and other services, but do not have investment discretion. Assets under supervision do not include the self-directed brokerage assets of our clients.

The table below presents our firmwide period-end assets under supervision by segment, asset class, distribution channel, region and vehicle.

	As of December		
$ in billions	**2019**	2018	2017
Segment			
Asset Management	**$1,298**	$1,087	$1,036
Consumer & Wealth Management	**561**	455	458
Total AUS	**$1,859**	$1,542	$1,494
Asset Class			
Alternative investments	**$ 185**	$ 167	$ 168
Equity	**423**	301	321
Fixed income	**789**	677	660
Total long-term AUS	**1,397**	1,145	1,149
Liquidity products	**462**	397	345
Total AUS	**$1,859**	$1,542	$1,494
Distribution Channel			
Institutional	**$ 684**	$ 575	$ 576
Wealth management	**561**	455	458
Third-party distributed	**614**	512	460
Total AUS	**$1,859**	$1,542	$1,494
Region			
Americas	**$1,408**	$1,151	$1,120
EMEA	**279**	239	229
Asia	**172**	152	145
Total AUS	**$1,859**	$1,542	$1,494
Vehicle			
Separate accounts	**$1,069**	$ 867	$ 857
Public funds	**603**	506	482
Private funds and other	**187**	169	155
Total AUS	**$1,859**	$1,542	$1,494

In the table above:

- Liquidity products includes money market funds and private bank deposits.
- EMEA represents Europe, Middle East and Africa.

Asset classes, such as alternative investment and equity assets, typically generate higher fees relative to fixed income and liquidity product assets. The average effective management fee (which excludes non-asset-based fees) we earned on our firmwide assets under supervision was 32 basis points for 2019, 34 basis points for 2018 and 35 basis points for 2017. These decreases reflected shifts in the mix of client assets and strategies.

We earn management fees on client assets that we manage and also receive incentive fees based on a percentage of a fund's or a separately managed account's return, or when the return exceeds a specified benchmark or other performance targets. These incentive fees are recognized when it is probable that a significant reversal of such fees will not occur. Our unrecognized incentive fees, assuming liquidation at fair value, were $1.63 billion as of December 2019, $1.50 billion as of December 2018 and $2.06 billion as of December 2017. These fees will be recognized, assuming no decline in fair value, if and when it is probable that a significant reversal of such fees will not occur, which is generally when such fees are no longer subject to fluctuations in the market value of the assets of the funds.

The table below presents changes in our assets under supervision.

	Year Ended December		
$ in billions	**2019**	2018	2017
Asset Management			
Beginning balance	**$1,087**	$1,036	$ 966
Net inflows/(outflows):			
Alternative investments	**2**	6	16
Equity	**34**	6	2
Fixed income	**35**	14	7
Total long-term AUS net inflows/(outflows)	**71**	26	25
Liquidity products	**52**	51	(12)
Total AUS net inflows/(outflows)	**123**	77	13
Net market appreciation/(depreciation)	**88**	(26)	57
Ending balance	**$1,298**	$1,087	$1,036
Consumer & Wealth Management			
Beginning balance	**$ 455**	$ 458	$ 413
Net inflows/(outflows):			
Alternative investments	**9**	(5)	(1)
Equity	**11**	7	–
Fixed income	**17**	9	18
Total long-term AUS net inflows/(outflows)	**37**	11	17
Liquidity products	**13**	1	(1)
Total AUS net inflows/(outflows)	**50**	12	16
Net market appreciation/(depreciation)	**56**	(15)	29
Ending balance	**$ 561**	$ 455	$ 458
Firmwide			
Beginning balance	**$1,542**	$1,494	$1,379
Net inflows/(outflows):			
Alternative investments	**11**	1	15
Equity	**45**	13	2
Fixed income	**52**	23	25
Total long-term AUS net inflows/(outflows)	**108**	37	42
Liquidity products	**65**	52	(13)
Total AUS net inflows/(outflows)	**173**	89	29
Net market appreciation/(depreciation)	**144**	(41)	86
Ending balance	**$1,859**	$1,542	$1,494

In the table above:

- Total AUS net inflows/(outflows) for 2019 included $71 billion of inflows (substantially all in equity and fixed income assets) in connection with the acquisitions of Standard & Poor's Investment Advisory Services (SPIAS), United Capital and Rocaton Investment Advisors (Rocaton). SPIAS and Rocaton were included in the Asset Management segment and United Capital was included in the Consumer & Wealth Management segment.
- Total AUS net inflows/(outflows) for 2017 included $23 billion of inflows ($20 billion in long-term AUS and $3 billion in liquidity products) in connection with the acquisition of a portion of Verus Investors' outsourced chief investment officer business (Verus acquisition) and $5 billion of equity asset outflows in connection with the divestiture of our local Australian-focused investment capabilities and fund platform (Australian divestiture). The Verus acquisition and Australian divestiture were included in the Asset Management segment.

The table below presents information about our average monthly firmwide assets under supervision.

	Average for the Year Ended December		
$ in billions	**2019**	2018	2017
Segment			
Asset Management	**$1,182**	$1,050	$ 979
Consumer & Wealth Management	**505**	467	438
Total AUS	**$1,687**	$1,517	$1,417
Asset Class			
Alternative investments	**$ 176**	$ 171	$ 162
Equity	**364**	329	292
Fixed income	**746**	665	633
Total long-term AUS	**1,286**	1,165	1,087
Liquidity products	**401**	352	330
Total AUS	**$1,687**	$1,517	$1,417

In addition to our assets under supervision, we have discretion over alternative investments where we currently do not earn management fees (non-fee-earning alternative assets).

The table below presents information about our assets under supervision for alternative assets, non-fee-earning alternative assets and total alternative assets.

$ in billions	AUS	Non-fee-earning alternative assets	Total alternative assets
As of December 2019			
Private equity	**$ 81**	**$ 38**	**$119**
Credit	**14**	**51**	**65**
Real estate	**13**	**43**	**56**
Hedge funds and multi-asset	**77**	**1**	**78**
Other	**–**	**1**	**1**
Total	**$185**	**$134**	**$319**
As of December 2018			
Private equity	$ 72	$ 35	$107
Credit	11	47	58
Real estate	10	38	48
Hedge funds and multi-asset	74	1	75
Other	–	1	1
Total	$167	$122	$289
As of December 2017			
Private equity	$ 74	$ 35	$109
Credit	7	37	44
Real estate	10	28	38
Hedge funds and multi-asset	77	1	78
Other	–	1	1
Total	$168	$102	$270

In the table above:

- Total alternative assets included uncalled capital that is available for future investing of $32 billion as of December 2019, $27 billion as of December 2018 and $26 billion as of December 2017.
- Non-fee-earning alternative assets primarily includes investments that we hold on our balance sheet, our unfunded commitments, unfunded commitments of our clients (where we do not charge fees on commitments), credit facilities collateralized by fund assets and employee funds. Our calculation of non-fee-earning alternative assets may not be comparable to similar calculations used by other companies.

The table below presents information about alternative investments in our Asset Management segment that we hold on our balance sheet.

$ in billions	Loans and debt securities	Equity	Other assets	Total
As of December 2019				
Private equity	**$ –**	**$17**	**$ –**	**$17**
Credit	**20**	**–**	**–**	**20**
Real estate	**11**	**5**	**17**	**33**
Other	**–**	**–**	**1**	**1**
Total	**$31**	**$22**	**$18**	**$71**
As of December 2018				
Private equity	$ –	$17	$ –	$17
Credit	14	–	–	14
Real estate	10	4	13	27
Other	–	–	1	1
Total	$24	$21	$14	$59
As of December 2017				
Private equity	$ –	$18	$ –	$18
Credit	13	–	–	13
Real estate	9	4	9	22
Other	–	–	1	1
Total	$22	$22	$10	$54

In the table above:

- Private equity includes positions which converted to public equity upon the initial public offering of the underlying company of $2 billion as of December 2019, $1 billion as of December 2018 and $2 billion as of December 2017.
- Other assets represents investments held by consolidated investment entities (CIEs), which were funded with liabilities of approximately $9 billion as of December 2019, $6 billion as of December 2018 and $4 billion as of December 2017. Substantially all such liabilities were nonrecourse, thereby reducing our equity at risk.

The table below presents information about our equity investments by vintage.

$ in billions	**As of December 2019**
Equity investments	**$22**
2012 or earlier	**29%**
2013 - 2015	**31%**
2016 - thereafter	**40%**
Total	**100%**

Geographic Data

See Note 25 to the consolidated financial statements for a summary of our total net revenues, pre-tax earnings and net earnings by geographic region.

Balance Sheet and Funding Sources

Balance Sheet Management

One of our risk management disciplines is our ability to manage the size and composition of our balance sheet. While our asset base changes due to client activity, market fluctuations and business opportunities, the size and composition of our balance sheet also reflects factors including (i) our overall risk tolerance, (ii) the amount of equity capital we hold and (iii) our funding profile, among other factors. See "Equity Capital Management and Regulatory Capital — Equity Capital Management" for information about our equity capital management process.

Although our balance sheet fluctuates on a day-to-day basis, our total assets at quarter-end and year-end dates are generally not materially different from those occurring within our reporting periods.

In order to ensure appropriate risk management, we seek to maintain a sufficiently liquid balance sheet and have processes in place to dynamically manage our assets and liabilities, which include (i) balance sheet planning, (ii) balance sheet limits, (iii) monitoring of key metrics and (iv) scenario analyses.

Balance Sheet Planning. We prepare a balance sheet plan that combines our projected total assets and composition of assets with our expected funding sources over a three-year time horizon. This plan is reviewed quarterly and may be adjusted in response to changing business needs or market conditions. The objectives of this planning process are:

- To develop our balance sheet projections, taking into account the general state of the financial markets and expected business activity levels, as well as regulatory requirements;
- To allow Treasury and our independent risk oversight and control functions to objectively evaluate balance sheet limit requests from our revenue-producing units in the context of our overall balance sheet constraints, including our liability profile and equity capital levels, and key metrics; and
- To inform the target amount, tenor and type of funding to raise, based on our projected assets and contractual maturities.

Treasury and our independent risk oversight and control functions, along with our revenue-producing units, review current and prior period information and expectations for the year to prepare our balance sheet plan. The specific information reviewed includes asset and liability size and composition, limit utilization, risk and performance measures, and capital usage.

Our consolidated balance sheet plan, including our balance sheets by business, funding projections and projected key metrics, is reviewed and approved by the Firmwide Asset Liability Committee and the Risk Governance Committee. See "Risk Management — Overview and Structure of Risk Management" for an overview of our risk management structure.

Balance Sheet Limits. The Firmwide Asset Liability Committee and the Risk Governance Committee have the responsibility to review and approve balance sheet limits. These limits are set at levels which are close to actual operating levels, rather than at levels which reflect our maximum risk appetite, in order to ensure prompt escalation and discussion among our revenue-producing units, Treasury and our independent risk oversight and control functions on a routine basis. Additionally, the Risk Governance Committee sets aged limits for certain financial instruments as a disincentive to hold such positions over longer periods of time. Requests for changes in limits are evaluated after giving consideration to their impact on our key metrics. Compliance with limits is monitored by our revenue-producing units and Treasury, as well as our independent risk oversight and control functions.

Monitoring of Key Metrics. We monitor key balance sheet metrics both by business and on a consolidated basis, including asset and liability size and composition, limit utilization and risk measures. We allocate assets to businesses and review and analyze movements resulting from new business activity, as well as market fluctuations.

Scenario Analyses. We conduct various scenario analyses including as part of the Comprehensive Capital Analysis and Review (CCAR) and U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) Stress Tests (DFAST), as well as our resolution and recovery planning. See "Equity Capital Management and Regulatory Capital — Equity Capital Management" for further information about these scenario analyses. These scenarios cover short- and long-term time horizons using various macroeconomic and firm-specific assumptions, based on a range of economic scenarios. We use these analyses to assist us in developing our longer-term balance sheet management strategy, including the level and composition of assets, funding and equity capital. Additionally, these analyses help us develop approaches for maintaining appropriate funding, liquidity and capital across a variety of situations, including a severely stressed environment.

Balance Sheet Analysis and Metrics

As of December 2019, total assets in our consolidated balance sheets were $992.97 billion, an increase of $61.17 billion from December 2018, primarily reflecting increases in trading assets of $75.14 billion, investments of $16.71 billion, and loans of $11.07 billion, partially offset by a net decrease in collateralized agreements of $52.78 billion. The increase in trading assets primarily reflected higher client activity in government and agency obligations, and equity securities. The increase in investments primarily reflected an increase in U.S. government obligations accounted for as available-for-sale and held to maturity. The increase in loans primarily reflected an increase in corporate, wealth management, and commercial real estate loans, partially offset by a decrease in residential real estate loans. The net decrease in collateralized agreements primarily reflected the impact of our and our clients' activities.

As of December 2019, total liabilities in our consolidated balance sheets were $902.70 billion, an increase of $61.09 billion from December 2018, primarily reflecting increases in collateralized financings of $40.05 billion and deposits of $31.76 billion, partially offset by a decrease in unsecured borrowings of $9.29 billion. The net increase in collateralized financings primarily reflected our and our clients' activities. The increase in deposits primarily reflected an increase in consumer deposits. The decrease in unsecured borrowings was primarily due to net maturities.

Our total repurchase agreements, accounted for as collateralized financings, were $117.76 billion as of December 2019 and $78.72 billion as of December 2018, which were 32% higher as of December 2019 and 1% higher as of December 2018 than the average daily amount of repurchase agreements over the respective quarters, and 40% higher as of December 2019 and 12% lower as of December 2018 than the average daily amount of repurchase agreements over the respective years. As of December 2019, the increase in our repurchase agreements relative to the average daily amount of repurchase agreements during the quarter and year resulted from higher levels of our and our clients' activity at the end of the period.

The level of our repurchase agreements fluctuates between and within periods, primarily due to providing clients with access to highly liquid collateral, such as liquid government and agency obligations, through collateralized financing activities.

The table below presents information about our balance sheet and leverage ratios.

	As of December	
$ in millions	**2019**	2018
Total assets	**$992,968**	$931,796
Unsecured long-term borrowings	**$207,076**	$224,149
Total shareholders' equity	**$ 90,265**	$ 90,185
Leverage ratio	**11.0x**	10.3x
Debt to equity ratio	**2.3x**	2.5x

In the table above:

- The leverage ratio equals total assets divided by total shareholders' equity and measures the proportion of equity and debt we use to finance assets. This ratio is different from the leverage ratios included in Note 20 to the consolidated financial statements.
- The debt-to-equity ratio equals unsecured long-term borrowings divided by total shareholders' equity.

The table below presents information about our shareholders' equity and book value per common share, including the reconciliation of common shareholders' equity to tangible common shareholders' equity.

	As of December	
$ in millions, except per share amounts	**2019**	2018
Total shareholders' equity	**$ 90,265**	$ 90,185
Preferred stock	**(11,203)**	(11,203)
Common shareholders' equity	**79,062**	78,982
Goodwill and identifiable intangible assets	**(4,837)**	(4,082)
Tangible common shareholders' equity	**$ 74,225**	$ 74,900
Book value per common share	**$ 218.52**	$ 207.36
Tangible book value per common share	**$ 205.15**	$ 196.64

In the table above:

- Tangible common shareholders' equity is calculated as total shareholders' equity less preferred stock, goodwill and identifiable intangible assets. We believe that tangible common shareholders' equity is meaningful because it is a measure that we and investors use to assess capital adequacy. Tangible common shareholders' equity is a non-GAAP measure and may not be comparable to similar non-GAAP measures used by other companies.
- Book value per common share and tangible book value per common share are based on common shares outstanding and restricted stock units granted to employees with no future service requirements and not subject to performance conditions (collectively, basic shares) of 361.8 million as of December 2019 and 380.9 million as of December 2018. We believe that tangible book value per common share (tangible common shareholders' equity divided by basic shares) is meaningful because it is a measure that we and investors use to assess capital adequacy. Tangible book value per common share is a non-GAAP measure and may not be comparable to similar non-GAAP measures used by other companies.

Funding Sources

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

The table below presents information about our funding sources.

	As of December			
$ in millions	**2019**		2018	
Deposits	**$190,019**	**28%**	$158,257	25%
Collateralized financings	**152,018**	**22%**	111,964	18%
Unsecured short-term borrowings	**48,287**	**7%**	40,502	7%
Unsecured long-term borrowings	**207,076**	**30%**	224,149	36%
Total shareholders' equity	**90,265**	**13%**	90,185	14%
Total funding sources	**$687,665**	**100%**	$625,057	100%

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, corporations, pension funds, insurance companies, mutual funds and individuals. We have imposed various internal guidelines to monitor creditor concentration across our funding programs.

Deposits. Our deposits provide us with a diversified source of funding and reduce our reliance on wholesale funding. A growing portion of our deposit base consists of consumer deposits. We raise deposits, including savings, demand and time deposits, through internal and third-party broker-dealers, and from consumers and institutional clients, and primarily through Goldman Sachs Bank USA (GS Bank USA) and Goldman Sachs International Bank (GSIB). See Note 13 to the consolidated financial statements for further information about our deposits.

Secured Funding. We fund a significant amount of inventory and a portion of investments on a secured basis. Secured funding includes collateralized financings in the consolidated balance sheets. We may also pledge our inventory and investments as collateral for securities borrowed under a securities lending agreement. We also use our own inventory and investments to cover transactions in which we or our clients have sold securities that have not yet been purchased. 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 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. Our secured funding, excluding funding collateralized by liquid government and agency obligations, is primarily executed for tenors of one month or greater and is primarily executed through term repurchase agreements and securities loaned contracts.

The weighted average maturity of our secured funding included in collateralized financings in the consolidated balance sheets, excluding funding that can only be collateralized by liquid government and agency obligations, exceeded 120 days as of December 2019.

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, equity securities and emerging market securities. Assets that are classified in level 3 of the fair value hierarchy are generally funded on an unsecured basis. See Notes 4 through 10 to the consolidated financial statements for further information about the classification of financial instruments in the fair value hierarchy and "Unsecured Long-Term Borrowings" below for further information about the use of unsecured long-term borrowings as a source of funding.

We also raise financing through other types of collateralized financings, such as secured loans and notes. GS Bank USA has access to funding from the Federal Home Loan Bank. Our outstanding borrowings against the Federal Home Loan Bank were $527 million as of December 2019 and $528 million as of December 2018.

GS Bank USA also 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.

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, including U.S. and non-U.S. hybrid financial instruments, to finance liquid assets and for other cash management purposes. In light of regulatory developments, Group Inc. no longer issues debt with an original maturity of less than one year, other than to its subsidiaries. See Note 14 to the consolidated financial statements for further information about our unsecured short-term borrowings.

Unsecured Long-Term Borrowings. Unsecured long-term borrowings, including structured notes, are raised 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. We issue in different tenors, currencies and products to maximize the diversification of our investor base.

The table below presents our quarterly unsecured long-term borrowings maturity profile as of December 2019.

$ in millions	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2021	**$5,174**	**$5,354**	**$7,896**	**$7,913**	**$ 26,337**
2022	**$6,409**	**$6,327**	**$6,406**	**$6,145**	**25,287**
2023	**$9,629**	**$4,558**	**$8,029**	**$4,476**	**26,692**
2024	**$5,983**	**$4,186**	**$5,842**	**$3,133**	**19,144**
2025 - thereafter					**109,616**
Total					**$207,076**

The weighted average maturity of our unsecured long-term borrowings as of December 2019 was approximately eight years. To mitigate refinancing risk, we seek to limit the principal amount of debt maturing over the course of any monthly, quarterly or annual time horizon. We enter into interest rate swaps to convert a portion of our unsecured long-term borrowings into floating-rate obligations to manage our exposure to interest rates. See Note 14 to the consolidated financial statements for further information about our unsecured long-term borrowings.

Shareholders' Equity. Shareholders' equity is a stable and perpetual source of funding. See Note 19 to the consolidated financial statements for further information about our shareholders' equity.

Equity Capital Management and Regulatory Capital

Capital adequacy is of critical importance to us. We have in place a comprehensive capital management policy that provides a framework, defines objectives and establishes guidelines to assist us in maintaining the appropriate level and composition of capital in both business-as-usual and stressed conditions.

Equity Capital Management

We determine the appropriate amount and composition of our equity capital by considering multiple factors, including our current and future regulatory capital requirements, the results of our capital planning and stress testing process, the results of resolution capital models and other factors, such as rating agency guidelines, subsidiary capital requirements, the business environment and conditions in the financial markets.

We manage our capital requirements and the levels of our capital usage principally by setting limits on the balance sheet and/or limits on risk, in each case at both the firmwide and business levels.

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 Board of Governors of the Federal Reserve System (FRB) does not object to such capital action. See Notes 14 and 19 to the consolidated financial statements for further information about our preferred stock, junior subordinated debt issued to trusts and other subordinated debt.

Capital Planning and Stress Testing Process. As part of capital planning, we project sources and uses of capital given a range of business environments, including stressed conditions. Our stress testing process is designed to identify and measure material risks associated with our business activities, including market risk, credit risk and operational risk, as well as our ability to generate revenues.

Our capital planning process incorporates an internal capital adequacy assessment with the objective of ensuring that we are appropriately capitalized relative to the risks in our businesses. We incorporate stress scenarios into our capital planning process with a goal of holding sufficient capital to ensure we remain adequately capitalized after experiencing a severe stress event. Our assessment of capital adequacy is viewed in tandem with our assessment of liquidity adequacy and is integrated into our overall risk management structure, governance and policy framework.

Our stress tests incorporate our internally designed stress scenarios, including our internally developed severely adverse scenario, and those required under CCAR and DFAST, and are designed to capture our specific vulnerabilities and risks. We provide further information about our stress test processes and a summary of the results on our website as described in "Business — Available Information" in Part I, Item 1 of this Form 10-K.

As required by the FRB's CCAR rules, we submit an annual capital plan for review by the FRB. The purpose of the FRB's review is to ensure that we have a robust, forward-looking capital planning process that accounts for our unique risks and that permits continued operation during times of economic and financial stress.

The FRB evaluates us based, in part, on whether we have the capital necessary to continue operating under the baseline and severely adverse scenarios provided by the FRB and those developed internally. This evaluation also takes into account our process for identifying risk, our controls and governance for capital planning, and our guidelines for making capital planning decisions. In addition, the FRB evaluates our plan to make capital distributions (i.e., dividend payments and repurchases or redemptions of stock, subordinated debt or other capital securities) and issue capital, across the range of macroeconomic scenarios and firm-specific assumptions.

With respect to our 2019 CCAR submission, the FRB informed us that it did not object to our capital plan, which includes the return of up to $8.8 billion of capital from the third quarter of 2019 through the second quarter of 2020 (2019 CCAR cycle). The capital plan provides for up to $7.0 billion in repurchases of outstanding common stock and $1.8 billion in total common stock dividends, including an increase in our common stock dividend from $0.85 to $1.25 per share in the third quarter of 2019. During the third and fourth quarters of 2019, we returned a total of $3.75 billion of capital, including stock repurchases of $2.83 billion and common stock dividends of $919 million. Our stock repurchase amount was less than the authorized amount included in our capital plan submission for the first half of the 2019 CCAR cycle. The unutilized amount will be carried forward to the second half of the 2019 CCAR cycle. We may elect to execute only a portion or all of our capital actions, based on, among other things, our current and projected capital position, and capital deployment opportunities. Our target CET1 capital ratio over the next three years is between 13.0% to 13.5% (including management buffers). This target reflects, among other things, our calculations and our current interpretation of the proposed SCB rule and may change when the rule is finalized and implemented. We published a summary of our annual DFAST results in June 2019. See "Business — Available Information" in Part I, Item 1 of this Form 10-K.

In October 2019, in accordance with the DFAST rules, we submitted our Mid-Cycle DFAST results to the FRB and published a summary of the results of our internally developed severely adverse scenario. The FRB eliminated the requirement to conduct the Mid-Cycle DFAST beginning in 2020. We are still required to conduct a stress test on an annual basis and publish a summary of the results. The FRB also conducts its own annual stress tests and publishes a summary of certain results. See "Business — Available Information" in Part I, Item 1 of this Form 10-K.

GS Bank USA has its own capital planning process, but was not required to conduct its annual stress test in 2019.

Goldman Sachs International (GSI) and GSIB also have their own capital planning and stress testing process, which incorporates internally designed stress tests and those required under the Prudential Regulation Authority's (PRA) Internal Capital Adequacy Assessment Process.

Contingency Capital Plan. As part of our comprehensive capital management policy, we maintain a contingency capital plan. Our contingency capital plan provides a framework for analyzing and responding to a perceived or actual capital deficiency, including, but not limited to, identification of drivers of a capital deficiency, as well as mitigants and potential actions. It outlines the appropriate communication procedures to follow during a crisis period, including internal dissemination of information, as well as timely communication with external stakeholders.

Capital Attribution. We assess each of our businesses' capital usage based on our internal assessment of risks, which incorporates an attribution of all of our relevant regulatory capital requirements. These regulatory capital requirements are allocated using our attributed equity framework, which takes into consideration our most binding capital constraints. Our most binding capital constraint is based on the results of the FRB's annual stress test scenarios which include the Standardized risk-based capital and leverage ratios. See "Segment Assets and Operating Results — Segment Operating Results" for information about our attributed equity by segment.

Share Repurchase Program. We use our share repurchase program to help maintain the appropriate level of common equity. The repurchase program is effected primarily through regular open-market purchases (which may include repurchase plans designed to comply with Rule 10b5-1 and accelerated share repurchases), the amounts and timing of which are determined primarily by our current and projected capital position and our capital plan submitted to the FRB as part of CCAR. The amounts and timing of the repurchases may also be influenced by general market conditions and the prevailing price and trading volumes of our common stock.

On July 15, 2019, the Board of Directors of Group Inc. (Board) authorized the repurchase of an additional 50 million shares of common stock pursuant to our existing share repurchase program; however, we are only permitted to make repurchases to the extent that such repurchases have not been objected to by the FRB. As of December 2019, the remaining share authorization under our existing repurchase program was 57.9 million shares. See "Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities" in Part II, Item 5 of this Form 10-K and Note 19 to the consolidated financial statements for further information about our share repurchase program, and see above for information about our capital planning and stress testing process.

Resolution Capital Models. In connection with our resolution planning efforts, we have established a Resolution Capital Adequacy and Positioning framework, which is designed to ensure that our major subsidiaries (GS Bank USA, Goldman Sachs & Co. LLC (GS&Co.), GSI, GSIB, Goldman Sachs Japan Co., Ltd. (GSJCL), Goldman Sachs Asset Management, L.P. and Goldman Sachs Asset Management International) have access to sufficient loss-absorbing capacity (in the form of equity, subordinated debt and unsecured senior debt) so that they are able to wind-down following a Group Inc. bankruptcy filing in accordance with our preferred resolution strategy.

In addition, we have established a triggers and alerts framework, which is designed to provide the Board with information needed to make an informed decision on whether and when to commence bankruptcy proceedings for Group Inc.

Rating Agency Guidelines

The credit rating agencies assign credit ratings to the obligations of Group Inc., which directly issues or guarantees substantially all of our senior unsecured debt obligations. GS&Co. and GSI have been assigned long-term and short-term issuer ratings by certain credit rating agencies. GS Bank USA and GSIB have also been assigned long-term and short-term issuer ratings, as well as ratings on their long-term and short-term bank deposits. In addition, credit rating agencies have assigned ratings to debt obligations of certain other subsidiaries of Group Inc.

The level and composition of our equity capital are among the many factors considered in determining our credit ratings. Each agency has its own definition of eligible capital and methodology for evaluating capital adequacy, and assessments are generally based on a combination of factors rather than a single calculation. See "Risk Management — Liquidity Risk Management — Credit Ratings" for further information about credit ratings of Group Inc., GS Bank USA, GSIB, GS&Co. and GSI.

Consolidated Regulatory Capital

We are subject to consolidated regulatory capital requirements which are calculated in accordance with the regulations of the FRB (Capital Framework). Under the Capital Framework, we are an "Advanced approach" banking organization and have been designated as a global systemically important bank (G-SIB).

The capital requirements calculated in accordance with the Capital Framework include the risk-based capital buffers and G-SIB surcharge. The risk-based capital buffers, applicable to us for 2019, include the capital conservation buffer of 2.5% and the countercyclical capital buffer, which the FRB has set to zero percent. In addition, the G-SIB surcharge applicable to us for 2019 is 2.5% based on 2017 financial data. The G-SIB surcharge applicable to us for 2020 is 2.5% based on 2018 financial data and 2.5% for 2021 based on 2019 financial data. The G-SIB surcharge and countercyclical buffer in the future may differ due to additional guidance from our regulators and/or positional changes. We expect that our G-SIB surcharge will increase to 3% over the next three years. This increase would be effective on January 1 of the year that is one full calendar year after the increased G-SIB surcharge is finalized. See Note 20 to the consolidated financial statements for further information about our risk-based capital ratios and leverage ratios, and the Capital Framework.

Subsidiary Capital Requirements

Many of our subsidiaries, including our bank and broker-dealer subsidiaries, are subject to separate regulation and capital requirements of the jurisdictions in which they operate.

Bank Subsidiaries. GS Bank USA is our primary U.S. banking subsidiary and GSIB is our primary non-U.S. banking subsidiary. These entities are subject to regulatory capital requirements. See Note 20 to the consolidated financial statements for further information about the regulatory capital requirements of our bank subsidiaries.

U.S. Regulated Broker-Dealer Subsidiaries. GS&Co. is our primary U.S. regulated broker-dealer subsidiary and is subject to regulatory capital requirements, including those imposed by the SEC and the Financial Industry Regulatory Authority, Inc. In addition, GS&Co. is a registered futures commission merchant and is subject to regulatory capital requirements imposed by the CFTC, the Chicago Mercantile Exchange and the National Futures Association. Rule 15c3-1 of the SEC and Rule 1.17 of the CFTC specify uniform minimum net capital requirements, as defined, for their registrants, and also effectively require that a significant part of the registrants' assets be kept in relatively liquid form. GS&Co. has elected to calculate its minimum capital requirements in accordance with the "Alternative Net Capital Requirement" as permitted by Rule 15c3-1.

GS&Co. had regulatory net capital, as defined by Rule 15c3-1, of $20.88 billion as of December 2019 and $17.45 billion as of December 2018, which exceeded the amount required by $18.15 billion as of December 2019 and $15.00 billion as of December 2018. In addition to its alternative minimum net capital requirements, GS&Co. is also required to hold tentative net capital in excess of $1 billion and net capital in excess of $500 million in accordance with the market and credit risk standards of Appendix E of Rule 15c3-1. GS&Co. is also required to notify the SEC in the event that its tentative net capital is less than $5 billion. As of both December 2019 and December 2018, GS&Co. had tentative net capital and net capital in excess of both the minimum and the notification requirements.

In February 2020, GS&Co. made a cash dividend distribution of $4.00 billion to Group Inc.

Non-U.S. Regulated Broker-Dealer Subsidiaries. Our principal non-U.S. regulated broker-dealer subsidiaries include GSI and GSJCL.

GSI, our U.K. broker-dealer, is regulated by the PRA and the Financial Conduct Authority (FCA). GSI is subject to the capital framework for E.U.-regulated financial institutions prescribed in the E.U. Fourth Capital Requirements Directive and the E.U. Capital Requirements Regulation (CRR). These capital regulations are largely based on Basel III.

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

	As of December	
	2019	2018
Risk-based capital requirements		
CET1 capital ratio	**8.8%**	8.1%
Tier 1 capital ratio	**10.8%**	10.1%
Total capital ratio	**13.4%**	12.7%

In the table above, the risk-based capital requirements incorporate capital guidance received from the PRA and could change in the future. GSI's future capital requirements may also be impacted by developments, such as the introduction of risk-based capital buffers.

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

	As of December	
$ in millions	**2019**	2018
Risk-based capital and risk-weighted assets (RWAs)		
CET1 capital	**$ 24,142**	$ 23,956
Tier 1 capital	**$ 32,442**	$ 32,256
Tier 2 capital	**$ 5,374**	$ 5,377
Total capital	**$ 37,816**	$ 37,633
RWAs	**$206,669**	$200,089
Risk-based capital ratios		
CET1 capital ratio	**11.7%**	12.0%
Tier 1 capital ratio	**15.7%**	16.1%
Total capital ratio	**18.3%**	18.8%

In the table above, CET1 capital, Tier 1 capital and Total capital as of December 2019 excluded GSI's undistributed profits from December 1, 2018 through December 31, 2019, which may be distributed as dividends in the future by GSI, subject to approval by the Board of Directors of GSI.

In November 2016, the European Commission proposed amendments to the CRR to implement a 3% leverage ratio requirement for certain E.U. financial institutions. This leverage ratio compares the CRR's definition of Tier 1 capital to a measure of leverage exposure, defined as the sum of certain assets plus certain off-balance-sheet exposures (which include a measure of derivatives, securities financing transactions, commitments and guarantees), less Tier 1 capital deductions. The required leverage ratio is expected to become effective for GSI on June 28, 2021. GSI had a leverage ratio of 4.6% as of December 2019 and 4.4% as of December 2018. GSI's leverage ratio as of December 2019 excluded GSI's undistributed profits from December 1, 2018 through December 31, 2019, which may be distributed as dividends in the future by GSI, subject to approval by the Board of Directors of GSI. This leverage ratio is based on our current interpretation and understanding of this rule and may evolve as we discuss the interpretation and application of this rule with GSI's regulators.

GSI is also subject to a minimum requirement for own funds and eligible liabilities issued to affiliates. This requirement is subject to a transitional period which began to phase in from January 1, 2019 and will become fully effective on January 1, 2022. As of December 2019, GSI was in compliance with this requirement.

GSJCL, our Japanese broker-dealer, is regulated by Japan's Financial Services Agency. GSJCL and certain other non-U.S. subsidiaries are also subject to capital requirements promulgated by authorities of the countries in which they operate. As of both December 2019 and December 2018, these subsidiaries were in compliance with their local capital requirements.

Regulatory Matters and Other Developments

Regulatory Matters

Our businesses are subject to extensive regulation and supervision worldwide. Regulations have been adopted or are being considered by regulators and policy makers worldwide. Given that many of the new and proposed rules are highly complex, the full impact of regulatory reform will not be known until the rules are implemented and market practices develop under the final regulations.

See "Business — Regulation" in Part I, Item 1 of this Form 10-K for further information about the laws, rules and regulations and proposed laws, rules and regulations that apply to us and our operations.

TLAC. We are subject to the FRB's TLAC and related requirements, which became effective in January 2019. Failure to comply with the TLAC and related requirements could result in restrictions being imposed by the FRB and could limit our ability to repurchase shares, pay dividends and make certain discretionary compensation payments.

The table below presents TLAC and external long-term debt requirements.

	Requirements
TLAC to RWAs	**22.0%**
TLAC to leverage exposure	**9.5%**
External long-term debt to RWAs	**8.5%**
External long-term debt to leverage exposure	**4.5%**

In the table above:

- The TLAC to RWAs requirement includes (i) the 18% minimum, (ii) the 2.5% buffer, (iii) the 1.5% G-SIB surcharge (Method 1) and (iv) the countercyclical capital buffer, which the FRB has set to zero percent.
- The TLAC to leverage exposure requirement includes (i) the 7.5% minimum and (ii) the 2.0% leverage exposure buffer.
- The external long-term debt to RWAs requirement includes (i) the 6% minimum and (ii) the 2.5% G-SIB surcharge (Method 2).
- The external long-term debt to total leverage exposure is the 4.5% minimum.

The table below presents information about our TLAC and external long-term debt ratios.

	As of December	
$ in millions	**2019**	2018
TLAC	**$ 236,850**	$ 254,836
External long-term debt	**$ 141,770**	$ 160,493
RWAs	**$ 563,575**	$ 558,111
Leverage exposure	**$1,375,467**	$1,342,906
TLAC to RWAs	**42.0%**	45.7%
TLAC to leverage exposure	**17.2%**	19.0%
External long-term debt to RWAs	**25.2%**	28.8%
External long-term debt to leverage exposure	**10.3%**	12.0%

In the table above:

- TLAC includes common and preferred stock, and eligible long-term debt issued by Group Inc. Eligible long-term debt represents unsecured debt, which has a remaining maturity of at least one year and satisfies additional requirements.
- External long-term debt consists of eligible long-term debt subject to a haircut if it is due to be paid between one and two years.
- RWAs represent Standardized RWAs as of December 2019 and Advanced RWAs as of December 2018. In accordance with the TLAC rules, the higher of Advanced or Standardized RWAs are used in the calculation of TLAC and external long-term debt ratios and applicable requirements.
- Leverage exposure consists of average adjusted total assets and certain off-balance-sheet exposures.

See "Business — Regulation" in Part I, Item 1 of this Form 10-K for further information about TLAC.

Other Developments

Brexit. In March 2017, the U.K. government commenced the formal proceedings to withdraw from the E.U. The E.U. and the U.K. agreed to a withdrawal agreement (the Withdrawal Agreement), which became effective on January 31, 2020. The transition period under the Withdrawal Agreement will last until the end of December 2020 to allow the two sides to negotiate a future trade agreement. During the transition period, the U.K. will be treated as if it were a member state of the E.U. and therefore the existing arrangements between the U.K. and the E.U. will not change. The Withdrawal Agreement provides for the possibility of an extension of the transition period for either one or two more years. However, the U.K. has pledged not to extend the transition period beyond December 31, 2020.

Based upon the existing non-E.U. country equivalence regimes, the E.U. and the U.K. have agreed to complete their assessments of equivalence by the end of June 2020. There is significant uncertainty as to whether the outcome of those assessments will be published before the end of the transition period, and whether U.K. firms can rely upon the availability of equivalence in their post-transition planning. We continue to prepare for a scenario where the U.K. financial services firms will lose access to E.U. markets on December 31, 2020 (a "hard" Brexit) while ensuring we remain flexible and well positioned to allow our clients to benefit from any more favorable scenarios. Our planning also recognizes that after the end of the transition period, we can rely on a degree of continuing access for our U.K. entities pursuant to national cross-border access regimes in certain jurisdictions (for example, based on specific licenses or exemptions).

In a hard Brexit scenario or as otherwise necessary, our plan is to service our E.U. client base in the following manner:

- Our German bank subsidiary, Goldman Sachs Bank Europe SE (GSBE), will act as our main operating subsidiary in the E.U. and will assume certain functions that can no longer be efficiently and effectively performed by our U.K. operating subsidiaries, including GSI, GSIB and GSAMI. For clients in jurisdictions which do not benefit from a specific "permissive" regime, we will actively work with those clients to plan the most appropriate timeline for any required migration of their business to GSBE in an orderly fashion which may be required before the end of the transition period.
- We have set up branches of GSBE in a number of jurisdictions in the E.U. to enable Investment Banking, Global Markets and Consumer & Wealth Management personnel to be situated in our offices in those countries.
- A meaningful portion of our Global Markets and Investment Banking clients are classified as professionals or eligible counterparties in specific jurisdictions and may choose to continue being serviced by, and to continue to transact with, the U.K. service providers and entities under domestic arrangements provided by individual member states (licenses or exemptions). We expect to continue providing products and services in this manner to the extent that clients prefer such coverage and it is available. Such clients could continue to face GSI and we have applied for the applicable cross-border licenses and exemptions for GSI where these are available. We also plan to have authorized third-country branches of GSI in the E.U. which will be used for our Global Markets business with domestic clients in the jurisdictions in which those branches are authorized.
- We intend to use Goldman Sachs Paris Inc. et Cie (GSPIC) as our primary broker-dealer entity for E.U. clients primarily to conduct certain activities that GSBE may be prevented from undertaking (such as activities related to physical commodities and related products).
- We have opened accounts to enable clients to transact with GSBE and will continue to facilitate our clients trading with our subsidiaries and branches in the E.U.
- The internal infrastructure build-out and external connectivity to financial market infrastructure required for the new E.U. entities is complete. GSBE is connected and operational with E.U. exchange, clearing and settlement platforms.
- GSBE has been assigned a credit rating of A/F1 by Fitch, Inc. (Fitch), A1/P-1 by Moody's Investors Service (Moody's) and A+/A-1 by Standard & Poor's Ratings Services (S&P), which are consistent with those issued to GSI.
- In order to service our Asset Management clients, we have received approval from the Irish Financial Regulator, the Central Bank of Ireland, for a Collective Investment Fund and Alternative Investment Fund Manager in Ireland, to replace the similar existing London-based Alternative Investment Fund Manager, which will lose its E.U. passport post-Brexit.
- Headcount in our E.U. offices has increased over the course of 2019, with further roles expected to transition into the E.U. under our current planning assumptions.
- We have developed additional real estate capacity in Frankfurt, Stockholm, Milan and Dublin and are sourcing further real estate capacity in Paris.

Replacement of Interbank Offered Rates (IBORs), including LIBOR. Central banks and regulators in a number of major jurisdictions (for example, U.S., U.K., E.U., Switzerland and Japan) have convened working groups to find, and implement the transition to, suitable replacements for IBORs. The U.K. FCA, which regulates LIBOR, has announced that it will not compel panel banks to contribute to LIBOR after 2021.

Market-led working groups in major jurisdictions, noted above, have already selected their preferred alternative risk-free reference rates and have published and are expected to continue to publish consultations on issues, including methodologies for fallback provisions in contracts and financial instruments linked to IBORs and the development of term structures for alternative risk-free reference rates, which will be critical for financial markets to transition to the use of alternative risk-free reference rates in place of IBORs.

We have exposure to IBORs, including in financial instruments and contracts that mature after 2021. Our exposures arise from securities and loans we hold for investment or in connection with market-making activities, as well as derivatives we enter into to make markets for our clients and hedge our risks. We also have exposure to IBORs in the floating-rate securities and other funding products we issue.

We are seeking to facilitate an orderly transition from IBORs to alternative risk-free reference rates for us and our clients. Accordingly, we have created a program that focuses on:

- Evaluating and monitoring the impacts across our businesses, including transactions and products;
- Identifying and evaluating the scope of existing financial instruments and contracts that may be affected, and the extent to which those financial instruments and contracts already contain appropriate fallback language or would require amendment, either through bilateral negotiation or using industry-wide tools, such as protocols;
- Enhancements to infrastructure (for example, models and systems) to prepare for a smooth transition to alternative risk-free reference rates;
- Active participation in central bank and sector working groups, including responding to industry consultations; and
- Client education and communication.

As part of this program, we have sought to systematically identify the risks inherent in this transition, including financial risks (for example, earnings volatility under stress due to widening swap spreads and the loss of funding sources as a result of counterparties' reluctance to participate in transitioning their positions) and nonfinancial risks (for example, the inability to negotiate fallbacks with clients and/or counterparties, the potential for disputes relating to the interpretation and implementation of fallback provision and operational impediments to the transition). We are engaged with a range of industry and regulatory working groups (for example, ISDA, the Bank of England's Working Group on Sterling Risk-Free Reference Rates and the Federal Reserve's Alternative Reference Rates Committee) and will continue to engage with our clients and counterparties to facilitate an orderly transition to alternative risk-free reference rates.

The markets for alternative risk-free reference rates continue to develop and as they develop we expect to transition to these alternative risk-free reference rates. Where liquidity allows, we have begun this transition. In particular, during 2019 we have:

- Issued debt and deposits linked to the Secured Overnight Financing Rate (SOFR) and Sterling Overnight Index Average (SONIA), as well as preferred stock with the rate reset based on 5-year U.S. Treasury rates.
- Executed SOFR- and SONIA-based derivative contracts to make markets and facilitate client activities.
- Executed transactions in the market to reduce our LIBOR exposures arising from hedges to our fixed-rate debt issuances and replace with alternative risk-free reference rates exposures.

Off-Balance-Sheet Arrangements and Contractual Obligations

Off-Balance-Sheet Arrangements

In the ordinary course of business, we enter into various types of off-balance-sheet arrangements. Our involvement in these arrangements can take many different forms, including:

- Purchasing or retaining residual and other interests in special purpose entities, such as mortgage-backed and other asset-backed securitization vehicles;
- Holding senior and subordinated debt, interests in limited and general partnerships, and preferred and common stock in other nonconsolidated vehicles;
- Entering into interest rate, foreign currency, equity, commodity and credit derivatives, including total return swaps; and
- Providing guarantees, indemnifications, commitments, letters of credit and representations and warranties.

We enter into these arrangements for a variety of business purposes, including securitizations. The securitization vehicles that purchase mortgages, corporate bonds, and other types of financial assets are critical to the functioning of several significant investor markets, including the mortgage-backed and other asset-backed securities markets, since they offer investors access to specific cash flows and risks created through the securitization process.

We also enter into these arrangements to underwrite client securitization transactions; provide secondary market liquidity; make investments in performing and nonperforming debt, distressed loans, power-related assets, equity securities, real estate and other assets; provide investors with credit-linked and asset-repackaged notes; and receive or provide letters of credit to satisfy margin requirements and to facilitate the clearance and settlement process.

The table below presents where information about our various off-balance-sheet arrangements may be found in this Form 10-K. In addition, see Note 3 to the consolidated financial statements for information about our consolidation policies.

Off-Balance-Sheet Arrangement	Disclosure in Form 10-K
Variable interests and other obligations, including contingent obligations, arising from variable interests in nonconsolidated variable interest entities (VIEs)	See Note 17 to the consolidated financial statements.
Guarantees, letters of credit, and lending and other commitments	See Note 18 to the consolidated financial statements.
Derivatives	See "Risk Management — Credit Risk Management — Credit Exposures — OTC Derivatives" and Notes 4, 5, 7 and 18 to the consolidated financial statements.

Contractual Obligations

We have certain contractual obligations which require us to make future cash payments. These contractual obligations include our time deposits, secured long-term financings, unsecured long-term borrowings, interest payments and operating lease payments.

Our obligations to make future cash payments also include our commitments and guarantees related to off-balance-sheet arrangements, which are excluded from the table below. See Note 18 to the consolidated financial statements for further information about such commitments and guarantees.

Due to the uncertainty of the timing and amounts that will ultimately be paid, our liability for unrecognized tax benefits has been excluded from the table below. See Note 24 to the consolidated financial statements for further information about our unrecognized tax benefits.

The table below presents our contractual obligations by type.

	As of December	
$ in millions	**2019**	2018
Time deposits	**$ 32,273**	$ 28,413
Financings and borrowings:		
Secured long-term	**$ 11,953**	$ 11,878
Unsecured long-term	**$207,076**	$224,149
Interest payments	**$ 47,649**	$ 54,594
Operating lease payments	**$ 3,980**	$ 2,399

The table below presents our contractual obligations by expiration.

	As of December 2019			
$ in millions	**2020**	**2021 - 2022**	**2023 - 2024**	**2025 - Thereafter**
Time deposits	**$ –**	**$17,340**	**$10,351**	**$ 4,582**
Financings and borrowings:				
Secured long-term	**$ –**	**$ 5,525**	**$ 2,757**	**$ 3,671**
Unsecured long-term	**$ –**	**$51,624**	**$45,836**	**$109,616**
Interest payments	**$6,024**	**$10,648**	**$ 7,289**	**$ 23,688**
Operating lease payments	**$ 384**	**$ 576**	**$ 454**	**$ 2,566**

In the table above:

- Obligations maturing within one year of our financial statement date or redeemable within one year of our financial statement date at the option of the holders are excluded as they are treated as short-term obligations. See Note 14 to the consolidated financial statements for further information about our short-term borrowings.
- Obligations that are repayable prior to maturity at our option are reflected at their contractual maturity dates and obligations that are redeemable prior to maturity at the option of the holders are reflected at the earliest dates such options become exercisable.
- As of December 2019, unsecured long-term borrowings had maturities extending through 2067, consisted principally of senior borrowings, and included $7.69 billion of adjustments to the carrying value of certain unsecured long-term borrowings resulting from the application of hedge accounting. See Note 14 to the consolidated financial statements for further information about our unsecured long-term borrowings.
- As of December 2019, the difference between the aggregate contractual principal amount and the related fair value of long-term other secured financings for which the fair value option was elected was not material.
- As of December 2019, the fair value of unsecured long-term borrowings for which the fair value option was elected exceeded the aggregate contractual principal amount by $199 million.
- Interest payments represents estimated future contractual interest payments related to unsecured long-term borrowings, secured long-term financings and time deposits based on applicable interest rates as of December 2019, and includes stated coupons, if any, on structured notes.

- Operating lease payments include lease commitments for office space that expire on various dates through 2069. Certain agreements are subject to periodic escalation provisions for increases in real estate taxes and other charges. See Note 15 to the consolidated financial statements for further information about our operating lease liabilities.

Risk Management

Risks are inherent in our businesses and include liquidity, market, credit, operational, model, legal, compliance, conduct, regulatory and reputational risks. Our risks include the risks across our risk categories, regions or global businesses, as well as those which have uncertain outcomes and have the potential to materially impact our financial results, our liquidity and our reputation. For further information about our risk management processes, see "Overview and Structure of Risk Management" and for information about our areas of risk, see "Liquidity Risk Management," "Market Risk Management," "Credit Risk Management," "Operational Risk Management" and "Model Risk Management" and "Risk Factors" in Part I, Item 1A of this Form 10-K.

Overview and Structure of Risk Management

Overview

We believe that effective risk management is critical to our success. Accordingly, we have established an enterprise risk management framework that employs a comprehensive, integrated approach to risk management, and is designed to enable comprehensive risk management processes through which we identify, assess, monitor and manage the risks we assume in conducting our activities. Our risk management structure is built around three core components: governance, processes and people.

Governance. Risk management governance starts with the Board, which both directly and through its committees, including its Risk Committee, oversees our risk management policies and practices implemented through the enterprise risk management framework. The Board is also responsible for the annual review and approval of our risk appetite statement. The risk appetite statement describes the levels and types of risk we are willing to accept or to avoid, in order to achieve our objectives included in our strategic business plan, while remaining in compliance with regulatory requirements. The Board reviews our strategic business plan and is ultimately responsible for overseeing and providing direction about our strategy and risk appetite.

The Board receives regular briefings on firmwide risks, including liquidity risk, market risk, credit risk, operational risk and model risk from our independent risk oversight and control functions, including the chief risk officer, and on compliance risk and conduct risk from the head of Compliance, on legal and regulatory matters from the general counsel, and on other matters impacting our reputation from the chair of our Firmwide Client and Business Standards Committee and our Firmwide Reputational Risk Committee. The chief risk officer reports to our chief executive officer and to the Risk Committee of the Board. As part of the review of the firmwide risk portfolio, the chief risk officer regularly advises the Risk Committee of the Board of relevant risk metrics and material exposures, including risk limits and thresholds established in our risk appetite statement.

The implementation of our risk governance structure and core risk management processes are overseen by Enterprise Risk, which reports to our chief risk officer, and is responsible for ensuring that our enterprise risk management framework provides the Board, our risk committees and senior management with a consistent and integrated approach to managing our various risks in a manner consistent with our risk appetite.

Our revenue-producing units, as well as Treasury, Engineering, Human Capital Management, Operations and Services, are considered our first line of defense. They are accountable for the outcomes of our risk-generating activities, as well as for assessing and managing those risks within our risk appetite.

Our independent risk oversight and control functions are considered our second line of defense and provide independent assessment, oversight and challenge of the risks taken by our first line of defense, as well as lead and participate in risk committees. Independent risk oversight and control functions include Compliance, Conflicts Resolution, Controllers, Credit Risk, Enterprise Risk, Legal, Liquidity Risk, Market Risk, Model Risk, Operational Risk and Tax.

Internal Audit is considered our third line of defense and reports to the Audit Committee of the Board and administratively to our chief executive officer. Internal Audit includes professionals with a broad range of audit and industry experience, including risk management expertise. Internal Audit is responsible for independently assessing and validating the effectiveness of key controls, including those within the risk management framework, and providing timely reporting to the Audit Committee of the Board, senior management and regulators.

The three lines of defense structure promotes the accountability of first line risk takers, provides a framework for effective challenge by the second line and empowers independent review from the third line.

Processes. We maintain various processes that are critical components of our risk management framework, including (i) risk identification and assessment, (ii) risk appetite, limit and threshold setting, (iii) risk reporting and monitoring, and (iv) risk decision-making.

- **Risk Identification and Assessment.** We believe that the identification and assessment of our risks is a critical step in providing our Board and senior management transparency and insight into the range and materiality of our risks. We have a comprehensive data collection process, including firmwide policies and procedures that require all employees to report and escalate risk events. Our approach for risk identification and assessment is comprehensive across all risk types, is dynamic and forward-looking to reflect and adapt to our changing risk profile and business environment, leverages subject matter expertise, and allows for prioritization of our most critical risks.

  To effectively assess our risks, we maintain a daily discipline of marking substantially all of our inventory to current market levels. We carry our inventory at fair value, with changes in valuation reflected immediately in our risk management systems and in net revenues. We do so because we believe this discipline is one of the most effective tools for assessing and managing risk and that it provides transparent and realistic insight into our inventory exposures.

  An important part of our risk management process is firmwide stress testing. It allows us to quantify our exposure to tail risks, highlight potential loss concentrations, undertake risk/reward analysis, and assess and mitigate our risk positions. Firmwide stress tests are performed on a regular basis and are designed to ensure a comprehensive analysis of our vulnerabilities and idiosyncratic risks combining financial and nonfinancial risks, including, but not limited to, credit, market, liquidity and funding, operational and compliance, strategic, systemic and emerging risks into a single combined scenario. We also perform ad hoc stress tests in anticipation of market events or conditions. Stress tests are also used to assess capital adequacy as part of our capital planning and stress testing process. See "Equity Capital Management and Regulatory Capital — Equity Capital Management" for further information.

- **Risk Appetite, Limit and Threshold Setting.** We apply a rigorous framework of limits and thresholds to control and monitor risk across transactions, products, businesses and markets. The Board, directly or indirectly through its Risk Committee, approves limits and thresholds included in our risk appetite statement at firmwide, business and product levels. In addition, the Firmwide Enterprise Risk Committee is responsible for approving our risk limits framework, subject to the overall limits approved by the Risk Committee of the Board, and monitoring these limits.

  The Risk Governance Committee is responsible for approving limits at firmwide, business and product levels. Certain limits may be set at levels that will require periodic adjustment, rather than at levels that reflect our maximum risk appetite. This fosters an ongoing dialogue about risk among our first and second lines of defense, committees and senior management, as well as rapid escalation of risk-related matters. Additionally, through delegated authority from the Risk Governance Committee, Market Risk sets limits at certain product and desk levels, and Credit Risk sets limits for individual counterparties, counterparties and their subsidiaries, industries and countries. Limits are reviewed regularly and amended on a permanent or temporary basis to reflect changing market conditions, business conditions or risk tolerance.

- **Risk Reporting and Monitoring.** Effective risk reporting and risk decision-making depends on our ability to get the right information to the right people at the right time. As such, we focus on the rigor and effectiveness of our risk systems, with the objective of ensuring that our risk management technology systems provide us with complete, accurate and timely information. Our risk reporting and monitoring processes are designed to take into account information about both existing and emerging risks, thereby enabling our risk committees and senior management to perform their responsibilities with the appropriate level of insight into risk exposures. Furthermore, our limit and threshold breach processes provide means for timely escalation. We evaluate changes in our risk profile and our businesses, including changes in business mix or jurisdictions in which we operate, by monitoring risk factors at a firmwide level.

- **Risk Decision-Making.** Our governance structure provides the protocol and responsibility for decision-making on risk management issues and ensures implementation of those decisions. We make extensive use of risk committees that meet regularly and serve as an important means to facilitate and foster ongoing discussions to manage and mitigate risks.

  We maintain strong and proactive communication about risk and we have a culture of collaboration in decision-making among our first and second lines of defense, committees and senior management. While our first line of defense is responsible for management of their risk, we dedicate extensive resources to our second line of defense in order to ensure a strong oversight structure and an appropriate segregation of duties. We regularly reinforce our strong culture of escalation and accountability across all functions.

People. Even the best technology serves only as a tool for helping to make informed decisions in real time about the risks we are taking. Ultimately, effective risk management requires our people to interpret our risk data on an ongoing and timely basis and adjust risk positions accordingly. The experience of our professionals, and their understanding of the nuances and limitations of each risk measure, guides us in assessing exposures and maintaining them within prudent levels.

We reinforce a culture of effective risk management, consistent with our risk appetite, in our training and development programs, as well as in the way we evaluate performance, and recognize and reward our people. Our training and development programs, including certain sessions led by our most senior leaders, are focused on the importance of risk management, client relationships and reputational excellence. As part of our annual performance review process, we assess reputational excellence, including how an employee exercises good risk management and reputational judgment, and adheres to our code of conduct and compliance policies. Our review and reward processes are designed to communicate and reinforce to our professionals the link between behavior and how people are recognized, the need to focus on our clients and our reputation, and the need to always act in accordance with our highest standards.

Structure

Ultimate oversight of risk is the responsibility of our Board. The Board oversees risk both directly and through its committees, including its Risk Committee. We have a series of committees with specific risk management mandates that have oversight or decision-making responsibilities for risk management activities. Committee membership generally consists of senior managers from both our first and second lines of defense. We have established procedures for these committees to ensure that appropriate information barriers are in place. Our primary risk committees, most of which also have additional sub-committees or working groups, are described below. In addition to these committees, we have other risk committees that provide oversight for different businesses, activities, products, regions and entities. All of our committees have responsibility for considering the impact of transactions and activities, which they oversee, on our reputation.

Membership of our risk committees is reviewed regularly and updated to reflect changes in the responsibilities of the committee members. Accordingly, the length of time that members serve on the respective committees varies as determined by the committee chairs and based on the responsibilities of the members.

The chart below presents an overview of our risk management governance structure.

Management Committee. The Management Committee oversees our global activities. It provides this oversight directly and through authority delegated to committees it has established. This committee consists of our most senior leaders, and is chaired by our chief executive officer. Most members of the Management Committee are also members of other committees. The following are the committees that are principally involved in firmwide risk management.

Firmwide Enterprise Risk Committee. The Firmwide Enterprise Risk Committee is responsible for overseeing all of our financial and nonfinancial risks. As a part of such oversight, the committee is responsible for the ongoing review, approval and monitoring of our enterprise risk management framework, as well as our risk limits framework. This committee is co-chaired by our chief financial officer and our chief risk officer, who are appointed as chairs by our chief executive officer, and reports to the Management Committee. The following are the primary committees that report to the Firmwide Enterprise Risk Committee:

- **Firmwide Risk Committee.** The Firmwide Risk Committee is responsible for the ongoing monitoring of relevant financial risks and related risk limits at the firmwide, business and product levels. This committee is co-chaired by the chairs of the Firmwide Enterprise Risk Committee.
- **Firmwide New Activity Committee.** The Firmwide New Activity Committee is responsible for reviewing new activities and for establishing a process to identify and review previously approved activities that are significant and that have changed in complexity and/or structure or present different reputational and suitability concerns over time to consider whether these activities remain appropriate. This committee is co-chaired by the controller and chief accounting officer, and the head of Operations and Engineering for the Global Markets Division, who are appointed as chairs by the chairs of the Firmwide Enterprise Risk Committee.
- **Firmwide Resilience and Operational Risk Committee.** The Firmwide Resilience and Operational Risk Committee is globally responsible for overseeing operational risk, and for ensuring our business and operational resilience. To assist the Firmwide Resilience and Operational Risk Committee in carrying out its mandate, other risk committees with dedicated oversight for technology-related risks, including cyber security matters, report into the Firmwide Resilience and Operational Risk Committee. This committee is co-chaired by our chief administrative officer and deputy chief risk officer, who are appointed as chairs by the chairs of the Firmwide Enterprise Risk Committee.
- **Firmwide Conduct Committee.** The Firmwide Conduct Committee is globally responsible for the ongoing approval and monitoring of the frameworks and policies which govern our conduct risks. Conduct risk is the risk that our people fail to act in a manner consistent with our Business Principles and related core values, policies or codes, or applicable laws or regulations, thereby falling short in fulfilling their responsibilities to us, our clients, colleagues, other market participants or the broader community. The co-chairs of this committee are appointed by the chairs of the Firmwide Enterprise Risk Committee.
- **Risk Governance Committee.** The Risk Governance Committee (through delegated authority from the Firmwide Enterprise Risk Committee) is responsible for the ongoing approval and monitoring of risk frameworks and policies related to our core risk management processes, as well as limits, at firmwide, business and product levels. In addition, this committee reviews the results of stress tests and scenario analyses. To assist the Risk Governance Committee in carrying out its mandate, a number of other risk committees with dedicated oversight for stress testing, model risks and Volcker Rule compliance report into the Risk Governance Committee. This committee is chaired by our chief risk officer, who is appointed as chair by the chairs of the Firmwide Enterprise Risk Committee.

Firmwide Client and Business Standards Committee. The Firmwide Client and Business Standards Committee is responsible for overseeing relationships with our clients, client service and experience, and related business standards, as well as client-related reputational matters. This committee is chaired by our president and chief operating officer, who is appointed as chair by the chief executive officer, and reports to the Management Committee. This committee periodically provides updates to, and receives guidance from, the Public Responsibilities Committee of the Board.

The following committees report jointly to the Firmwide Enterprise Risk Committee and the Firmwide Client and Business Standards Committee:

- **Firmwide Reputational Risk Committee.** The Firmwide Reputational Risk Committee is responsible for assessing reputational risks arising from transactions that have been identified as having potential heightened reputational risk pursuant to the criteria established by the Firmwide Reputational Risk Committee. This committee is chaired by our president and chief operating officer, and the vice-chairs are the chair of Compliance and the head of Conflicts Resolution, who are appointed as vice-chairs by the chair of the Firmwide Reputational Risk Committee. This committee periodically provides updates to, and receives guidance from, the Public Responsibilities Committee of the Board.
- **Firmwide Suitability Committee.** The Firmwide Suitability Committee is responsible for setting standards and policies for product, transaction and client suitability and providing a forum for consistency across functions, regions and products on suitability assessments. This committee also reviews suitability matters escalated from other committees. This committee is co-chaired by the head of Compliance, and the co-head of EMEA FICC sales, who are appointed as chairs by the chair of the Firmwide Client and Business Standards Committee.
- **Firmwide Investment Policy Committee.** The Firmwide Investment Policy Committee reviews, approves, sets policies, and provides oversight for certain illiquid principal investments, including review of risk management and controls for these types of investments. This committee is co-chaired by the chairman of our Merchant Banking Division, the head of our Merchant Banking Division and the chief risk officer, who are appointed as chairs by our president and chief operating officer and our chief financial officer.
- **Firmwide Capital Committee.** The Firmwide Capital Committee provides approval and oversight of debt-related transactions, including principal commitments of our capital. This committee aims to ensure that business, reputational and suitability standards for underwritings and capital commitments are maintained on a global basis. This committee is co-chaired by the head of Credit Risk and a co-head of the Financing Group, who are appointed as chairs by the chairs of the Firmwide Enterprise Risk Committee.
- **Firmwide Commitments Committee.** The Firmwide Commitments Committee reviews our underwriting and distribution activities with respect to equity and equity-related product offerings, and sets and maintains policies and procedures designed to ensure that legal, reputational, regulatory and business standards are maintained on a global basis. In addition to reviewing specific transactions, this committee periodically conducts general strategic reviews of sectors and products and establishes policies in connection with transaction practices. This committee is co-chaired by the co-head of the Industrials Group in our Investment Banking Division, the chief debt underwriting officer for EMEA, and a managing director in our Investment Banking Division, who are appointed as chairs by the chair of the Firmwide Client and Business Standards Committee.

Firmwide Asset Liability Committee. The Firmwide Asset Liability Committee reviews and approves the strategic direction for our financial resources, including capital, liquidity, funding and balance sheet. This committee has oversight responsibility for asset liability management, including interest rate and currency risk, funds transfer pricing, capital allocation and incentives, and credit ratings. This committee makes recommendations as to any adjustments to asset liability management and financial resource allocation in light of current events, risks, exposures, and regulatory requirements and approves related policies. This committee is co-chaired by our chief financial officer and our global treasurer, who are appointed as chairs by our chief executive officer, and reports to the Management Committee.

Conflicts Management

Conflicts of interest and our approach to dealing with them are fundamental to our client relationships, our reputation and our long-term success. The term "conflict of interest" does not have a universally accepted meaning, and conflicts can arise in many forms within a business or between businesses. The responsibility for identifying potential conflicts, as well as complying with our policies and procedures, is shared by all of our employees.

We have a multilayered approach to resolving conflicts and addressing reputational risk. Our senior management oversees policies related to conflicts resolution, and, in conjunction with Conflicts Resolution, Legal and Compliance, the Firmwide Client and Business Standards Committee, and other internal committees, formulates policies, standards and principles, and assists in making judgments regarding the appropriate resolution of particular conflicts. Resolving potential conflicts necessarily depends on the facts and circumstances of a particular situation and the application of experienced and informed judgment.

As a general matter, Conflicts Resolution reviews financing and advisory assignments in Investment Banking and certain of our investing, lending and other activities. In addition, we have various transaction oversight committees, such as the Firmwide Capital, Commitments and Suitability Committees and other committees that also review new underwritings, loans, investments and structured products. These groups and committees work with internal and external counsel and Compliance to evaluate and address any actual or potential conflicts. Conflicts Resolution reports to our president and chief operating officer. We regularly assess our policies and procedures that address conflicts of interest in an effort to conduct our business in accordance with the highest ethical standards and in compliance with all applicable laws, rules and regulations.

Compliance Risk Management

Compliance risk is the risk of legal or regulatory sanctions, material financial loss or damage to our reputation arising from our failure to comply with the requirements of applicable laws, rules and regulations, and our internal policies and procedures. Compliance risk is inherent in all activities through which we conduct our businesses. Our Compliance Risk Management Program, administered by Compliance, assesses our compliance, regulatory and reputational risk; monitors for compliance with new or amended laws, rules and regulations; designs and implements controls, policies, procedures and training; conducts independent testing; investigates, surveils and monitors for compliance risks and breaches; and leads our responses to regulatory examinations, audits and inquiries. We monitor and review business practices to assess whether they meet or exceed minimum regulatory and legal standards in all markets and jurisdictions in which we conduct business.

Liquidity Risk Management

Overview

Liquidity risk is the risk that we will be unable to fund ourselves or meet our liquidity needs in the event of firm-specific, broader industry or market liquidity stress events. We have in place a comprehensive and conservative set of liquidity and funding policies. Our principal objective is to be able to fund ourselves and to enable our core businesses to continue to serve clients and generate revenues, even under adverse circumstances.

Treasury, which reports to our chief financial officer, has primary responsibility for developing, managing and executing our liquidity and funding strategy within our risk appetite.

Liquidity Risk, which is independent of our revenue-producing units and Treasury, and reports to our chief risk officer, has primary responsibility for assessing, monitoring and managing our liquidity risk through firmwide oversight across our global businesses and the establishment of stress testing and limits frameworks.

Liquidity Risk Management Principles

We manage liquidity risk according to three principles: (i) hold sufficient excess liquidity in the form of GCLA to cover outflows during a stressed period, (ii) maintain appropriate Asset-Liability Management and (iii) maintain a viable Contingency Funding Plan.

GCLA. GCLA is liquidity that we maintain to meet a broad range of potential cash outflows and collateral needs in a stressed environment. A primary liquidity principle is to pre-fund our estimated potential cash and collateral needs during a liquidity crisis and hold this liquidity in the form of unencumbered, highly liquid securities and cash. We believe that the securities held in our GCLA would be readily convertible to cash in a matter of days, through liquidation, by entering into repurchase agreements or from maturities of resale agreements, and that this cash would allow us to meet immediate obligations without needing to sell other assets or depend on additional funding from credit-sensitive markets.

Our GCLA reflects the following principles:

- The first days or weeks of a liquidity crisis are the most critical to a company's survival;
- Focus must be maintained on all potential cash and collateral outflows, not just disruptions to financing flows. Our businesses are diverse, and our liquidity needs are determined by many factors, including market movements, collateral requirements and client commitments, all of which can change dramatically in a difficult funding environment;

- During a liquidity crisis, credit-sensitive funding, including unsecured debt, certain deposits and some types of secured financing agreements, may be unavailable, and the terms (e.g., interest rates, collateral provisions and tenor) or availability of other types of secured financing may change and certain deposits may be withdrawn; and
- As a result of our policy to pre-fund liquidity that we estimate may be needed in a crisis, we hold more unencumbered securities and have larger funding balances than our businesses would otherwise require. We believe that our liquidity is stronger with greater balances of highly liquid unencumbered securities, even though it increases our total assets and our funding costs.

We maintain our GCLA across Group Inc., Goldman Sachs Funding LLC (Funding IHC) and Group Inc.'s major broker-dealer and bank subsidiaries, asset types and clearing agents to provide us with sufficient operating liquidity to ensure timely settlement in all major markets, even in a difficult funding environment. In addition to the GCLA, we maintain cash balances and securities in several of our other entities, primarily for use in specific currencies, entities or jurisdictions where we do not have immediate access to parent company liquidity.

Asset-Liability Management. Our liquidity risk management policies are designed to ensure we have a sufficient amount of financing, even when funding markets experience persistent stress. We manage the maturities and diversity of our funding across markets, products and counterparties, and seek to maintain a diversified funding profile with an appropriate tenor, taking into consideration the characteristics and liquidity profile of our assets.

Our approach to asset-liability management includes:

- Conservatively managing the overall characteristics of our funding book, with a focus on maintaining long-term, diversified sources of funding in excess of our current requirements. See "Balance Sheet and Funding Sources — Funding Sources" for further information;
- Actively managing and monitoring our asset base, with particular focus on the liquidity, holding period and our ability to fund assets on a secured basis. We assess our funding requirements and our ability to liquidate assets in a stressed environment while appropriately managing risk. This enables us to determine the most appropriate funding products and tenors. See "Balance Sheet and Funding Sources — Balance Sheet Management" for further information about our balance sheet management process and "— Funding Sources — Secured Funding" for further information about asset classes that may be harder to fund on a secured basis; and
- Raising secured and unsecured financing that has a long tenor relative to the liquidity profile of our assets. This reduces the risk that our liabilities will come due in advance of our ability to generate liquidity from the sale of our assets. Because we maintain a highly liquid balance sheet, the holding period of certain of our assets may be materially shorter than their contractual maturity dates.

Our goal is to ensure that we maintain sufficient liquidity to fund our assets and meet our contractual and contingent obligations in normal times, as well as during periods of market stress. Through our dynamic balance sheet management process, we use actual and projected asset balances to determine secured and unsecured funding requirements. Funding plans are reviewed and approved by the Firmwide Asset Liability Committee. In addition, our independent risk oversight and control functions analyze, and the Firmwide Asset Liability Committee reviews, our consolidated total capital position (unsecured long-term borrowings plus total shareholders' equity) so that we maintain a level of long-term funding that is sufficient to meet our long-term financing requirements. In a liquidity crisis, we would first use our GCLA in order to avoid reliance on asset sales (other than our GCLA). However, we recognize that orderly asset sales may be prudent or necessary in a severe or persistent liquidity crisis.

Subsidiary Funding Policies

The majority of our unsecured funding is raised by Group Inc., which lends the necessary funds to Funding IHC and other subsidiaries, some of which are regulated, to meet their asset financing, liquidity and capital requirements. In addition, Group Inc. provides its regulated subsidiaries with the necessary capital to meet their regulatory requirements. The benefits of this approach to subsidiary funding are enhanced control and greater flexibility to meet the funding requirements of our subsidiaries. Funding is also raised at the subsidiary level through a variety of products, including deposits, secured funding and unsecured borrowings.

Our intercompany funding policies assume that a subsidiary's funds or securities are not freely available to its parent, Funding IHC or other subsidiaries unless (i) legally provided for and (ii) there are no additional regulatory, tax or other restrictions. In particular, many of our subsidiaries are subject to laws that authorize regulatory bodies to block or reduce the flow of funds from those subsidiaries to Group Inc. or Funding IHC. Regulatory action of that kind could impede access to funds that Group Inc. needs to make payments on its obligations. Accordingly, we assume that the capital provided to our regulated subsidiaries is not available to Group Inc. or other subsidiaries and any other financing provided to our regulated subsidiaries is not available to Group Inc. or Funding IHC until the maturity of such financing.

Group Inc. has provided substantial amounts of equity and subordinated indebtedness, directly or indirectly, to its regulated subsidiaries. For example, as of December 2019, Group Inc. had $32.05 billion of equity and subordinated indebtedness invested in GS&Co., its principal U.S. registered broker-dealer; $39.60 billion invested in GSI, a regulated U.K. broker-dealer; $2.85 billion invested in GSJCL, a regulated Japanese broker-dealer; $33.57 billion invested in GS Bank USA, a regulated New York State-chartered bank; and $4.03 billion invested in GSIB, a regulated U.K. bank. Group Inc. also provided, directly or indirectly, $83.78 billion of unsubordinated loans (including secured loans of $23.08 billion) and $15.04 billion of collateral and cash deposits to these entities, substantially all of which was to GS&Co., GSI and GSJCL, as of December 2019. In addition, as of December 2019, Group Inc. had significant amounts of capital invested in and loans to its other regulated subsidiaries.

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. Our contingency funding plan outlines a list of potential risk factors, key reports and metrics that are reviewed on an ongoing basis to assist in assessing the severity of, and managing through, a liquidity crisis and/or market dislocation. The contingency funding plan also describes in detail our potential responses if our assessments indicate that we have entered a liquidity crisis, which include pre-funding for what we estimate will be our potential cash and collateral needs, as well as utilizing secondary sources of liquidity. Mitigants and action items to address specific risks which may arise are also described and assigned to individuals responsible for execution.

The contingency funding plan identifies key groups of individuals and their responsibilities, which include fostering effective coordination, control and distribution of information, implementing liquidity maintenance activities and managing internal and external communication, all of which are critical in the management of a crisis or period of market stress.

Stress Tests

In order to determine the appropriate size of our GCLA, we model liquidity outflows over a range of scenarios and time horizons. One of our primary internal liquidity risk models, referred to as the Modeled Liquidity Outflow, quantifies our liquidity risks over a 30-day stress scenario. We also consider other factors, including, but not limited to, an assessment of our potential intraday liquidity needs through an additional internal liquidity risk model, referred to as the Intraday Liquidity Model, the results of our long-term stress testing models, our resolution liquidity models and other applicable regulatory requirements and a qualitative assessment of our condition, as well as the financial markets. The results of the Modeled Liquidity Outflow, the Intraday Liquidity Model, the long-term stress testing models and the resolution liquidity models are reported to senior management on a regular basis. We also perform firmwide stress tests. See "Overview and Structure of Risk Management" for information about firmwide stress tests.

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

- Severely challenged market environments, including low consumer and corporate confidence, financial and political instability, adverse changes in market values, including potential declines in equity markets and widening of credit spreads; and
- A firm-specific crisis potentially triggered by material losses, reputational damage, litigation and/or a ratings downgrade.

The following are key modeling elements of our Modeled Liquidity Outflow:

- Liquidity needs over a 30-day scenario;
- A two-notch downgrade of our long-term senior unsecured credit ratings;
- Changing conditions in funding markets, which limit our access to unsecured and secured funding;
- No support from additional government funding facilities. Although we have access to various central bank funding programs, we do not assume reliance on additional sources of funding in a liquidity crisis; and
- A combination of contractual outflows, such as upcoming maturities of unsecured debt, and contingent outflows, including but not limited to, the withdrawal of customer credit balances in our prime brokerage business or an increase in variation margin requirements due to adverse changes in the value of our exchange-traded and OTC-cleared derivatives and withdrawals of deposits that have no contractual maturity.

Intraday Liquidity Model. Our Intraday Liquidity Model measures our intraday liquidity needs using a scenario analysis characterized by the same qualitative elements as our Modeled Liquidity Outflow. The model assesses the risk of increased intraday liquidity requirements during a scenario where access to sources of intraday liquidity may become constrained.

Long-Term Stress Testing. We utilize longer-term stress tests to take a forward view on our liquidity position through prolonged stress periods in which we experience a severe liquidity stress and recover in an environment that continues to be challenging. We are focused on ensuring conservative asset-liability management to prepare for a prolonged period of potential stress, seeking to maintain a diversified funding profile with an appropriate tenor, taking into consideration the characteristics and liquidity profile of our assets.

Resolution Liquidity Models. In connection with our resolution planning efforts, we have established our Resolution Liquidity Adequacy and Positioning framework, which estimates liquidity needs of our major subsidiaries in a stressed environment. The liquidity needs are measured using our Modeled Liquidity Outflow assumptions and include certain additional inter-affiliate exposures. We have also established our Resolution Liquidity Execution Need framework, which measures the liquidity needs of our major subsidiaries to stabilize and wind-down following a Group Inc. bankruptcy filing in accordance with our preferred resolution strategy.

In addition, we have established a triggers and alerts framework, which is designed to provide the Board with information needed to make an informed decision on whether and when to commence bankruptcy proceedings for Group Inc.

Limits

We use liquidity risk limits at various levels and across liquidity risk types to manage the size of our liquidity exposures. Limits are measured relative to acceptable levels of risk given our liquidity risk tolerance. See "Overview and Structure of Risk Management" for information about the limit approval process.

Limits are monitored by Treasury and Liquidity Risk. Liquidity Risk is responsible for identifying and escalating to senior management and/or the appropriate risk committee, on a timely basis, instances where limits have been exceeded.

GCLA and Unencumbered Metrics

GCLA. Based on the results of our internal liquidity risk models, described above, as well as our consideration of other factors, including, but not limited to, a qualitative assessment of our condition, as well as the financial markets, we believe our liquidity position as of both December 2019 and December 2018 was appropriate. We strictly limit our GCLA to a narrowly defined list of securities and cash because they are highly liquid, even in a difficult funding environment. We do not include other potential sources of excess liquidity in our GCLA, such as less liquid unencumbered securities or committed credit facilities.

The table below presents information about our GCLA.

	Average for the Year Ended December	
$ in millions	**2019**	2018
Denomination		
U.S. dollar	**$146,751**	$155,348
Non-U.S. dollar	**86,899**	77,995
Total	**$233,650**	$233,343
Asset Class		
Overnight cash deposits	**$ 68,733**	$ 98,811
U.S. government obligations	**94,500**	79,810
U.S. agency obligations	**14,005**	12,171
Non-U.S. government obligations	**56,412**	42,551
Total	**$233,650**	$233,343
Entity Type		
Group Inc. and Funding IHC	**$ 40,043**	$ 40,920
Major broker-dealer subsidiaries	**95,281**	104,364
Major bank subsidiaries	**98,326**	88,059
Total	**$233,650**	$233,343

In the table above:

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

We maintain our GCLA to enable us to meet current and potential liquidity requirements of our parent company, Group Inc., and its subsidiaries. Our Modeled Liquidity Outflow and Intraday Liquidity Model incorporate a requirement for Group Inc., as well as a standalone requirement for each of our major broker-dealer and bank subsidiaries. Funding IHC is required to provide the necessary liquidity to Group Inc. during the ordinary course of business, and is also obligated to provide capital and liquidity support to major subsidiaries in the event of our material financial distress or failure. Liquidity held directly in each of our major broker-dealer and bank subsidiaries is intended for use only by that subsidiary to meet its liquidity requirements and is assumed not to be available to Group Inc. or Funding IHC unless (i) legally provided for and (ii) there are no additional regulatory, tax or other restrictions. In addition, the Modeled Liquidity Outflow and Intraday Liquidity Model also incorporate a broader assessment of standalone liquidity requirements for other subsidiaries and we hold a portion of our GCLA directly at Group Inc. or Funding IHC to support such requirements.

Other Unencumbered Assets. In addition to our GCLA, we have a significant amount of other unencumbered cash and financial instruments, including other government obligations, high-grade money market securities, corporate obligations, marginable equities, loans and cash deposits not included in our GCLA. The fair value of our unencumbered assets averaged $202.03 billion for 2019 and $177.08 billion for 2018. We do not consider these assets liquid enough to be eligible for our GCLA.

Liquidity Regulatory Framework

As a bank holding company (BHC), we are subject to a minimum Liquidity Coverage Ratio (LCR) under the LCR rule approved by the U.S. federal bank regulatory agencies. The LCR rule requires organizations to maintain an adequate ratio of eligible high-quality liquid assets (HQLA) to expected net cash outflows under an acute short-term liquidity stress scenario. Eligible HQLA excludes HQLA held by subsidiaries that is in excess of their minimum requirement and is subject to transfer restrictions. We are required to maintain a minimum LCR of 100%. We expect that fluctuations in client activity, business mix and the market environment will impact our LCR.

The table below presents information about our average daily LCR.

	Average for the Three Months Ended		
$ in millions	**December 2019**	September 2019	December 2018
Total HQLA	**$229,029**	$233,620	$226,473
Eligible HQLA	**$170,371**	$175,937	$160,016
Net cash outflows	**$134,436**	$131,227	$126,511
LCR	**127%**	134%	127%

The U.S. federal bank regulatory agencies have issued a proposed rule that calls for a net stable funding ratio (NSFR) for large U.S. banking organizations. The proposal would require banking organizations to ensure they have access to stable funding over a one-year time horizon and includes quarterly disclosure of the ratio and a description of the banking organization's stable funding sources. We expect that we will be compliant with the NSFR requirement when it is effective.

The following provides information about our subsidiary liquidity regulatory requirements:

- **GS Bank USA.** GS Bank USA is subject to a minimum LCR of 100% under the LCR rule approved by the U.S. federal bank regulatory agencies. As of December 2019, GS Bank USA's LCR exceeded the minimum requirement. The NSFR requirement described above would also apply to GS Bank USA.
- **GSI.** GSI is subject to a minimum LCR of 100% under the LCR rule approved by the U.K. regulatory authorities and the European Commission. GSI's average monthly LCR for the trailing twelve-month period ended December 2019 exceeded the minimum requirement.
- **Other Subsidiaries.** We monitor local regulatory liquidity requirements of our subsidiaries to ensure compliance. For many of our subsidiaries, these requirements either have changed or are likely to change in the future due to the implementation of the Basel Committee on Banking Supervision's framework for liquidity risk measurement, standards and monitoring, as well as other regulatory developments.

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

Credit Ratings

We rely on the short- and long-term debt capital markets to fund a significant portion of our day-to-day operations and the cost and availability of debt financing is influenced by our credit ratings. Credit ratings are also important when we are competing in certain markets, such as OTC derivatives, and when we seek to engage in longer-term transactions. See "Risk Factors" in Part I, Item 1A of this Form 10-K for information about the risks associated with a reduction in our credit ratings.

The table below presents the unsecured credit ratings and outlook of Group Inc.

	As of December 2019				
	DBRS	Fitch	Moody's	R&I	S&P
Short-term debt	R-1 (middle)	F1	P-2	a-1	A-2
Long-term debt	A (high)	A	A3	A	BBB+
Subordinated debt	A	A-	Baa2	A-	BBB-
Trust preferred	A	BBB-	Baa3	N/A	BB
Preferred stock	BBB (high)	BB+	Ba1	N/A	BB
Ratings outlook	Stable	Stable	Stable	Stable	Stable

In the table above:

- The ratings and outlook are by DBRS, Inc. (DBRS), Fitch, Moody's, Rating and Investment Information, Inc. (R&I), and S&P.
- The ratings for trust preferred relate to the guaranteed preferred beneficial interests issued by Goldman Sachs Capital I.
- The DBRS, Fitch, Moody's and S&P ratings for preferred stock include the APEX issued by Goldman Sachs Capital II and Goldman Sachs Capital III.

The table below presents the unsecured credit ratings and outlook of GS Bank USA, GSIB, GS&Co. and GSI, by Fitch, Moody's and S&P.

	As of December 2019		
	Fitch	Moody's	S&P
GS Bank USA			
Short-term debt	F1	P-1	A-1
Long-term debt	A+	A1	A+
Short-term bank deposits	F1+	P-1	N/A
Long-term bank deposits	AA-	A1	N/A
Ratings outlook	Stable	Stable	Stable
GSIB			
Short-term debt	F1	P-1	A-1
Long-term debt	A	A1	A+
Short-term bank deposits	F1	P-1	N/A
Long-term bank deposits	A	A1	N/A
Ratings outlook	Stable	Stable	Stable
GS&Co.			
Short-term debt	F1	N/A	A-1
Long-term debt	A+	N/A	A+
Ratings outlook	Stable	N/A	Stable
GSI			
Short-term debt	F1	P-1	A-1
Long-term debt	A	A1	A+
Ratings outlook	Stable	Stable	Stable

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

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

Certain of our derivatives have been transacted under bilateral agreements with counterparties who may require us to post collateral or terminate the transactions based on changes in our credit ratings. We manage our GCLA to ensure we would, among other potential requirements, be able to make the additional collateral or termination payments that may be required in the event of a two-notch reduction in our long-term credit ratings, as well as collateral that has not been called by counterparties, but is available to them.

See Note 7 to the consolidated financial statements for further information about derivatives with credit-related contingent features and the additional collateral or termination payments related to our net derivative liabilities under bilateral agreements that could have been called by counterparties in the event of a one- or two-notch downgrade in our credit ratings.

Cash Flows

As a global financial institution, our cash flows are complex and bear little relation to our net earnings and net assets. Consequently, we believe that traditional cash flow analysis is less meaningful in evaluating our liquidity position than the liquidity and asset-liability management policies described above. Cash flow analysis may, however, be helpful in highlighting certain macro trends and strategic initiatives in our businesses.

Year Ended December 2019. Our cash and cash equivalents increased by $3.00 billion to $133.55 billion at the end of 2019, primarily due to net cash provided by operating activities and financing activities, partially offset by net cash used for investing activities. The net cash provided by operating activities primarily reflected cash provided by collateralized transactions (a decrease in collateralized agreements and an increase in collateralized financings) as a result of our and our clients' activities, partially offset by an increase in trading assets, as a result of client activity. The net cash provided by financing activities primarily reflected an increase in consumer deposits, partially offset by net repayments of unsecured long-term borrowings and common stock repurchases. The net cash used for investing activities primarily reflected net purchases of investments and an increase in loans.

Year Ended December 2018. Our cash and cash equivalents increased by $20.50 billion to $130.55 billion at the end of 2018, primarily due to net cash provided by financing activities and operating activities, partially offset by net cash used for investing activities. The net cash provided by financing activities primarily reflected increases in consumer deposits. The net cash provided by operating activities primarily reflected net earnings and a decrease in collateralized agreements included in collateralized transactions, partially offset by an increase in trading assets. The net cash used for investing activities primarily reflected an increase in loans and net purchases of investments.

Year Ended December 2017. Our cash and cash equivalents decreased by $11.66 billion to $110.05 billion at the end of 2017, primarily due to net cash used for investing activities and operating activities, partially offset by net cash provided by financing activities. The net cash used for investing activities primarily reflected an increase in loans and net purchases of investments. The net cash used for operating activities primarily reflected an increase in net customer and other receivables and payables, partially offset by an increase in collateralized financings included in collateralized transactions. The net cash provided by financing activities primarily reflected net issuances of unsecured long-term borrowings and increases in institutional and consumer deposits, partially offset by repurchases of common stock.

Market Risk Management

Overview

Market risk is the risk of loss in the value of our inventory, investments, loans and other financial assets and liabilities accounted for at fair value due to changes in market conditions. We hold such positions primarily for market making for our clients and for our investing and financing activities, and therefore, these positions change based on client demands and our investment opportunities. Since these positions are accounted for at fair value, they fluctuate on a daily basis, with the related gains and losses included in the consolidated statements of earnings. We employ a variety of risk measures, each described in the respective sections below, to monitor market risk. Categories of market risk include the following:

- Interest rate risk: results from exposures to changes in the level, slope and curvature of yield curves, the volatilities of interest rates, prepayment speeds and credit spreads;
- Equity price risk: results from exposures to changes in prices and volatilities of individual equities, baskets of equities and equity indices;
- Currency rate risk: results from exposures to changes in spot prices, forward prices and volatilities of currency rates; and
- Commodity price risk: results from exposures to changes in spot prices, forward prices and volatilities of commodities, such as crude oil, petroleum products, natural gas, electricity, and precious and base metals.

Market Risk, which is independent of our revenue-producing units and reports to our chief risk officer, has primary responsibility for assessing, monitoring and managing our market risk through firmwide oversight across our global businesses.

Managers in revenue-producing units and Market Risk discuss market information, positions and estimated loss scenarios on an ongoing basis. Managers in revenue-producing units are accountable for managing risk within prescribed limits. These managers have in-depth knowledge of their positions, markets and the instruments available to hedge their exposures.

Market Risk Management Process

Our process for managing market risk includes the critical components of our risk management framework described in the "Overview and Structure of Risk Management," as well as the following:

- Monitoring compliance with established market risk limits and reporting our exposures;
- Diversifying exposures;
- Controlling position sizes; and
- Evaluating mitigants, such as economic hedges in related securities or derivatives.

Our market risk management systems enable us to perform an independent calculation of Value-at-Risk (VaR) and stress measures, capture risk measures at individual position levels, attribute risk measures to individual risk factors of each position, report many different views of the risk measures (e.g., by desk, business, product type or entity) and produce ad hoc analyses in a timely manner.

Risk Measures

We produce risk measures and monitor them against established market risk limits. These measures reflect an extensive range of scenarios and the results are aggregated at product, business and firmwide levels.

We use a variety of risk measures to estimate the size of potential losses for both moderate and more extreme market moves over both short- and long-term time horizons. Our primary risk measures are VaR, which is used for shorter-term periods, and stress tests. Our risk reports detail key risks, drivers and changes for each desk and business, and are distributed daily to senior management of both our revenue-producing units and our independent risk oversight and control functions.

Value-at-Risk. VaR is the potential loss in value due to adverse market movements over a defined time horizon with a specified confidence level. For assets and liabilities included in VaR, see "Financial Statement Linkages to Market Risk Measures." We typically employ a one-day time horizon with a 95% confidence level. We use a single VaR model, which captures risks including interest rates, equity prices, currency rates and commodity prices. As such, VaR facilitates comparison across portfolios of different risk characteristics. VaR also captures the diversification of aggregated risk at the firmwide level.

We are aware of the inherent limitations to VaR and therefore use a variety of risk measures in our market risk management process. Inherent limitations to VaR include:

- VaR does not estimate potential losses over longer time horizons where moves may be extreme;
- VaR does not take account of the relative liquidity of different risk positions; and
- Previous moves in market risk factors may not produce accurate predictions of all future market moves.

To comprehensively capture our exposures and relevant risks in our VaR calculation, we use historical simulations with full valuation of market factors at the position level by simultaneously shocking the relevant market factors for that position. These market factors include spot prices, credit spreads, funding spreads, yield curves, volatility and correlation, and are updated periodically based on changes in the composition of positions, as well as variations in market conditions. We sample from five years of historical data to generate the scenarios for our VaR calculation. The historical data is weighted so that the relative importance of the data reduces over time. This gives greater importance to more recent observations and reflects current asset volatilities, which improves the accuracy of our estimates of potential loss. As a result, even if our positions included in VaR were unchanged, our VaR would increase with increasing market volatility and vice versa.

Given its reliance on historical data, VaR is most effective in estimating risk exposures in markets in which there are no sudden fundamental changes or shifts in market conditions.

Our VaR measure does not include:

- Positions that are best measured and monitored using sensitivity measures; and
- The impact of changes in counterparty and our own credit spreads on derivatives, as well as changes in our own credit spreads on financial liabilities for which the fair value option was elected.

We perform daily backtesting of our VaR model (i.e., comparing daily net revenues for positions included in VaR to the VaR measure calculated as of the prior business day) at the firmwide level and for each of our businesses and major regulated subsidiaries.

Stress Testing. Stress testing is a method of determining the effect of various hypothetical stress scenarios. We use stress testing to examine risks of specific portfolios, as well as the potential impact of our significant risk exposures. We use a variety of stress testing techniques to calculate the potential loss from a wide range of market moves on our portfolios, including firmwide stress tests, sensitivity analysis and scenario analysis. The results of our various stress tests are analyzed together for risk management purposes. See "Overview and Structure of Risk Management" for information about firmwide stress tests.

Sensitivity analysis is used to quantify the impact of a market move in a single risk factor across all positions (e.g., equity prices or credit spreads) using a variety of defined market shocks, ranging from those that could be expected over a one-day time horizon up to those that could take many months to occur. We also use sensitivity analysis to quantify the impact of the default of any single entity, which captures the risk of large or concentrated exposures.

Scenario analysis is used to quantify the impact of a specified event, including how the event impacts multiple risk factors simultaneously. For example, for sovereign stress testing we calculate potential direct exposure associated with our sovereign positions, as well as the corresponding debt, equity and currency exposures associated with our non-sovereign positions that may be impacted by the sovereign distress. When conducting scenario analysis, we often consider a number of possible outcomes for each scenario, ranging from moderate to severely adverse market impacts. In addition, these stress tests are constructed using both historical events and forward-looking hypothetical scenarios.

Unlike VaR measures, which have an implied probability because they are calculated at a specified confidence level, there may not be an implied probability that our stress testing scenarios will occur. Instead, stress testing is used to model both moderate and more extreme moves in underlying market factors. When estimating potential loss, we generally assume that our positions cannot be reduced or hedged (although experience demonstrates that we are generally able to do so).

Limits

We use market risk limits at various levels to manage the size of our market exposures. These limits are set based on VaR and on a range of stress tests relevant to our exposures. See "Overview and Structure of Risk Management" for information about the limit approval process.

Market Risk is responsible for monitoring these limits, and identifying and escalating to senior management and/or the appropriate risk committee, on a timely basis, instances where limits have been exceeded (e.g., due to positional changes or changes in market conditions, such as increased volatilities or changes in correlations). Such instances are remediated by a reduction in the positions we hold and/or a temporary or permanent increase to the limit.

Metrics

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

The table below presents our average daily VaR.

	Year Ended December	
$ in millions	**2019**	2018
Categories		
Interest rates	**$ 46**	$ 46
Equity prices	**27**	31
Currency rates	**11**	14
Commodity prices	**12**	11
Diversification effect	**(40)**	(42)
Total	**$ 56**	$ 60

Our average daily VaR decreased to $56 million in 2019 from $60 million in 2018, primarily due to decreases in the equity prices and currency rates categories, partially offset by a decrease in the diversification effect. The overall decrease was primarily due to reduced exposures.

The table below presents our period-end VaR.

	As of December	
$ in millions	**2019**	2018
Categories		
Interest rates	**$ 54**	$ 46
Equity prices	**24**	32
Currency rates	**10**	12
Commodity prices	**10**	11
Diversification effect	**(28)**	(44)
Total	**$ 70**	$ 57

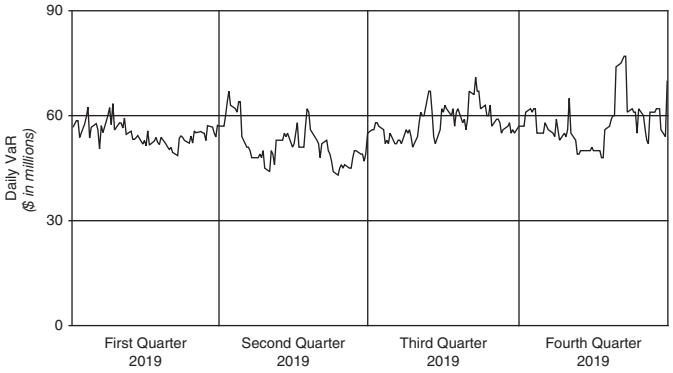
Our period-end VaR increased to $70 million as of December 2019 from $57 million as of December 2018, primarily due to a decrease in the diversification effect and an increase in the interest rates category, partially offset by decreases in the equity prices and currency rates categories. The overall increase was due to higher levels of volatility and increased exposures.

During 2019 and 2018, the firmwide VaR risk limit was not exceeded, raised or reduced.

The table below presents our high and low VaR.

	Year Ended December			
	2019		2018	
$ in millions	**High**	**Low**	High	Low
Categories				
Interest rates	**$64**	**$35**	$61	$34
Equity prices	**$38**	**$20**	$45	$24
Currency rates	**$22**	**$ 6**	$27	$ 7
Commodity prices	**$16**	**$ 9**	$17	$ 8
Firmwide				
VaR	**$77**	**$43**	$86	$42

The chart below presents our daily VaR for 2019.



The table below presents, by number of business days, the frequency distribution of our daily net revenues for positions included in VaR.

	Year Ended December	
$ in millions	**2019**	2018
>$100	**16**	12
$75 - $100	**17**	22
$50 - $75	**45**	56
$25 - $50	**71**	66
$0 - $25	**72**	64
$(25) - $0	**26**	23
$(50) - $(25)	**5**	6
$(75) - $(50)	**–**	1
$(100) - $(75)	**–**	1
Total	**252**	251

Daily net revenues for positions included in VaR are compared with VaR calculated as of the end of the prior business day. Net losses incurred on a single day for such positions did not exceed our 95% one-day VaR (i.e., a VaR exception) during 2019 and exceeded our 95% one-day VaR on two occasions during 2018.

During periods in which we have significantly more positive net revenue days than net revenue loss days, we expect to have fewer VaR exceptions because, under normal conditions, our business model generally produces positive net revenues. In periods in which our franchise revenues are adversely affected, we generally have more loss days, resulting in more VaR exceptions. The daily net revenues for positions included in VaR used to determine VaR exceptions reflect the impact of any intraday activity, including bid/offer net revenues, which are more likely than not to be positive by their nature.

Sensitivity Measures

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

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

	As of December	
$ in millions	**2019**	2018
Equity	**$1,865**	$1,923
Debt	**2,368**	1,890
Total	**$4,233**	$3,813

In the table above:

- The market risk of these positions is determined by estimating the potential reduction in net revenues of a 10% decline in the value of these positions.
- Equity positions relate to private and restricted public equity securities, including interests in funds that invest in corporate equities and real estate and interests in hedge funds.
- Debt positions include interests in funds that invest in corporate mezzanine and senior debt instruments, loans backed by commercial and residential real estate, corporate bank loans and other corporate debt, including acquired portfolios of distressed loans.
- Funded equity and debt positions are included in our consolidated balance sheets in investments and loans. See Note 8 to the consolidated financial statements for further information about investments and Note 9 to the consolidated financial statements for further information about loans.
- These measures do not reflect the diversification effect across asset categories or across other market risk measures.

Credit and Funding Spread Sensitivity on Derivatives and Financial Liabilities. VaR excludes the impact of changes in counterparty credit spreads, our own credit spreads and unsecured funding spreads on derivatives, as well as changes in our own credit spreads (debt valuation adjustment) on financial liabilities for which the fair value option was elected. The estimated sensitivity to a one basis point increase in credit spreads (counterparty and our own) and unsecured funding spreads on derivatives (including hedges) was a loss of $2 million as of both December 2019 and December 2018. In addition, the estimated sensitivity to a one basis point increase in our own credit spreads on financial liabilities for which the fair value option was elected was a gain of $29 million as of December 2019 and $41 million as of December 2018. However, the actual net impact of a change in our own credit spreads is also affected by the liquidity, duration and convexity (as the sensitivity is not linear to changes in yields) of those financial liabilities for which the fair value option was elected, as well as the relative performance of any hedges undertaken.

Interest Rate Sensitivity. Loans accounted for at amortized cost were $89.20 billion as of December 2019 and $80.59 billion as of December 2018, substantially all of which had floating interest rates. The estimated sensitivity to a 100 basis point increase in interest rates on such loans was $681 million as of December 2019 and $607 million as of December 2018 of additional interest income over a twelve-month period, which does not take into account the potential impact of an increase in costs to fund such loans. See Note 9 to the consolidated financial statements for further information about loans accounted for at amortized cost.

Other Market Risk Considerations

As of both December 2019 and December 2018, we had commitments and held loans for which we have obtained credit loss protection from Sumitomo Mitsui Financial Group, Inc. See Note 18 to the consolidated financial statements for further information about such lending commitments.

In addition, we make investments in securities that are accounted for as available-for-sale, held-to-maturity or under the equity method which are included in investments in the consolidated balance sheets. See Note 8 to the consolidated financial statements for further information.

Direct investments in real estate are accounted for at cost less accumulated depreciation. See Note 12 to the consolidated financial statements for further information about other assets.

Financial Statement Linkages to Market Risk Measures

We employ a variety of risk measures, each described in the respective sections above, to monitor market risk across the consolidated balance sheets and consolidated statements of earnings. The related gains and losses on these positions are included in market making, other principal transactions, interest income and interest expense in the consolidated statements of earnings, and debt valuation adjustment in the consolidated statements of comprehensive income.

The table below presents certain assets and liabilities in our consolidated balance sheets and the market risk measures used to assess those assets and liabilities.

Assets or Liabilities	Market Risk Measures
Collateralized agreements, at fair value	VaR
Receivables	VaR Interest Rate Sensitivity
Trading assets	VaR Credit Spread Sensitivity — Derivatives
Investments	VaR 10% Sensitivity Measures
Loans	VaR 10% Sensitivity Measures
Deposits, at fair value	VaR Credit Spread Sensitivity — Financial Liabilities
Collateralized financings, at fair value	VaR
Trading liabilities	VaR Credit Spread Sensitivity — Derivatives
Unsecured short- and long-term borrowings, at fair value	VaR Credit Spread Sensitivity — Financial Liabilities

Credit Risk Management

Overview

Credit risk represents the potential for loss due to the default or deterioration in credit quality of a counterparty (e.g., an OTC derivatives counterparty or a borrower) or an issuer of securities or other instruments we hold. Our exposure to credit risk comes mostly from client transactions in OTC derivatives and loans and lending commitments. Credit risk also comes from cash placed with banks, securities financing transactions (i.e., resale and repurchase agreements and securities borrowing and lending activities) and customer and other receivables.

Credit Risk, which is independent of our revenue-producing units and reports to our chief risk officer, has primary responsibility for assessing, monitoring and managing our credit risk through firmwide oversight across our global businesses. The Risk Governance Committee reviews and approves credit policies and parameters. In addition, we hold other positions that give rise to credit risk (e.g., bonds and secondary bank loans). These credit risks are captured as a component of market risk measures, which are monitored and managed by Market Risk. We also enter into derivatives to manage market risk exposures. Such derivatives also give rise to credit risk, which is monitored and managed by Credit Risk.

Credit Risk Management Process

Our process for managing credit risk includes the critical components of our risk management framework described in the "Overview and Structure of Risk Management," as well as the following:

- Monitoring compliance with established credit risk limits and reporting our credit exposures and credit concentrations;
- Establishing or approving underwriting standards;
- Assessing the likelihood that a counterparty will default on its payment obligations;
- Measuring our current and potential credit exposure and losses resulting from a counterparty default;
- Using credit risk mitigants, including collateral and hedging; and
- Maximizing recovery through active workout and restructuring of claims.

We also perform credit reviews, which include initial and ongoing analyses of our counterparties. For substantially all of our credit exposures, the core of our process is an annual counterparty credit review. A credit review is an independent analysis of the capacity and willingness of a counterparty to meet its financial obligations, resulting in an internal credit rating. The determination of internal credit ratings also incorporates assumptions with respect to the nature of and outlook for the counterparty's industry, and the economic environment. Senior personnel, with expertise in specific industries, inspect and approve credit reviews and internal credit ratings.

Our risk assessment process may also include, where applicable, reviewing certain key metrics, including, but not limited to, delinquency status, collateral values, Fair Isaac Corporation credit scores and other risk factors.

Our credit risk management systems capture credit exposure to individual counterparties and on an aggregate basis to counterparties and their subsidiaries. These systems also provide management with comprehensive information about our aggregate credit risk by product, internal credit rating, industry, country and region.

Risk Measures

We measure our credit risk based on the potential loss in the event of non-payment by a counterparty using current and potential exposure. For derivatives and securities financing transactions, current exposure represents the amount presently owed to us after taking into account applicable netting and collateral arrangements, while potential exposure represents our estimate of the future exposure that could arise over the life of a transaction based on market movements within a specified confidence level. Potential exposure also takes into account netting and collateral arrangements. For loans and lending commitments, the primary measure is a function of the notional amount of the position.

Stress Tests

We conduct regular stress tests to calculate the credit exposures, including potential concentrations that would result from applying shocks to counterparty credit ratings or credit risk factors (e.g., currency rates, interest rates, equity prices). These shocks cover a wide range of moderate and more extreme market movements, including shocks to multiple risk factors, consistent with the occurrence of a severe market or economic event. In the case of sovereign default, we estimate the direct impact of the default on our sovereign credit exposures, changes to our credit exposures arising from potential market moves in response to the default, and the impact of credit market deterioration on corporate borrowers and counterparties that may result from the sovereign default. Unlike potential exposure, which is calculated within a specified confidence level, stress testing does not generally assume a probability of these events occurring. We also perform firmwide stress tests. See "Overview and Structure of Risk Management" for information about firmwide stress tests.

To supplement these regular stress tests, as described above, we also conduct tailored stress tests on an ad hoc basis in response to specific market events that we deem significant. We also utilize these stress tests to estimate the indirect impact of certain hypothetical events on our country exposures, such as the impact of credit market deterioration on corporate borrowers and counterparties along with the shocks to the risk factors described above. The parameters of these shocks vary based on the scenario reflected in each stress test. We review estimated losses produced by the stress tests in order to understand their magnitude, highlight potential loss concentrations, and assess and mitigate our exposures where necessary.

Limits

We use credit risk limits at various levels, as well as underwriting standards to manage the size and nature of our credit exposures. Limits for industries and countries are based on our risk appetite and are designed to allow for regular monitoring, review, escalation and management of credit risk concentrations. See "Overview and Structure of Risk Management" for information about the limit approval process.

Credit Risk is responsible for monitoring these limits, and identifying and escalating to senior management and/or the appropriate risk committee, on a timely basis, instances where limits have been exceeded.

Risk Mitigants

To reduce our credit exposures on derivatives and securities financing transactions, we may enter into netting agreements with counterparties that permit us to offset receivables and payables with such counterparties. We may also reduce credit risk with counterparties by entering into agreements that enable us to obtain collateral from them on an upfront or contingent basis and/or to terminate transactions if the counterparty's credit rating falls below a specified level. We monitor the fair value of the collateral to ensure that our credit exposures are appropriately collateralized. We seek to minimize exposures where there is a significant positive correlation between the creditworthiness of our counterparties and the market value of collateral we receive.

For loans and lending commitments, depending on the credit quality of the borrower and other characteristics of the transaction, we employ a variety of potential risk mitigants. Risk mitigants include collateral provisions, guarantees, covenants, structural seniority of the bank loan claims and, for certain lending commitments, provisions in the legal documentation that allow us to adjust loan amounts, pricing, structure and other terms as market conditions change. The type and structure of risk mitigants employed can significantly influence the degree of credit risk involved in a loan or lending commitment.

When we do not have sufficient visibility into a counterparty's financial strength or when we believe a counterparty requires support from its parent, we may obtain third-party guarantees of the counterparty's obligations. We may also mitigate our credit risk using credit derivatives or participation agreements.

Credit Exposures

As of December 2019, our aggregate credit exposure increased as compared with December 2018, primarily reflecting an increase in loans and lending commitments and securities financing transactions. The percentage of our credit exposures arising from non-investment-grade counterparties (based on our internally determined public rating agency equivalents) increased as compared with December 2018, primarily reflecting an increase in non-investment-grade loans and lending commitments. Our credit exposure to counterparties that defaulted during 2019 was higher as compared with our credit exposure to counterparties that defaulted during the same prior year period, and substantially all of such exposure was related to loans and lending commitments. Our credit exposure to counterparties that defaulted during 2019 remained low, representing less than 0.5% of our total credit exposure. Estimated losses associated with these defaults have been recognized in earnings. Our credit exposures are described further below.

Cash and Cash Equivalents. Our credit exposure on cash and cash equivalents arises from our unrestricted cash, and includes both interest-bearing and non-interest-bearing deposits. To mitigate the risk of credit loss, we place substantially all of our deposits with highly rated banks and central banks.

The table below presents our credit exposure from unrestricted cash and cash equivalents, and the concentration by industry, region and credit quality.

	As of December	
$ in millions	**2019**	2018
Cash and Cash Equivalents	**$110,774**	$107,408
Industry		
Financial Institutions	**12%**	16%
Sovereign	**88%**	84%
Total	**100%**	100%
Region		
Americas	**50%**	36%
EMEA	**31%**	41%
Asia	**19%**	23%
Total	**100%**	100%
Credit Quality (Credit Rating Equivalent)		
AAA	**66%**	62%
AA	**11%**	10%
A	**22%**	27%
BBB	**1%**	1%
Total	**100%**	100%

The table above excludes cash segregated for regulatory and other purposes of $22.78 billion as of December 2019 and $23.14 billion as of December 2018.

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

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

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

	As of December	
$ in millions	**2019**	2018
OTC derivative assets	**$ 43,011**	$ 40,576
Collateral (not netted under U.S. GAAP)	**(15,420)**	(14,278)
Net credit exposure	**$ 27,591**	$ 26,298
Industry		
Consumer, Retail & Healthcare	**4%**	2%
Diversified Industrials	**7%**	8%
Financial Institutions	**13%**	14%
Funds	**11%**	17%
Municipalities & Nonprofit	**8%**	7%
Natural Resources & Utilities	**15%**	13%
Sovereign	**25%**	25%
Technology, Media & Telecommunications	**9%**	7%
Other (including Special Purpose Vehicles)	**8%**	7%
Total	**100%**	100%
Region		
Americas	**44%**	35%
EMEA	**48%**	55%
Asia	**8%**	10%
Total	**100%**	100%

In the table above:

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

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

$ in millions	Investment-Grade	Non-Investment-Grade / Unrated	Total
As of December 2019			
Less than 1 year	**$ 18,764**	**$ 4,247**	**$ 23,011**
1 - 5 years	**18,674**	**6,879**	**25,553**
Greater than 5 years	**60,190**	**5,896**	**66,086**
Total	**97,628**	**17,022**	**114,650**
Netting	**(78,081)**	**(8,978)**	**(87,059)**
Net credit exposure	**$ 19,547**	**$ 8,044**	**$ 27,591**
As of December 2018			
Less than 1 year	$ 15,697	$ 5,427	$ 21,124
1 - 5 years	21,300	4,091	25,391
Greater than 5 years	51,737	4,191	55,928
Total	88,734	13,709	102,443
Netting	(68,736)	(7,409)	(76,145)
Net credit exposure	$ 19,998	$ 6,300	$ 26,298

In the table above:

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

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

	Investment-Grade				
$ in millions	AAA	AA	A	BBB	Total
As of December 2019					
Less than 1 year	**$ 326**	**$ 2,022**	**$ 10,002**	**$ 6,414**	**$ 18,764**
1 - 5 years	**669**	**3,196**	**8,635**	**6,174**	**18,674**
Greater than 5 years	**12,381**	**5,770**	**22,324**	**19,715**	**60,190**
Total	**13,376**	**10,988**	**40,961**	**32,303**	**97,628**
Netting	**(8,146)**	**(8,273)**	**(35,932)**	**(25,730)**	**(78,081)**
Net credit exposure	**$ 5,230**	**$ 2,715**	**$ 5,029**	**$ 6,573**	**$ 19,547**
As of December 2018					
Less than 1 year	$ 1,262	$ 2,506	$ 6,473	$ 5,456	$ 15,697
1 - 5 years	881	5,192	9,072	6,155	21,300
Greater than 5 years	9,202	3,028	21,415	18,092	51,737
Total	11,345	10,726	36,960	29,703	88,734
Netting	(6,444)	(7,107)	(32,390)	(22,795)	(68,736)
Net credit exposure	$ 4,901	$ 3,619	$ 4,570	$ 6,908	$ 19,998

	Non-Investment-Grade / Unrated		
$ in millions	BB or lower	Unrated	Total
As of December 2019			
Less than 1 year	**$ 3,964**	**$ 283**	**$ 4,247**
1 - 5 years	**6,772**	**107**	**6,879**
Greater than 5 years	**5,835**	**61**	**5,896**
Total	**16,571**	**451**	**17,022**
Netting	**(8,811)**	**(167)**	**(8,978)**
Net credit exposure	**$ 7,760**	**$ 284**	**$ 8,044**
As of December 2018			
Less than 1 year	$ 5,255	$ 172	$ 5,427
1 - 5 years	4,053	38	4,091
Greater than 5 years	4,138	53	4,191
Total	13,446	263	13,709
Netting	(7,339)	(70)	(7,409)
Net credit exposure	$ 6,107	$ 193	$ 6,300

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

- **Commercial Lending.** Our commercial lending activities include lending to investment-grade and non-investment-grade corporate borrowers. Loans and lending commitments associated with these activities are principally used for operating and general corporate purposes or in connection with contingent acquisitions. Corporate loans may be secured or unsecured, depending on the loan purpose, the risk profile of the borrower and other factors. Our commercial lending activities also include extending loans to borrowers that are secured by commercial and other real estate.

  The table below presents our credit exposure from commercial loans and lending commitments, and the concentration by industry, region and credit quality.

	As of December	
$ in millions	**2019**	2018
Loans and Lending Commitments	**$222,745**	$200,823
Industry		
Consumer, Retail & Healthcare	**19%**	16%
Diversified Industrials	**14%**	16%
Financial Institutions	**8%**	9%
Funds	**3%**	4%
Natural Resources & Utilities	**17%**	15%
Real Estate	**10%**	10%
Technology, Media & Telecommunications	**16%**	18%
Other (including Special Purpose Vehicles)	**13%**	12%
Total	**100%**	100%
Region		
Americas	**73%**	76%
EMEA	**22%**	20%
Asia	**5%**	4%
Total	**100%**	100%
Credit Quality (Credit Rating Equivalent)		
AAA	**1%**	1%
AA	**5%**	5%
A	**13%**	14%
BBB	**27%**	29%
BB or lower	**54%**	51%
Total	**100%**	100%

- **Wealth Management, Residential Real Estate and Other Lending.** We extend wealth management loans and lending commitments through our private bank, substantially all of which are secured by commercial and residential real estate, securities or other assets. The fair value of the collateral received against such loans and lending commitments generally exceeds their carrying value.

  We also have residential real estate and other lending exposures, which include purchased residential real estate and unsecured consumer loans and commitments to purchase such loans (including distressed loans) and securities.

  The table below presents our credit exposure from Wealth management, residential real estate and other lending, and the concentration by region.

$ in millions	Wealth Management	Residential Real Estate and Other
As of December 2019		
Credit Exposure	**$30,668**	**$10,885**
Americas	**89%**	**74%**
EMEA	**9%**	**26%**
Asia	**2%**	**–**
Total	**100%**	**100%**
As of December 2018		
Credit Exposure	$26,775	$11,976
Americas	91%	72%
EMEA	7%	27%
Asia	2%	1%
Total	100%	100%

- **Consumer and Credit Card Lending.** We originate unsecured consumer and credit card loans.

  The table below presents our credit exposure from originated unsecured consumer loans and the concentration by the five most concentrated U.S. states.

$ in millions	Consumer
As of December 2019	
Credit Exposure	**$4,747**
California	**12%**
Texas	**9%**
New York	**7%**
Florida	**7%**
Illinois	**4%**
Other	**61%**
Total	**100%**
As of December 2018	
Credit Exposure	$4,536
California	12%
Texas	9%
New York	7%
Florida	7%
Illinois	4%
Other	61%
Total	100%

The table below presents our credit exposure from originated credit card loans and the concentration by the five most concentrated U.S. states.

$ in millions	Credit Card
As of December 2019	
Credit Exposure	**$1,858**
California	**21%**
Texas	**9%**
New York	**8%**
Florida	**8%**
Illinois	**4%**
Other	**50%**
Total	**100%**

See Note 9 to the consolidated financial statements for further information about the credit quality indicators of consumer loans.

Securities Financing Transactions. We enter into securities financing transactions in order to, among other things, facilitate client activities, invest excess cash, acquire securities to cover short positions and finance certain activities. We bear credit risk related to resale agreements and securities borrowed only to the extent that cash advanced or the value of securities pledged or delivered to the counterparty exceeds the value of the collateral received. We also have credit exposure on repurchase agreements and securities loaned to the extent that the value of securities pledged or delivered to the counterparty for these transactions exceeds the amount of cash or collateral received. Securities collateral obtained for securities financing transactions primarily includes U.S. and non-U.S. government and agency obligations.

The table below presents our credit exposure from securities financing transactions and the concentration by industry, region and credit quality.

	As of December	
$ in millions	**2019**	2018
Securities Financing Transactions	**$26,958**	$20,979
Industry		
Financial Institutions	**37%**	31%
Funds	**27%**	33%
Municipalities & Nonprofit	**5%**	7%
Sovereign	**28%**	28%
Other (including Special Purpose Vehicles)	**3%**	1%
Total	**100%**	100%
Region		
Americas	**38%**	33%
EMEA	**39%**	41%
Asia	**23%**	26%
Total	**100%**	100%
Credit Quality (Credit Rating Equivalent)		
AAA	**15%**	11%
AA	**27%**	34%
A	**39%**	35%
BBB	**9%**	10%
BB or lower	**6%**	10%
Unrated	**4%**	–
Total	**100%**	100%

The table above reflects both netting agreements and collateral that we consider when determining credit risk.

Other Credit Exposures. We are exposed to credit risk from our receivables from brokers, dealers and clearing organizations and customers and counterparties. Receivables from brokers, dealers and clearing organizations primarily consist of initial margin placed with clearing organizations and receivables related to sales of securities which have traded, but not yet settled. These receivables generally have minimal credit risk due to the low probability of clearing organization default and the short-term nature of receivables related to securities settlements. Receivables from customers and counterparties generally consist of collateralized receivables related to customer securities transactions and generally have minimal credit risk due to both the value of the collateral received and the short-term nature of these receivables.

The table below presents our other credit exposures and the concentration by industry, region and credit quality.

	As of December	
$ in millions	**2019**	2018
Other Credit Exposures	**$44,931**	$41,649
Industry		
Financial Institutions	**86%**	84%
Funds	**8%**	7%
Natural Resources & Utilities	**1%**	4%
Other (including Special Purpose Vehicles)	**5%**	5%
Total	**100%**	100%
Region		
Americas	**49%**	44%
EMEA	**41%**	46%
Asia	**10%**	10%
Total	**100%**	100%
Credit Quality (Credit Rating Equivalent)		
AAA	**2%**	3%
AA	**56%**	47%
A	**23%**	26%
BBB	**7%**	8%
BB or lower	**11%**	16%
Unrated	**1%**	–
Total	**100%**	100%

The table above reflects collateral that we consider when determining credit risk.

Selected Exposures

We have credit and market exposures, as described below, that have had heightened focus due to recent events and broad market concerns. Credit exposure represents the potential for loss due to the default or deterioration in credit quality of a counterparty or borrower. Market exposure represents the potential for loss in value of our long and short positions due to changes in market prices.

High inflation in Turkey combined with current account deficits and significant depreciation of the Turkish Lira has led to concerns about its economic stability. As of December 2019, our total credit exposure to Turkey was $2.10 billion, which was with non-sovereign counterparties or borrowers. Such exposure consisted of $1.75 billion related to OTC derivatives, $330 million related to loans and lending commitments and $22 million related to secured receivables. After taking into consideration the benefit of Turkish corporate and sovereign collateral and other risk mitigants provided by Turkish counterparties, our net credit exposure was $434 million. In addition, our total market exposure to Turkey as of December 2019 was not material.

Significant depreciation of the Argentine Peso has resulted in higher inflation and has raised concerns about Argentina's economic stability. As of December 2019, our total credit exposure to Argentina was $132 million, which was with non-sovereign counterparties or borrowers, and was substantially all related to loans and lending commitments. In addition, our total market exposure to Argentina was $180 million, primarily reflecting debt exposure with sovereign issuers or underliers.

The potential restructuring of Lebanon's sovereign debt has led to concerns about its financial stability. As of December 2019, our credit exposure to Lebanon was $689 million, substantially all of which related to loans and lending commitments with non-sovereign borrowers. After taking into consideration the benefit of Lebanese sovereign collateral received, our net credit exposure was $331 million. In addition, our total market exposure to Lebanon as of December 2019 was $101 million, primarily reflecting debt exposure with sovereign issuers or underliers.

Venezuela has delayed payments on its sovereign debt and its political situation remains unclear. As of December 2019, our total credit and market exposure for Venezuela was not material.

We have a comprehensive framework to monitor, measure and assess our country exposures and to determine our risk appetite. We determine the country of risk by the location of the counterparty, issuer or underlier's assets, where they generate revenue, the country in which they are headquartered, the jurisdiction where a claim against them could be enforced, and/or the government whose policies affect their ability to repay their obligations. We monitor our credit exposure to a specific country both at the individual counterparty level, as well as at the aggregate country level. See "Stress Tests" for information about stress tests that are designed to estimate the direct and indirect impact of events involving the above countries.

Operational Risk Management

Overview

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

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

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

Operational Risk, which is independent of our revenue-producing units and reports to our chief risk officer, has primary responsibility for developing and implementing a formalized framework for assessing, monitoring and managing operational risk with the goal of maintaining our exposure to operational risk at levels that are within our risk appetite.

Operational Risk Management Process

Our process for managing operational risk includes the critical components of our risk management framework described in the "Overview and Structure of Risk Management," including a comprehensive data collection process, as well as firmwide policies and procedures, for operational risk events.

We combine top-down and bottom-up approaches to manage and measure operational risk. From a top-down perspective, our senior management assesses firmwide and business-level operational risk profiles. From a bottom-up perspective, our first and second lines of defense are responsible for risk identification and risk management on a day-to-day basis, including escalating operational risks to senior management.

We maintain a comprehensive control framework designed to provide a well-controlled environment to minimize operational risks. The Firmwide Conduct and Operational Risk Committee is responsible for the ongoing approval and monitoring of the frameworks, policies, parameters, limits and thresholds which govern our operational risks.

Our operational risk management framework is in part designed to comply with the operational risk measurement rules under the Capital Framework and has evolved based on the changing needs of our businesses and regulatory guidance.

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

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

Risk Measurement

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

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

The results from these scenario analyses are used to monitor changes in operational risk and to determine business lines that may have heightened exposure to operational risk. These analyses are used in the determination of the appropriate level of operational risk capital to hold. We also perform firmwide stress tests. See "Overview and Structure of Risk Management" for information about firmwide stress tests.

Types of Operational Risks

Increased reliance on technology and third-party relationships has resulted in increased operational risks, such as information and cyber security risk, third-party risk and business resilience risk. We manage those risks as follows:

Information and Cyber Security Risk. Information and cyber security risk is the risk of compromising the confidentiality, integrity or availability of our data and systems, leading to an adverse impact to us, our reputation, our clients and/or the broader financial system. We seek to minimize the occurrence and impact of unauthorized access, disruption or use of information and/or information systems. We deploy and operate preventive and detective controls and processes to mitigate emerging and evolving information security and cyber security threats, including monitoring our network for known vulnerabilities and signs of unauthorized attempts to access our data and systems. There is increased information risk through diversification of our data across external service providers, including use of a variety of cloud-provided or -hosted services and applications. See "Risk Factors" in Part I, Item 1A of this Form 10-K for further information about information and cyber security risk.

Third-Party Risk. Third-party risk, including vendor risk, is the risk of an adverse impact due to reliance on third parties performing services or activities on our behalf. These risks may include legal, regulatory, information security, reputational, operational or any other risks inherent in engaging a third party. We identify, manage and report key third-party risks and conduct due diligence across multiple risk domains, including information security and cyber security, resilience and additional third-party dependencies. The Third-Party Risk Program monitors, reviews and reassesses third-party risks on an ongoing basis. See "Risk Factors" in Part I, Item 1A of this Form 10-K for further information about third-party risk.

Business Resilience Risk. Business resilience risk is the risk of disruption to our critical processes. We monitor threats and assess risks and seek to ensure our state of readiness in the event of a significant operational disruption to the normal operations of our critical functions or their dependencies, such as, critical facilities, systems, third parties, data and/or personnel. We approach business continuity planning (BCP) through the lens of business and operational resilience. The resilience framework defines the fundamental principles for BCP and crisis management to ensure that critical functions can continue to operate in the event of a disruption. The business continuity program is comprehensive, consistent firmwide and up-to-date, incorporating new information, techniques and technologies as and when they become available, and our resilience recovery plans incorporate and test specific and measurable recovery time objectives in accordance with local market best practices and regulatory requirements, and under specific scenarios. See "Business — Business Continuity and Information Security" in Part I, Item 1 of this Form 10-K for further information about business continuity.

Model Risk Management

Overview

Model risk is the potential for adverse consequences from decisions made based on model outputs that may be incorrect or used inappropriately. We rely on quantitative models across our business activities primarily to value certain financial assets and liabilities, to monitor and manage our risk, and to measure and monitor our regulatory capital.

Model Risk, which is independent of our revenue-producing units, model developers, model owners and model users, and reports to our chief risk officer, has primary responsibility for assessing, monitoring and managing our model risk through firmwide oversight across our global businesses, and provides periodic updates to senior management, risk committees and the Risk Committee of the Board.

Our model risk management framework is managed through a governance structure and risk management controls, which encompass standards designed to ensure we maintain a comprehensive model inventory, including risk assessment and classification, sound model development practices, independent review and model-specific usage controls. The Firmwide Model Risk Control Committee oversees our model risk management framework.

Model Review and Validation Process

Model Risk consists of quantitative professionals who perform an independent review, validation and approval of our models. This review includes an analysis of the model documentation, independent testing, an assessment of the appropriateness of the methodology used, and verification of compliance with model development and implementation standards.

We regularly refine and enhance our models to reflect changes in market or economic conditions and our business mix. All models are reviewed on an annual basis, and new models or significant changes to existing models and their assumptions are approved prior to implementation.

The model validation process incorporates a review of models and trade and risk parameters across a broad range of scenarios (including extreme conditions) in order to critically evaluate and verify:

- The model's conceptual soundness, including the reasonableness of model assumptions, and suitability for intended use;
- The testing strategy utilized by the model developers to ensure that the models function as intended;
- The suitability of the calculation techniques incorporated in the model;
- The model's accuracy in reflecting the characteristics of the related product and its significant risks;
- The model's consistency with models for similar products; and
- The model's sensitivity to input parameters and assumptions.

See "Critical Accounting Policies — Fair Value — Review of Valuation Models," "Liquidity Risk Management," "Market Risk Management," "Credit Risk Management" and "Operational Risk Management" for further information about our use of models within these areas.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Quantitative and qualitative disclosures about market risk are set forth in "Management's Discussion and Analysis of Financial Condition and Results of Operations — Risk Management" in Part II, Item 7 of this Form 10-K.

Item 8. Financial Statements and Supplementary Data

Management's Report on Internal Control over Financial Reporting

Management of The Goldman Sachs Group, Inc., together with its consolidated subsidiaries (the firm), is responsible for establishing and maintaining adequate internal control over financial reporting. The firm's internal control over financial reporting is a process designed under the supervision of the firm's principal executive and principal financial officers to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the firm's financial statements for external reporting purposes in accordance with U.S. generally accepted accounting principles.

As of December 31, 2019, management conducted an assessment of the firm's internal control over financial reporting based on the framework established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management has determined that the firm's internal control over financial reporting as of December 31, 2019 was effective.

Our internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of management and the directors of the firm; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the firm's assets that could have a material effect on our financial statements.

The firm's internal control over financial reporting as of December 31, 2019 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report appearing on pages 103 and 104, which expresses an unqualified opinion on the effectiveness of the firm's internal control over financial reporting as of December 31, 2019.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and the Shareholders of The Goldman Sachs Group, Inc.:

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of The Goldman Sachs Group, Inc. and its subsidiaries (the Company) as of December 31, 2019 and 2018, and the related consolidated statements of earnings, comprehensive income, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2019, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing on page 102. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Valuation of Certain Level 3 Financial Instruments

As described in Notes 4 through 10 to the consolidated financial statements, the Company carries financial instruments at fair value, which includes $23.1 billion of financial assets and $25.9 billion of financial liabilities classified in Level 3 of the fair value hierarchy as one or more inputs to the financial instrument's valuation technique are significant and unobservable. Significant unobservable inputs used by management to value certain of these Level 3 financial instruments included (i) industry multiples and public comparables, (ii) credit spreads and (iii) correlation.

The principal considerations for our determination that performing procedures relating to the valuation of certain Level 3 financial instruments is a critical audit matter are (i) the valuation of these certain financial instruments involved the application of significant judgment on the part of management, which in turn led to a high degree of auditor subjectivity in performing procedures related to the valuation of these financial instruments, (ii) a high degree of auditor judgment and effort to evaluate the audit evidence obtained related to the aforementioned significant unobservable inputs used for these certain Level 3 financial instruments, and (iii) the involvement of professionals with specialized skill and knowledge to assist in evaluating the audit evidence obtained related to the valuation of these financial instruments.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the valuation of these financial instruments, including controls over the methods and significant unobservable inputs used in the valuation of these financial instruments. These procedures also included, among others, for a sample of financial instruments, the involvement of professionals with specialized skill and knowledge to assist in developing an independent estimate of fair value or testing management's process to determine the fair value of these financial instruments. Developing the independent estimate involved testing the completeness and accuracy of data provided by management, developing independent significant unobservable inputs, and comparing management's estimate to the independently developed estimate of fair value. Testing management's process included evaluating the reasonableness of the aforementioned significant unobservable inputs, evaluating the appropriateness of the methods used, and testing the completeness and accuracy of data provided by management to determine the fair value of these instruments.

Provision for Losses That May Arise from Litigation and Regulatory Proceedings related to 1Malaysia Development Berhad

As described in Note 27 to the consolidated financial statements, the Company has received subpoenas and requests for documents and information from various governmental and regulatory bodies and self-regulatory organizations as part of investigations and reviews relating to financing transactions and other matters involving 1Malaysia Development Berhad (1MDB), a sovereign wealth fund in Malaysia. Management estimates and provides for potential losses that may arise out of litigation and regulatory proceedings to the extent that such losses are probable and can be reasonably estimated. The Company's total estimated liability in respect of litigation and regulatory proceedings is determined on a case-by-case basis and represents an estimate of probable losses after considering, among other factors, the progress of each case, proceeding or investigation, management's experience and the experience of others in similar cases, proceedings or investigations, and the opinions and views of legal counsel. In addition, management includes disclosures relating to the actions, proceedings and inquiries related to 1MDB.

The principal considerations for our determination that performing procedures relating to the provision for losses that may arise from litigation and regulatory proceedings related to 1MDB is a critical audit matter are the significant judgment on the part of management when assessing the likelihood of a loss being incurred and in determining a reasonable estimate of the loss, which in turn led to a high degree of auditor judgment, subjectivity, and effort in evaluating management's assessment of the provision for losses and related disclosures.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's estimation of the provision for losses that may arise from litigation and regulatory proceedings, including controls over determining whether a loss is probable and whether the amount of loss can be reasonably estimated, as well as controls over the related financial statement disclosures. These procedures also included, among others, obtaining and evaluating the letters of audit inquiry with internal and external legal counsel, evaluating the reasonableness of management's assessment regarding whether an unfavorable outcome is reasonably possible or probable and reasonably estimable, and evaluating the sufficiency of the Company's litigation and regulatory proceedings disclosures.

/s/ PRICEWATERHOUSECOOPERS LLP

New York, New York
February 20, 2020

We have served as the Company's auditor since 1922.

THE GOLDMAN SACHS GROUP, INC. AND SUBSIDIARIES

Consolidated Statements of Earnings

in millions, except per share amounts	Year Ended December **2019**	2018	2017
Revenues			
Investment banking	**$ 6,798**	$ 7,430	$ 7,076
Investment management	**6,189**	6,590	5,867
Commissions and fees	**2,988**	3,199	3,051
Market making	**10,157**	9,724	7,853
Other principal transactions	**6,052**	5,906	5,951
Total non-interest revenues	**32,184**	32,849	29,798
Interest income	**21,738**	19,679	13,113
Interest expense	**17,376**	15,912	10,181
Net interest income	**4,362**	3,767	2,932
Total net revenues	**36,546**	36,616	32,730
Provision for credit losses	**1,065**	674	657
Operating expenses			
Compensation and benefits	**12,353**	12,328	11,653
Brokerage, clearing, exchange and distribution fees	**3,252**	3,200	2,876
Market development	**739**	740	588
Communications and technology	**1,167**	1,023	897
Depreciation and amortization	**1,704**	1,328	1,152
Occupancy	**1,029**	809	733
Professional fees	**1,316**	1,214	1,165
Other expenses	**3,338**	2,819	1,877
Total operating expenses	**24,898**	23,461	20,941
Pre-tax earnings	**10,583**	12,481	11,132
Provision for taxes	**2,117**	2,022	6,846
Net earnings	**8,466**	10,459	4,286
Preferred stock dividends	**569**	599	601
Net earnings applicable to common shareholders	**$ 7,897**	$ 9,860	$ 3,685
Earnings per common share			
Basic	**$ 21.18**	$ 25.53	$ 9.12
Diluted	**$ 21.03**	$ 25.27	$ 9.01
Average common shares			
Basic	**371.6**	385.4	401.6
Diluted	**375.5**	390.2	409.1

Consolidated Statements of Comprehensive Income

$ in millions	Year Ended December **2019**	2018	2017
Net earnings	**$ 8,466**	$10,459	$ 4,286
Other comprehensive income/(loss) adjustments, net of tax:			
Currency translation	**5**	4	22
Debt valuation adjustment	**(2,079)**	2,553	(807)
Pension and postretirement liabilities	**(261)**	119	130
Available-for-sale securities	**158**	(103)	(9)
Other comprehensive income/(loss)	**(2,177)**	2,573	(664)
Comprehensive income	**$ 6,289**	$13,032	$ 3,622

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

THE GOLDMAN SACHS GROUP, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

	As of December	
$ in millions	**2019**	2018
Assets		
Cash and cash equivalents	**$133,546**	$130,547
Collateralized agreements:		
Securities purchased under agreements to resell (includes **$85,691** and $139,220 at fair value)	**85,691**	139,258
Securities borrowed (includes **$26,279** and $23,142 at fair value)	**136,071**	135,285
Customer and other receivables (includes **$53** and $160 at fair value)	**74,605**	72,455
Trading assets (at fair value and includes **$66,605** and $47,371 pledged as collateral)	**355,332**	280,195
Investments (includes **$57,827** and $45,579 at fair value, and **$10,968** and $7,710 pledged as collateral)	**63,937**	47,224
Loans (includes **$14,386** and $13,416 at fair value)	**108,904**	97,837
Other assets	**34,882**	28,995
Total assets	**$992,968**	$931,796
Liabilities and shareholders' equity		
Deposits (includes **$17,765** and $21,060 at fair value)	**$190,019**	$158,257
Collateralized financings:		
Securities sold under agreements to repurchase (at fair value)	**117,756**	78,723
Securities loaned (includes **$714** and $3,241 at fair value)	**14,985**	11,808
Other secured financings (includes **$18,071** and $20,904 at fair value)	**19,277**	21,433
Customer and other payables	**174,817**	180,235
Trading liabilities (at fair value)	**108,835**	108,897
Unsecured short-term borrowings (includes **$26,007** and $16,963 at fair value)	**48,287**	40,502
Unsecured long-term borrowings (includes **$43,661** and $46,584 at fair value)	**207,076**	224,149
Other liabilities (includes **$150** and $132 at fair value)	**21,651**	17,607
Total liabilities	**902,703**	841,611
Commitments, contingencies and guarantees		
Shareholders' equity		
Preferred stock; aggregate liquidation preference of **$11,203** and $11,203	**11,203**	11,203
Common stock; **896,782,650** and 891,356,284 shares issued, and **347,343,184** and 367,741,973 shares outstanding	**9**	9
Share-based awards	**3,195**	2,845
Nonvoting common stock; no shares issued and outstanding	**–**	–
Additional paid-in capital	**54,883**	54,005
Retained earnings	**106,465**	100,100
Accumulated other comprehensive income/(loss)	**(1,484)**	693
Stock held in treasury, at cost; **549,439,468** and 523,614,313 shares	**(84,006)**	(78,670)
Total shareholders' equity	**90,265**	90,185
Total liabilities and shareholders' equity	**$992,968**	$931,796

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

THE GOLDMAN SACHS GROUP, INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Shareholders' Equity

	Year Ended December		
$ in millions	**2019**	2018	2017
Preferred stock			
Beginning balance	**$ 11,203**	$ 11,853	$ 11,203
Issued	**1,100**	–	1,500
Redeemed	**(1,100)**	(650)	(850)
Ending balance	**11,203**	11,203	11,853
Common stock			
Beginning balance	**9**	9	9
Issued	**–**	–	–
Ending balance	**9**	9	9
Share-based awards			
Beginning balance, as previously reported	**2,845**	2,777	3,914
Cumulative effect of change in accounting principle for forfeiture of share-based awards	**–**	–	35
Beginning balance, adjusted	**2,845**	2,777	3,949
Issuance and amortization of share-based awards	**2,073**	1,355	1,810
Delivery of common stock underlying share-based awards	**(1,623)**	(1,175)	(2,704)
Forfeiture of share-based awards	**(100)**	(80)	(89)
Exercise of share-based awards	**–**	(32)	(189)
Ending balance	**3,195**	2,845	2,777
Additional paid-in capital			
Beginning balance	**54,005**	53,357	52,638
Delivery of common stock underlying share-based awards	**1,617**	1,751	2,934
Cancellation of share-based awards in satisfaction of withholding tax requirements	**(743)**	(1,118)	(2,220)
Preferred stock issuance costs, net of reversals upon redemption	**4**	15	8
Cash settlement of share-based awards	**–**	–	(3)
Ending balance	**54,883**	54,005	53,357
Retained earnings			
Beginning balance, as previously reported	**100,100**	91,519	89,039
Cumulative effect of change in accounting principle for:			
Leases, net of tax	**12**	–	–
Revenue recognition from contracts with clients, net of tax	**–**	(53)	–
Forfeiture of share-based awards, net of tax	**–**	–	(24)
Beginning balance, adjusted	**100,112**	91,466	89,015
Net earnings	**8,466**	10,459	4,286
Dividends and dividend equivalents declared on common stock and share-based awards	**(1,544)**	(1,226)	(1,181)
Dividends declared on preferred stock	**(560)**	(584)	(587)
Preferred stock redemption premium	**(9)**	(15)	(14)
Ending balance	**106,465**	100,100	91,519
Accumulated other comprehensive income/(loss)			
Beginning balance	**693**	(1,880)	(1,216)
Other comprehensive income/(loss)	**(2,177)**	2,573	(664)
Ending balance	**(1,484)**	693	(1,880)
Stock held in treasury, at cost			
Beginning balance	**(78,670)**	(75,392)	(68,694)
Repurchased	**(5,335)**	(3,294)	(6,721)
Reissued	**12**	21	34
Other	**(13)**	(5)	(11)
Ending balance	**(84,006)**	(78,670)	(75,392)
Total shareholders' equity	**$ 90,265**	$ 90,185	$ 82,243

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

THE GOLDMAN SACHS GROUP, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

	Year Ended December		
$ in millions	**2019**	2018	2017
Cash flows from operating activities			
Net earnings	**$ 8,466**	$ 10,459	$ 4,286
Adjustments to reconcile net earnings to net cash provided by/(used for) operating activities:			
Depreciation and amortization	**1,704**	1,328	1,152
Deferred income taxes	**(334)**	(2,645)	5,458
Share-based compensation	**2,018**	1,831	1,769
Gain related to extinguishment of unsecured borrowings	**(20)**	(160)	(114)
Provision for credit losses	**1,065**	674	657
Changes in operating assets and liabilities:			
Customer and other receivables and payables, net	**(7,693)**	6,416	(26,981)
Collateralized transactions (excluding other secured financings), net	**94,991**	28,147	10,025
Trading assets	**(68,682)**	(23,652)	(9,586)
Trading liabilities	**(231)**	(3,670)	(5,296)
Loans held for sale, net	**(1,458)**	442	(2,385)
Other, net	**(5,958)**	(2,606)	526
Net cash provided by/(used for) operating activities	**23,868**	16,564	(20,489)
Cash flows from investing activities			
Purchase of property, leasehold improvements and equipment	**(8,443)**	(7,982)	(3,184)
Proceeds from sales of property, leasehold improvements and equipment	**6,632**	3,711	574
Net cash used for business acquisitions	**(803)**	(162)	(2,383)
Purchase of investments	**(29,773)**	(9,418)	(17,381)
Proceeds from sales and paydowns of investments	**17,812**	8,095	13,031
Loans, net (excluding loans held for sale)	**(9,661)**	(13,064)	(17,034)
Net cash used for investing activities	**(24,236)**	(18,820)	(26,377)
Cash flows from financing activities			
Unsecured short-term borrowings, net	**14**	2,337	(501)
Other secured financings (short-term), net	**(2,050)**	586	(405)
Proceeds from issuance of other secured financings (long-term)	**7,257**	4,996	7,401
Repayment of other secured financings (long-term), including the current portion	**(7,468)**	(9,482)	(4,726)
Purchase of Trust Preferred securities	**(206)**	(35)	(237)
Proceeds from issuance of unsecured long-term borrowings	**22,381**	45,927	58,347
Repayment of unsecured long-term borrowings, including the current portion	**(43,936)**	(37,243)	(30,748)
Derivative contracts with a financing element, net	**3,952**	2,294	1,684
Deposits, net	**31,214**	20,206	14,506
Preferred stock redemption	**(1,100)**	(650)	(850)
Common stock repurchased	**(5,335)**	(3,294)	(6,772)
Settlement of share-based awards in satisfaction of withholding tax requirements	**(745)**	(1,118)	(2,223)
Dividends and dividend equivalents paid on common stock, preferred stock and share-based awards	**(2,104)**	(1,810)	(1,769)
Proceeds from issuance of preferred stock, net of issuance costs	**1,098**	–	1,495
Proceeds from issuance of common stock, including exercise of share-based awards	**–**	38	7
Cash settlement of share-based awards	**–**	–	(3)
Other financing, net	**395**	–	–
Net cash provided by financing activities	**3,367**	22,752	35,206
Net increase/(decrease) in cash and cash equivalents	**2,999**	20,496	(11,660)
Cash and cash equivalents, beginning balance	**130,547**	110,051	121,711
Cash and cash equivalents, ending balance	**$133,546**	$130,547	$110,051
Supplemental disclosures:			
Cash payments for interest, net of capitalized interest	**$ 18,645**	$ 16,721	$ 11,174
Cash payments for income taxes, net	**$ 1,266**	$ 1,271	$ 1,425

See Notes 12, 14 and 16 for information about non-cash activities.

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

Note 1.

Description of Business

The Goldman Sachs Group, Inc. (Group Inc. or parent company), a Delaware corporation, together with its consolidated subsidiaries (collectively, the firm), is a leading global 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 individuals. Founded in 1869, the firm is headquartered in New York and maintains offices in all major financial centers around the world.

Commencing with the fourth quarter of 2019, the firm began reporting its activities in the following four business segments consistent with how the firm's activities are now managed: Investment Banking, Global Markets, Asset Management, and Consumer & Wealth Management. Prior periods are presented on a comparable basis.

Investment Banking

The firm provides a broad range of investment banking services to a diverse group of corporations, financial institutions, investment funds and governments. Services include strategic advisory assignments with respect to mergers and acquisitions, divestitures, corporate defense activities, restructurings and spin-offs, and equity and debt underwriting of public offerings and private placements. The firm also provides lending to corporate clients, including middle-market lending, relationship lending and acquisition financing.

Global Markets

The firm facilitates client transactions and makes markets in fixed income, equity, currency and commodity products with institutional clients, such as corporations, financial institutions, investment funds and governments. The firm also makes markets in and clears institutional client transactions on major stock, options and futures exchanges worldwide and provides prime brokerage and other equities financing activities, including securities lending, margin lending and swaps. The firm also provides financing to clients through repurchase agreements, as well as through structured credit, warehouse and asset-backed lending.

Asset Management

The firm manages assets and offers investment products (primarily through separately managed accounts and commingled vehicles, such as mutual funds and private investment funds) across all major asset classes to a diverse set of institutional clients and a network of third-party distributors around the world. The firm makes equity investments, which includes alternative investing activities related to public and private equity investments in corporate, real estate and infrastructure entities, as well as investments through consolidated investment entities, substantially all of which are engaged in real estate investment activities.

The firm also provides financing related to its asset management businesses, including investments in debt securities and loans backed by real estate.

Consumer & Wealth Management

The firm provides investing and wealth advisory solutions, including financial planning and counseling, executing brokerage transactions and managing assets for individuals in its wealth management business. The firm also provides loans and accepts deposits through its consumer banking digital platform, *Marcus by Goldman Sachs*, and through its private bank, as well as issues credit cards to consumers.

Note 2.

Basis of Presentation

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

All references to 2019, 2018 and 2017 refer to the firm's years ended, or the dates, as the context requires, December 31, 2019, December 31, 2018 and December 31, 2017, respectively. Any reference to a future year refers to a year ending on December 31 of that year.

Beginning in the fourth quarter of 2019 and concurrent with the changes to business segments, the firm changed its balance sheet presentation to better reflect the nature of the firm's activities. The primary changes include the elimination of the financial instruments owned and financial instruments sold, but not yet purchased line items, the introduction of new line items for trading assets, trading liabilities and investments, and the inclusion of all non-trading loans in the loans line item, reclassifying the related cash flows, where applicable. Investments and loans generally include positions held for longer-term purposes, while trading assets and liabilities generally include positions held for market-making or risk management activities. In addition, revenues from transactions in derivatives related to client advisory and underwriting assignments, previously reported in investment banking, are now reported in market making within the consolidated statements of earnings.

Reclassifications have been made to previously reported amounts to conform to the current presentation.

Note 3.

Significant Accounting Policies

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

Consolidation

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

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

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

Equity-Method Investments. When the firm does not have a controlling financial interest in an entity but can exert significant influence over the entity's operating and financial policies, the investment is generally accounted for at fair value by electing the fair value option available under U.S. GAAP. Significant influence generally exists when the firm owns 20% to 50% of the entity's common stock or in-substance common stock.

In certain cases, the firm applies the equity method of accounting to new investments that are strategic in nature or closely related to the firm's principal business activities, when the firm has a significant degree of involvement in the cash flows or operations of the investee or when cost-benefit considerations are less significant. See Note 8 for further information about equity-method investments.

Investment Funds. The firm has formed investment funds with third-party investors. These funds are typically organized as limited partnerships or limited liability companies for which the firm acts as general partner or manager. Generally, the firm does not hold a majority of the economic interests in these funds. These funds are usually voting interest entities and generally are not consolidated because third-party investors typically have rights to terminate the funds or to remove the firm as general partner or manager. Investments in these funds are generally measured at net asset value (NAV) and are included in investments. See Notes 8, 18 and 22 for further information about investments in funds.

Use of Estimates

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

Revenue Recognition

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

Revenue from Contracts with Clients. The firm accounts for revenue earned from contracts with clients for services, such as investment banking, investment management, and execution and clearing (contracts with clients), under ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)." As such, revenues for these services are recognized when the performance obligations related to the underlying transaction are completed.

Revenues from contracts with clients subject to this ASU represent approximately 45% of total non-interest revenues for 2019 (including approximately 85% of investment banking revenues, approximately 95% of investment management revenues and all commissions and fees), and approximately 50% of total non-interest revenues for 2018 (including approximately 85% of investment banking revenues, approximately 95% of investment management revenues and all commissions and fees for 2018). Net interest income is not subject to this ASU. See Note 25 for information about net revenues by business segment.

Investment Banking

Advisory. Fees from financial advisory assignments are recognized in revenues when the services related to the underlying transaction are completed under the terms of the assignment. Non-refundable deposits and milestone payments in connection with financial advisory assignments are recognized in revenues upon completion of the underlying transaction or when the assignment is otherwise concluded.

Expenses associated with financial advisory assignments are recognized when incurred and are included in other expenses. Client reimbursements for such expenses are included in investment banking revenues.

Underwriting. Fees from underwriting assignments are recognized in revenues upon completion of the underlying transaction based on the terms of the assignment.

Expenses associated with underwriting assignments are generally deferred until the related revenue is recognized or the assignment is otherwise concluded. Such expenses are included in other expenses.

Investment Management

The firm earns management fees and incentive fees for investment management services, which are included in investment management revenues. The firm makes payments to brokers and advisors related to the placement of the firm's investment funds (distribution fees), which are included in brokerage, clearing, exchange and distribution fees.

Management Fees. Management fees for mutual funds are calculated as a percentage of daily net asset value and are received monthly. Management fees for hedge funds and separately managed accounts are calculated as a percentage of month-end net asset value and are generally received quarterly. Management fees for private equity funds are calculated as a percentage of monthly invested capital or committed capital and are received quarterly, semi-annually or annually, depending on the fund. Management fees are recognized over time in the period the services are provided.

Distribution fees paid by the firm are calculated based on either a percentage of the management fee, the investment fund's net asset value or the committed capital. Such fees are included in brokerage, clearing, exchange and distribution fees.

Incentive Fees. Incentive fees are calculated as a percentage of a fund's or separately managed account's return, or excess return above a specified benchmark or other performance target. Incentive fees are generally based on investment performance over a twelve-month period or over the life of a fund. Fees that are based on performance over a twelve-month period are subject to adjustment prior to the end of the measurement period. For fees that are based on investment performance over the life of the fund, future investment underperformance may require fees previously distributed to the firm to be returned to the fund.

Incentive fees earned from a fund or separately managed account are recognized when it is probable that a significant reversal of such fees will not occur, which is generally when such fees are no longer subject to fluctuations in the market value of investments held by the fund or separately managed account. Therefore, incentive fees recognized during the period may relate to performance obligations satisfied in previous periods.

Commissions and Fees

The firm earns commissions and fees from executing and clearing client transactions on stock, options and futures markets, as well as over-the-counter (OTC) transactions. Commissions and fees are recognized on the day the trade is executed. The firm also provides third-party research services to clients in connection with certain soft-dollar arrangements. Third-party research costs incurred by the firm in connection with such arrangements are presented net within commissions and fees.

Remaining Performance Obligations

Remaining performance obligations are services that the firm has committed to perform in the future in connection with its contracts with clients. The firm's remaining performance obligations are generally related to its financial advisory assignments and certain investment management activities. Revenues associated with remaining performance obligations relating to financial advisory assignments cannot be determined until the outcome of the transaction. For the firm's investment management activities, where fees are calculated based on the net asset value of the fund or separately managed account, future revenues associated with such remaining performance obligations cannot be determined as such fees are subject to fluctuations in the market value of investments held by the fund or separately managed account.

The firm is able to determine the future revenues associated with management fees calculated based on committed capital. As of December 2019, substantially all future net revenues associated with such remaining performance obligations will be recognized through 2026. Annual revenues associated with such performance obligations average less than $250 million through 2026.

Transfers of Financial Assets

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

Cash and Cash Equivalents

The firm defines cash equivalents as highly liquid overnight deposits held in the ordinary course of business. Cash and cash equivalents included cash and due from banks of $12.57 billion as of December 2019 and $10.66 billion as of December 2018. Cash and cash equivalents also included interest-bearing deposits with banks of $120.98 billion as of December 2019 and $119.89 billion as of December 2018.

The firm segregates cash for regulatory and other purposes related to client activity. Cash and cash equivalents segregated for regulatory and other purposes were $22.78 billion as of December 2019 and $23.14 billion as of December 2018. In addition, the firm segregates securities for regulatory and other purposes related to client activity. See Note 11 for further information about segregated securities.

Customer and Other Receivables

Customer and other receivables included receivables from customers and counterparties of $50.90 billion as of December 2019 and $46.95 billion as of December 2018, and receivables from brokers, dealers and clearing organizations of $23.71 billion as of December 2019 and $25.50 billion as of December 2018. Such receivables primarily consist of customer margin loans, receivables resulting from unsettled transactions and collateral posted in connection with certain derivative transactions.

Substantially all of these receivables are accounted for at amortized cost net of estimated uncollectible amounts, which generally approximates fair value. As these receivables are not accounted for at fair value, they are not included in the firm's fair value hierarchy in Notes 4 through 10. Had these receivables been included in the firm's fair value hierarchy, substantially all would have been classified in level 2 as of both December 2019 and December 2018. See Note 10 for further information about customer and other receivables accounted for at fair value under the fair value option. Interest on customer and other receivables is recognized over the life of the transaction and included in interest income.

Customer and other receivables includes receivables from contracts with clients and contract assets. Contract assets represent the firm's right to receive consideration for services provided in connection with its contracts with clients for which collection is conditional and not merely subject to the passage of time. The firm's receivables from contracts with clients were $2.27 billion as of December 2019 and $1.94 billion as of December 2018. As of both December 2019 and December 2018 contract assets were not material.

Customer and Other Payables

Customer and other payables included payables to customers and counterparties of $170.21 billion as of December 2019 and $173.99 billion as of December 2018, and payables to brokers, dealers and clearing organizations of $4.61 billion as of December 2019 and $6.24 billion as of December 2018. Such payables primarily consist of customer credit balances related to the firm's prime brokerage activities. Customer and other payables are accounted for at cost plus accrued interest, which generally approximates fair value. As these payables are not accounted for at fair value, they are not included in the firm's fair value hierarchy in Notes 4 through 10. Had these payables been included in the firm's fair value hierarchy, substantially all would have been classified in level 2 as of both December 2019 and December 2018. Interest on customer and other payables is recognized over the life of the transaction and included in interest expense.

Offsetting Assets and Liabilities

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

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

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

Foreign Currency Translation

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

Recent Accounting Developments

Revenue from Contracts with Customers (ASC 606). In May 2014, the FASB issued ASU No. 2014-09. This ASU, as amended, provides comprehensive guidance on the recognition of revenue earned from contracts with customers arising from the transfer of goods and services, guidance on accounting for certain contract costs and new disclosures.

The firm adopted this ASU in January 2018 under a modified retrospective approach. As a result of adopting this ASU, the firm, among other things, delays recognition of non-refundable and milestone payments on financial advisory assignments until the assignments are completed, and recognizes certain investment management fees earlier than under the firm's previous revenue recognition policies. The cumulative effect of adopting this ASU as of January 1, 2018 was a decrease to retained earnings of $53 million (net of tax).

The firm also prospectively changed the presentation of certain costs from a net presentation within revenues to a gross basis, and vice versa. Beginning in 2018, certain underwriting expenses, which were netted against investment banking revenues, and certain distribution fees, which were netted against investment management revenues, are presented gross as operating expenses. Costs incurred in connection with certain soft-dollar arrangements, which were presented gross as operating expenses, are presented net within commissions and fees.

Leases (ASC 842). In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)." This ASU requires that, for leases longer than one year, a lessee recognize in the balance sheet a right-of-use asset, representing the right to use the underlying asset for the lease term, and a lease liability, representing the liability to make lease payments. It also requires that for finance leases, a lessee recognize interest expense on the lease liability, separately from the amortization of the right-of-use asset in the statements of earnings, while for operating leases, such amounts should be recognized as a combined expense. It also requires that for qualifying sale-leaseback transactions the seller recognize any gain or loss (based on the estimated fair value of the asset at the time of sale) when control of the asset is transferred instead of amortizing it over the lease period. In addition, this ASU requires expanded disclosures about the nature and terms of lease agreements.

The firm adopted this ASU in January 2019 under a modified retrospective approach. Upon adoption, in accordance with the ASU, the firm elected to not reassess the lease classification or initial direct costs of existing leases, and to not reassess whether existing contracts contain a lease. In addition, the firm has elected to account for each contract's lease and non-lease components as a single lease component. The impact of adoption was a gross up of $1.77 billion on the firm's consolidated balance sheet and an increase to retained earnings of $12 million (net of tax) as of January 1, 2019.

Measurement of Credit Losses on Financial Instruments (ASC 326). In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments — Credit Losses (Topic 326) — Measurement of Credit Losses on Financial Instruments." This ASU amends several aspects of the measurement of credit losses on certain financial instruments, including replacing the existing incurred credit loss model and other models with the Current Expected Credit Losses (CECL) model and amending certain aspects of accounting for purchased financial assets with deterioration in credit quality since origination (Purchased Credit Deteriorated or PCD loans).

The firm adopted this ASU in January 2020 under a modified retrospective approach. As a result of adopting this ASU, the firm's allowance for credit losses on financial assets and commitments that are measured at amortized cost will reflect management's estimate of credit losses over the remaining expected life of such assets. Expected credit losses for newly recognized financial assets and commitments, as well as changes to expected credit losses during the period, will be recognized in earnings. These expected credit losses will be measured based on historical experience, current conditions and forecasts that affect the collectability of the reported amount.

The cumulative effect of measuring the allowance under CECL as a result of adopting this ASU as of January 1, 2020 was an increase in the allowance for credit losses of $848 million. The increase in the allowance is driven by the fact that the allowance under CECL covers expected credit losses over the full expected life of the loan portfolios and also takes into account forecasts of expected future economic conditions. In addition, in accordance with the ASU, the firm elected the fair value option for loans that were previously accounted for as Purchased Credit Impaired (PCI), which resulted in a decrease to the allowance for PCI loans of $169 million. The cumulative effect of adopting this ASU was a decrease to retained earnings of approximately $640 million (net of tax).

Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income (ASC 220). In February 2018, the FASB issued ASU No. 2018-02, "Income Statement — Reporting Comprehensive Income (Topic 220) — Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income." This ASU permits a reporting entity to reclassify the income tax effects of the Tax Cuts and Jobs Act (Tax Legislation) on items within accumulated other comprehensive income to retained earnings.

The firm adopted this ASU in January 2019 and did not elect to reclassify the income tax effects of Tax Legislation from accumulated other comprehensive income to retained earnings. Therefore, the adoption of the ASU did not have an impact on the firm's consolidated financial statements.

Note 4.

Fair Value Measurements

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

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

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

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

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

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

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

The valuation techniques and nature of significant inputs used to determine the fair value of the firm's financial instruments are described below. See Notes 5 through 10 for further information about significant unobservable inputs used to value level 3 financial instruments.

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

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

Level 2. Level 2 instruments include certain non-U.S. government obligations, most agency obligations, most mortgage-backed loans and securities, most corporate debt instruments, most state and municipal obligations, most other debt obligations, restricted or less liquid listed equities, certain private equities, commodities and certain lending commitments.

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

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

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

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

Loans and Securities Backed by Commercial Real Estate

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

- Market yields implied by transactions of similar or related assets and/or current levels and changes in market indices, such as the CMBX (an index that tracks the performance of commercial mortgage bonds);
- Transaction prices in both the underlying collateral and instruments with the same or similar underlying collateral;
- A measure of expected future cash flows in a default scenario (recovery rates) implied by the value of the underlying collateral, which is mainly driven by current performance of the underlying collateral and capitalization rates. Recovery rates are expressed as a percentage of notional or face value of the instrument and reflect the benefit of credit enhancements on certain instruments; and
- Timing of expected future cash flows (duration) which, in certain cases, may incorporate the impact of other unobservable inputs (e.g., prepayment speeds).

Loans and Securities Backed by Residential Real Estate

Loans and securities backed by residential real estate are directly or indirectly collateralized by portfolios of residential real estate and may include tranches of varying levels of subordination. Significant inputs are generally determined based on relative value analyses, which incorporate comparisons to instruments with similar collateral and risk profiles. Significant inputs include:

- Market yields implied by transactions of similar or related assets;
- Transaction prices in both the underlying collateral and instruments with the same or similar underlying collateral;
- Cumulative loss expectations, driven by default rates, home price projections, residential property liquidation timelines, related costs and subsequent recoveries; and
- Duration, driven by underlying loan prepayment speeds and residential property liquidation timelines.

Corporate Debt Instruments

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

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

Equity Securities

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

- Industry multiples (primarily EBITDA and revenue multiples) and public comparables;
- Transactions in similar instruments;
- Discounted cash flow techniques; and
- Third-party appraisals.

The firm also considers changes in the outlook for the relevant industry and financial performance of the issuer as compared to projected performance. Significant inputs include:

- Market and transaction multiples;
- Discount rates and capitalization rates; and
- For equity securities with debt-like features, market yields implied by transactions of similar or related assets, current performance and recovery assumptions, and duration.

Other Trading Cash Instruments, Investments and Loans

The significant inputs to the valuation of other instruments, such as U.S. and non-U.S. government and agency obligations, state and municipal obligations, and other loans and debt obligations are generally determined based on relative value analyses, which incorporate comparisons both to prices of credit default swaps that reference the same or similar underlying instrument or entity and to other debt instruments for the same issuer for which observable prices or broker quotations are available. Significant inputs include:

- Market yields implied by transactions of similar or related assets and/or current levels and trends of market indices;
- Current performance and recovery assumptions and, where the firm uses credit default swaps to value the related instrument, the cost of borrowing the underlying reference obligation; and
- Duration.

Valuation Techniques and Significant Inputs for Derivatives

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

- **Interest Rate.** In general, the key inputs used to value interest rate derivatives are transparent, even for most long-dated contracts. Interest rate swaps and options denominated in the currencies of leading industrialized nations are characterized by high trading volumes and tight bid/offer spreads. Interest rate derivatives that reference indices, such as an inflation index, or the shape of the yield curve (e.g., 10-year swap rate vs. 2-year swap rate) are more complex, but the key inputs are generally observable.
- **Credit.** Price transparency for credit default swaps, including both single names and baskets of credits, varies by market and underlying reference entity or obligation. Credit default swaps that reference indices, large corporates and major sovereigns generally exhibit the most price transparency. For credit default swaps with other underliers, price transparency varies based on credit rating, the cost of borrowing the underlying reference obligations, and the availability of the underlying reference obligations for delivery upon the default of the issuer. Credit default swaps that reference loans, asset-backed securities and emerging market debt instruments tend to have less price transparency than those that reference corporate bonds. In addition, more complex credit derivatives, such as those sensitive to the correlation between two or more underlying reference obligations, generally have less price transparency.
- **Currency.** Prices for currency derivatives based on the exchange rates of leading industrialized nations, including those with longer tenors, are generally transparent. The primary difference between the price transparency of developed and emerging market currency derivatives is that emerging markets tend to be only observable for contracts with shorter tenors.
- **Commodity.** Commodity derivatives include transactions referenced to energy (e.g., oil and natural gas), metals (e.g., precious and base) and soft commodities (e.g., agricultural). Price transparency varies based on the underlying commodity, delivery location, tenor and product quality (e.g., diesel fuel compared to unleaded gasoline). In general, price transparency for commodity derivatives is greater for contracts with shorter tenors and contracts that are more closely aligned with major and/or benchmark commodity indices.
- **Equity.** Price transparency for equity derivatives varies by market and underlier. Options on indices and the common stock of corporates included in major equity indices exhibit the most price transparency. Equity derivatives generally have observable market prices, except for contracts with long tenors or reference prices that differ significantly from current market prices. More complex equity derivatives, such as those sensitive to the correlation between two or more individual stocks, generally have less price transparency.

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

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

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

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

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

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

- For level 3 interest rate and currency derivatives, significant unobservable inputs include correlations of certain currencies and interest rates (e.g., the correlation between Euro inflation and Euro interest rates). In addition, for level 3 interest rate derivatives, significant unobservable inputs include specific interest rate volatilities.
- For level 3 credit derivatives, significant unobservable inputs include illiquid credit spreads and upfront credit points, which are unique to specific reference obligations and reference entities, recovery rates and certain correlations required to value credit derivatives (e.g., the likelihood of default of the underlying reference obligation relative to one another).
- For level 3 commodity derivatives, significant unobservable inputs include volatilities for options with strike prices that differ significantly from current market prices and prices or spreads for certain products for which the product quality or physical location of the commodity is not aligned with benchmark indices.
- For level 3 equity derivatives, significant unobservable inputs generally include equity volatility inputs for options that are long-dated and/or have strike prices that differ significantly from current market prices. In addition, the valuation of certain structured trades requires the use of level 3 correlation inputs, such as the correlation of the price performance of two or more individual stocks or the correlation of the price performance for a basket of stocks to another asset class, such as commodities.

Subsequent to the initial valuation of a level 3 derivative, the firm updates the level 1 and level 2 inputs to reflect observable market changes and any resulting gains and losses are classified in level 3. Level 3 inputs are changed when corroborated by evidence, such as similar market transactions, third-party pricing services and/or broker or dealer quotations or other empirical market data. In circumstances where the firm cannot verify the model value by reference to market transactions, it is possible that a different valuation model could produce a materially different estimate of fair value. See Note 7 for further information about significant unobservable inputs used in the valuation of level 3 derivatives.

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

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

Valuation Techniques and Significant Inputs for Other Financial Instruments at Fair Value

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

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

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

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

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

Unsecured Short- and Long-Term Borrowings. The significant inputs to the valuation of unsecured short- and long-term borrowings are the amount and timing of expected future cash flows, interest rates, the credit spreads of the firm and commodity prices for prepaid commodity transactions. The inputs used to value the embedded derivative component of hybrid financial instruments are consistent with the inputs used to value the firm's other derivative instruments described above. See Note 7 for further information about derivatives and Note 14 for further information about borrowings.

Other Liabilities. The significant inputs to the valuation of other liabilities are the amount and timing of expected future cash flows and equity volatility and correlation inputs.

Financial Assets and Liabilities at Fair Value

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

	As of December	
$ in millions	**2019**	2018
Total level 1 financial assets	**$242,562**	$170,463
Total level 2 financial assets	**325,259**	354,515
Total level 3 financial assets	**23,068**	22,181
Investments in funds at NAV	**4,206**	3,936
Counterparty and cash collateral netting	**(55,527)**	(49,383)
Total financial assets at fair value	**$539,568**	$501,712
Total assets	**$992,968**	$931,796
Total level 3 financial assets divided by:		
Total assets	**2.3%**	2.4%
Total financial assets at fair value	**4.3%**	4.4%
Total level 1 financial liabilities	**$ 54,790**	$ 54,151
Total level 2 financial liabilities	**293,902**	258,335
Total level 3 financial liabilities	**25,938**	23,804
Counterparty and cash collateral netting	**(41,671)**	(39,786)
Total financial liabilities at fair value	**$332,959**	$296,504
Total level 3 financial liabilities divided by total financial liabilities at fair value	**7.8%**	8.0%

In the table above:

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

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

	As of December	
$ in millions	**2019**	2018
Trading assets:		
Trading cash instruments	**$ 1,242**	$ 1,689
Derivatives	**4,654**	4,948
Investments	**15,282**	13,548
Loans	**1,890**	1,990
Other financial assets	**–**	6
Total	**$ 23,068**	$ 22,181

Level 3 financial assets as of December 2019 increased compared with December 2018, primarily reflecting an increase in level 3 investments. See Notes 5 through 10 for further information about level 3 financial assets (including information about unrealized gains and losses related to level 3 financial assets and transfers in and out of level 3).

Note 5.

Trading Assets and Liabilities

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

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

$ in millions	Trading Assets	Trading Liabilities
As of December 2019		
Trading cash instruments	**$310,080**	**$ 65,033**
Derivatives	**45,252**	**43,802**
Total	**$355,332**	**$108,835**
As of December 2018		
Trading cash instruments	$235,349	$ 66,303
Derivatives	44,846	42,594
Total	$280,195	$108,897

See Note 6 for further information about trading cash instruments and Note 7 for further information about derivatives.

Gains and Losses from Market Making

The table below presents market making revenues by major product type.

	Year Ended December		
$ in millions	**2019**	2018	2017
Interest rates	**$ 3,272**	$(1,917)	$ 6,587
Credit	**682**	1,268	696
Currencies	**2,902**	4,646	(3,240)
Equities	**2,946**	5,264	3,170
Commodities	**355**	463	640
Total	**$10,157**	$ 9,724	$ 7,853

In the table above:

- Gains/(losses) include both realized and unrealized gains and losses. Gains/(losses) exclude related interest income and interest expense. See Note 23 for further information about interest income and interest expense.
- Gains and losses included in market making are primarily related to the firm's trading assets and liabilities, including both derivative and non-derivative financial instruments. Gains/(losses) are not representative of the manner in which the firm manages its business activities because many of the firm's market-making and client facilitation strategies utilize financial instruments across various product types. Accordingly, gains or losses in one product type frequently offset gains or losses in other product types. For example, most of the firm's longer-term derivatives across product types are sensitive to changes in interest rates and may be economically hedged with interest rate swaps. Similarly, a significant portion of the firm's trading cash instruments and derivatives across product types has exposure to foreign currencies and may be economically hedged with foreign currency contracts.

Note 6.

Trading Cash Instruments

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

Fair Value of Trading Cash Instruments by Level

The table below presents trading cash instruments by level within the fair value hierarchy.

$ in millions	Level 1	Level 2	Level 3	Total
As of December 2019				
Assets				
Government and agency obligations:				
U.S.	**$108,200**	**$ 34,714**	**$ 21**	**$142,935**
Non-U.S.	**33,709**	**11,108**	**22**	**44,839**
Loans and securities backed by:				
Commercial real estate	**–**	**2,031**	**191**	**2,222**
Residential real estate	**–**	**5,794**	**231**	**6,025**
Corporate debt instruments	**1,313**	**26,768**	**692**	**28,773**
State and municipal obligations	**–**	**680**	**–**	**680**
Other debt obligations	**409**	**1,074**	**10**	**1,493**
Equity securities	**78,782**	**489**	**75**	**79,346**
Commodities	**–**	**3,767**	**–**	**3,767**
Total	**$222,413**	**$ 86,425**	**$1,242**	**$310,080**
Liabilities				
Government and agency obligations:				
U.S.	**$ (9,914)**	**$ (47)**	**$ –**	**$ (9,961)**
Non-U.S.	**(21,213)**	**(2,205)**	**(6)**	**(23,424)**
Loans and securities backed by:				
Commercial real estate	**–**	**(31)**	**(1)**	**(32)**
Residential real estate	**–**	**(2)**	**–**	**(2)**
Corporate debt instruments	**(115)**	**(7,494)**	**(253)**	**(7,862)**
State and municipal obligations	**–**	**(2)**	**–**	**(2)**
Equity securities	**(23,519)**	**(212)**	**(13)**	**(23,744)**
Commodities	**–**	**(6)**	**–**	**(6)**
Total	**$ (54,761)**	**$ (9,999)**	**$ (273)**	**$ (65,033)**
As of December 2018				
Assets				
Government and agency obligations:				
U.S.	$ 70,220	$ 28,327	$ 25	$ 98,572
Non-U.S.	33,231	10,322	10	43,563
Loans and securities backed by:				
Commercial real estate	–	1,260	332	1,592
Residential real estate	–	4,545	348	4,893
Corporate debt instruments	445	22,431	912	23,788
State and municipal obligations	–	1,210	–	1,210
Other debt obligations	770	1,180	39	1,989
Equity securities	52,531	3,459	23	56,013
Commodities	–	3,729	–	3,729
Total	$157,197	$ 76,463	$1,689	$235,349
Liabilities				
Government and agency obligations:				
U.S.	$ (5,067)	$ (13)	$ –	$ (5,080)
Non-U.S.	(23,872)	(1,475)	–	(25,347)
Loans and securities backed by:				
Residential real estate	–	(1)	–	(1)
Corporate debt instruments	(4)	(10,454)	(31)	(10,489)
Other debt obligations	–	(1)	–	(1)
Equity securities	(25,147)	(220)	(18)	(25,385)
Total	$ (54,090)	$(12,164)	$ (49)	$ (66,303)

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

In the table above:

- Trading cash instrument assets are shown as positive amounts and trading cash instrument liabilities are shown as negative amounts.
- Corporate debt instruments includes corporate loans, debt securities, convertible debentures, prepaid commodity transactions and transfers of assets accounted for as secured loans rather than purchases.
- Equity securities includes public equities and exchange-traded funds.
- Other debt obligations includes other asset-backed securities and money market instruments.

Significant Unobservable Inputs

The table below presents the amount of level 3 assets, and ranges and weighted averages of significant unobservable inputs used to value level 3 trading cash instruments.

	Level 3 Assets and Range of Significant Unobservable Inputs (Weighted Average) as of December	
$ in millions	**2019**	2018
Loans and securities backed by commercial real estate		
Level 3 assets	**$191**	$332
Yield	**2.7% to 21.7% (13.5%)**	6.9% to 22.5% (14.2%)
Recovery rate	**11.4% to 81.1% (55.6%)**	17.0% to 78.4% (53.0%)
Duration (years)	**0.3 to 6.6 (2.8)**	0.4 to 7.1 (3.3)
Loans and securities backed by residential real estate		
Level 3 assets	**$231**	$348
Yield	**1.2% to 12.0% (5.8%)**	2.8% to 11.8% (5.9%)
Cumulative loss rate	**5.4% to 30.4% (16.3%)**	8.3% to 37.7% (15.3%)
Duration (years)	**2.3 to 12.4 (5.7)**	1.5 to 14.0 (8.6)
Corporate debt instruments		
Level 3 assets	**$692**	$912
Yield	**0.1% to 20.4% (7.2%)**	0.7% to 17.3% (8.4%)
Recovery rate	**0.0% to 69.7% (54.9%)**	0.0% to 75.0% (61.2%)
Duration (years)	**1.7 to 16.6 (5.1)**	0.4 to 13.5 (3.6)

Level 3 government and agency obligations, other debt obligations and equity securities were not material as of both December 2019 and December 2018, and therefore, are not included in the table above.

In the table above:

- Ranges represent the significant unobservable inputs that were used in the valuation of each type of trading cash instrument.
- Weighted averages are calculated by weighting each input by the relative fair value of the trading cash instruments.

- The ranges and weighted averages of these inputs are not representative of the appropriate inputs to use when calculating the fair value of any one trading cash instrument. For example, the highest recovery rate for corporate debt instruments is appropriate for valuing a specific corporate debt instrument, but may not be appropriate for valuing any other corporate debt instrument. Accordingly, the ranges of inputs do not represent uncertainty in, or possible ranges of, fair value measurements of level 3 trading cash instruments.
- Increases in yield, duration or cumulative loss rate used in the valuation of level 3 trading cash instruments would have resulted in a lower fair value measurement, while increases in recovery rate would have resulted in a higher fair value measurement as of both December 2019 and December 2018. Due to the distinctive nature of each level 3 trading cash instrument, the interrelationship of inputs is not necessarily uniform within each product type.
- Trading cash instruments are valued using discounted cash flows.

Level 3 Rollforward

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

	Year Ended December	
$ in millions	**2019**	2018
Total trading cash instrument assets		
Beginning balance	**$1,689**	$1,213
Net realized gains/(losses)	**89**	188
Net unrealized gains/(losses)	**(35)**	(89)
Purchases	**522**	831
Sales	**(885)**	(607)
Settlements	**(252)**	(423)
Transfers into level 3	**256**	698
Transfers out of level 3	**(142)**	(122)
Ending balance	**$1,242**	$1,689
Total trading cash instrument liabilities		
Beginning balance	**$ (49)**	$ (68)
Net realized gains/(losses)	**10**	6
Net unrealized gains/(losses)	**(236)**	(7)
Purchases	**56**	41
Sales	**(35)**	(26)
Settlements	**–**	8
Transfers into level 3	**(24)**	(7)
Transfers out of level 3	**5**	4
Ending balance	**$ (273)**	$ (49)

In the table above:

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

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

	Year Ended December	
$ in millions	**2019**	2018
Loans and securities backed by commercial real estate		
Beginning balance	**$ 332**	$ 260
Net realized gains/(losses)	**5**	28
Net unrealized gains/(losses)	**(17)**	(28)
Purchases	**49**	119
Sales	**(153)**	(122)
Settlements	**(48)**	(76)
Transfers into level 3	**37**	156
Transfers out of level 3	**(14)**	(5)
Ending balance	**$ 191**	$ 332
Loans and securities backed by residential real estate		
Beginning balance	**$ 348**	$ 436
Net realized gains/(losses)	**14**	28
Net unrealized gains/(losses)	**28**	29
Purchases	**111**	109
Sales	**(223)**	(205)
Settlements	**(37)**	(85)
Transfers into level 3	**19**	99
Transfers out of level 3	**(29)**	(63)
Ending balance	**$ 231**	$ 348
Corporate debt instruments		
Beginning balance	**$ 912**	$ 450
Net realized gains/(losses)	**58**	126
Net unrealized gains/(losses)	**(27)**	(96)
Purchases	**291**	559
Sales	**(458)**	(246)
Settlements	**(134)**	(231)
Transfers into level 3	**142**	395
Transfers out of level 3	**(92)**	(45)
Ending balance	**$ 692**	$ 912
Other		
Beginning balance	**$ 97**	$ 67
Net realized gains/(losses)	**12**	6
Net unrealized gains/(losses)	**(19)**	6
Purchases	**71**	44
Sales	**(51)**	(34)
Settlements	**(33)**	(31)
Transfers into level 3	**58**	48
Transfers out of level 3	**(7)**	(9)
Ending balance	**$ 128**	$ 97

In the table above, other includes U.S. and non-U.S. government and agency obligations, other debt obligations and equity securities.

Level 3 Rollforward Commentary

Year Ended December 2019. The net realized and unrealized gains on level 3 trading cash instrument assets of $54 million (reflecting $89 million of net realized gains and $35 million of net unrealized losses) for 2019 included gains/(losses) of $(56) million reported in market making and $110 million reported in interest income.

The drivers of net unrealized losses on level 3 trading cash instrument assets for 2019 were not material.

Transfers into level 3 trading cash instrument assets during 2019 primarily reflected transfers of certain corporate debt instruments from level 2, principally due to reduced price transparency as a result of a lack of market evidence, including fewer market transactions in these instruments.

The drivers of transfers out of level 3 trading cash instrument assets during 2019 were not material.

Year Ended December 2018. The net realized and unrealized gains on level 3 trading cash instrument assets of $99 million (reflecting $188 million of net realized gains and $89 million of net unrealized losses) for 2018 included gains/(losses) of $(87) million reported in market making and $186 million reported in interest income.

The drivers of net unrealized losses on level 3 trading cash instrument assets for 2018 were not material.

Transfers into level 3 trading cash instrument assets during 2018 primarily reflected transfers of certain corporate debt instruments and loans and securities backed by commercial real estate from level 2, principally due to reduced price transparency as a result of a lack of market evidence, including fewer market transactions in these instruments.

The drivers of transfers out of level 3 trading cash instruments during 2018 were not material.

Note 7.

Derivatives and Hedging Activities

Derivative Activities

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

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

Risk Management. The firm also enters into derivatives to actively manage risk exposures that arise from its market-making and investing and financing activities. 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). Derivative assets are included in trading assets and derivative liabilities are included in trading liabilities. Realized and unrealized gains and losses on derivatives not designated as hedges are included in market making (for derivatives included in the Global Markets segment), and other principal transactions (for derivatives included in the remaining business segments) in the consolidated statements of earnings. For the years ended December 2019 and December 2018, substantially all of the firm's derivatives were included in the Global Markets segment.

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

	As of December 2019		As of December 2018	
$ in millions	**Derivative Assets**	**Derivative Liabilities**	Derivative Assets	Derivative Liabilities
Not accounted for as hedges				
Exchange-traded	**$ 476**	**$ 856**	$ 760	$ 1,553
OTC-cleared	**9,958**	**8,618**	5,040	3,552
Bilateral OTC	**266,387**	**242,046**	227,274	211,091
Total interest rates	**276,821**	**251,520**	233,074	216,196
OTC-cleared	**6,551**	**6,929**	4,778	4,517
Bilateral OTC	**14,178**	**13,860**	14,658	13,784
Total credit	**20,729**	**20,789**	19,436	18,301
Exchange-traded	**35**	**10**	11	16
OTC-cleared	**411**	**391**	656	800
Bilateral OTC	**79,887**	**81,613**	85,772	87,953
Total currencies	**80,333**	**82,014**	86,439	88,769
Exchange-traded	**2,390**	**2,272**	4,445	4,093
OTC-cleared	**180**	**243**	433	439
Bilateral OTC	**8,568**	**13,034**	12,746	15,595
Total commodities	**11,138**	**15,549**	17,624	20,127
Exchange-traded	**13,499**	**16,976**	13,431	11,765
Bilateral OTC	**36,162**	**39,531**	34,687	40,668
Total equities	**49,661**	**56,507**	48,118	52,433
Subtotal	**438,682**	**426,379**	404,691	395,826
Accounted for as hedges				
OTC-cleared	**–**	**–**	2	–
Bilateral OTC	**3,182**	**1**	3,024	7
Total interest rates	**3,182**	**1**	3,026	7
OTC-cleared	**16**	**57**	25	53
Bilateral OTC	**16**	**153**	54	61
Total currencies	**32**	**210**	79	114
Subtotal	**3,214**	**211**	3,105	121
Total gross fair value	**$ 441,896**	**$ 426,590**	$ 407,796	$ 395,947
Offset in the consolidated balance sheets				
Exchange-traded	**$ (14,159)**	**$ (14,159)**	$ (14,377)	$ (14,377)
OTC-cleared	**(15,565)**	**(15,565)**	(8,888)	(8,888)
Bilateral OTC	**(310,920)**	**(310,920)**	(290,961)	(290,961)
Counterparty netting	**(340,644)**	**(340,644)**	(314,226)	(314,226)
OTC-cleared	**(1,302)**	**(526)**	(1,389)	(164)
Bilateral OTC	**(54,698)**	**(41,618)**	(47,335)	(38,963)
Cash collateral netting	**(56,000)**	**(42,144)**	(48,724)	(39,127)
Total amounts offset	**$(396,644)**	**$(382,788)**	$(362,950)	$(353,353)
Included in the consolidated balance sheets				
Exchange-traded	**$ 2,241**	**$ 5,955**	$ 4,270	$ 3,050
OTC-cleared	**249**	**147**	657	309
Bilateral OTC	**42,762**	**37,700**	39,919	39,235
Total	**$ 45,252**	**$ 43,802**	$ 44,846	$ 42,594
Not offset in the consolidated balance sheets				
Cash collateral	**$ (604)**	**$ (1,603)**	$ (614)	$ (1,328)
Securities collateral	**(14,196)**	**(9,252)**	(12,740)	(8,414)
Total	**$ 30,452**	**$ 32,947**	$ 31,492	$ 32,852

	Notional Amounts as of December	
$ in millions	**2019**	2018
Not accounted for as hedges		
Exchange-traded	**$ 4,757,300**	$ 5,139,159
OTC-cleared	**13,440,376**	14,290,327
Bilateral OTC	**11,668,171**	12,858,248
Total interest rates	**29,865,847**	32,287,734
OTC-cleared	**396,342**	394,494
Bilateral OTC	**707,935**	762,653
Total credit	**1,104,277**	1,157,147
Exchange-traded	**4,566**	5,599
OTC-cleared	**134,060**	113,360
Bilateral OTC	**5,926,602**	6,596,741
Total currencies	**6,065,228**	6,715,700
Exchange-traded	**230,018**	259,287
OTC-cleared	**2,639**	1,516
Bilateral OTC	**243,228**	244,958
Total commodities	**475,885**	505,761
Exchange-traded	**910,099**	635,988
Bilateral OTC	**1,182,335**	1,070,211
Total equities	**2,092,434**	1,706,199
Subtotal	**39,603,671**	42,372,541
Accounted for as hedges		
OTC-cleared	**123,531**	85,681
Bilateral OTC	**9,714**	12,022
Total interest rates	**133,245**	97,703
OTC-cleared	**4,152**	2,911
Bilateral OTC	**9,247**	8,089
Total currencies	**13,399**	11,000
Subtotal	**146,644**	108,703
Total notional amounts	**$39,750,315**	$42,481,244

In the tables above:

- Gross fair values exclude the effects of both counterparty netting and collateral, and therefore are not representative of the firm's exposure.
- Where the firm has received or posted collateral under credit support agreements, but has not yet determined such agreements are enforceable, the related collateral has not been netted.
- Notional amounts, which represent the sum of gross long and short derivative contracts, provide an indication of the volume of the firm's derivative activity and do not represent anticipated losses.
- Total gross fair value of derivatives included derivative assets of $9.15 billion as of December 2019 and $10.68 billion as of December 2018, and derivative liabilities of $14.88 billion as of December 2019 and $14.58 billion as of December 2018, which are not subject to an enforceable netting agreement or are subject to a netting agreement that the firm has not yet determined to be enforceable.

Fair Value of Derivatives by Level

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

$ in millions	Level 1	Level 2	Level 3	Total
As of December 2019				
Assets				
Interest rates	**$ 3**	**$ 279,443**	**$ 557**	**$ 280,003**
Credit	**–**	**17,204**	**3,525**	**20,729**
Currencies	**–**	**80,178**	**187**	**80,365**
Commodities	**–**	**10,648**	**490**	**11,138**
Equities	**21**	**48,953**	**687**	**49,661**
Gross fair value	**24**	**436,426**	**5,446**	**441,896**
Counterparty netting in levels	**–**	**(340,325)**	**(792)**	**(341,117)**
Subtotal	**$ 24**	**$ 96,101**	**$ 4,654**	**$ 100,779**
Cross-level counterparty netting				**473**
Cash collateral netting				**(56,000)**
Net fair value				**$ 45,252**
Liabilities				
Interest rates	**$ (3)**	**$(251,050)**	**$ (468)**	**$(251,521)**
Credit	**–**	**(19,141)**	**(1,648)**	**(20,789)**
Currencies	**–**	**(81,826)**	**(398)**	**(82,224)**
Commodities	**–**	**(15,306)**	**(243)**	**(15,549)**
Equities	**(26)**	**(53,817)**	**(2,664)**	**(56,507)**
Gross fair value	**(29)**	**(421,140)**	**(5,421)**	**(426,590)**
Counterparty netting in levels	**–**	**340,325**	**792**	**341,117**
Subtotal	**$(29)**	**$ (80,815)**	**$(4,629)**	**$ (85,473)**
Cross-level counterparty netting				**(473)**
Cash collateral netting				**42,144**
Net fair value				**$ (43,802)**
As of December 2018				
Assets				
Interest rates	$ 12	$ 235,680	$ 408	$ 236,100
Credit	–	15,992	3,444	19,436
Currencies	–	85,837	681	86,518
Commodities	–	17,193	431	17,624
Equities	10	47,168	940	48,118
Gross fair value	22	401,870	5,904	407,796
Counterparty netting in levels	–	(312,611)	(956)	(313,567)
Subtotal	$ 22	$ 89,259	$ 4,948	$ 94,229
Cross-level counterparty netting				(659)
Cash collateral netting				(48,724)
Net fair value				$ 44,846
Liabilities				
Interest rates	$(24)	$(215,662)	$ (517)	$(216,203)
Credit	–	(16,529)	(1,772)	(18,301)
Currencies	–	(88,663)	(220)	(88,883)
Commodities	–	(19,808)	(319)	(20,127)
Equities	(37)	(49,910)	(2,486)	(52,433)
Gross fair value	(61)	(390,572)	(5,314)	(395,947)
Counterparty netting in levels	–	312,611	956	313,567
Subtotal	$(61)	$ (77,961)	$(4,358)	$ (82,380)
Cross-level counterparty netting				659
Cash collateral netting				39,127
Net fair value				$ (42,594)

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

In the table above:

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

Significant Unobservable Inputs

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

	Level 3 Assets (Liabilities) and Range of Significant Unobservable Inputs (Average/Median) as of December	
$ in millions, except inputs	**2019**	2018
Interest rates, net	**$89**	$(109)
Correlation	**(42)% to 81% (52%/60%)**	(10)% to 86% (66%/64%)
Volatility (bps)	**31 to 150 (70/61)**	31 to 150 (74/65)
Credit, net	**$1,877**	$1,672
Credit spreads (bps)	**1 to 559 (96/53)**	1 to 810 (109/63)
Upfront credit points	**2 to 90 (38/32)**	2 to 99 (44/40)
Recovery rates	**10% to 60% (31%/25%)**	25% to 70% (40%/40%)
Currencies, net	**$(211)**	$461
Correlation	**20% to 70% (37%/36%)**	10% to 70% (40%/36%)
Commodities, net	**$247**	$112
Volatility	**9% to 57% (26%/25%)**	10% to 75% (28%/27%)
Natural gas spread	**$(1.93) to $1.69 ($(0.16)/$(0.17))**	$(2.32) to $4.68 ($(0.26)/$(0.30))
Oil spread	**$(4.86) to $19.77 ($9.82/$11.15)**	$(3.44) to $16.62 ($4.53/$3.94)
Equities, net	**$(1,977)**	$(1,546)
Correlation	**(70)% to 99% (42%/45%)**	(68)% to 97% (48%/51%)
Volatility	**2% to 72% (14%/7%)**	3% to 102% (20%/18%)

In the table above:

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

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

Range of Significant Unobservable Inputs

The following is information about the ranges of significant unobservable inputs used to value the firm's level 3 derivative instruments:

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

Sensitivity of Fair Value Measurement to Changes in Significant Unobservable Inputs

The following is a description of the directional sensitivity of the firm's level 3 fair value measurements to changes in significant unobservable inputs, in isolation, as of each period-end:

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

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

Level 3 Rollforward

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

	Year Ended December	
$ in millions	**2019**	2018
Total level 3 derivatives, net		
Beginning balance	**$ 590**	$ (288)
Net realized gains/(losses)	**118**	(113)
Net unrealized gains/(losses)	**(454)**	1,251
Purchases	**444**	612
Sales	**(668)**	(1,510)
Settlements	**236**	573
Transfers into level 3	**7**	34
Transfers out of level 3	**(248)**	31
Ending balance	**$ 25**	$ 590

In the table above:

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

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

	Year Ended December	
$ in millions	**2019**	2018
Interest rates, net		
Beginning balance	**$ (109)**	$ (410)
Net realized gains/(losses)	**(24)**	(51)
Net unrealized gains/(losses)	**199**	122
Purchases	**8**	8
Sales	**(13)**	(2)
Settlements	**40**	171
Transfers into level 3	**–**	(9)
Transfers out of level 3	**(12)**	62
Ending balance	**$ 89**	$ (109)
Credit, net		
Beginning balance	**$ 1,672**	$ 1,505
Net realized gains/(losses)	**42**	(23)
Net unrealized gains/(losses)	**273**	2
Purchases	**146**	53
Sales	**(114)**	(65)
Settlements	**(251)**	244
Transfers into level 3	**108**	(35)
Transfers out of level 3	**1**	(9)
Ending balance	**$ 1,877**	$ 1,672
Currencies, net		
Beginning balance	**$ 461**	$ (181)
Net realized gains/(losses)	**(32)**	(51)
Net unrealized gains/(losses)	**(327)**	372
Purchases	**11**	36
Sales	**(1)**	(25)
Settlements	**(306)**	212
Transfers into level 3	**(14)**	101
Transfers out of level 3	**(3)**	(3)
Ending balance	**$ (211)**	$ 461
Commodities, net		
Beginning balance	**$ 112**	$ 47
Net realized gains/(losses)	**(34)**	18
Net unrealized gains/(losses)	**219**	61
Purchases	**25**	42
Sales	**(81)**	(64)
Settlements	**(6)**	12
Transfers into level 3	**8**	21
Transfers out of level 3	**4**	(25)
Ending balance	**$ 247**	$ 112
Equities, net		
Beginning balance	**$(1,546)**	$(1,249)
Net realized gains/(losses)	**166**	(6)
Net unrealized gains/(losses)	**(818)**	694
Purchases	**254**	473
Sales	**(459)**	(1,354)
Settlements	**759**	(66)
Transfers into level 3	**(95)**	(44)
Transfers out of level 3	**(238)**	6
Ending balance	**$(1,977)**	$(1,546)

Level 3 Rollforward Commentary

Year Ended December 2019. The net realized and unrealized losses on level 3 derivatives of $336 million (reflecting $118 million of net realized gains and $454 million of net unrealized losses) for 2019 included losses of $305 million reported in market making and $31 million reported in other principal transactions.

The net unrealized losses on level 3 derivatives for 2019 were primarily attributable to losses on certain equity derivatives (primarily reflecting the impact of an increase in equity prices), losses on certain currency derivatives (primarily reflecting the impact of a decrease in interest rates and changes in foreign exchange rates), partially offset by gains on certain credit derivatives (primarily reflecting the impact of a decrease in interest rates), gains on certain commodity derivatives (primarily reflecting the impact of changes in commodity prices), and gains on certain interest rate derivatives (primarily reflecting the impact of a decrease in interest rates).

The drivers of transfers into level 3 derivatives during 2019 were not material.

Transfers out of level 3 derivatives during 2019 primarily reflected transfers of certain equity derivative assets to level 2, principally due to certain unobservable inputs no longer being significant to the valuation of these derivatives.

Year Ended December 2018. The net realized and unrealized gains on level 3 derivatives of $1.14 billion (reflecting $113 million of net realized losses and $1.25 billion of net unrealized gains) for 2018 included gains of $1.11 billion reported in market making and $28 million reported in other principal transactions.

The net unrealized gains on level 3 derivatives for 2018 were primarily attributable to gains on certain equity derivatives (reflecting the impact of a decrease in certain equity prices) and gains on certain currency derivatives (primarily reflecting the impact of changes in foreign exchange rates).

Both transfers into level 3 derivatives and transfers out of level 3 derivatives during 2018 were not material.

OTC Derivatives

The table below presents OTC derivative assets and liabilities by tenor and major product type.

$ in millions	Less than 1 Year	1 - 5 Years	Greater than 5 Years	Total
As of December 2019				
Assets				
Interest rates	**$ 5,521**	**$15,183**	**$57,394**	**$ 78,098**
Credit	**678**	**3,259**	**3,183**	**7,120**
Currencies	**10,236**	**5,063**	**6,245**	**21,544**
Commodities	**2,507**	**1,212**	**302**	**4,021**
Equities	**7,332**	**4,509**	**1,294**	**13,135**
Counterparty netting in tenors	**(3,263)**	**(3,673)**	**(2,332)**	**(9,268)**
Subtotal	**$23,011**	**$25,553**	**$66,086**	**$114,650**
Cross-tenor counterparty netting				**(15,639)**
Cash collateral netting				**(56,000)**
Total OTC derivative assets				**$ 43,011**
Liabilities				
Interest rates	**$ 3,654**	**$ 9,113**	**$36,470**	**$ 49,237**
Credit	**1,368**	**4,052**	**1,760**	**7,180**
Currencies	**12,486**	**6,906**	**4,036**	**23,428**
Commodities	**2,796**	**1,950**	**3,804**	**8,550**
Equities	**5,755**	**7,381**	**3,367**	**16,503**
Counterparty netting in tenors	**(3,263)**	**(3,673)**	**(2,332)**	**(9,268)**
Subtotal	**$22,796**	**$25,729**	**$47,105**	**$ 95,630**
Cross-tenor counterparty netting				**(15,639)**
Cash collateral netting				**(42,144)**
Total OTC derivative liabilities				**$ 37,847**
As of December 2018				
Assets				
Interest rates	$ 2,810	$13,177	$47,426	$ 63,413
Credit	807	3,676	3,364	7,847
Currencies	10,976	5,076	6,486	22,538
Commodities	4,978	2,101	145	7,224
Equities	4,962	5,244	1,329	11,535
Counterparty netting in tenors	(3,409)	(3,883)	(2,822)	(10,114)
Subtotal	$21,124	$25,391	$55,928	$102,443
Cross-tenor counterparty netting				(13,143)
Cash collateral netting				(48,724)
Total OTC derivative assets				$ 40,576
Liabilities				
Interest rates	$ 4,193	$ 9,153	$29,377	$ 42,723
Credit	1,127	4,173	1,412	6,712
Currencies	13,553	6,871	4,474	24,898
Commodities	4,271	2,663	3,145	10,079
Equities	9,278	5,178	3,060	17,516
Counterparty netting in tenors	(3,409)	(3,883)	(2,822)	(10,114)
Subtotal	$29,013	$24,155	$38,646	$ 91,814
Cross-tenor counterparty netting				(13,143)
Cash collateral netting				(39,127)
Total OTC derivative liabilities				$ 39,544

In the table above:

- Tenor is based on remaining contractual maturity.
- Counterparty netting within the same product type and tenor category is included within such product type and tenor category.
- Counterparty netting across product types within the same tenor category is included in counterparty netting in tenors. Where the counterparty netting is across tenor categories, the netting is included in cross-tenor counterparty netting.

Credit Derivatives

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

The firm enters into the following types of credit derivatives:

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

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

As of December 2019, written credit derivatives had a total gross notional amount of $522.57 billion and purchased credit derivatives had a total gross notional amount of $581.76 billion, for total net notional purchased protection of $59.19 billion. As of December 2018, written credit derivatives had a total gross notional amount of $554.17 billion and purchased credit derivatives had a total gross notional amount of $603.00 billion, for total net notional purchased protection of $48.83 billion. The firm's written and purchased credit derivatives primarily consist of credit default swaps.

The table below presents information about credit derivatives.

	Credit Spread on Underlier (basis points)				
$ in millions	0 - 250	251 - 500	501 - 1,000	Greater than 1,000	Total
As of December 2019					
Maximum Payout/Notional Amount of Written Credit Derivatives by Tenor					
Less than 1 year	**$143,566**	**$ 7,155**	**$ 759**	**$ 2,953**	**$154,433**
1 – 5 years	**292,444**	**10,125**	**5,482**	**8,735**	**316,786**
Greater than 5 years	**48,109**	**2,260**	**427**	**554**	**51,350**
Total	**$484,119**	**$19,540**	**$ 6,668**	**$12,242**	**$522,569**
Maximum Payout/Notional Amount of Purchased Credit Derivatives					
Offsetting	**$395,127**	**$14,492**	**$ 5,938**	**$10,543**	**$426,100**
Other	**$149,092**	**$ 2,617**	**$ 1,599**	**$ 2,354**	**$155,662**
Fair Value of Written Credit Derivatives					
Asset	**$ 13,103**	**$ 446**	**$ 160**	**$ 202**	**$ 13,911**
Liability	**1,239**	**448**	**372**	**3,490**	**5,549**
Net asset/(liability)	**$ 11,864**	**$ (2)**	**$ (212)**	**$ (3,288)**	**$ 8,362**
As of December 2018					
Maximum Payout/Notional Amount of Written Credit Derivatives by Tenor					
Less than 1 year	$145,828	$ 9,763	$ 1,151	$ 3,848	$160,590
1 – 5 years	298,228	21,100	13,835	7,520	340,683
Greater than 5 years	45,690	5,966	1,121	122	52,899
Total	$489,746	$36,829	$16,107	$11,490	$554,172
Maximum Payout/Notional Amount of Purchased Credit Derivatives					
Offsetting	$413,445	$25,373	$14,243	$ 8,841	$461,902
Other	$115,754	$14,273	$ 7,555	$ 3,513	$141,095
Fair Value of Written Credit Derivatives					
Asset	$ 8,656	$ 543	$ 95	$ 80	$ 9,374
Liability	1,990	1,415	1,199	3,368	7,972
Net asset/(liability)	$ 6,666	$ (872)	$ (1,104)	$ (3,288)	$ 1,402

In the table above:

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

Impact of Credit and Funding Spreads on Derivatives

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

The table below presents information about CVA and FVA.

	Year Ended December		
$ in millions	**2019**	2018	2017
CVA, net of hedges	**$(289)**	$ 371	$ 66
FVA, net of hedges	**485**	(194)	288
Total	**$ 196**	$ 177	$354

Bifurcated Embedded Derivatives

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

	As of December	
$ in millions	**2019**	2018
Fair value of assets	**$ 1,148**	$ 980
Fair value of liabilities	**1,717**	1,297
Net liability	**$ 569**	$ 317
Notional amount	**$11,003**	$10,229

In the table above, derivatives that have been bifurcated from their related borrowings are recorded at fair value and primarily consist of interest rate, equity and commodity products. These derivatives are included in unsecured short- and long-term borrowings with the related borrowings.

Derivatives with Credit-Related Contingent Features

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

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

	As of December	
$ in millions	**2019**	2018
Net derivative liabilities under bilateral agreements	**$32,800**	$29,583
Collateral posted	**$28,510**	$24,393
Additional collateral or termination payments:		
One-notch downgrade	**$ 358**	$ 262
Two-notch downgrade	**$ 1,268**	$ 959

Hedge Accounting

The firm applies hedge accounting for (i) certain interest rate swaps used to manage the interest rate exposure of certain fixed-rate unsecured long-term and short-term borrowings and certain fixed-rate certificates of deposit and (ii) certain foreign currency forward contracts and foreign currency-denominated debt used to manage foreign currency exposures on the firm's net investment in certain non-U.S. operations.

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

Fair Value Hedges

The firm designates certain interest rate swaps as fair value hedges of certain fixed-rate unsecured long-term and short-term debt and fixed-rate certificates of deposit. These interest rate swaps hedge changes in fair value attributable to the designated benchmark interest rate (e.g., London Interbank Offered Rate (LIBOR) or Overnight Index Swap Rate), effectively converting a substantial portion of fixed-rate obligations into floating-rate obligations.

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

For qualifying fair value hedges, gains or losses on derivatives are included in interest expense. The change in fair value of the hedged item attributable to the risk being hedged is reported as an adjustment to its carrying value (hedging adjustment) and is also included in interest expense. When a derivative is no longer designated as a hedge, any remaining difference between the carrying value and par value of the hedged item is amortized to interest expense over the remaining life of the hedged item using the effective interest method. See Note 23 for further information about interest income and interest expense.

The table below presents the gains/(losses) from interest rate derivatives accounted for as hedges and the related hedged borrowings and deposits, and total interest expense.

	Year Ended December		
$ in millions	**2019**	2018	2017
Interest rate hedges	**$ 3,196**	$ (1,854)	$ (2,867)
Hedged borrowings and deposits	**$ (3,657)**	$ 1,295	$ 2,183
Interest expense	**$17,376**	$15,912	$10,181

In the table above:

- The difference between gains/(losses) from interest rate hedges and hedged borrowings and deposits was primarily due to the amortization of prepaid credit spreads resulting from the passage of time.
- Hedge ineffectiveness was $(684) million for 2017.

The table below presents the carrying value of the hedged items that are currently designated in a hedging relationship and the related cumulative hedging adjustment (increase/(decrease)) from current and prior hedging relationships included in such carrying values.

$ in millions	Carrying Value	Cumulative Hedging Adjustment
As of December 2019		
Deposits	**$19,634**	**$ 200**
Unsecured short-term borrowings	**$ 6,008**	**$ 28**
Unsecured long-term borrowings	**$87,874**	**$7,292**
As of December 2018		
Deposits	$11,924	$ (156)
Unsecured short-term borrowings	$ 4,450	$ (12)
Unsecured long-term borrowings	$68,839	$2,759

In the table above, cumulative hedging adjustment included $3.48 billion as of December 2019 and $1.74 billion as of December 2018 of hedging adjustments from prior hedging relationships that were de-designated and substantially all were related to unsecured long-term borrowings.

In addition, cumulative hedging adjustments for items no longer designated in a hedging relationship were $425 million as of December 2019 and $1.51 billion as of December 2018 and substantially all were related to unsecured long-term borrowings.

Net Investment Hedges

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

The table below presents the gains/(losses) from net investment hedging.

	Year Ended December		
$ in millions	**2019**	2018	2017
Hedges:			
Foreign currency forward contract	**$ 6**	$577	$(805)
Foreign currency-denominated debt	**$(19)**	$ (50)	$ (67)

Gains or losses on individual net investments in non-U.S. operations are reclassified to earnings from accumulated other comprehensive income/(loss) when such net investments are sold or substantially liquidated. The gross and net gains and losses on hedges and the related net investments in non-U.S. operations reclassified to earnings from accumulated other comprehensive income/(loss) were not material for both 2019 and 2018. The net gain reclassified to earnings from accumulated other comprehensive income was $41 million (reflecting a gain of $205 million related to hedges and a loss of $164 million on the related net investments in non-U.S. operations) for 2017. The gain/(loss) related to ineffectiveness was not material for 2017.

The firm had designated $3.05 billion as of December 2019 and $1.99 billion as of December 2018 of foreign currency-denominated debt, included in unsecured long-term and short-term borrowings, as hedges of net investments in non-U.S. subsidiaries.

Note 8.
Investments

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

The table below presents information about investments.

	As of December	
$ in millions	**2019**	2018
Equity securities, at fair value	**$22,163**	$21,430
Debt instruments, at fair value	**16,570**	12,117
Available-for-sale securities, at fair value	**19,094**	12,032
Investments, at fair value	**57,827**	45,579
Held-to-maturity securities	**5,825**	1,288
Equity method investments	**285**	357
Total investments	**$63,937**	$47,224

Equity Securities and Debt Instruments, at Fair Value

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

Equity Securities, at Fair Value. Equity securities, at fair value consists of the firm's public and private equity-related investments in corporate and real estate entities.

The table below presents information about equity securities, at fair value.

	As of December	
$ in millions	**2019**	2018
Equity securities, at fair value	**$22,163**	$21,430
Equity Type		
Public equity	**11%**	7%
Private equity	**89%**	93%
Total	**100%**	100%
Asset Class		
Corporate	**79%**	81%
Real estate	**21%**	19%
Total	**100%**	100%
Region		
Americas	**50%**	53%
EMEA	**17%**	16%
Asia	**33%**	31%
Total	**100%**	100%

In the table above:

- Equity securities, at fair value included investments accounted for at fair value under the fair value option where the firm would otherwise apply the equity method of accounting of $8.23 billion as of December 2019 and $7.91 billion as of December 2018. Gains recognized by the firm as a result of changes in the fair value of such securities was $1.29 billion for 2019 and $1.41 billion for 2018. These gains are included in other principal transactions in the consolidated statements of earnings.
- Equity securities, at fair value included $3.22 billion as of December 2019 and $3.39 billion as of December 2018 of investments in funds that are measured at NAV.
- EMEA represents Europe, Middle East and Africa.

Debt Instruments, at Fair Value. Debt instruments, at fair value primarily includes mezzanine debt, senior and distressed debt.

The table below presents information about debt instruments, at fair value.

	As of December	
$ in millions	**2019**	2018
Corporate debt securities	**$11,821**	$ 8,434
Securities backed by real estate	**2,619**	1,775
Other	**2,130**	1,908
Total	**$16,570**	$12,117

In the table above:

- Corporate debt securities includes convertible debentures.
- Other primarily includes money market instruments and time deposits.
- Total debt instruments included $983 million as of December 2019 and $548 million as of December 2018 of investments in credit funds that are measured at NAV.

Investments in Funds at Net Asset Value Per Share. Equity securities and debt instruments, at fair value include investments in funds that are measured at NAV of the investment fund. The firm uses NAV to measure the fair value of fund investments when (i) the fund investment does not have a readily determinable fair value and (ii) the NAV of the investment fund is calculated in a manner consistent with the measurement principles of investment company accounting, including measurement of the investments at fair value.

Substantially all of the firm's investments in funds at NAV consist of investments in firm-sponsored private equity, credit, real estate and hedge funds where the firm co-invests with third-party investors.

Private equity funds primarily invest in a broad range of industries worldwide, including leveraged buyouts, recapitalizations, growth investments and distressed investments. Credit funds generally invest in loans and other fixed income instruments and are focused on providing private high-yield capital for leveraged and management buyout transactions, recapitalizations, financings, refinancings, acquisitions and restructurings for private equity firms, private family companies and corporate issuers. Real estate funds invest globally, primarily in real estate companies, loan portfolios, debt recapitalizations and property. Private equity, credit and real estate funds are closed-end funds in which the firm's investments are generally not eligible for redemption. Distributions will be received from these funds as the underlying assets are liquidated or distributed, the timing of which is uncertain.

The firm also invests in hedge funds, primarily multi-disciplinary hedge funds that employ a fundamental bottom-up investment approach across various asset classes and strategies. The firm's investments in hedge funds primarily include interests where the underlying assets are illiquid in nature, and proceeds from redemptions will not be received until the underlying assets are liquidated or distributed, the timing of which is uncertain.

Private equity, hedge and real estate funds described above are primarily "covered funds" as defined in the Volcker Rule of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). The Board of Governors of the Federal Reserve System (FRB) extended the conformance period to July 2022 for the firm's investments in, and relationships with, certain legacy "illiquid funds" (as defined in the Volcker Rule) that were in place prior to December 2013. This extension is applicable to substantially all of the firm's remaining investments in, and relationships with, such covered funds. Substantially all of the credit funds described above are not covered funds.

The table below presents the fair value of investments in funds at NAV and the related unfunded commitments.

$ in millions	Fair Value of Investments	Unfunded Commitments
As of December 2019		
Private equity funds	**$2,767**	**$ 765**
Credit funds	**983**	**820**
Hedge funds	**125**	**–**
Real estate funds	**331**	**196**
Total	**$4,206**	**$1,781**
As of December 2018		
Private equity funds	$2,683	$ 809
Credit funds	548	1,099
Hedge funds	161	–
Real estate funds	544	203
Total	$3,936	$2,111

Available-for-Sale Securities

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

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

$ in millions	Amortized Cost	Fair Value	Weighted Average Yield
As of December 2019			
Less than 5 years	**$14,063**	**$14,041**	**1.53%**
Greater than 5 years	**4,974**	**5,053**	**2.10%**
Total	**$19,037**	**$19,094**	**1.68%**
As of December 2018			
Less than 5 years	$ 5,954	$ 5,879	2.10%
Greater than 5 years	6,231	6,153	2.44%
Total	$12,185	$12,032	2.28%

In the table above:

- Available-for-sale securities consists of U.S. government obligations that were classified in level 1 of the fair value hierarchy as of both December 2019 and December 2018.
- The firm sold $9.58 billion of available-for-sale securities during 2019. The realized gains on sales of such securities were $181 million for 2019, and were included in the consolidated statements of earnings. The sales and realized gains during 2018 were not material.
- The gross unrealized gains included in accumulated other comprehensive income/(loss) were $137 million and the gross unrealized losses included in accumulated other comprehensive income/(loss) were not material as of December 2019. The gross unrealized losses included in accumulated other comprehensive income/(loss) were $153 million as of December 2018 and were related to securities in a continuous unrealized loss position for greater than a year.
- Available-for-sale securities in an unrealized loss position are periodically reviewed for other-than-temporary impairment. The firm considers various factors, including market conditions, changes in issuer credit ratings, severity and duration of the unrealized losses, and the intent and ability to hold the security until recovery to determine if the securities are other-than-temporarily impaired. There were no such impairments during 2019, 2018 or 2017.

Fair Value of Investments by Level

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

$ in millions	Level 1	Level 2	Level 3	Total
As of December 2019				
Government and agency obligations:				
U.S.	**$19,094**	**$ –**	**$ –**	**$19,094**
Non-U.S.	**–**	**36**	**–**	**36**
Corporate debt securities	**48**	**7,325**	**3,465**	**10,838**
Securities backed by real estate	**–**	**2,024**	**595**	**2,619**
Other debt obligations	**732**	**1,043**	**319**	**2,094**
Equity securities	**251**	**7,786**	**10,903**	**18,940**
Subtotal	**$20,125**	**$18,214**	**$15,282**	**$53,621**
Investments in funds at NAV				**4,206**
Total investments				**$57,827**
As of December 2018				
Government and agency obligations:				
U.S.	$12,044	$ –	$ –	$12,044
Non-U.S.	–	44	–	44
Corporate debt securities	23	5,323	2,540	7,886
Securities backed by real estate	–	1,318	457	1,775
Other debt obligations	719	917	216	1,852
Equity securities	458	7,249	10,335	18,042
Subtotal	$13,244	$14,851	$13,548	$41,643
Investments in funds at NAV				3,936
Total investments				$45,579

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

Significant Unobservable Inputs

The table below presents the amount of level 3 investments, and ranges and weighted averages of significant unobservable inputs used to value such investments.

	Level 3 Assets and Range of Significant Unobservable Inputs (Weighted Average) as of December	
$ in millions	**2019**	2018
Corporate debt securities		
Level 3 assets	**$3,465**	$2,540
Yield	**5.5% to 29.8% (12.0%)**	6.5% to 32.3% (12.7%)
Recovery rate	**25.0% to 100.0% (68.5%)**	50.5% to 78.0% (74.6%)
Duration (years)	**2.9 to 5.9 (5.0)**	2.0 to 4.7 (3.8)
Multiples	**0.6x to 24.4x (7.0x)**	1.3x to 20.3x (7.7x)
Securities backed by real estate		
Level 3 assets	**$595**	$457
Yield	**9.4% to 20.3% (16.0%)**	9.5% to 20.3% (15.5%)
Recovery rate	**33.1% to 34.4% (33.5%)**	32.9% to 39.7% (37.9%)
Duration (years)	**0.4 to 3.0 (0.9)**	1.1 to 4.8 (2.2)
Other debt obligations		
Level 3 assets	**$319**	$216
Yield	**3.4% to 5.2% (4.5%)**	4.1% to 6.1% (5.2%)
Duration (years)	**4.0 to 8.0 (6.7)**	4.0 to 9.0 (7.5)
Equity securities		
Level 3 assets	**$10,903**	$10,335
Multiples	**0.8x to 36.0x (8.0x)**	1.0x to 23.6x (8.1x)
Discount rate/yield	**2.1% to 20.3% (13.4%)**	7.2% to 22.1% (14.4%)
Capitalization rate	**3.6% to 15.1% (6.1%)**	3.5% to 12.3% (6.1%)

In the table above:

- Ranges represent the significant unobservable inputs that were used in the valuation of each type of investment.
- Weighted averages are calculated by weighting each input by the relative fair value of the investment.
- The ranges and weighted averages of these inputs are not representative of the appropriate inputs to use when calculating the fair value of any one investment. For example, the highest multiple for private equity securities is appropriate for valuing a specific private equity security but may not be appropriate for valuing any other private equity security. Accordingly, the ranges of inputs do not represent uncertainty in, or possible ranges of, fair value measurements of level 3 investments.
- Increases in yield, discount rate, capitalization rate or duration used in the valuation of level 3 investments would have resulted in a lower fair value measurement, while increases in recovery rate or multiples would have resulted in a higher fair value measurement as of both December 2019 and December 2018. Due to the distinctive nature of each level 3 investment, the interrelationship of inputs is not necessarily uniform within each product type.
- Corporate debt securities, securities backed by real estate and other debt obligations are valued using discounted cash flows, and equity securities are valued using market comparables and discounted cash flows.
- The fair value of any one instrument may be determined using multiple valuation techniques. For example, market comparables and discounted cash flows may be used together to determine fair value. Therefore, the level 3 balance encompasses both of these techniques.
- Recovery rate was not significant to the valuation of level 3 securities backed by real estate as of December 2018.

Level 3 Rollforward

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

	Year Ended December	
$ in millions	**2019**	2018
Beginning balance	**$13,548**	$12,208
Net realized gains/(losses)	**252**	237
Net unrealized gains/(losses)	**1,295**	834
Purchases	**1,322**	1,366
Sales	**(986)**	(1,512)
Settlements	**(1,192)**	(1,451)
Transfers into level 3	**2,646**	3,456
Transfers out of level 3	**(1,603)**	(1,590)
Ending balance	**$15,282**	$13,548

In the table above:

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

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

	Year Ended December	
$ in millions	**2019**	2018
Corporate debt securities		
Beginning balance	**$ 2,540**	$ 1,722
Net realized gains/(losses)	**64**	62
Net unrealized gains/(losses)	**198**	66
Purchases	**297**	369
Sales	**(43)**	(231)
Settlements	**(274)**	(358)
Transfers into level 3	**1,106**	1,077
Transfers out of level 3	**(423)**	(167)
Ending balance	**$ 3,465**	$ 2,540
Securities backed by real estate		
Beginning balance	**$ 457**	$ 662
Net realized gains/(losses)	**27**	20
Net unrealized gains/(losses)	**–**	(9)
Purchases	**238**	109
Sales	**(82)**	(97)
Settlements	**(98)**	(56)
Transfers into level 3	**63**	76
Transfers out of level 3	**(10)**	(248)
Ending balance	**$ 595**	$ 457
Equity securities		
Beginning balance	**$10,335**	$ 9,626
Net realized gains/(losses)	**160**	155
Net unrealized gains/(losses)	**1,096**	775
Purchases	**669**	819
Sales	**(852)**	(1,161)
Settlements	**(812)**	(1,007)
Transfers into level 3	**1,477**	2,303
Transfers out of level 3	**(1,170)**	(1,175)
Ending balance	**$10,903**	$10,335
Other debt obligations		
Beginning balance	**$ 216**	$ 198
Net realized gains/(losses)	**1**	–
Net unrealized gains/(losses)	**1**	2
Purchases	**118**	69
Sales	**(9)**	(23)
Settlements	**(8)**	(30)
Ending balance	**$ 319**	$ 216

Level 3 Rollforward Commentary

Year Ended December 2019. The net realized and unrealized gains on level 3 investments of $1.55 billion (reflecting $252 million of net realized gains and $1.30 billion of net unrealized gains) for 2019 included gains of $1.44 billion reported in other principal transactions and $108 million reported in interest income.

The net unrealized gains on level 3 investments for 2019 primarily reflected gains on private equity securities, principally driven by corporate performance and company-specific events.

Transfers into level 3 during 2019 primarily reflected transfers of certain private equity securities and corporate debt securities from level 2, principally due to reduced price transparency as a result of a lack of market evidence, including fewer transactions in these instruments.

Transfers out of level 3 investments during 2019 primarily reflected transfers of certain private equity securities and corporate debt securities to level 2, principally due to increased price transparency as a result of market evidence, including market transactions in these instruments.

Year Ended December 2018. The net realized and unrealized gains on level 3 investments of $1.07 billion (reflecting $237 million of net realized gains and $834 million of net unrealized gains) for 2018 included gains of $848 million reported in other principal transactions and $223 million reported in interest income.

The net unrealized gains on level 3 investments for 2018 primarily reflected gains on private equity securities, principally driven by corporate performance.

Transfers into level 3 during 2018 primarily reflected transfers of certain private equity securities and corporate debt instruments from level 2, principally due to reduced price transparency as a result of a lack of market evidence, including fewer transactions in these instruments.

Transfers out of level 3 investments during 2018 primarily reflected transfers of certain private equity securities to level 2, principally due to increased price transparency as a result of market evidence, including market transactions in these instruments.

Held-to-Maturity Securities

Held-to-maturity securities are accounted for at amortized cost, net of other-than-temporary impairments.

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

$ in millions	Amortized Cost	Fair Value	Weighted Average Yield
As of December 2019			
Less than 5 years	**$3,534**	**$3,613**	**2.40%**
Greater than 5 years	**1,534**	**1,576**	**2.25%**
Total U.S. government obligations	**5,068**	**5,189**	**2.35%**
Less than 5 years	**6**	**6**	**4.16%**
Greater than 5 years	**751**	**769**	**1.67%**
Total securities backed by real estate	**757**	**775**	**1.69%**
Total held-to-maturity securities	**$5,825**	**$5,964**	**2.27%**
As of December 2018			
Less than 5 years	$ 498	$ 511	3.08%
Total U.S. government obligations	498	511	3.08%
Less than 5 years	5	6	4.61%
Greater than 5 years	785	800	1.78%
Total securities backed by real estate	790	806	1.80%
Total held-to-maturity securities	$1,288	$1,317	2.29%

In the table above:

- Substantially all of the securities backed by real estate consist of securities backed by residential real estate.
- As these securities are not accounted for at fair value, they are not included in the firm's fair value hierarchy in Notes 4 through 10. Had these securities been included in the firm's fair value hierarchy, U.S. government obligations would have been classified in level 1 and substantially all securities backed by real estate would have been classified in level 2 of the fair value hierarchy as of both December 2019 and December 2018.
- The gross unrealized gains were $141 million and the gross unrealized losses were not material as of December 2019. Gross unrealized gains/(losses) were not material as of December 2018.
- Held-to-maturity securities in an unrealized loss position are periodically reviewed for other-than-temporary impairment. The firm considers various factors, including market conditions, changes in issuer credit ratings, severity and duration of the unrealized losses, and the intent and ability to hold the security until recovery to determine if the securities are other-than-temporarily impaired. There were no such impairments during 2019, 2018 or 2017.

Note 9.

Loans

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

The table below presents information about loans.

$ in millions	Amortized Cost	Fair Value	Held For Sale	Total
As of December 2019				
Loan Type				
Corporate	**$41,129**	**$ 3,224**	**$1,954**	**$ 46,307**
Wealth management	**20,116**	**7,824**	**–**	**27,940**
Commercial real estate	**13,258**	**1,876**	**2,609**	**17,743**
Residential real estate	**6,132**	**792**	**34**	**6,958**
Consumer	**4,747**	**–**	**–**	**4,747**
Credit cards	**1,858**	**–**	**–**	**1,858**
Other	**3,396**	**670**	**726**	**4,792**
Total loans, gross	**90,636**	**14,386**	**5,323**	**110,345**
Allowance for loan losses	**(1,441)**	**–**	**–**	**(1,441)**
Total loans	**$89,195**	**$14,386**	**$5,323**	**$108,904**
As of December 2018				
Loan Type				
Corporate	$37,283	$ 2,819	$2,273	$ 42,375
Wealth management	17,518	7,250	–	24,768
Commercial real estate	11,441	1,718	1,019	14,178
Residential real estate	7,284	973	44	8,301
Consumer	4,536	–	–	4,536
Other	3,594	656	495	4,745
Total loans, gross	81,656	13,416	3,831	98,903
Allowance for loan losses	(1,066)	–	–	(1,066)
Total loans	$80,590	$13,416	$3,831	$ 97,837

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

- **Corporate.** Corporate loans includes term loans, revolving lines of credit, letter of credit facilities and bridge loans, and are principally used for operating and general corporate purposes, or in connection with acquisitions. Corporate loans may be secured or unsecured, depending on the loan purpose, the risk profile of the borrower and other factors.
- **Wealth Management.** Wealth management loans includes loans extended by the private bank to its wealth management and other clients. These loans are used to finance investments in both financial and nonfinancial assets, bridge cash flow timing gaps or provide liquidity for other needs. Substantially all of such loans are secured by securities, residential real estate, commercial real estate or other assets.

- **Commercial Real Estate.** Commercial real estate loans includes loans extended by the firm, other than those extended by the private bank, that are directly or indirectly secured by hotels, retail stores, multifamily housing complexes and commercial and industrial properties. Commercial real estate loans also includes loans purchased by the firm.
- **Residential Real Estate.** Residential real estate loans primarily includes loans extended by the firm, other than those extended by the private bank, to clients who warehouse assets that are directly or indirectly secured by residential real estate and loans purchased by the firm.
- **Consumer.** Consumer loans are unsecured and are originated by the firm.
- **Credit Cards.** Credit card loans are loans made pursuant to revolving lines of credit issued to consumers by the firm.
- **Other.** Other loans primarily includes loans extended to clients who warehouse assets that are directly or indirectly secured by consumer loans, including auto loans and private student loans. Other loans also includes unsecured consumer and credit card loans purchased by the firm.

PCI Loans

Loans accounted for at amortized cost include PCI loans, which represent acquired loans or pools of loans with evidence of credit deterioration subsequent to their origination and where it is probable, at acquisition, that the firm will not be able to collect all contractually required payments. PCI loans are initially recorded at the acquisition price and the difference between the acquisition price and the expected cash flows (accretable yield) is recognized as interest income over the life of such loans on an effective yield method.

The tables below present information about PCI loans.

	As of December	
$ in millions	**2019**	2018
Commercial real estate	**$ 455**	$ 581
Residential real estate	**1,167**	2,457
Other	**–**	4
Total gross carrying value	**$1,622**	$3,042
Total outstanding principal balance	**$3,231**	$5,576
Total accretable yield	**$ 220**	$ 459

In January 2020, the firm elected the fair value option for these PCI loans in accordance with ASU No. 2016-13. See Note 3 for further information about adoption of this ASU.

	Year Ended December		
$ in millions	**2019**	2018	2017
Acquired during the period			
Fair value	**$ –**	$ 839	$1,769
Expected cash flows	**$ –**	$ 937	$1,961
Contractually required cash flows	**$ –**	$1,881	$4,092

In the table above:

- Fair value, expected cash flows and contractually required cash flows were as of the acquisition date.
- Expected cash flows represents the cash flows expected to be received over the life of the loan or as a result of liquidation of the underlying collateral.
- Contractually required cash flows represents cash flows required to be repaid by the borrower over the life of the loan.

Credit Quality

Risk Assessment. The firm's risk assessment process includes evaluating the credit quality of its loans. For loans (excluding originated and purchased consumer and credit card loans, PCI loans and certain wealth management loans backed by residential real estate), the firm performs credit reviews which include initial and ongoing analyses of its borrowers, resulting in an internal credit rating. A credit review is an independent analysis of the capacity and willingness of a borrower to meet its financial obligations. The determination of internal credit ratings also incorporates assumptions with respect to the nature of and outlook for the borrower's industry and the economic environment.

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

$ in millions	Investment-Grade	Non-Investment-Grade	Other/Unrated	Total
As of December 2019				
Amortized cost	**$30,266**	**$51,222**	**$ 9,148**	**$ 90,636**
Fair value	**2,844**	**5,174**	**6,368**	**14,386**
Held for sale	**323**	**4,368**	**632**	**5,323**
Total	**$33,433**	**$60,764**	**$16,148**	**$110,345**
Secured	**25%**	**50%**	**8%**	**83%**
Unsecured	**5%**	**5%**	**7%**	**17%**
Total	**30%**	**55%**	**15%**	**100%**
As of December 2018				
Amortized cost	$28,290	$45,468	$ 7,898	$ 81,656
Fair value	2,371	4,999	6,046	13,416
Held for sale	1,231	2,088	512	3,831
Total	$31,892	$52,555	$14,456	$ 98,903
Secured	25%	50%	9%	84%
Unsecured	7%	3%	6%	16%
Total	32%	53%	15%	100%

In the table above, other/unrated includes $15.52 billion as of December 2019 and $11.72 billion as of December 2018 of loans evaluated using other credit metrics described below. Such loans primarily include originated and purchased consumer and credit card loans, PCI loans and certain wealth management loans backed by residential real estate.

For purchased consumer and credit card loans, PCI loans and certain wealth management loans backed by residential real estate, the firm's risk assessment process includes reviewing certain key metrics, such as loan-to-value ratio, delinquency status, collateral values, expected cash flows, the Fair Isaac Corporation (FICO) credit score and other risk factors.

For originated consumer and credit card loans, an important credit-quality indicator is the FICO credit score, which measures a borrower's creditworthiness by considering factors such as payment and credit history. FICO credit scores are refreshed periodically by the firm to assess the updated creditworthiness of the borrower.

The table below presents gross consumer and credit card loans and the concentration by refreshed FICO credit score.

	As of December	
$ in millions	**2019**	2018
Consumer, gross	**$4,747**	$4,536
Credit cards, gross	**1,858**	–
Total	**$6,605**	$4,536
Refreshed FICO credit score		
Greater than or equal to 660	**85%**	88%
Less than 660	**15%**	12%
Total	**100%**	100%

The firm also assigns a regulatory risk rating to its loans based on the definitions provided by the U.S. federal bank regulatory agencies. The table below presents gross loans by regulatory risk rating.

$ in millions	Non-criticized/ Pass	Criticized	Total
As of December 2019			
Amortized cost	**$ 82,952**	**$ 7,684**	**$ 90,636**
Fair value	**12,153**	**2,233**	**14,386**
Held for sale	**5,216**	**107**	**5,323**
Total	**$100,321**	**$10,024**	**$110,345**
As of December 2018			
Amortized cost	$ 75,596	$ 6,060	$ 81,656
Fair value	10,752	2,664	13,416
Held for sale	3,817	14	3,831
Total	$ 90,165	$ 8,738	$ 98,903

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

	As of December	
$ in millions	**2019**	2018
Loans, gross	**$110,345**	$98,903
Region		
Americas	**73%**	77%
EMEA	**21%**	18%
Asia	**6%**	5%
Total	**100%**	100%

The table below presents the concentration of gross corporate loans by industry.

	As of December	
$ in millions	**2019**	2018
Corporate, gross	**$46,307**	$42,375
Industry		
Consumer, Retail & Healthcare	**15%**	16%
Diversified Industrials	**17%**	16%
Financial Institutions	**10%**	11%
Funds	**9%**	10%
Natural Resources & Utilities	**12%**	11%
Real Estate	**7%**	6%
Technology, Media & Telecommunications	**17%**	18%
Other (including Special Purpose Vehicles)	**13%**	12%
Total	**100%**	100%

Impaired Loans. Loans accounted for at amortized cost (excluding PCI loans) are determined to be impaired when it is probable that the firm will not collect all principal and interest due under the contractual terms. At that time, such loans are generally placed on nonaccrual status and all accrued but uncollected interest is reversed against interest income and interest subsequently collected is recognized on a cash basis to the extent the loan balance is deemed collectible. Otherwise, all cash received is used to reduce the outstanding loan balance. A loan is considered past due when a principal or interest payment has not been made according to its contractual terms.

In certain circumstances, the firm may also modify the original terms of a loan agreement by granting a concession to a borrower experiencing financial difficulty. Such modifications are considered troubled debt restructurings and typically include interest rate reductions, payment extensions, and modification of loan covenants. Loans modified in a troubled debt restructuring are considered impaired and are subject to specific loan-level reserves.

The gross carrying value of impaired loans (excluding PCI loans) on nonaccrual status was $1.49 billion as of December 2019 and $838 million as of December 2018. Such loans included $251 million as of December 2019 and $27 million as of December 2018 of corporate loans that were modified in a troubled debt restructuring. The firm's lending commitments related to these loans were not material as of both December 2019 and December 2018. The amount of loans 30 days or more past due was $627 million as of December 2019 and $208 million as of December 2018.

When it is determined that the firm cannot reasonably estimate expected cash flows on PCI loans or pools of loans, such loans are placed on nonaccrual status.

Allowance for Credit Losses

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

The firm's allowance for loan losses consists of specific loan-level reserves, portfolio-level reserves and reserves on PCI loans, as described below:

- Specific loan-level reserves are determined on loans (excluding PCI loans) that exhibit credit quality weakness and are therefore individually evaluated for impairment.
- Portfolio-level reserves are determined on loans (excluding PCI loans) not evaluated for specific loan-level reserves by aggregating groups of loans with similar risk characteristics and estimating the probable loss inherent in the portfolio.
- Reserves on PCI loans are recorded when it is determined that the expected cash flows, which are reassessed on a quarterly basis, will be lower than those used to establish the current effective yield for such loans or pools of loans. If the expected cash flows are determined to be significantly higher than those used to establish the current effective yield, such increases are initially recognized as a reduction to any previously recorded allowances for loan losses and any remaining increases are recognized as interest income prospectively over the life of the loan or pools of loans as an increase to the effective yield.

The allowance for loan losses is determined using various risk factors, including industry default and loss data, current macroeconomic indicators, borrower's capacity to meet its financial obligations, borrower's country of risk, loan seniority and collateral type. In addition, for loans backed by real estate, risk factors include loan-to-value ratio, debt service ratio and home price index. Risk factors for consumer and credit card loans include FICO credit scores and delinquency status.

Management's estimate of loan losses entails judgment about loan collectability at the reporting dates, and there are uncertainties inherent in those judgments. While management uses the best information available to determine this estimate, future adjustments to the allowance may be necessary based on, among other things, changes in the economic environment or variances between actual results and the original assumptions used. Loans are charged off against the allowance for loan losses when deemed to be uncollectible.

The firm also records an allowance for losses on lending commitments that are held for investment and accounted for at amortized cost. Such allowance is determined using the same methodology as the allowance for loan losses, while also taking into consideration the probability of drawdowns or funding, and is included in other liabilities.

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

$ in millions	Specific	Portfolio	PCI	Total
As of December 2019				
Loans				
Corporate	**$1,122**	**$ 40,007**	**$ –**	**$ 41,129**
Wealth management	**52**	**20,064**	**–**	**20,116**
Commercial real estate	**175**	**12,628**	**455**	**13,258**
Residential real estate	**143**	**4,822**	**1,167**	**6,132**
Consumer	**–**	**4,747**	**–**	**4,747**
Credit cards	**–**	**1,858**	**–**	**1,858**
Other	**–**	**3,396**	**–**	**3,396**
Total	**$1,492**	**$ 87,522**	**$1,622**	**$ 90,636**
Lending Commitments				
Corporate	**$ 128**	**$127,098**	**$ –**	**$127,226**
Credit card	**–**	**13,669**	**–**	**13,669**
Other	**11**	**9,194**	**–**	**9,205**
Total	**$ 139**	**$149,961**	**$ –**	**$150,100**
As of December 2018				
Loans				
Corporate	$ 358	$ 36,925	$ –	$ 37,283
Wealth management	46	17,472	–	17,518
Commercial real estate	9	10,851	581	11,441
Residential real estate	425	4,402	2,457	7,284
Consumer	–	4,536	–	4,536
Other	–	3,590	4	3,594
Total	$ 838	$ 77,776	$3,042	$ 81,656
Lending Commitments				
Corporate	$ 31	$113,453	$ –	$113,484
Other	–	7,513	–	7,513
Total	$ 31	$120,966	$ –	$120,997

In the table above:

- Gross loans and lending commitments, subject to specific loan-level reserves, included $832 million as of December 2019 and $484 million as of December 2018 of impaired loans and lending commitments, which did not require a reserve as the loan was deemed to be recoverable.
- Gross loans deemed impaired and subject to specific loan-level reserves as a percentage of total gross loans was 1.6% as of December 2019 and 1.0% as of December 2018.
- See Note 18 for further information about lending commitments.

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

	Year Ended December			
	2019		2018	
$ in millions	**Loans**	**Lending Commitments**	Loans	Lending Commitments
Changes in the allowance for credit losses				
Beginning balance	**$1,066**	**$286**	$ 803	$274
Net charge-offs	**(490)**	**–**	(337)	–
Provision	**990**	**75**	654	20
Other	**(125)**	**–**	(54)	(8)
Ending balance	**$1,441**	**$361**	$1,066	$286
Allowance for losses by impairment methodology				
Specific	**$ 207**	**$ 21**	$ 102	$ 3
Portfolio	**1,065**	**340**	848	283
PCI	**169**	**–**	116	–
Total	**$1,441**	**$361**	$1,066	$286

In the table above:

- Net charge-offs were primarily related to consumer loans for 2019 and consumer loans and commercial real estate PCI loans for 2018.
- The provision for credit losses was primarily related to consumer loans and corporate loans for both 2019 and 2018.
- Other represents the reduction to the allowance related to loans and lending commitments transferred to held for sale.
- Portfolio-level reserves were primarily related to consumer loans and corporate loans. Specific loan-level reserves were substantially all related to corporate loans. Reserves on PCI loans were related to real estate loans.
- Substantially all of the allowance for losses on lending commitments was related to corporate lending commitments.
- Allowance for loan losses as a percentage of total gross loans accounted for at amortized cost was 1.6% as of December 2019 and 1.3% as of December 2018.
- Net charge-offs as a percentage of average total gross loans accounted for at amortized cost were 0.6% for 2019 and 0.5% for 2018.

Fair Value of Loans by Level

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

$ in millions	Level 1	Level 2	Level 3	Total
As of December 2019				
Loan Type				
Corporate	**$ –**	**$ 2,472**	**$ 752**	**$ 3,224**
Wealth management	**–**	**7,764**	**60**	**7,824**
Commercial real estate	**–**	**1,285**	**591**	**1,876**
Residential real estate	**–**	**571**	**221**	**792**
Other	**–**	**404**	**266**	**670**
Total	**$ –**	**$12,496**	**$1,890**	**$14,386**
As of December 2018				
Loan Type				
Corporate	$ –	$ 2,160	$ 659	$ 2,819
Wealth management	–	7,192	58	7,250
Commercial real estate	–	1,041	677	1,718
Residential real estate	–	683	290	973
Other	–	350	306	656
Total	$ –	$11,426	$1,990	$13,416

The gains as a result of changes in the fair value of loans included in the table above were $355 million for 2019 and $372 million for 2018. These gains were included in other principal transactions.

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

Significant Unobservable Inputs

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

	Level 3 Assets and Range of Significant Unobservable Inputs (Weighted Average) as of December	
$ in millions	**2019**	2018
Corporate		
Level 3 assets	**$752**	$659
Yield	**1.9% to 26.3% (9.5%)**	4.8% to 30.0% (12.5%)
Recovery rate	**13.5% to 78.0% (44.4%)**	13.5% to 55.0% (28.4%)
Duration (years)	**3.7 to 5.8 (3.9)**	1.6 to 6.7 (3.0)
Commercial real estate		
Level 3 assets	**$591**	$677
Yield	**7.0% to 16.0% (9.3%)**	8.3% to 22.0% (11.7%)
Recovery rate	**5.9% to 85.2% (48.6%)**	9.7% to 64.9% (37.8%)
Duration (years)	**0.2 to 5.3 (3.5)**	0.7 to 5.9 (3.8)
Residential real estate		
Level 3 assets	**$221**	$290
Yield	**1.1% to 14.0% (11.5%)**	2.6% to 19.3% (11.9%)
Duration (years)	**1.1 to 4.8 (4.0)**	1.4 to 5.4 (4.6)
Wealth management and other		
Level 3 assets	**$326**	$364
Yield	**3.9% to 16.0% (9.9%)**	4.7% to 11.5% (9.0%)
Duration (years)	**1.6 to 6.7 (3.7)**	2.2 to 4.8 (2.8)

In the table above:

- Ranges represent the significant unobservable inputs that were used in the valuation of each type of loan.
- Weighted averages are calculated by weighting each input by the relative fair value of the loan.
- The ranges and weighted averages of these inputs are not representative of the appropriate inputs to use when calculating the fair value of any one loan. For example, the highest yield for residential real estate loans is appropriate for valuing a specific residential real estate loan but may not be appropriate for valuing any other residential real estate loan. Accordingly, the ranges of inputs do not represent uncertainty in, or possible ranges of, fair value measurements of level 3 loans.
- Increases in yield or duration used in the valuation of level 3 loans would have resulted in a lower fair value measurement, while increases in recovery rate would have resulted in a higher fair value measurement as of both December 2019 and December 2018. Due to the distinctive nature of each level 3 loan, the interrelationship of inputs is not necessarily uniform within each product type.
- Loans are valued using discounted cash flows.

Level 3 Rollforward

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

	Year Ended December	
$ in millions	**2019**	2018
Beginning balance	**$1,990**	$1,973
Net realized gains/(losses)	**46**	74
Net unrealized gains/(losses)	**85**	72
Purchases	**249**	88
Sales	**(14)**	(66)
Settlements	**(795)**	(717)
Transfers into level 3	**444**	995
Transfers out of level 3	**(115)**	(429)
Ending balance	**$1,890**	$1,990

In the table above:

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

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

	Year Ended December	
$ in millions	**2019**	2018
Corporate		
Beginning balance	**$ 659**	$ 672
Net realized gains/(losses)	**5**	15
Net unrealized gains/(losses)	**(27)**	(11)
Purchases	**151**	69
Sales	**–**	(58)
Settlements	**(298)**	(225)
Transfers into level 3	**290**	310
Transfers out of level 3	**(28)**	(113)
Ending balance	**$ 752**	$ 659
Commercial real estate		
Beginning balance	**$ 677**	$ 853
Net realized gains/(losses)	**20**	38
Net unrealized gains/(losses)	**28**	33
Purchases	**11**	14
Sales	**(9)**	(4)
Settlements	**(229)**	(330)
Transfers into level 3	**94**	382
Transfers out of level 3	**(1)**	(309)
Ending balance	**$ 591**	$ 677
Residential real estate		
Beginning balance	**$ 290**	$ 213
Net realized gains/(losses)	**15**	18
Net unrealized gains/(losses)	**26**	(13)
Purchases	**58**	3
Sales	**(5)**	(4)
Settlements	**(137)**	(70)
Transfers into level 3	**60**	143
Transfers out of level 3	**(86)**	–
Ending balance	**$ 221**	$ 290
Wealth management and other		
Beginning balance	**$ 364**	$ 235
Net realized gains/(losses)	**6**	3
Net unrealized gains/(losses)	**58**	63
Purchases	**29**	2
Sales	**–**	–
Settlements	**(131)**	(92)
Transfers into level 3	**–**	160
Transfers out of level 3	**–**	(7)
Ending balance	**$ 326**	$ 364

Level 3 Rollforward Commentary

Year Ended December 2019. The net realized and unrealized gains on level 3 loans of $131 million (reflecting $46 million of net realized gains and $85 million of net unrealized gains) for 2019 included gains of $98 million reported in other principal transactions and $33 million reported in interest income.

The drivers of the net unrealized gains on level 3 loans for 2019 were not material.

Transfers into level 3 loans during 2019 primarily reflected transfers of certain corporate loans from level 2, principally due to reduced price transparency as a result of a lack of market evidence.

The drivers of transfers out of level 3 loans during 2019 were not material.

Year Ended December 2018. The net realized and unrealized gains on level 3 loans of $146 million (reflecting $74 million of net realized gains and $72 million of net unrealized gains) for 2018 included gains of $52 million reported in other principal transactions and $94 million reported in interest income.

The drivers of the net unrealized gains on level 3 loans for 2018 were not material.

Transfers into level 3 loans during 2018 primarily reflected transfers of certain commercial real estate and corporate loans from level 2, principally due to reduced price transparency as a result of a lack of market evidence.

Transfers out of level 3 loans during 2018 primarily reflected transfers of certain commercial real estate loans to level 2, principally due to certain unobservable yield and duration inputs no longer being significant to the valuation of these instruments.

Estimated Fair Value

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

	Carrying	Estimated Fair Value		
$ in millions	Value	Level 2	Level 3	Total
As of December 2019				
Amortized cost	**$89,195**	**$52,091**	**$37,095**	**$89,186**
Held for sale	**$ 5,323**	**$ 4,157**	**$ 1,252**	**$ 5,409**
As of December 2018				
Amortized cost	$80,590	$40,640	$40,103	$80,743
Held for sale	$ 3,831	$ 2,662	$ 1,180	$ 3,842

Note 10.

Fair Value Option

Other Financial Assets and Liabilities at Fair Value

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

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

Hybrid financial instruments are instruments that contain bifurcatable embedded derivatives and do not require settlement by physical delivery of nonfinancial assets (e.g., physical commodities). If the firm elects to bifurcate the embedded derivative from the associated debt, the derivative is accounted for at fair value and the host contract is accounted for at amortized cost, adjusted for the effective portion of any fair value hedges. If the firm does not elect to bifurcate, the entire hybrid financial instrument is accounted for at fair value under the fair value option.

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

- Repurchase agreements and substantially all resale agreements;
- Securities borrowed and loaned in FICC financing;
- Substantially all other secured financings, including transfers of assets accounted for as financings;
- Certain unsecured short- and long-term borrowings, substantially all of which are hybrid financial instruments;
- Certain customer and other receivables, including certain margin loans; and
- Certain time deposits (deposits with no stated maturity are not eligible for a fair value option election), including structured certificates of deposit, which are hybrid financial instruments.

Fair Value of Other Financial Assets and Liabilities by Level

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

$ in millions	Level 1	Level 2	Level 3	Total
As of December 2019				
Assets				
Resale agreements	**$ –**	**$ 85,691**	**$ –**	**$ 85,691**
Securities borrowed	**–**	**26,279**	**–**	**26,279**
Customer and other receivables	**–**	**53**	**–**	**53**
Total	**$ –**	**$ 112,023**	**$ –**	**$ 112,023**
Liabilities				
Deposits	**$ –**	**$ (13,742)**	**$ (4,023)**	**$ (17,765)**
Repurchase agreements	**–**	**(117,726)**	**(30)**	**(117,756)**
Securities loaned	**–**	**(714)**	**–**	**(714)**
Other secured financings	**–**	**(17,685)**	**(386)**	**(18,071)**
Unsecured borrowings:				
Short-term	**–**	**(20,300)**	**(5,707)**	**(26,007)**
Long-term	**–**	**(32,920)**	**(10,741)**	**(43,661)**
Other liabilities	**–**	**(1)**	**(149)**	**(150)**
Total	**$ –**	**$(203,088)**	**$(21,036)**	**$(224,124)**
As of December 2018				
Assets				
Resale agreements	$ –	$ 139,220	$ –	$ 139,220
Securities borrowed	–	23,142	–	23,142
Customer and other receivables	–	154	6	160
Total	$ –	$ 162,516	$ 6	$ 162,522
Liabilities				
Deposits	$ –	$ (17,892)	$ (3,168)	$ (21,060)
Repurchase agreements	–	(78,694)	(29)	(78,723)
Securities loaned	–	(3,241)	–	(3,241)
Other secured financings	–	(20,734)	(170)	(20,904)
Unsecured borrowings:				
Short-term	–	(12,887)	(4,076)	(16,963)
Long-term	–	(34,761)	(11,823)	(46,584)
Other liabilities	–	(1)	(131)	(132)
Total	$ –	$(168,210)	$(19,397)	$(187,607)

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

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

Significant Inputs

See below for information about the significant inputs (including the significant unobservable inputs) used to value other financial assets and liabilities at fair value.

Resale and Repurchase Agreements and Securities Borrowed and Loaned. As of both December 2019 and December 2018, the firm had no level 3 resale agreements, securities borrowed or securities loaned. As of both December 2019 and December 2018, the firm's level 3 repurchase agreements were not material.

Customer and Other Receivables. As of December 2019, the firm had no level 3 customer and other receivables. As of December 2018, the firm's level 3 customer and other receivables were not material.

Deposits. The firm's deposits that are classified in level 3 are hybrid financial instruments. As the significant unobservable inputs used to value such instruments primarily relate to the embedded derivative component of these deposits, these unobservable inputs are incorporated in the firm's derivative disclosures in Note 7.

Other Secured Financings. The ranges and weighted averages of significant unobservable inputs used to value level 3 other secured financings as of December 2019 are presented below. These ranges and weighted averages exclude unobservable inputs that are only relevant to a single instrument, and therefore are not meaningful.

- Yield: 3.3% to 4.2% (weighted average: 3.5%)
- Duration: 0.6 to 2.1 years (weighted average: 1.0 year)

Generally, increases in yield or duration, in isolation, would have resulted in a lower fair value measurement as of December 2019. Due to the distinctive nature of each of level 3 other secured financings, the interrelationship of inputs is not necessarily uniform across such financings. As of December 2018, level 3 other secured financings were not material.

Unsecured Short- and Long-Term Borrowings. Certain of the firm's unsecured short- and long-term borrowings are classified in level 3, substantially all of which are hybrid financial instruments. As the significant unobservable inputs used to value hybrid financial instruments primarily relate to the embedded derivative component of these borrowings, these unobservable inputs are incorporated in the firm's derivative disclosures in Note 7.

Other Liabilities. As of both December 2019 and December 2018, the firm's level 3 other liabilities were not material.

Level 3 Rollforward

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

	Year Ended December	
$ in millions	**2019**	2018
Total other financial assets		
Beginning balance	**$ 6**	$ 4
Net realized gains/(losses)	**5**	–
Net unrealized gains/(losses)	**(6)**	2
Settlements	**(5)**	–
Ending balance	**$ –**	$ 6
Total other financial liabilities		
Beginning balance	**$(19,397)**	$(15,462)
Net realized gains/(losses)	**(337)**	(491)
Net unrealized gains/(losses)	**(2,254)**	2,013
Issuances	**(9,892)**	(11,935)
Settlements	**11,104**	7,010
Transfers into level 3	**(877)**	(1,416)
Transfers out of level 3	**617**	884
Ending balance	**$(21,036)**	$(19,397)

In the table above:

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

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

	Year Ended December	
$ in millions	**2019**	2018
Deposits		
Beginning balance	**$ (3,168)**	$ (2,968)
Net realized gains/(losses)	**(3)**	(25)
Net unrealized gains/(losses)	**(473)**	272
Issuances	**(932)**	(796)
Settlements	**452**	298
Transfers into level 3	**(28)**	(8)
Transfers out of level 3	**129**	59
Ending balance	**$ (4,023)**	$ (3,168)
Repurchase agreements		
Beginning balance	**$ (29)**	$ (37)
Net unrealized gains/(losses)	**(4)**	2
Settlements	**3**	6
Ending balance	**$ (30)**	$ (29)
Other secured financings		
Beginning balance	**$ (170)**	$ (389)
Net realized gains/(losses)	**36**	(15)
Net unrealized gains/(losses)	**(52)**	11
Issuances	**(28)**	(8)
Settlements	**19**	157
Transfers into level 3	**(191)**	(10)
Transfers out of level 3	**–**	84
Ending balance	**$ (386)**	$ (170)
Unsecured short-term borrowings		
Beginning balance	**$ (4,076)**	$ (4,594)
Net realized gains/(losses)	**(120)**	(125)
Net unrealized gains/(losses)	**(484)**	558
Issuances	**(5,410)**	(4,564)
Settlements	**4,333**	4,481
Transfers into level 3	**(173)**	(72)
Transfers out of level 3	**223**	240
Ending balance	**$ (5,707)**	$ (4,076)
Unsecured long-term borrowings		
Beginning balance	**$(11,823)**	$ (7,434)
Net realized gains/(losses)	**(278)**	(349)
Net unrealized gains/(losses)	**(1,223)**	1,262
Issuances	**(3,494)**	(6,545)
Settlements	**6,297**	2,068
Transfers into level 3	**(485)**	(1,326)
Transfers out of level 3	**265**	501
Ending balance	**$(10,741)**	$(11,823)
Other liabilities		
Beginning balance	**$ (131)**	$ (40)
Net realized gains/(losses)	**28**	23
Net unrealized gains/(losses)	**(18)**	(92)
Issuances	**(28)**	(22)
Ending balance	**$ (149)**	$ (131)

Level 3 Rollforward Commentary

Year Ended December 2019. The net realized and unrealized losses on level 3 other financial liabilities of $2.59 billion (reflecting $337 million of net realized losses and $2.25 billion of net unrealized losses) for 2019 included losses of $1.98 billion reported in market making, $10 million reported in other principal transactions and $9 million reported in interest expense in the consolidated statements of earnings, and $595 million reported in debt valuation adjustment in the consolidated statements of comprehensive income.

The unrealized losses on level 3 other financial liabilities for 2019 primarily reflected losses on certain hybrid financial instruments included in unsecured long- and short-term borrowings, principally due to an increase in global equity prices, and losses on certain hybrid financial instruments included in deposits, due to the impact of an increase in the market value of the underlying assets.

Transfers into level 3 other financial liabilities during 2019 primarily reflected transfers of certain hybrid financial instruments included in unsecured long- and short-term borrowings and other secured financings from level 2, principally due to reduced price transparency of certain volatility and correlation inputs used to value these instruments.

Transfers out of level 3 other financial liabilities during 2019 primarily reflected transfers of certain hybrid financial instruments included in unsecured long- and short-term borrowings to level 2, principally due to increased price transparency of certain volatility and correlation inputs used to value these instruments.

Year Ended December 2018. The net realized and unrealized gains on level 3 other financial liabilities of $1.52 billion (reflecting $491 million of net realized losses and $2.01 billion of net unrealized gains) for 2018 included gains/(losses) of $883 million reported in market making, $(1) million reported in other principal transactions and $(1) million reported in interest expense in the consolidated statements of earnings, and $641 million reported in debt valuation adjustment in the consolidated statements of comprehensive income.

The net unrealized gains on level 3 other financial liabilities for 2018 primarily reflected gains on certain hybrid financial instruments included in unsecured long-term borrowings, principally due to the impact of wider credit spreads and increases in interest rates, and gains on certain hybrid financial instruments included in unsecured short-term borrowings, principally due to a decrease in global equity prices.

Transfers into level 3 other financial liabilities during 2018 primarily reflected transfers of certain hybrid financial instruments included in unsecured long-term borrowings from level 2, principally due to reduced transparency of certain inputs used to value these instruments as a result of a lack of market transactions in similar instruments.

Transfers out of level 3 other financial liabilities during 2018 primarily reflected transfers of certain hybrid financial instruments included in unsecured long- and short-term borrowings to level 2, principally due to increased transparency of certain volatility and correlation inputs used to value these instruments.

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

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

	Year Ended December		
$ in millions	**2019**	2018	2017
Unsecured short-term borrowings	**$(3,365)**	$1,443	$(2,585)
Unsecured long-term borrowings	**(5,251)**	926	(1,357)
Other	**(883)**	308	(272)
Total	**$(9,499)**	$2,677	$(4,214)

In the table above:

- Gains/(losses) were substantially all included in market making.
- Gains/(losses) exclude contractual interest, which is included in interest income and interest expense, for all instruments other than hybrid financial instruments. See Note 23 for further information about interest income and interest expense.
- Gains/(losses) included in unsecured short- and long-term borrowings were substantially all related to the embedded derivative component of hybrid financial instruments for 2019, 2018 and 2017. These gains and losses would have been recognized under other U.S. GAAP even if the firm had not elected to account for the entire hybrid financial instrument at fair value.
- Other primarily consists of gains/(losses) on customer and other receivables, deposits, other secured financings and other liabilities.
- Other financial assets and liabilities at fair value are frequently economically hedged with trading assets and liabilities. Accordingly, gains or losses on such other financial assets and liabilities can be partially offset by gains or losses on trading assets and liabilities. As a result, gains or losses on other financial assets and liabilities do not necessarily represent the overall impact on the firm's results of operations, liquidity or capital resources.

See Note 8 for information about gains/(losses) on equity securities and Note 9 for information about gains/(losses) on loans which are accounted for at fair value under the fair value option. Gains/(losses) on trading assets and liabilities accounted for at fair value under the fair value option are included in market making. See Note 5 for further information about gains/(losses) from market making.

Long-Term Debt Instruments

The difference between the aggregate contractual principal amount and the related fair value of long-term other secured financings for which the fair value option was elected was not material as of both December 2019 and December 2018.

The fair value of unsecured long-term borrowings exceeded the aggregate contractual principal amount by $199 million as of December 2019, and the aggregate contractual principal amount exceeded the related fair value by $3.47 billion as of December 2018. The amounts above include both principal-protected and non-principal-protected long-term borrowings.

Debt Valuation Adjustment

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

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

	Year Ended December		
$ in millions	**2019**	2018	2017
DVA (pre-tax)	**$(2,763)**	$3,389	$(1,232)
DVA (net of tax)	**$(2,079)**	$2,553	$ (807)

In the table above:

- DVA (net of tax) is included in debt valuation adjustment in the consolidated statements of comprehensive income.
- The gains/(losses) reclassified to earnings from accumulated other comprehensive income/(loss) upon extinguishment of such financial liabilities were not material for 2019, 2018 or 2017.

Loans and Lending Commitments

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

	As of December	
$ in millions	**2019**	2018
Performing loans		
Aggregate contractual principal in excess of fair value	**$ 809**	$1,830
Loans on nonaccrual status and/or more than 90 days past due		
Aggregate contractual principal in excess of fair value	**$6,703**	$5,260
Aggregate fair value	**$2,776**	$2,010

In the table above, the aggregate contractual principal amount of loans on nonaccrual status and/or more than 90 days past due (which excludes loans carried at zero fair value and considered uncollectible) exceeds the related fair value primarily because the firm regularly purchases loans, such as distressed loans, at values significantly below the contractual principal amounts.

The fair value of unfunded lending commitments for which the fair value option was elected was a liability of $373 million as of December 2019 and $45 million as of December 2018, and the related total contractual amount of these lending commitments was $1.55 billion as of December 2019 and $1.89 billion as of December 2018. See Note 18 for further information about lending commitments.

Impact of Credit Spreads on Loans and Lending Commitments

The estimated net gain attributable to changes in instrument-specific credit spreads on loans and lending commitments for which the fair value option was elected was $134 million for 2019, $211 million for 2018 and $268 million for 2017. The firm generally calculates the fair value of loans and lending commitments for which the fair value option is elected by discounting future cash flows at a rate which incorporates the instrument-specific credit spreads. For floating-rate loans and lending commitments, substantially all changes in fair value are attributable to changes in instrument-specific credit spreads, whereas for fixed-rate loans and lending commitments, changes in fair value are also attributable to changes in interest rates.

Note 11.

Collateralized Agreements and Financings

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

Collateralized agreements and financings are presented on a net-by-counterparty basis when a legal right of setoff exists. Interest on collateralized agreements, which is included in interest income, and collateralized financings, which is included in interest expense, is recognized over the life of the transaction. See Note 23 for further information about interest income and interest expense.

The table below presents the carrying value of resale and repurchase agreements and securities borrowed and loaned transactions.

	As of December	
$ in millions	**2019**	2018
Resale agreements	**$ 85,691**	$139,258
Securities borrowed	**$136,071**	$135,285
Repurchase agreements	**$117,756**	$ 78,723
Securities loaned	**$ 14,985**	$ 11,808

In the table above:

- Substantially all resale agreements and all repurchase agreements are carried at fair value under the fair value option. See Note 4 for further information about the valuation techniques and significant inputs used to determine fair value.
- Securities borrowed of $26.28 billion as of December 2019 and $23.14 billion as of December 2018, and securities loaned of $714 million as of December 2019 and $3.24 billion as of December 2018 were at fair value.

Resale and Repurchase Agreements

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

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

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

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

Securities Borrowed and Loaned Transactions

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

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

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

Securities borrowed and loaned within FICC financing are recorded at fair value under the fair value option. See Note 10 for further information about securities borrowed and loaned accounted for at fair value.

Securities borrowed and loaned within Equities financing are recorded based on the amount of cash collateral advanced or received plus accrued interest. As these agreements generally can be terminated on demand, they exhibit little, if any, sensitivity to changes in interest rates. Therefore, the carrying value of such agreements approximates fair value. As these agreements are not accounted for at fair value, they are not included in the firm's fair value hierarchy in Notes 4 through 10. Had these agreements been included in the firm's fair value hierarchy, they would have been classified in level 2 as of both December 2019 and December 2018.

Offsetting Arrangements

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

	Assets		Liabilities	
$ in millions	Resale agreements	Securities borrowed	Repurchase agreements	Securities loaned
As of December 2019				
Included in the consolidated balance sheets				
Gross carrying value	**$ 152,982**	**$ 140,677**	**$ 185,047**	**$ 19,591**
Counterparty netting	**(67,291)**	**(4,606)**	**(67,291)**	**(4,606)**
Total	**85,691**	**136,071**	**117,756**	**14,985**
Amounts not offset				
Counterparty netting	**(3,058)**	**(2,211)**	**(3,058)**	**(2,211)**
Collateral	**(78,528)**	**(127,901)**	**(114,065)**	**(12,614)**
Total	**$ 4,105**	**$ 5,959**	**$ 633**	**$ 160**
As of December 2018				
Included in the consolidated balance sheets				
Gross carrying value	$ 246,284	$ 139,556	$ 185,749	$ 16,079
Counterparty netting	(107,026)	(4,271)	(107,026)	(4,271)
Total	139,258	135,285	78,723	11,808
Amounts not offset				
Counterparty netting	(5,870)	(1,104)	(5,870)	(1,104)
Collateral	(130,707)	(127,340)	(70,691)	(10,491)
Total	$ 2,681	$ 6,841	$ 2,162	$ 213

In the table above:

- Substantially all of the gross carrying values of these arrangements are subject to enforceable netting agreements.
- Where the firm has received or posted collateral under credit support agreements, but has not yet determined such agreements are enforceable, the related collateral has not been netted.
- Amounts not offset includes counterparty netting that does not meet the criteria for netting under U.S. GAAP and the fair value of collateral received or posted subject to enforceable credit support agreements.

Gross Carrying Value of Repurchase Agreements and Securities Loaned

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

$ in millions	Repurchase agreements	Securities loaned
As of December 2019		
Money market instruments	**$ 158**	**$ –**
U.S. government and agency obligations	**112,903**	**–**
Non-U.S. government and agency obligations	**55,575**	**1,051**
Securities backed by commercial real estate	**210**	**–**
Securities backed by residential real estate	**1,079**	**–**
Corporate debt securities	**6,857**	**122**
State and municipal obligations	**242**	**–**
Other debt obligations	**196**	**–**
Equity securities	**7,827**	**18,418**
Total	**$185,047**	**$19,591**
As of December 2018		
Money market instruments	$ 100	$ –
U.S. government and agency obligations	88,060	–
Non-U.S. government and agency obligations	84,443	2,438
Securities backed by commercial real estate	3	–
Securities backed by residential real estate	221	–
Corporate debt securities	5,495	195
Other debt obligations	25	–
Equity securities	7,402	13,446
Total	$185,749	$16,079

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

	As of December 2019	
$ in millions	**Repurchase agreements**	**Securities loaned**
No stated maturity and overnight	**$ 70,260**	**$14,467**
2 - 30 days	**81,440**	**3,117**
31 - 90 days	**12,874**	**841**
91 days - 1 year	**16,266**	**1,166**
Greater than 1 year	**4,207**	**–**
Total	**$185,047**	**$19,591**

In the table above:

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

Other Secured Financings

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

- Liabilities of consolidated VIEs;
- Transfers of assets accounted for as financings rather than sales (e.g., collateralized central bank financings, pledged commodities, bank loans and mortgage whole loans); and
- Other structured financing arrangements.

Other secured financings included nonrecourse arrangements. Nonrecourse other secured financings were $10.91 billion as of December 2019 and $8.47 billion as of December 2018.

The firm has elected to apply the fair value option to substantially all other secured financings because the use of fair value eliminates non-economic volatility in earnings that would arise from using different measurement attributes. See Note 10 for further information about other secured financings that are accounted for at fair value.

Other secured financings that are not recorded at fair value are recorded based on the amount of cash received plus accrued interest, which generally approximates fair value. As these financings are not accounted for at fair value, they are not included in the firm's fair value hierarchy in Notes 4 through 10. Had these financings been included in the firm's fair value hierarchy, they would have been primarily classified in level 2 as of both December 2019 and December 2018.

The table below presents information about other secured financings.

$ in millions	U.S. Dollar	Non-U.S. Dollar	Total
As of December 2019			
Other secured financings (short-term):			
At fair value	**$ 2,754**	**$4,441**	**$ 7,195**
At amortized cost	**129**	**–**	**129**
Other secured financings (long-term):			
At fair value	**7,402**	**3,474**	**10,876**
At amortized cost	**397**	**680**	**1,077**
Total other secured financings	**$10,682**	**$8,595**	**$19,277**
Other secured financings collateralized by:			
Financial instruments	**$ 5,506**	**$6,509**	**$12,015**
Other assets	**$ 5,856**	**$1,406**	**$ 7,262**
As of December 2018			
Other secured financings (short-term):			
At fair value	$ 3,528	$6,027	$ 9,555
At amortized cost	–	–	–
Other secured financings (long-term):			
At fair value	9,010	2,339	11,349
At amortized cost	529	–	529
Total other secured financings	$13,067	$8,366	$21,433
Other secured financings collateralized by:			
Financial instruments	$ 8,960	$7,550	$16,510
Other assets	$ 4,107	$ 816	$ 4,923

In the table above:

- Short-term other secured financings includes financings maturing within one year of the financial statement date and financings that are redeemable within one year of the financial statement date at the option of the holder.
- U.S. dollar-denominated short-term other secured financings at amortized cost had a weighted average interest rate of 4.32% as of December 2019. These rates include the effect of hedging activities.
- U.S. dollar-denominated long-term other secured financings at amortized cost had a weighted average interest rate of 1.28% as of December 2019 and 4.02% as of December 2018. These rates include the effect of hedging activities.
- Total other secured financings included $2.16 billion as of December 2019 and $2.40 billion as of December 2018 related to transfers of financial assets accounted for as financings rather than sales. Such financings were collateralized by financial assets of $2.21 billion as of December 2019 and $2.41 billion as of December 2018, both primarily included in trading assets.
- Other secured financings collateralized by financial instruments included $9.09 billion as of December 2019 and $12.41 billion as of December 2018 of other secured financings collateralized by trading assets and loans, and included $2.93 billion as of December 2019 and $4.10 billion as of December 2018 of other secured financings collateralized by financial instruments received as collateral and repledged.

The table below presents other secured financings by maturity.

$ in millions	As of December 2019
Other secured financings (short-term)	**$ 7,324**
Other secured financings (long-term):	
2021	**3,683**
2022	**1,842**
2023	**1,399**
2024	**1,358**
2025 - thereafter	**3,671**
Total other secured financings (long-term)	**11,953**
Total other secured financings	**$19,277**

In the table above:

- Long-term other secured financings that are repayable prior to maturity at the option of the firm are reflected at their contractual maturity dates.
- Long-term other secured financings that are redeemable prior to maturity at the option of the holder are reflected at the earliest dates such options become exercisable.

Collateral Received and Pledged

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

In many cases, the firm is permitted to deliver or repledge financial instruments received as collateral when entering into repurchase agreements and securities loaned transactions, primarily in connection with secured client financing activities. The firm is also permitted to deliver or repledge these financial instruments in connection with other secured financings, collateralized derivative transactions and firm or customer settlement requirements.

The firm also pledges certain trading assets in connection with repurchase agreements, securities loaned transactions and other secured financings, and other assets (substantially all real estate and cash) in connection with other secured financings to counterparties who may or may not have the right to deliver or repledge them.

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

	As of December	
$ in millions	**2019**	2018
Collateral available to be delivered or repledged	**$661,490**	$681,516
Collateral that was delivered or repledged	**$558,634**	$565,625

In the table above, collateral available to be delivered or repledged excluded $6.15 billion as of December 2019 and $14.10 billion as of December 2018 of securities received under resale agreements and securities borrowed transactions that contractually had the right to be delivered or repledged, but were segregated for regulatory and other purposes.

The table below presents information about assets pledged.

	As of December	
$ in millions	**2019**	2018
Pledged to counterparties that had the right to deliver or repledge		
Trading assets	**$ 66,605**	$ 47,371
Investments	**$ 10,968**	$ 7,710
Pledged to counterparties that did not have the right to deliver or repledge		
Trading assets	**$101,578**	$ 67,683
Investments	**$ 849**	$ 617
Loans	**$ 6,628**	$ 5,240
Other assets	**$ 12,337**	$ 8,037

The firm also segregated securities included in trading assets of $20.61 billion as of December 2019 and $23.03 billion as of December 2018 for regulatory and other purposes. See Note 3 for information about segregated cash.

Note 12.

Other Assets

The table below presents other assets by type.

	As of December	
$ in millions	**2019**	2018
Property, leasehold improvements and equipment	**$21,886**	$18,317
Goodwill and identifiable intangible assets	**4,837**	4,082
Operating lease right-of-use assets	**2,360**	–
Income tax-related assets	**2,068**	1,529
Miscellaneous receivables and other	**3,731**	5,067
Total	**$34,882**	$28,995

Property, Leasehold Improvements and Equipment

Property, leasehold improvements and equipment is net of accumulated depreciation and amortization of $9.95 billion as of December 2019 and $9.08 billion as of December 2018. Property, leasehold improvements and equipment included $6.16 billion as of December 2019 and $5.57 billion as of December 2018 that the firm uses in connection with its operations, and $521 million as of December 2019 and $896 million as of December 2018 of foreclosed real estate primarily related to PCI loans. The remainder is held by investment entities, including VIEs, consolidated by the firm. Substantially all property and equipment is depreciated on a straight-line basis over the useful life of the asset. Leasehold improvements are amortized on a straight-line basis over the shorter of the useful life of the improvement or the term of the lease. Capitalized costs of software developed or obtained for internal use are amortized on a straight-line basis over three years.

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

There were no material impairments during 2019, 2018 or 2017.

Goodwill and Identifiable Intangible Assets

Goodwill. Goodwill is the cost of acquired companies in excess of the fair value of net assets, including identifiable intangible assets, at the acquisition date.

During the fourth quarter of 2019, in connection with the changes to the firm's business segments, the firm reassigned the goodwill to its new reporting units.

The table below presents the carrying value of goodwill by reporting unit.

	As of December	
$ in millions	**2019**	2018
Investment Banking	**$ 281**	$ 281
Global Markets:		
FICC	**269**	269
Equities	**2,508**	2,508
Asset Management	**390**	244
Consumer & Wealth Management:		
Consumer banking	**48**	48
Wealth management	**700**	408
Total	**$4,196**	$3,758

In the table above:

- Goodwill in Investment Banking and FICC was not reassigned as no businesses were transferred in or out of these reporting units. The Securities services reporting unit, including its goodwill, was combined with the Equities reporting unit in the new segment structure.
- Goodwill related to Consumer banking previously included in Investing & Lending was transferred in its entirety as the consumer banking business had not been integrated with other activities in Investing & Lending. The remaining goodwill previously in Investing & Lending was transferred in its entirety to Asset Management and Wealth management based on underlying business activities.
- Goodwill previously in Investment Management was reassigned to Asset Management and Wealth management based on the relative fair value of the businesses.
- The increase in total goodwill from December 2018 to December 2019 included $398 million related to the acquisition of United Capital Financial Partners, Inc. (United Capital) in the third quarter of 2019.

Goodwill is assessed for impairment annually in the fourth quarter or more frequently if events occur or circumstances change that indicate an impairment may exist. When assessing goodwill for impairment, first, a qualitative assessment can be made to determine whether it is more likely than not that the estimated fair value of a reporting unit is less than its estimated carrying value. If the results of the qualitative assessment are not conclusive, a quantitative goodwill test is performed. Alternatively, a quantitative goodwill test can be performed without performing a qualitative assessment.

The quantitative goodwill test compares the estimated fair value of each reporting unit with its estimated net book value (including goodwill and identifiable intangible assets). If the reporting unit's estimated fair value exceeds its estimated net book value, goodwill is not impaired. An impairment is recognized if the estimated fair value of a reporting unit is less than its estimated net book value.

During the fourth quarter of 2019, goodwill was tested for impairment using a quantitative test (both prior to and following the firm's changes to its business segments) and the qualitative assessment was not performed. For each test, the estimated fair value of each of the reporting units exceeded its respective net carrying value, and therefore, goodwill was not impaired.

To estimate the fair value of each reporting unit, other than Consumer banking, a relative value technique was used because the firm believes market participants would use this technique to value these reporting units. The relative value technique applies observable price-to-earnings multiples or price-to-book multiples of comparable competitors to reporting units' net earnings or net book value. To estimate the fair value of Consumer banking, a discounted cash flow valuation approach was used because the firm believes market participants would use this technique to value that reporting unit given its early stage of development. The estimated net carrying value of each reporting unit reflects an allocation of total shareholders' equity and represents the estimated amount of total shareholders' equity required to support the activities of the reporting unit under currently applicable regulatory capital requirements.

Identifiable Intangible Assets. The table below presents identifiable intangible assets by reporting unit and type.

	As of December	
$ in millions	**2019**	2018
By Reporting Unit		
Global Markets:		
FICC	**$ 3**	$ 10
Equities	**–**	37
Asset Management	**265**	219
Consumer & Wealth Management:		
Consumer banking	**7**	10
Wealth management	**366**	48
Total	**$ 641**	$ 324
By Type		
Customer lists		
Gross carrying value	**$ 1,427**	$ 1,117
Accumulated amortization	**(1,044)**	(970)
Net carrying value	**383**	147
Acquired leases and other		
Gross carrying value	**790**	636
Accumulated amortization	**(532)**	(459)
Net carrying value	**258**	177
Total gross carrying value	**2,217**	1,753
Total accumulated amortization	**(1,576)**	(1,429)
Total net carrying value	**$ 641**	$ 324

The firm acquired $515 million of intangible assets during 2019, primarily related to customer lists, with a weighted average amortization period of 10 years. This amount included $354 million of intangible assets that were acquired in connection with the acquisition of United Capital. The firm acquired $137 million of intangible assets during 2018, primarily related to acquired leases, with a weighted average amortization period of 4 years.

Substantially all of the firm's identifiable intangible assets have finite useful lives and are amortized over their estimated useful lives generally using the straight-line method.

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

	Year Ended December		
$ in millions	**2019**	2018	2017
Amortization	**$173**	$152	$150

$ in millions	**As of December 2019**
Estimated future amortization	
2020	**$122**
2021	**$ 91**
2022	**$ 77**
2023	**$ 71**
2024	**$ 59**

The firm tests intangible assets for impairment whenever events or changes in circumstances suggest that an asset's or asset group's carrying value may not be fully recoverable. To the extent the carrying value of an asset or asset group exceeds the projected undiscounted cash flows expected to result from the use and eventual disposal of the asset or asset group, the firm determines the asset or asset group is impaired and records an impairment equal to the difference between the estimated fair value and the carrying value of the asset or asset group. In addition, the firm will recognize an impairment prior to the sale of an asset or asset group if the carrying value of the asset or asset group exceeds its estimated fair value. There were no material impairments during 2019, 2018 or 2017.

Operating Lease Right-of-Use Assets

The firm enters into operating leases for real estate, office equipment and other assets, substantially all of which are used in connection with its operations. The firm adopted ASU No. 2016-02 in January 2019, which required the firm to recognize, for leases longer than one year, a right-of-use asset representing the right to use the underlying asset for the lease term, and a lease liability representing the liability to make payments. The lease term is generally determined based on the contractual maturity of the lease. For leases where the firm has the option to terminate or extend the lease, an assessment of the likelihood of exercising the option is incorporated into the determination of the lease term. Such assessment is initially performed at the inception of the lease and is updated if events occur that impact the original assessment.

An operating lease right-of-use asset is initially determined based on the operating lease liability, adjusted for initial direct costs, lease incentives and amounts paid at or prior to lease commencement. This amount is then amortized over the lease term. The firm recognized $963 million (primarily related to the firm's new European headquarters in London) of right-of-use assets and operating lease liabilities in non-cash transactions for leases entered into or assumed during 2019. See Note 15 for information about operating lease liabilities.

For leases where the firm will derive no economic benefit from leased space that it has vacated or where the firm has shortened the term of a lease when space is no longer needed, the firm will record an impairment or accelerated amortization of right-of-use assets. There were no material impairments or accelerated amortizations during 2019.

Miscellaneous Receivables and Other

Miscellaneous receivables and other included:

- Investments in qualified affordable housing projects of $606 million as of December 2019 and $653 million as of December 2018.
- Assets classified as held for sale of $470 million as of December 2019 and $365 million as of December 2018 related to the firm's consolidated investments within its Asset Management segment, substantially all of which consisted of property and equipment. In addition, assets classified as held for sale also included assets of $1.01 billion as of December 2018, related to the firm's new European headquarters in London. This property was sold in January 2019 pursuant to a sale and leaseback agreement and the firm recognized a right-of-use asset upon the leaseback.

Note 13.

Deposits

The table below presents the types and sources of deposits.

$ in millions	Savings and Demand	Time	Total
As of December 2019			
Private bank deposits	**$ 53,726**	**$ 2,087**	**$ 55,813**
Consumer deposits	**44,973**	**15,023**	**59,996**
Brokered certificates of deposit	**–**	**39,449**	**39,449**
Deposit sweep programs	**17,760**	**–**	**17,760**
Institutional deposits	**2,291**	**14,710**	**17,001**
Total	**$118,750**	**$71,269**	**$190,019**
As of December 2018			
Private bank deposits	$ 52,028	$ 2,311	$ 54,339
Consumer deposits	27,987	7,641	35,628
Brokered certificates of deposit	–	35,876	35,876
Deposit sweep programs	15,903	–	15,903
Institutional deposits	1	16,510	16,511
Total	$ 95,919	$62,338	$158,257

In the table above:

- Substantially all deposits are interest-bearing.
- Savings and demand accounts consist of money market deposit accounts, negotiable order of withdrawal accounts and demand deposit accounts that have no stated maturity or expiration date.
- Time deposits included $17.77 billion as of December 2019 and $21.06 billion as of December 2018 of deposits accounted for at fair value under the fair value option. See Note 10 for further information about deposits accounted for at fair value.
- Time deposits had a weighted average maturity of approximately 1.7 years as of December 2019 and 1.8 years as of December 2018.
- Deposit sweep programs represent long-term contractual agreements with U.S. broker-dealers who sweep client cash to FDIC-insured deposits. As of December 2019, the firm had 12 such deposit sweep program agreements.
- Deposits insured by the FDIC were $103.98 billion as of December 2019 and $86.27 billion as of December 2018.
- Deposits insured by the U.K.'s Financial Services Compensation Scheme were $15.86 billion as of December 2019 and $6.05 billion as of December 2018.

The table below presents the location of deposits.

	As of December	
$ in millions	**2019**	2018
U.S. offices	**$150,759**	$126,444
Non-U.S. offices	**39,260**	31,813
Total	**$190,019**	$158,257

In the table above, U.S. deposits were held at Goldman Sachs Bank USA (GS Bank USA) and substantially all non-U.S. deposits were held at Goldman Sachs International Bank (GSIB).

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

	As of December 2019		
$ in millions	**U.S.**	**Non-U.S.**	**Total**
2020	**$28,260**	**$10,736**	**$38,996**
2021	**8,741**	**459**	**9,200**
2022	**8,059**	**81**	**8,140**
2023	**5,936**	**57**	**5,993**
2024	**4,233**	**125**	**4,358**
2025 - thereafter	**3,584**	**998**	**4,582**
Total	**$58,813**	**$12,456**	**$71,269**

As of December 2019, deposits in U.S. offices included $8.81 billion and non-U.S. offices included $12.45 billion of time deposits in denominations that met or exceeded the applicable insurance limits, or were otherwise not covered by insurance.

The firm's savings and demand deposits are recorded based on the amount of cash received plus accrued interest, which approximates fair value. In addition, the firm designates certain derivatives as fair value hedges to convert a portion of its time deposits not accounted for at fair value from fixed-rate obligations into floating-rate obligations. The carrying value of time deposits not accounted for at fair value approximated fair value as of both December 2019 and December 2018. As these savings and demand deposits and time deposits are not accounted for at fair value, they are not included in the firm's fair value hierarchy in Notes 4 through 10. Had these deposits been included in the firm's fair value hierarchy, they would have been classified in level 2 as of both December 2019 and December 2018.

Note 14.

Unsecured Borrowings

The table below presents information about unsecured borrowings.

	As of December	
$ in millions	**2019**	2018
Unsecured short-term borrowings	**$ 48,287**	$ 40,502
Unsecured long-term borrowings	**207,076**	224,149
Total	**$255,363**	$264,651

Unsecured Short-Term Borrowings

Unsecured short-term borrowings includes the portion of unsecured long-term borrowings maturing within one year of the financial statement date and unsecured long-term borrowings that are redeemable within one year of the financial statement date at the option of the holder.

The firm accounts for certain hybrid financial instruments at fair value under the fair value option. See Note 10 for further information about unsecured short-term borrowings that are accounted for at fair value. In addition, the firm designates certain derivatives as fair value hedges to convert a portion of its unsecured short-term borrowings not accounted for at fair value from fixed-rate obligations into floating-rate obligations. The carrying value of unsecured short-term borrowings that are not recorded at fair value generally approximates fair value due to the short-term nature of the obligations. As these unsecured short-term borrowings are not accounted for at fair value, they are not included in the firm's fair value hierarchy in Notes 4 through 10. Had these borrowings been included in the firm's fair value hierarchy, substantially all would have been classified in level 2 as of both December 2019 and December 2018.

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

	As of December	
$ in millions	**2019**	2018
Current portion of unsecured long-term borrowings	**$30,636**	$27,476
Hybrid financial instruments	**15,814**	10,908
Other unsecured short-term borrowings	**1,837**	2,118
Total unsecured short-term borrowings	**$48,287**	$40,502
Weighted average interest rate	**2.71%**	2.51%

In the table above:

- The current portion of unsecured long-term borrowings included $21.27 billion as of December 2019 and $20.91 billion as of December 2018 issued by Group Inc.
- The weighted average interest rates for these borrowings include the effect of hedging activities and exclude unsecured short-term borrowings accounted for at fair value under the fair value option. See Note 7 for further information about hedging activities.

Unsecured Long-Term Borrowings

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

$ in millions	U.S. Dollar	Non-U.S. Dollar	Total
As of December 2019			
Fixed-rate obligations:			
Group Inc.	**$ 91,256**	**$33,631**	**$124,887**
Subsidiaries	**1,590**	**2,554**	**4,144**
Floating-rate obligations:			
Group Inc.	**25,318**	**18,383**	**43,701**
Subsidiaries	**22,532**	**11,812**	**34,344**
Total	**$140,696**	**$66,380**	**$207,076**
As of December 2018			
Fixed-rate obligations:			
Group Inc.	$ 97,354	$34,030	$131,384
Subsidiaries	2,581	2,624	5,205
Floating-rate obligations:			
Group Inc.	30,565	21,157	51,722
Subsidiaries	23,756	12,082	35,838
Total	$154,256	$69,893	$224,149

In the table above:

- Unsecured long-term borrowings consists principally of senior borrowings, which have maturities extending through 2067.
- Floating-rate obligations includes equity-linked and indexed instruments. Floating interest rates are generally based on LIBOR or Euro Interbank Offered Rate.
- U.S. dollar-denominated debt had interest rates ranging from 2.00% to 10.04% (with a weighted average rate of 3.82%) as of December 2019 and 2.00% to 10.04% (with a weighted average rate of 4.22%) as of December 2018. These rates exclude unsecured long-term borrowings accounted for at fair value under the fair value option.
- Non-U.S. dollar-denominated debt had interest rates ranging from 0.13% to 13.00% (with a weighted average rate of 2.33%) as of December 2019 and 0.31% to 13.00% (with a weighted average rate of 2.43%) as of December 2018. These rates exclude unsecured long-term borrowings accounted for at fair value under the fair value option.

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

	As of December 2019		
$ in millions	**Group Inc.**	**Subsidiaries**	**Total**
2021	**$ 20,334**	**$ 6,003**	**$ 26,337**
2022	**21,874**	**3,413**	**25,287**
2023	**21,644**	**5,048**	**26,692**
2024	**15,083**	**4,061**	**19,144**
2025 - thereafter	**89,653**	**19,963**	**109,616**
Total	**$168,588**	**$38,488**	**$207,076**

In the table above:

- Unsecured long-term borrowings maturing within one year of the financial statement date and unsecured long-term borrowings that are redeemable within one year of the financial statement date at the option of the holder are excluded as they are included in unsecured short-term borrowings.
- Unsecured long-term borrowings that are repayable prior to maturity at the option of the firm are reflected at their contractual maturity dates.
- Unsecured long-term borrowings that are redeemable prior to maturity at the option of the holder are reflected at the earliest dates such options become exercisable.
- Unsecured long-term borrowings included $7.69 billion of adjustments to the carrying value of certain unsecured long-term borrowings resulting from the application of hedge accounting by year of maturity as follows: $257 million in 2021, $(44) million in 2022, $83 million in 2023, $355 million in 2024, and $7.04 billion in 2025 and thereafter.

The firm designates certain derivatives as fair value hedges to convert a portion of fixed-rate unsecured long-term borrowings not accounted for at fair value into floating-rate obligations. See Note 7 for further information about hedging activities.

The table below presents unsecured long-term borrowings, after giving effect to such hedging activities.

$ in millions	Group Inc.	Subsidiaries	Total
As of December 2019			
Fixed-rate obligations:			
At fair value	**$ 678**	**$ 47**	**$ 725**
At amortized cost	**44,631**	**2,946**	**47,577**
Floating-rate obligations:			
At fair value	**14,920**	**28,016**	**42,936**
At amortized cost	**108,359**	**7,479**	**115,838**
Total	**$168,588**	**$38,488**	**$207,076**
As of December 2018			
Fixed-rate obligations:			
At fair value	$ –	$ 28	$ 28
At amortized cost	71,221	3,331	74,552
Floating-rate obligations:			
At fair value	16,387	30,169	46,556
At amortized cost	95,498	7,515	103,013
Total	$183,106	$41,043	$224,149

In the table above, the aggregate amounts of unsecured long-term borrowings had weighted average interest rates of 2.87% (3.77% related to fixed-rate obligations and 2.48% related to floating-rate obligations) as of December 2019 and 3.21% (3.79% related to fixed-rate obligations and 2.79% related to floating-rate obligations) as of December 2018. These rates exclude unsecured long-term borrowings accounted for at fair value under the fair value option.

As of both December 2019 and December 2018, the carrying value of unsecured long-term borrowings for which the firm did not elect the fair value option approximated fair value. As these borrowings are not accounted for at fair value, they are not included in the firm's fair value hierarchy in Notes 4 through 10. Had these borrowings been included in the firm's fair value hierarchy, substantially all would have been classified in level 2 as of both December 2019 and December 2018.

Subordinated Borrowings

Unsecured long-term borrowings includes subordinated debt and junior subordinated debt. Junior subordinated debt is junior in right of payment to other subordinated borrowings, which are junior to senior borrowings. Subordinated debt had maturities ranging from 2021 to 2045 as of both December 2019 and December 2018. Subordinated debt that matures within one year is included in unsecured short-term borrowings.

The table below presents information about subordinated borrowings.

$ in millions	Par Amount	Carrying Value	Rate
As of December 2019			
Subordinated debt	**$14,041**	**$16,980**	**3.46%**
Junior subordinated debt	**976**	**1,328**	**2.85%**
Total	**$15,017**	**$18,308**	**3.42%**
As of December 2018			
Subordinated debt	$14,023	$15,703	4.09%
Junior subordinated debt	1,140	1,425	3.19%
Total	$15,163	$17,128	4.02%

In the table above:

- The par amount of subordinated debt issued by Group Inc. was $14.04 billion as of December 2019 and $14.02 billion as of December 2018, and the carrying value of subordinated debt issued by Group Inc. was $16.98 billion as of December 2019 and $15.70 billion as of December 2018.
- The rate is the weighted average interest rate for these borrowings (excluding borrowings accounted for at fair value under the fair value option), including the effect of fair value hedges used to convert fixed-rate obligations into floating-rate obligations. See Note 7 for further information about hedging activities.

Junior Subordinated Debt

In 2004, Group Inc. issued $2.84 billion of junior subordinated debt to Goldman Sachs Capital I (Trust), a Delaware statutory trust. The Trust issued $2.75 billion of guaranteed preferred beneficial interests (Trust Preferred securities) to third parties and $85 million of common beneficial interests to Group Inc. As of December 2019, the outstanding par amount of junior subordinated debt held by the Trust was $976 million and the outstanding par amount of Trust Preferred securities and common beneficial interests issued by the Trust was $947 million and $29 million, respectively. As of December 2018, the outstanding par amount of junior subordinated debt held by the Trust was $1.14 billion and the outstanding par amount of Trust Preferred securities and common beneficial interests issued by the Trust was $1.11 billion and $34.1 million, respectively.

The firm purchased Trust Preferred securities with a par amount and a carrying value of $159 million and $206 million in 2019, $28 million and $35 million in 2018, and $186 million and $237 million in 2017, respectively. These securities were delivered to the Trust, along with common beneficial interests of $5 million in 2019, $1 million in 2018 and $6 million in 2017, in a non-cash exchange for junior subordinated debt with a par amount and carrying value of $164 million and $231 million in 2019, $29 million and $36 million in 2018, and $192 million and $254 million in 2017, respectively. Following the exchanges, these Trust Preferred securities, common beneficial interests and junior subordinated debt were extinguished. The Trust is a wholly-owned finance subsidiary of the firm for regulatory and legal purposes but is not consolidated for accounting purposes.

The firm pays interest semi-annually on the junior subordinated debt at an annual rate of 6.345% and the debt matures on February 15, 2034. The coupon rate and the payment dates applicable to the beneficial interests are the same as the interest rate and payment dates for the junior subordinated debt. The firm has the right, from time to time, to defer payment of interest on the junior subordinated debt, and therefore cause payment on the Trust's preferred beneficial interests to be deferred, in each case up to ten consecutive semi-annual periods. During any such deferral period, the firm will not be permitted to, among other things, pay dividends on or make certain repurchases of its common stock. The Trust is not permitted to pay any distributions on the common beneficial interests held by Group Inc. unless all dividends payable on the preferred beneficial interests have been paid in full.

The firm has covenanted in favor of the holders of Group Inc.'s 6.345% junior subordinated debt due February 15, 2034, that, subject to certain exceptions, the firm will not redeem or purchase the capital securities issued by Goldman Sachs Capital II and Goldman Sachs Capital III (APEX Trusts) or shares of Group Inc.'s Perpetual Non-Cumulative Preferred Stock, Series E (Series E Preferred Stock), Perpetual Non-Cumulative Preferred Stock, Series F (Series F Preferred Stock) or Perpetual Non-Cumulative Preferred Stock, Series O, if the redemption or purchase results in less than $253 million aggregate liquidation preference of that series outstanding, prior to specified dates in 2022 for a price that exceeds a maximum amount determined by reference to the net cash proceeds that the firm has received from the sale of qualifying securities.

The APEX Trusts hold Group Inc.'s Series E Preferred Stock and Series F Preferred Stock. These trusts are Delaware statutory trusts sponsored by the firm and wholly-owned finance subsidiaries of the firm for regulatory and legal purposes but are not consolidated for accounting purposes.

Note 15.

Other Liabilities

The table below presents other liabilities by type.

	As of December	
$ in millions	**2019**	2018
Compensation and benefits	**$ 6,889**	$ 6,834
Income tax-related liabilities	**2,947**	2,864
Operating lease liabilities	**2,385**	–
Noncontrolling interests	**1,713**	1,568
Employee interests in consolidated funds	**81**	122
Accrued expenses and other	**7,636**	6,219
Total	**$21,651**	$17,607

In the table above, accrued expenses and other includes contract liabilities, which represent consideration received by the firm, in connection with its contracts with clients, prior to providing the service. As of both December 2019 and December 2018, the firm's contract liabilities were not material.

Operating Lease Liabilities

The firm adopted ASU No. 2016-02 in January 2019, which required the firm to recognize, for leases longer than one year, a right-of-use asset representing the right to use the underlying asset for the lease term, and a lease liability representing the liability to make payments. See Note 12 for information about operating lease right-of-use assets.

The table below presents information about operating lease liabilities.

$ in millions	**As of December 2019**
2020	**$ 384**
2021	**308**
2022	**268**
2023	**235**
2024	**219**
2025 - thereafter	**2,566**
Total undiscounted lease payments	**3,980**
Imputed interest	**(1,595)**
Total operating lease liabilities	**$ 2,385**
Weighted average remaining lease term	**18 years**
Weighted average discount rate	**5.02%**

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

Operating lease costs were $538 million for 2019, $409 million for 2018 and $390 million for 2017. Variable lease costs, which are included in operating lease costs, were not material for 2019, 2018 and 2017.

Operating lease liabilities include obligations for office space held in excess of current requirements. Operating lease costs relating to space held for growth is included in occupancy expenses. Total occupancy expenses for space held in excess of the firm's current requirements were not material for both 2019 and 2018.

Lease payments relating to operating lease arrangements that were signed, but had not yet commenced as of December 2019, were not material.

Note 16.

Securitization Activities

The firm securitizes residential and commercial mortgages, corporate bonds, loans and other types of financial assets by selling these assets to securitization vehicles (e.g., trusts, corporate entities and limited liability companies) or through a resecuritization. The firm acts as underwriter of the beneficial interests that are sold to investors. The firm's residential mortgage securitizations are primarily in connection with government agency securitizations.

The firm accounts for a securitization as a sale when it has relinquished control over the transferred financial assets. Prior to securitization, the firm generally accounts for assets pending transfer at fair value and therefore does not typically recognize significant gains or losses upon the transfer of assets. Net revenues from underwriting activities are recognized in connection with the sales of the underlying beneficial interests to investors.

The firm generally receives cash in exchange for the transferred assets but may also have continuing involvement with the transferred financial assets, including ownership of beneficial interests in securitized financial assets, primarily in the form of debt instruments. The firm may also purchase senior or subordinated securities issued by securitization vehicles (which are typically VIEs) in connection with secondary market-making activities.

The primary risks included in beneficial interests and other interests from the firm's continuing involvement with securitization vehicles are the performance of the underlying collateral, the position of the firm's investment in the capital structure of the securitization vehicle and the market yield for the security. These interests are primarily accounted for at fair value and classified in level 2 of the fair value hierarchy. Interests not accounted for at fair value are carried at amounts that approximate fair value. See Notes 4 through 10 for further information about fair value measurements.

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

	Year Ended December		
$ in millions	**2019**	2018	2017
Residential mortgages	**$15,124**	$21,229	$18,142
Commercial mortgages	**12,741**	8,745	7,872
Other financial assets	**1,252**	1,914	481
Total financial assets securitized	**$29,117**	$31,888	$26,495
Retained interests cash flows	**$ 286**	$ 296	$ 264

In the table above, financial assets securitized included assets of $601 million for 2019, $882 million for 2018 and $572 million for 2017, which were securitized in a non-cash exchange for loans and held-to-maturity securities.

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

$ in millions	Outstanding Principal Amount	Retained Interests	Purchased Interests
As of December 2019			
U.S. government agency-issued collateralized mortgage obligations	**$14,328**	**$1,530**	**$ 3**
Other residential mortgage-backed	**24,166**	**1,078**	**24**
Other commercial mortgage-backed	**25,588**	**615**	**6**
Corporate debt and other asset-backed	**3,612**	**149**	**–**
Total	**$67,694**	**$3,372**	**$33**
As of December 2018			
U.S. government agency-issued collateralized mortgage obligations	$24,506	$1,758	$29
Other residential mortgage-backed	19,560	941	15
Other commercial mortgage-backed	15,088	448	10
Corporate debt and other asset-backed	3,311	133	3
Total	$62,465	$3,280	$57

In the table above:

- The outstanding principal amount is presented for the purpose of providing information about the size of the securitization entities and is not representative of the firm's risk of loss.
- The firm's risk of loss from retained or purchased interests is limited to the carrying value of these interests.
- Purchased interests represent senior and subordinated interests, purchased in connection with secondary market-making activities, in securitization entities in which the firm also holds retained interests.
- Substantially all of the total outstanding principal amount and total retained interests relate to securitizations during 2014 and thereafter.
- The fair value of retained interests was $3.35 billion as of December 2019 and $3.28 billion as of December 2018.

In addition to the interests in the table above, the firm had other continuing involvement in the form of derivative transactions and commitments with certain nonconsolidated VIEs. The carrying value of these derivatives and commitments was a net asset of $57 million as of December 2019 and $75 million as of December 2018, and the notional amount of these derivatives and commitments was $1.20 billion as of December 2019 and $1.09 billion as of December 2018. The notional amounts of these derivatives and commitments are included in maximum exposure to loss in the nonconsolidated VIE table in Note 17.

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

	As of December	
$ in millions	**2019**	2018
Fair value of retained interests	**$3,198**	$ 3,151
Weighted average life (years)	**6.0**	7.2
Constant prepayment rate	**12.9%**	11.9%
Impact of 10% adverse change	**$ (22)**	$ (27)
Impact of 20% adverse change	**$ (42)**	$ (53)
Discount rate	**4.7%**	4.7%
Impact of 10% adverse change	**$ (59)**	$ (75)
Impact of 20% adverse change	**$ (117)**	$ (147)

In the table above:

- Amounts do not reflect the benefit of other financial instruments that are held to mitigate risks inherent in these retained interests.
- Changes in fair value based on an adverse variation in assumptions generally cannot be extrapolated because the relationship of the change in assumptions to the change in fair value is not usually linear.
- The impact of a change in a particular assumption is calculated independently of changes in any other assumption. In practice, simultaneous changes in assumptions might magnify or counteract the sensitivities disclosed above.
- The constant prepayment rate is included only for positions for which it is a key assumption in the determination of fair value.
- The discount rate for retained interests that relate to U.S. government agency-issued collateralized mortgage obligations does not include any credit loss. Expected credit loss assumptions are reflected in the discount rate for the remainder of retained interests.

The firm has other retained interests not reflected in the table above with a fair value of $149 million and a weighted average life of 3.3 years as of December 2019, and a fair value of $133 million and a weighted average life of 4.2 years as of December 2018. Due to the nature and fair value of certain of these retained interests, the weighted average assumptions for constant prepayment and discount rates and the related sensitivity to adverse changes are not meaningful as of both December 2019 and December 2018. The firm's maximum exposure to adverse changes in the value of these interests is the carrying value of $149 million as of December 2019 and $133 million as of December 2018.

Note 17.

Variable Interest Entities

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

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

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

VIE Consolidation Analysis

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

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

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

VIE Activities

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

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

Real Estate, Credit- and Power-Related and Other Investing VIEs. The firm purchases equity and debt securities issued by and makes loans to VIEs that hold real estate, performing and nonperforming debt, distressed loans, power-related assets and equity securities. The firm generally does not sell assets to, or enter into derivatives with, these VIEs.

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

Principal-Protected Note VIEs. The firm structures VIEs that issue principal-protected notes to clients. These VIEs own portfolios of assets, principally with exposure to hedge funds. Substantially all of the principal protection on the notes issued by these VIEs is provided by the asset portfolio rebalancing that is required under the terms of the notes. The firm enters into total return swaps with these VIEs under which the firm pays the VIE the return due to the principal-protected note holders and receives the return on the assets owned by the VIE. The firm may enter into derivatives with other counterparties to mitigate its risk. The firm also obtains funding through these VIEs.

Investments in Funds. The firm makes equity investments in certain investment fund VIEs it manages and is entitled to receive fees from these VIEs. The firm has generally not sold assets to, or entered into derivatives with, these VIEs.

Nonconsolidated VIEs

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

	As of December	
$ in millions	**2019**	2018
Total nonconsolidated VIEs		
Assets in VIEs	**$128,069**	$118,186
Carrying value of variable interests — assets	**$ 9,526**	$ 9,543
Carrying value of variable interests — liabilities	**$ 619**	$ 478
Maximum exposure to loss:		
Retained interests	**$ 3,372**	$ 3,280
Purchased interests	**901**	983
Commitments and guarantees	**2,697**	2,745
Derivatives	**9,010**	8,975
Debt and equity	**4,806**	4,728
Total maximum exposure to loss	**$ 20,786**	$ 20,711

In the table above:

- The nature of the firm's variable interests is described in the rows under maximum exposure to loss.
- The firm's exposure to the obligations of VIEs is generally limited to its interests in these entities. In certain instances, the firm provides guarantees, including derivative guarantees, to VIEs or holders of variable interests in VIEs.
- The maximum exposure to loss excludes the benefit of offsetting financial instruments that are held to mitigate the risks associated with these variable interests.
- The maximum exposure to loss from retained interests, purchased interests, and debt and equity is the carrying value of these interests.
- The maximum exposure to loss from commitments and guarantees, and derivatives is the notional amount, which does not represent anticipated losses and has not been reduced by unrealized losses. As a result, the maximum exposure to loss exceeds liabilities recorded for commitments and guarantees, and derivatives.

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

	As of December	
$ in millions	**2019**	2018
Mortgage-backed		
Assets in VIEs	**$75,354**	$73,262
Carrying value of variable interests — assets	**$ 3,830**	$ 4,090
Maximum exposure to loss:		
Retained interests	**$ 3,223**	$ 3,147
Purchased interests	**607**	941
Commitments and guarantees	**50**	35
Derivatives	**66**	77
Total maximum exposure to loss	**$ 3,946**	$ 4,200
Real estate, credit- and power-related and other investing		
Assets in VIEs	**$19,602**	$18,851
Carrying value of variable interests — assets	**$ 3,243**	$ 3,601
Carrying value of variable interests — liabilities	**$ 7**	$ 20
Maximum exposure to loss:		
Commitments and guarantees	**$ 1,213**	$ 1,543
Derivatives	**92**	113
Debt and equity	**3,238**	3,572
Total maximum exposure to loss	**$ 4,543**	$ 5,228
Corporate debt and other asset-backed		
Assets in VIEs	**$16,248**	$15,842
Carrying value of variable interests — assets	**$ 2,040**	$ 1,563
Carrying value of variable interests — liabilities	**$ 612**	$ 458
Maximum exposure to loss:		
Retained interests	**$ 149**	$ 133
Purchased interests	**294**	42
Commitments and guarantees	**1,374**	1,113
Derivatives	**8,849**	8,782
Debt and equity	**1,155**	867
Total maximum exposure to loss	**$11,821**	$10,937
Investments in funds		
Assets in VIEs	**$16,865**	$10,231
Carrying value of variable interests — assets	**$ 413**	$ 289
Maximum exposure to loss:		
Commitments and guarantees	**$ 60**	$ 54
Derivatives	**3**	3
Debt and equity	**413**	289
Total maximum exposure to loss	**$ 476**	$ 346

As of both December 2019 and December 2018, the carrying values of the firm's variable interests in nonconsolidated VIEs are included in the consolidated balance sheets as follows:

- Mortgage-backed: Assets were primarily included in trading assets and loans.
- Real estate, credit- and power-related and other investing: Assets were primarily included in loans and investments and liabilities were included in trading liabilities and other liabilities.
- Corporate debt and other asset-backed: Assets were primarily included in loans and liabilities were included in trading liabilities.
- Investments in funds: Assets were included in investments.

Consolidated VIEs

The table below presents a summary of the carrying value and balance sheet classification of assets and liabilities in consolidated VIEs.

	As of December	
$ in millions	**2019**	2018
Total consolidated VIEs		
Assets		
Cash and cash equivalents	**$ 112**	$ 84
Trading assets	**27**	264
Investments	**835**	943
Loans	**2,392**	1,148
Other assets	**1,084**	1,261
Total	**$4,450**	$3,700
Liabilities		
Other secured financings	**$1,163**	$1,204
Customer and other payables	**9**	–
Trading liabilities	**10**	20
Unsecured short-term borrowings	**48**	45
Unsecured long-term borrowings	**214**	207
Other liabilities	**959**	1,100
Total	**$2,403**	$2,576

In the table above:

- Assets and liabilities are presented net of intercompany eliminations and exclude the benefit of offsetting financial instruments that are held to mitigate the risks associated with the firm's variable interests.
- VIEs in which the firm holds a majority voting interest are excluded if (i) the VIE meets the definition of a business and (ii) the VIE's assets can be used for purposes other than the settlement of its obligations.
- Substantially all assets can only be used to settle obligations of the VIE.

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

	As of December	
$ in millions	**2019**	2018
Real estate, credit-related and other investing		
Assets		
Cash and cash equivalents	**$ 112**	$ 84
Trading assets	**26**	45
Investments	**835**	943
Loans	**2,392**	1,096
Other assets	**1,084**	1,258
Total	**$4,449**	$3,426
Liabilities		
Other secured financings	**$ 684**	$ 596
Customer and other payables	**9**	–
Trading liabilities	**10**	20
Other liabilities	**959**	1,100
Total	**$1,662**	$1,716
Mortgage-backed and other asset-backed		
Assets		
Trading assets	**$ –**	$ 210
Loans	**–**	52
Other assets	**–**	3
Total	**$ –**	$ 265
Liabilities		
Other secured financings	**$ –**	$ 140
Total	**$ –**	$ 140
Principal-protected notes		
Assets		
Trading assets	**$ 1**	$ 9
Total	**$ 1**	$ 9
Liabilities		
Other secured financings	**$ 479**	$ 468
Unsecured short-term borrowings	**48**	45
Unsecured long-term borrowings	**214**	207
Total	**$ 741**	$ 720

In the table above:

- The majority of the assets in principal-protected notes VIEs are intercompany and are eliminated in consolidation.
- Creditors and beneficial interest holders of real estate, credit-related and other investing VIEs, and mortgage-backed and other asset-backed VIEs do not have recourse to the general credit of the firm.

Note 18.

Commitments, Contingencies and Guarantees

Commitments

The table below presents commitments by type.

	As of December	
$ in millions	**2019**	2018
Commitment Type		
Commercial lending:		
Investment-grade	**$ 89,276**	$ 81,729
Non-investment-grade	**58,718**	51,793
Warehouse financing	**5,581**	4,060
Credit card	**13,669**	–
Total lending	**167,244**	137,582
Collateralized agreement	**62,093**	54,480
Collateralized financing	**10,193**	15,429
Letters of credit	**456**	445
Investment	**7,879**	7,595
Other	**6,135**	4,892
Total commitments	**$254,000**	$220,423

The table below presents commitments by expiration.

	As of December 2019			
$ in millions	**2020**	**2021 - 2022**	**2023 - 2024**	**2025 - Thereafter**
Commitment Type				
Commercial lending:				
Investment-grade	**$ 13,921**	**$31,099**	**$43,303**	**$ 953**
Non-investment-grade	**6,130**	**15,810**	**26,379**	**10,399**
Warehouse financing	**1,644**	**2,320**	**1,596**	**21**
Credit card	**13,669**	**–**	**–**	**–**
Total lending	**35,364**	**49,229**	**71,278**	**11,373**
Collateralized agreement	**61,588**	**505**	**–**	**–**
Collateralized financing	**10,193**	**–**	**–**	**–**
Letters of credit	**409**	**7**	**–**	**40**
Investment	**3,623**	**1,434**	**1,002**	**1,820**
Other	**6,051**	**84**	**–**	**–**
Total commitments	**$117,228**	**$51,259**	**$72,280**	**$13,233**

Lending Commitments

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

The table below presents information about lending commitments.

	As of December	
$ in millions	**2019**	2018
Held for investment	**$150,100**	$120,997
Held for sale	**15,245**	14,912
At fair value	**1,899**	1,673
Total	**$167,244**	$137,582

In the table above:

- Held for investment lending commitments are accounted for on an accrual basis. The carrying value of lending commitments was a liability of $527 million (including allowance for losses of $361 million) as of December 2019 and $443 million (including allowance for losses of $286 million) as of December 2018. The estimated fair value of such lending commitments was a liability of $3.05 billion as of December 2019 and $3.78 billion as of December 2018. Had these lending commitments been carried at fair value and included in the fair value hierarchy, $1.78 billion as of December 2019 and $1.12 billion as of December 2018 would have been classified in level 2, and $1.27 billion as of December 2019 and $2.66 billion as of December 2018 would have been classified in level 3.
- Held for sale lending commitments are accounted for at the lower of cost or fair value. The carrying value of lending commitments held for sale was a liability of $60 million as of December 2019 and $155 million as of December 2018. The estimated fair value of such lending commitments approximates the carrying value. Had these lending commitments been included in the fair value hierarchy, they would have been primarily classified in level 2 as of both December 2019 and December 2018.
- Gains or losses related to lending commitments at fair value, if any, are generally recorded net of any fees in other principal transactions.

Commercial Lending. The firm's commercial lending commitments were primarily extended to investment-grade corporate borrowers. Such commitments primarily included $102.50 billion as of December 2019 and $93.99 billion as of December 2018, related to relationship lending activities (principally used for operating and general corporate purposes) and $33.47 billion as of December 2019 and $27.92 billion as of December 2018, related to other investment banking activities (generally extended for contingent acquisition financing and are often intended to be short-term in nature, as borrowers often seek to replace them with other funding sources). The firm also extends lending commitments in connection with other types of corporate lending, as well as commercial real estate financing. See Note 9 for further information about funded loans.

Sumitomo Mitsui Financial Group, Inc. (SMFG) provides the firm with credit loss protection on certain approved loan commitments (primarily investment-grade commercial lending commitments). The notional amount of such loan commitments was $5.74 billion as of December 2019 and $15.52 billion as of December 2018. The credit loss protection on loan commitments provided by SMFG is generally limited to 95% of the first loss the firm realizes on such commitments, up to a maximum of approximately $950 million. In addition, subject to the satisfaction of certain conditions, upon the firm's request, SMFG will provide protection for 70% of additional losses on such commitments, up to a maximum of $750 million, of which no protection had been provided as of December 2019 and $550 million was provided as of December 2018. The firm also uses other financial instruments to mitigate credit risks related to certain commitments not covered by SMFG. These instruments primarily include credit default swaps that reference the same or similar underlying instrument or entity, or credit default swaps that reference a credit index.

Warehouse Financing. The firm provides financing to clients who warehouse financial assets. These arrangements are secured by the warehoused assets, primarily consisting of consumer and corporate loans.

Credit Card. The firm's credit card lending commitments represents credit card lines issued by the firm to consumers. These credit card lines are cancelable by the firm.

Collateralized Agreement Commitments/ Collateralized Financing Commitments

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

Letters of Credit

The firm has commitments under letters of credit issued by various banks which the firm provides to counterparties in lieu of securities or cash to satisfy various collateral and margin deposit requirements.

Investment Commitments

Investment commitments includes commitments to invest in private equity, real estate and other assets directly and through funds that the firm raises and manages. Investment commitments included $2.06 billion as of December 2019 and $2.42 billion as of December 2018, related to commitments to invest in funds managed by the firm. If these commitments are called, they would be funded at market value on the date of investment.

Contingencies

Legal Proceedings. See Note 27 for information about legal proceedings, including certain mortgage-related matters.

Certain Mortgage-Related Contingencies. During the period 2005 through 2008 in connection with both sales and securitizations of loans, the firm provided loan-level representations and/or assigned the loan-level representations from the party from whom the firm purchased the loans.

Based on the large number of defaults in residential mortgages, including those sold or securitized by the firm, there is a potential for repurchase claims. However, the firm is not in a position to make a meaningful estimate of that exposure at this time. The firm's exposure to claims for repurchase of residential mortgage loans based on alleged breaches of representations will depend on a number of factors, such as the extent to which these claims are made within the statute of limitations, taking into consideration the agreements to toll the statute of limitations the firm entered into with trustees representing certain trusts.

Other Contingencies. In connection with the sale of Metro International Trade Services (Metro), the firm agreed to provide indemnities to the buyer, which primarily relate to fundamental representations and warranties, and potential liabilities for legal or regulatory proceedings arising out of the conduct of Metro's business while the firm owned it.

In connection with the settlement agreement with the Residential Mortgage-Backed Securities Working Group of the U.S. Financial Fraud Enforcement Task Force, the firm agreed to provide $1.80 billion in consumer relief by January 2021. As of December 2019, approximately $1.55 billion of such relief was provided. This relief was provided in the form of principal forgiveness for underwater homeowners and distressed borrowers; financing for construction, rehabilitation and preservation of affordable housing; and support for debt restructuring, foreclosure prevention and housing quality improvement programs, as well as land banks.

Guarantees

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

$ in millions	Derivatives	Securities lending indemnifications	Other financial guarantees
As of December 2019			
Carrying Value of Net Liability	**$ 3,817**	**$ –**	**$ 27**
Maximum Payout/Notional Amount by Period of Expiration			
2020	**$ 91,814**	**$17,891**	**$2,044**
2021 - 2022	**76,693**	**–**	**1,714**
2023 - 2024	**19,377**	**–**	**2,219**
2025 - thereafter	**36,317**	**–**	**149**
Total	**$224,201**	**$17,891**	**$6,126**
As of December 2018			
Carrying Value of Net Liability	$ 4,105	$ –	$ 38
Maximum Payout/Notional Amount by Period of Expiration			
2019	$101,169	$27,869	$1,379
2020 - 2021	77,955	–	2,252
2022 - 2023	17,813	–	2,021
2024 - thereafter	67,613	–	241
Total	$264,550	$27,869	$5,893

In the table above:

- The maximum payout is based on the notional amount of the contract and does not represent anticipated losses.
- Amounts exclude certain commitments to issue standby letters of credit that are included in lending commitments. See the tables in "Commitments" above for a summary of the firm's commitments.
- The carrying value for derivatives included derivative assets of $1.56 billion as of December 2019 and $1.48 billion as of December 2018, and derivative liabilities of $5.38 billion as of December 2019 and $5.59 billion as of December 2018.

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

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

Securities Lending Indemnifications. The firm, in its capacity as an agency lender, indemnifies most of its securities lending customers against losses incurred in the event that borrowers do not return securities and the collateral held is insufficient to cover the market value of the securities borrowed. Collateral held by the lenders in connection with securities lending indemnifications was $19.14 billion as of December 2019 and $28.75 billion as of December 2018. Because the contractual nature of these arrangements requires the firm to obtain collateral with a market value that exceeds the value of the securities lent to the borrower, there is minimal performance risk associated with these guarantees.

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

Guarantees of Securities Issued by Trusts. The firm has established trusts, including Goldman Sachs Capital I, the APEX Trusts and other entities for the limited purpose of issuing securities to third parties, lending the proceeds to the firm and entering into contractual arrangements with the firm and third parties related to this purpose. The firm does not consolidate these entities. See Note 14 for further information about the transactions involving Goldman Sachs Capital I and the APEX Trusts.

The firm effectively provides for the full and unconditional guarantee of the securities issued by these entities. Timely payment by the firm of amounts due to these entities under the guarantee, borrowing, preferred stock and related contractual arrangements will be sufficient to cover payments due on the securities issued by these entities.

Management believes that it is unlikely that any circumstances will occur, such as nonperformance on the part of paying agents or other service providers, that would make it necessary for the firm to make payments related to these entities other than those required under the terms of the guarantee, borrowing, preferred stock and related contractual arrangements and in connection with certain expenses incurred by these entities.

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

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

In connection with the firm's prime brokerage and clearing businesses, the firm agrees to clear and settle on behalf of its clients the transactions entered into by them with other brokerage firms. The firm's obligations in respect of such transactions are secured by the assets in the client's account, as well as any proceeds received from the transactions cleared and settled by the firm on behalf of the client. In connection with joint venture investments, the firm may issue loan guarantees under which it may be liable in the event of fraud, misappropriation, environmental liabilities and certain other matters involving the borrower.

The firm is unable to develop an estimate of the maximum payout under these guarantees and indemnifications. However, management believes that it is unlikely the firm will have to make any material payments under these arrangements, and no material liabilities related to these guarantees and indemnifications have been recognized in the consolidated balance sheets as of both December 2019 and December 2018.

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

In addition, the firm may provide indemnifications to some counterparties to protect them in the event additional taxes are owed or payments are withheld, due either to a change in or an adverse application of certain non-U.S. tax laws.

These indemnifications generally are standard contractual terms and are entered into in the ordinary course of business. Generally, there are no stated or notional amounts included in these indemnifications, and the contingencies triggering the obligation to indemnify are not expected to occur. The firm is unable to develop an estimate of the maximum payout under these guarantees and indemnifications. However, management believes that it is unlikely the firm will have to make any material payments under these arrangements, and no material liabilities related to these arrangements have been recognized in the consolidated balance sheets as of both December 2019 and December 2018.

Guarantees of Subsidiaries. Group Inc. fully and unconditionally guarantees the securities issued by GS Finance Corp., a wholly-owned finance subsidiary of the firm. Group Inc. has guaranteed the payment obligations of Goldman Sachs & Co. LLC (GS&Co.) and GS Bank USA, subject to certain exceptions.

Group Inc. guarantees many of the obligations of its other consolidated subsidiaries on a transaction-by-transaction basis, as negotiated with counterparties. Group Inc. is unable to develop an estimate of the maximum payout under its subsidiary guarantees; however, because these obligations are also obligations of consolidated subsidiaries, Group Inc.'s liabilities as guarantor are not separately disclosed.

Note 19.
Shareholders' Equity

Common Equity

As of both December 2019 and December 2018, the firm had 4.00 billion authorized shares of common stock and 200 million authorized shares of nonvoting common stock, each with a par value of $0.01 per share.

The firm's share repurchase program is intended to help maintain the appropriate level of common equity. The share repurchase program is effected primarily through regular open-market purchases (which may include repurchase plans designed to comply with Rule 10b5-1), the amounts and timing of which are determined primarily by the firm's current and projected capital position, and capital deployment opportunities, but which may also be influenced by general market conditions and the prevailing price and trading volumes of the firm's common stock. Prior to repurchasing common stock, the firm must receive confirmation that the FRB does not object to such capital action.

The table below presents information about common stock repurchases.

	Year Ended December		
in millions, except per share amounts	**2019**	2018	2017
Common share repurchases	**25.8**	13.9	29.0
Average cost per share	**$206.56**	$236.22	$231.87
Total cost of common share repurchases	**$ 5,335**	$ 3,294	$ 6,721

Pursuant to the terms of certain share-based compensation plans, employees may remit shares to the firm or the firm may cancel share-based awards to satisfy statutory employee tax withholding requirements and the exercise price of stock options. Under these plans, 7,490 shares in 2019, 1,120 shares in 2018 and 12,165 shares in 2017 were remitted with a total value of $2 million in 2019, $0.3 million in 2018 and $3 million in 2017, and the firm cancelled 3.8 million share-based awards in 2019, 5.0 million in 2018 and 12.7 million in 2017 with a total value of $743 million in 2019, $1.24 billion in 2018 and $3.03 billion in 2017.

The table below presents common stock dividends declared.

	Year Ended December		
	2019	2018	2017
Dividends declared per common share	**$4.15**	$3.15	$2.90

On January 14, 2020, the Board of Directors of Group Inc. declared a dividend of $1.25 per common share. The dividend will be paid on March 30, 2020 to common shareholders of record on March 2, 2020.

Preferred Equity

The tables below present information about the perpetual preferred stock issued and outstanding as of December 2019.

Series	Shares Authorized	Shares Issued	Shares Outstanding	Depositary Shares Per Share
A	50,000	30,000	29,999	1,000
C	25,000	8,000	8,000	1,000
D	60,000	54,000	53,999	1,000
E	17,500	7,667	7,667	N/A
F	5,000	1,615	1,615	N/A
J	46,000	40,000	40,000	1,000
K	32,200	28,000	28,000	1,000
L	52,000	14,000	14,000	25
M	80,000	80,000	80,000	25
N	31,050	27,000	27,000	1,000
O	26,000	26,000	26,000	25
P	66,000	60,000	60,000	25
Q	20,000	20,000	20,000	25
R	24,000	24,000	24,000	25
Total	**534,750**	**420,282**	**420,280**	

Series	Earliest Redemption Date	Liquidation Preference	Redemption Value *($ in millions)*
A	Currently redeemable	$ 25,000	**$ 750**
C	Currently redeemable	$ 25,000	**200**
D	Currently redeemable	$ 25,000	**1,350**
E	Currently redeemable	$100,000	**767**
F	Currently redeemable	$100,000	**161**
J	May 10, 2023	$ 25,000	**1,000**
K	May 10, 2024	$ 25,000	**700**
L	Currently redeemable	$ 25,000	**350**
M	May 10, 2020	$ 25,000	**2,000**
N	May 10, 2021	$ 25,000	**675**
O	November 10, 2026	$ 25,000	**650**
P	November 10, 2022	$ 25,000	**1,500**
Q	August 10, 2024	$ 25,000	**500**
R	February 10, 2025	$ 25,000	**600**
Total			**$11,203**

In the tables above:

- All shares have a par value of $0.01 per share and, where applicable, each share is represented by the specified number of depositary shares.
- The earliest redemption date represents the date on which each share of non-cumulative Preferred Stock is redeemable at the firm's option.
- Prior to redeeming preferred stock, the firm must receive confirmation that the FRB does not object to such action.
- In June 2019, the firm issued 20,000 shares of Series Q 5.50% Fixed-Rate Reset Non-Cumulative Preferred Stock (Series Q Preferred Stock).
- In November 2019, the firm issued 24,000 shares of Series R 4.95% Fixed-Rate Reset Non-Cumulative Preferred Stock (Series R Preferred Stock).
- The redemption price per share for Series A through F and Series Q and R Preferred Stock is the liquidation preference plus declared and unpaid dividends. The redemption price per share for Series J through P Preferred Stock is the liquidation preference plus accrued and unpaid dividends. Each share of Series E and Series F Preferred Stock is redeemable at the firm's option, subject to certain covenant restrictions governing the firm's ability to redeem the preferred stock without issuing common stock or other instruments with equity-like characteristics. See Note 14 for information about the replacement capital covenants applicable to the Series E and Series F Preferred Stock.
- All series of preferred stock are pari passu and have a preference over the firm's common stock on liquidation.
- The firm's ability to declare or pay dividends on, or purchase, redeem or otherwise acquire, its common stock is subject to certain restrictions in the event that the firm fails to pay or set aside full dividends on the preferred stock for the latest completed dividend period.

In January 2020, the firm issued 14,000 shares of Series S perpetual 4.40% Fixed-Rate Reset Non-Cumulative Preferred Stock (Series S Preferred Stock). Each share of Series S Preferred Stock issued and outstanding has a liquidation preference of $25,000, is represented by 25 depositary shares and is redeemable at the firm's option beginning February 10, 2025 at a redemption price equal to $25,000 plus declared and unpaid dividends. Dividends on Series S Preferred Stock, if declared, are payable semi-annually at (i) 4.40% per annum from the issuance date to, but excluding, February 10, 2025 and, thereafter, (ii) 2.85% per annum plus the five-year treasury rate. In January 2020, the firm issued a notice that it would redeem the remaining 14,000 outstanding shares of its Series L 5.70% Non-Cumulative Preferred Stock (Series L Preferred Stock) with a redemption value of $350 million on February 24, 2020. The difference between the redemption value and net carrying value at the time of the issuance of this notice was $1 million, which was recorded as an addition to preferred stock dividends in 2020.

In 2019, the firm redeemed 38,000 shares of its outstanding Series L Preferred Stock with a redemption value of $950 million ($25,000 per share), plus accrued and unpaid dividends. In addition, in 2019, the firm redeemed the remaining 6,000 outstanding shares of its Series B 6.20% Non-Cumulative Preferred Stock (Series B Preferred Stock) with a redemption value of $150 million ($25,000 per share). The difference between the redemption value and net carrying value at the time of these redemptions was $9 million, which was recorded as an addition to preferred stock dividends in 2019.

In 2018, the firm redeemed 26,000 shares of Series B Preferred Stock with a redemption value of $650 million ($25,000 per share). The difference between the redemption value of the Series B Preferred Stock and the net carrying value at the time of redemption was $15 million, which was recorded as an addition to preferred stock dividends in 2018.

In 2017, the firm redeemed the 34,000 shares of Series I 5.95% Non-Cumulative Preferred Stock (Series I Preferred Stock) for the stated redemption price of $850 million ($25,000 per share), plus accrued and unpaid dividends. The difference between the redemption value of the Series I Preferred Stock and the net carrying value at the time of redemption was $14 million, which was recorded as an addition to preferred stock dividends in 2017.

The table below presents the dividend rates of perpetual preferred stock as of December 2019.

Series	Per Annum Dividend Rate
A	3 month LIBOR + 0.75%, with floor of 3.75%, payable quarterly
C	3 month LIBOR + 0.75%, with floor of 4.00%, payable quarterly
D	3 month LIBOR + 0.67%, with floor of 4.00%, payable quarterly
E	3 month LIBOR + 0.7675%, with floor of 4.00%, payable quarterly
F	3 month LIBOR + 0.77%, with floor of 4.00%, payable quarterly
J	5.50% to, but excluding, May 10, 2023; 3 month LIBOR + 3.64% thereafter, payable quarterly
K	6.375% to, but excluding, May 10, 2024; 3 month LIBOR + 3.55% thereafter, payable quarterly
L	5.70%, payable semi-annually, from issuance date to, but excluding, May 10, 2019; 3 month LIBOR + 3.884%, payable quarterly, thereafter
M	5.375%, payable semi-annually, from issuance date to, but excluding, May 10, 2020; 3 month LIBOR + 3.922%, payable quarterly, thereafter
N	6.30%, payable quarterly
O	5.30%, payable semi-annually, from issuance date to, but excluding, November 10, 2026; 3 month LIBOR + 3.834%, payable quarterly, thereafter
P	5.00%, payable semi-annually, from issuance date to, but excluding, November 10, 2022; 3 month LIBOR + 2.874%, payable quarterly, thereafter
Q	5.50%, payable semi-annually, from issuance date to, but excluding, August 10, 2024; 5 year treasury rate + 3.623%, payable semi-annually, thereafter
R	4.95%, payable semi-annually, from issuance date to, but excluding, February 10, 2025; 5 year treasury rate + 3.224%, payable semi-annually, thereafter

In the table above, dividends on each series of preferred stock are payable in arrears for the periods specified.

The table below presents preferred stock dividends declared.

	Year Ended December					
	2019		2018		2017	
Series	***per share***	***$ in millions***	*per share*	*$ in millions*	*per share*	*$ in millions*
A	**$ 947.92**	**$ 28**	$ 958.33	$ 29	$ 950.51	$ 29
B	**$ 775.00**	**5**	$1,550.00	19	$1,550.00	50
C	**$1,011.11**	**8**	$1,022.23	8	$1,013.90	8
D	**$1,011.11**	**54**	$1,022.23	55	$1,013.90	55
E	**$4,044.44**	**31**	$4,077.78	31	$4,055.55	31
F	**$4,044.44**	**7**	$4,077.78	7	$4,055.55	6
I	**$ –**	**–**	$ –	–	$1,487.52	51
J	**$1,375.00**	**55**	$1,375.00	55	$1,375.00	55
K	**$1,593.76**	**45**	$1,593.76	45	$1,593.76	45
L	**$1,519.67**	**68**	$1,425.00	74	$1,425.00	74
M	**$1,343.76**	**107**	$1,343.76	107	$1,343.76	107
N	**$1,575.00**	**43**	$1,575.00	43	$1,575.00	42
O	**$1,325.00**	**34**	$1,325.00	34	$1,325.00	34
P	**$1,250.00**	**75**	$1,281.25	77	$ –	–
Total		**$560**		$584		$587

On January 10, 2020, Group Inc. declared dividends of $234.38 per share of Series A Preferred Stock, $250.00 per share of Series C Preferred Stock, $250.00 per share of Series D Preferred Stock, $343.75 per share of Series J Preferred Stock, $398.44 per share of Series K Preferred Stock, $361.54 per share of Series L Preferred Stock, $393.75 per share of Series N Preferred Stock, and $889.93 per share of Series Q Preferred Stock to be paid on February 10, 2020 to preferred shareholders of record on January 26, 2020. In addition, the firm declared dividends of $1,011.11 per share of Series E Preferred Stock and Series F Preferred Stock to be paid on March 2, 2020 to preferred shareholders of record on February 16, 2020.

Accumulated Other Comprehensive Income/(Loss)

The table below presents changes in the accumulated other comprehensive income/(loss), net of tax, by type.

$ in millions	Beginning balance	Other comprehensive income/(loss) adjustments, net of tax	Ending balance
Year Ended December 2019			
Currency translation	**$ (621)**	**$ 5**	**$ (616)**
Debt valuation adjustment	**1,507**	**(2,079)**	**(572)**
Pension and postretirement liabilities	**(81)**	**(261)**	**(342)**
Available-for-sale securities	**(112)**	**158**	**46**
Total	**$ 693**	**$(2,177)**	**$(1,484)**
Year Ended December 2018			
Currency translation	$ (625)	$ 4	$ (621)
Debt valuation adjustment	(1,046)	2,553	1,507
Pension and postretirement liabilities	(200)	119	(81)
Available-for-sale securities	(9)	(103)	(112)
Total	$(1,880)	$ 2,573	$ 693
Year Ended December 2017			
Currency translation	$ (647)	$ 22	$ (625)
Debt valuation adjustment	(239)	(807)	(1,046)
Pension and postretirement liabilities	(330)	130	(200)
Available-for-sale securities	–	(9)	(9)
Total	$(1,216)	$ (664)	$(1,880)

Note 20.

Regulation and Capital Adequacy

The FRB is the primary regulator of Group Inc., a bank holding company (BHC) under the U.S. Bank Holding Company Act of 1956 and a financial holding company under amendments to this Act. The firm is subject to consolidated regulatory capital requirements which are calculated in accordance with the regulations of the FRB (Capital Framework).

The capital requirements are expressed as risk-based capital and leverage ratios that compare measures of regulatory capital to risk-weighted assets (RWAs), average assets and off-balance-sheet exposures. Failure to comply with these capital requirements could result in restrictions being imposed by the firm's regulators and could limit the firm's ability to repurchase shares, pay dividends and make certain discretionary compensation payments. The firm's capital levels are also subject to qualitative judgments by the regulators about components of capital, risk weightings and other factors. Furthermore, certain of the firm's subsidiaries are subject to separate regulations and capital requirements.

Capital Framework

The regulations under the Capital Framework are largely based on the Basel Committee on Banking Supervision's (Basel Committee) capital framework for strengthening international capital standards (Basel III) and also implement certain provisions of the Dodd-Frank Act. Under the Capital Framework, the firm is an "Advanced approach" banking organization and has been designated as a global systemically important bank (G-SIB).

The capital requirements calculated in accordance with the Capital Framework include the minimum risk-based capital and leverage ratios. In addition, the risk-based capital requirements include the capital conservation buffer, countercyclical capital buffer and the G-SIB surcharge, all of which must consist entirely of capital that qualifies as Common Equity Tier 1 (CET1) capital.

The firm calculates its CET1 capital, Tier 1 capital and Total capital ratios in accordance with (i) the Standardized approach and market risk rules set out in the Capital Framework (together, the Standardized Capital Rules) and (ii) the Advanced approach and market risk rules set out in the Capital Framework (together, the Advanced Capital Rules). The lower of each risk-based capital ratio calculated in (i) and (ii) is the ratio against which the firm's compliance with its risk-based capital requirements is assessed. Under the Capital Framework, the firm is also subject to leverage requirements which consist of a minimum Tier 1 leverage ratio and a minimum supplementary leverage ratio (SLR), as well as the SLR buffer.

Consolidated Regulatory Risk-Based Capital and Leverage Ratios

The table below presents the risk-based capital and leverage requirements.

	As of December	
	2019	2018
Risk-based capital requirements		
CET1 capital ratio	**9.5%**	8.3%
Tier 1 capital ratio	**11.0%**	9.8%
Total capital ratio	**13.0%**	11.8%
Leverage requirements		
Tier 1 leverage ratio	**4.0%**	4.0%
SLR	**5.0%**	5.0%

In the table above:

- As of December 2019, the CET1 capital ratio requirement included a minimum of 4.5%, the Tier 1 capital ratio requirement included a minimum of 6.0%, and the Total capital ratio requirement included a minimum of 8.0%. The requirements also included the capital conservation buffer of 2.5%, the G-SIB surcharge of 2.5% (Method 2) and the countercyclical capital buffer, which the FRB has set to zero percent.
- As of December 2018, the CET1 capital ratio requirement included a minimum of 4.5%, the Tier 1 capital ratio requirement included a minimum of 6.0%, and the Total capital ratio requirement included a minimum of 8.0%. The requirements also included the 75% phase-in of the capital conservation buffer of 2.5%, the 75% phase-in of the G-SIB surcharge of 2.5% (Method 2) and the countercyclical capital buffer, which the FRB has set to zero percent.
- The capital conservation buffer, countercyclical capital buffer and G-SIB surcharge phased in ratably from January 1, 2016 through January 1, 2019.
- The G-SIB surcharge is updated annually based on financial data from the prior year and is generally applicable for the following year. The G-SIB surcharge is calculated using two methodologies, the higher of which is reflected in the firm's risk-based capital requirements. The first calculation (Method 1) is based on the Basel Committee's methodology which, among other factors, relies upon measures of the size, activity and complexity of each G-SIB. The second calculation (Method 2) uses similar inputs but includes a measure of reliance on short-term wholesale funding.
- The Tier 1 leverage ratio requirement is a minimum of 4%. The SLR requirement of 5% as of both December 2019 and December 2018 includes a minimum of 3% and a 2% buffer applicable to G-SIBs.

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

$ in millions	Standardized	Advanced
As of December 2019		
CET1 capital	**$ 74,850**	**$ 74,850**
Tier 1 capital	**$ 85,440**	**$ 85,440**
Tier 2 capital	**$ 14,925**	**$ 13,473**
Total capital	**$100,365**	**$ 98,913**
RWAs	**$563,575**	**$544,653**
CET1 capital ratio	**13.3%**	**13.7%**
Tier 1 capital ratio	**15.2%**	**15.7%**
Total capital ratio	**17.8%**	**18.2%**
As of December 2018		
CET1 capital	$ 73,116	$ 73,116
Tier 1 capital	$ 83,702	$ 83,702
Tier 2 capital	$ 14,926	$ 13,743
Total capital	$ 98,628	$ 97,445
RWAs	$547,910	$558,111
CET1 capital ratio	13.3%	13.1%
Tier 1 capital ratio	15.3%	15.0%
Total capital ratio	18.0%	17.5%

In the table above:

- In accordance with the risk-based Capital Rules, the lower of the Standardized or Advanced ratio is the ratio against which the firm's compliance with the capital requirements is assessed, and therefore, the Standardized ratios applied to the firm as of December 2019 and the Advanced ratios applied to the firm as of December 2018.
- Beginning in the fourth quarter of 2019, the firm made changes to the calculation of the loss given default for certain wholesale exposures. At the date of adoption, the estimated impact of these changes was an increase in the firm's Advanced CET1 capital ratio of approximately 1 percentage point.

The table below presents information about leverage ratios.

	For the Three Months Ended or as of December	
$ in millions	**2019**	2018
Tier 1 capital	**$ 85,440**	$ 83,702
Average total assets	**983,909**	945,961
Deductions from Tier 1 capital	**(5,275)**	(4,754)
Average adjusted total assets	**978,634**	941,207
Average off-balance-sheet exposures	**396,833**	401,699
Total leverage exposure	**$1,375,467**	$1,342,906
Tier 1 leverage ratio	**8.7%**	8.9%
SLR	**6.2%**	6.2%

In the table above:

- Average total assets represents the average daily assets for the quarter.
- Average off-balance-sheet exposures represents the monthly average and consists of derivatives, securities financing transactions, commitments and guarantees.
- Tier 1 leverage ratio is calculated as Tier 1 capital divided by average adjusted total assets.
- SLR is calculated as Tier 1 capital divided by total leverage exposure.

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

	As of December	
$ in millions	**2019**	2018
Common shareholders' equity	**$ 79,062**	$78,982
Deduction for goodwill	**(3,529)**	(3,097)
Deduction for identifiable intangible assets	**(604)**	(297)
Other adjustments	**(79)**	(2,472)
CET1 capital	**74,850**	73,116
Preferred stock	**11,203**	11,203
Deduction for investments in covered funds	**(610)**	(615)
Other adjustments	**(3)**	(2)
Tier 1 capital	**$ 85,440**	$83,702
Standardized Tier 2 and Total capital		
Tier 1 capital	**$ 85,440**	$83,702
Qualifying subordinated debt	**12,847**	13,147
Junior subordinated debt	**284**	442
Allowance for credit losses	**1,802**	1,353
Other adjustments	**(8)**	(16)
Standardized Tier 2 capital	**14,925**	14,926
Standardized Total capital	**$100,365**	$98,628
Advanced Tier 2 and Total capital		
Tier 1 capital	**$ 85,440**	$83,702
Standardized Tier 2 capital	**14,925**	14,926
Allowance for credit losses	**(1,802)**	(1,353)
Other adjustments	**350**	170
Advanced Tier 2 capital	**13,473**	13,743
Advanced Total capital	**$ 98,913**	$97,445

In the table above:

- Deduction for goodwill was net of deferred tax liabilities of $667 million as of December 2019 and $661 million as of December 2018.
- Deduction for identifiable intangible assets was net of deferred tax liabilities of $37 million as of December 2019 and $27 million as of December 2018.
- Deduction for investments in covered funds represents the firm's aggregate investments in applicable covered funds, excluding investments that are subject to an extended conformance period. See Note 8 for further information about the Volcker Rule.
- Other adjustments within CET1 capital and Tier 1 capital primarily include credit valuation adjustments on derivative liabilities, the overfunded portion of the firm's defined benefit pension plan obligation net of associated deferred tax liabilities, disallowed deferred tax assets, debt valuation adjustments and other required credit risk-based deductions. Other adjustments within Advanced Tier 2 capital include eligible credit reserves.
- Qualifying subordinated debt is subordinated debt issued by Group Inc. with an original maturity of five years or greater. The outstanding amount of subordinated debt qualifying for Tier 2 capital is reduced upon reaching a remaining maturity of five years. See Note 14 for further information about the firm's subordinated debt.
- Junior subordinated debt is debt issued to a Trust. As of December 2019, 30% of this debt was included in Tier 2 capital and 70% was phased out of regulatory capital. As of December 2018, 40% of this debt was included in Tier 2 capital and 60% was phased out of regulatory capital. Junior subordinated debt is reduced by the amount of Trust Preferred securities purchased by the firm and will be fully phased out of Tier 2 capital by 2022 at a rate of 10% per year. See Note 14 for further information about the firm's junior subordinated debt and Trust Preferred securities.

The table below presents changes in CET1 capital, Tier 1 capital and Tier 2 capital.

$ in millions	Standardized	Advanced
Year Ended December 2019		
CET1 capital		
Beginning balance	**$ 73,116**	**$73,116**
Change in:		
Common shareholders' equity	**80**	**80**
Deduction for goodwill	**(432)**	**(432)**
Deduction for identifiable intangible assets	**(307)**	**(307)**
Other adjustments	**2,393**	**2,393**
Ending balance	**$ 74,850**	**$74,850**
Tier 1 capital		
Beginning balance	**$ 83,702**	**$83,702**
Change in:		
CET1 capital	**1,734**	**1,734**
Deduction for investments in covered funds	**5**	**5**
Other adjustments	**(1)**	**(1)**
Ending balance	**85,440**	**85,440**
Tier 2 capital		
Beginning balance	**14,926**	**13,743**
Change in:		
Qualifying subordinated debt	**(300)**	**(300)**
Junior subordinated debt	**(158)**	**(158)**
Allowance for credit losses	**449**	**–**
Other adjustments	**8**	**188**
Ending balance	**14,925**	**13,473**
Total capital	**$100,365**	**$98,913**
Year Ended December 2018		
CET1 capital		
Beginning balance	$ 67,110	$67,110
Change in:		
Common shareholders' equity	8,592	8,592
Transitional provisions	(117)	(117)
Deduction for goodwill	(86)	(86)
Deduction for identifiable intangible assets	26	26
Other adjustments	(2,409)	(2,409)
Ending balance	$ 73,116	$73,116
Tier 1 capital		
Beginning balance	$ 78,331	$78,331
Change in:		
CET1 capital	6,006	6,006
Transitional provisions	13	13
Deduction for investments in covered funds	(25)	(25)
Preferred stock	(650)	(650)
Other adjustments	27	27
Ending balance	83,702	83,702
Tier 2 capital		
Beginning balance	14,977	13,899
Change in:		
Qualifying subordinated debt	(213)	(213)
Junior subordinated debt	(125)	(125)
Allowance for credit losses	275	–
Other adjustments	12	182
Ending balance	14,926	13,743
Total capital	$ 98,628	$97,445

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

Credit Risk

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

- The Standardized Capital Rules apply prescribed risk-weights, which depend largely on the type of counterparty. The exposure measure for derivatives and securities financing transactions are based on specific formulas which take certain factors into consideration.

- Under the Advanced Capital Rules, the firm computes risk-weights for wholesale and retail credit exposures in accordance with the Advanced Internal Ratings-Based approach. The exposure measures for derivatives and securities financing transactions are computed utilizing internal models.
- For both Standardized and Advanced credit RWAs, the risk-weights for securitizations and equities are based on specific required formulaic approaches.

Market Risk

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

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

  For both risk management purposes and regulatory capital calculations the 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 net revenues used to determine risk management VaR exceptions (i.e., comparing the daily net revenues to the VaR measure calculated as of the end of the prior business day) include intraday activity, whereas the FRB's regulatory capital rules require that intraday activity be excluded from daily net revenues when calculating regulatory VaR exceptions. Intraday activity includes bid/offer net revenues, which are more likely than not to be positive by their nature. As a result, there may be differences in the number of VaR exceptions and the amount of daily net revenues calculated for regulatory VaR compared to the amounts calculated for risk management VaR.

  The firm's positional losses observed on a single day exceeded its 99% one-day regulatory VaR on one occasion during 2019 and exceeded its 99% one-day regulatory VaR on two occasions during 2018. There was no change in the VaR multiplier used to calculate Market RWAs;
- Stressed VaR is the potential loss in value of trading assets and liabilities, as well as certain investments, loans, and other financial assets and liabilities accounted for at fair value, during a period of significant market stress;
- Incremental risk is the potential loss in value of non-securitized positions due to the default or credit migration of issuers of financial instruments over a one-year time horizon;
- Comprehensive risk is the potential loss in value, due to price risk and defaults, within the firm's credit correlation positions; and
- Specific risk is the risk of loss on a position that could result from factors other than broad market movements, including event risk, default risk and idiosyncratic risk. The standardized measurement method is used to determine specific risk RWAs, by applying supervisory defined risk-weighting factors after applicable netting is performed.

Operational Risk

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

The table below presents information about RWAs.

$ in millions	Standardized	Advanced
As of December 2019		
Credit RWAs		
Derivatives	**$120,906**	**$ 72,631**
Commitments, guarantees and loans	**179,740**	**134,456**
Securities financing transactions	**65,867**	**13,834**
Equity investments	**56,814**	**61,892**
Other	**75,660**	**78,266**
Total Credit RWAs	**498,987**	**361,079**
Market RWAs		
Regulatory VaR	**8,933**	**8,933**
Stressed VaR	**30,911**	**30,911**
Incremental risk	**4,308**	**4,308**
Comprehensive risk	**1,393**	**1,191**
Specific risk	**19,043**	**19,043**
Total Market RWAs	**64,588**	**64,386**
Total Operational RWAs	**–**	**119,188**
Total RWAs	**$563,575**	**$544,653**
As of December 2018		
Credit RWAs		
Derivatives	$122,511	$ 82,301
Commitments, guarantees and loans	160,305	143,356
Securities financing transactions	66,363	18,259
Equity investments	53,563	55,154
Other	70,596	69,681
Total Credit RWAs	473,338	368,751
Market RWAs		
Regulatory VaR	7,782	7,782
Stressed VaR	27,952	27,952
Incremental risk	10,469	10,469
Comprehensive risk	2,770	2,770
Specific risk	25,599	25,599
Total Market RWAs	74,572	74,572
Total Operational RWAs	–	114,788
Total RWAs	$547,910	$558,111

In the table above:

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

The table below presents changes in RWAs.

$ in millions	Standardized	Advanced
Year Ended December 2019		
RWAs		
Beginning balance	**$547,910**	**$558,111**
Credit RWAs		
Change in:		
Derivatives	**(1,605)**	**(9,670)**
Commitments, guarantees and loans	**19,435**	**(8,900)**
Securities financing transactions	**(496)**	**(4,425)**
Equity investments	**3,251**	**6,738**
Other	**5,064**	**8,585**
Change in Credit RWAs	**25,649**	**(7,672)**
Market RWAs		
Change in:		
Regulatory VaR	**1,151**	**1,151**
Stressed VaR	**2,959**	**2,959**
Incremental risk	**(6,161)**	**(6,161)**
Comprehensive risk	**(1,377)**	**(1,579)**
Specific risk	**(6,556)**	**(6,556)**
Change in Market RWAs	**(9,984)**	**(10,186)**
Change in Operational RWAs	**–**	**4,400**
Ending balance	**$563,575**	**$544,653**
Year Ended December 2018		
RWAs		
Beginning balance	$555,611	$617,646
Credit RWAs		
Change in:		
Transitional provisions	7,766	8,232
Derivatives	(3,565)	(20,685)
Commitments, guarantees and loans	15,201	(20,019)
Securities financing transactions	(11,599)	(1,103)
Equity investments	(2,241)	(4,580)
Other	(454)	(6,411)
Change in Credit RWAs	5,108	(44,566)
Market RWAs		
Change in:		
Regulatory VaR	250	250
Stressed VaR	(4,801)	(4,801)
Incremental risk	2,028	2,028
Comprehensive risk	373	900
Specific risk	(10,659)	(10,659)
Change in Market RWAs	(12,809)	(12,282)
Change in Operational RWAs	–	(2,687)
Ending balance	$547,910	$558,111

RWAs Rollforward Commentary

Year Ended December 2019. Standardized Credit RWAs as of December 2019 increased by $25.65 billion compared with December 2018, primarily reflecting an increase in commitments, guarantees and loans, principally due to an increase in lending activity, and an increase in other credit RWAs, principally due to the recognition of operating lease right-of-use assets upon adoption of ASU No. 2016-02 and an increase in corporate debt exposures. Standardized Market RWAs as of December 2019 decreased by $9.98 billion compared with December 2018, primarily reflecting a decrease in specific risk, principally due to reduced exposures, and a decrease in incremental risk, principally due to reduced exposures and changes in risk measurements.

Advanced Credit RWAs as of December 2019 decreased by $7.67 billion compared with December 2018. Beginning in the fourth quarter of 2019, the firm made changes to the calculation of the loss given default for certain wholesale exposures which resulted in a decrease in credit RWAs, primarily in commitments, guarantees and loans and derivatives. This decrease was partially offset by an increase in other credit RWAs, principally due to the recognition of operating lease right-of-use assets upon adoption of ASU No. 2016-02 and an increase in corporate debt exposures. Advanced Market RWAs as of December 2019 decreased by $10.19 billion compared with December 2018, primarily reflecting a decrease in specific risk, principally due to reduced exposures, and a decrease in incremental risk, principally due to reduced exposures and changes in risk measurements. Advanced Operational RWAs as of December 2019 increased by $4.40 billion compared with December 2018, associated with litigation and regulatory proceedings.

Year Ended December 2018. Standardized Credit RWAs as of December 2018 increased by $5.11 billion compared with December 2017, primarily reflecting an increase in commitments, guarantees and loans, principally due to an increase in lending activity. This increase was partially offset by a decrease in securities financing transactions, principally due to reduced exposures. Standardized Market RWAs as of December 2018 decreased by $12.81 billion compared with December 2017, primarily reflecting a decrease in specific risk on positions for which the firm obtained increased transparency into the underliers and as a result utilized a modeled approach to calculate RWAs.

Advanced Credit RWAs as of December 2018 decreased by $44.57 billion compared with December 2017. Beginning in the fourth quarter of 2018, the firm's default experience was incorporated into the determination of probability of default, which resulted in a decrease in credit RWAs, primarily in commitments, guarantees and loans and derivatives. Advanced Market RWAs as of December 2018 decreased by $12.28 billion compared with December 2017, primarily reflecting a decrease in specific risk on positions for which the firm obtained increased transparency into the underliers and as a result utilized a modeled approach to calculate RWAs.

Bank Subsidiaries

Regulatory Capital Ratios. GS Bank USA, the firm's primary U.S. bank subsidiary, is an FDIC-insured, New York State-chartered bank and a member of the Federal Reserve System, is supervised and regulated by the FRB, the FDIC, the New York State Department of Financial Services and the Consumer Financial Protection Bureau, and is subject to regulatory capital requirements that are calculated in substantially the same manner as those applicable to BHCs. For purposes of assessing the adequacy of its capital, GS Bank USA calculates its risk-based capital and leverage ratios in accordance with the regulatory capital requirements applicable to state member banks. Those requirements are based on the Capital Framework described above. GS Bank USA is an Advanced approach banking organization under the Capital Framework.

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

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

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

The table below presents GS Bank USA's risk-based capital, leverage and "well-capitalized" requirements.

	As of December		"Well-capitalized" Requirements
	2019	2018	
Risk-based capital requirements			
CET1 capital ratio	**7.0%**	6.4%	**6.5%**
Tier 1 capital ratio	**8.5%**	7.9%	**8.0%**
Total capital ratio	**10.5%**	9.9%	**10.0%**
Leverage requirements			
Tier 1 leverage ratio	**4.0%**	4.0%	**5.0%**
SLR	**3.0%**	3.0%	**6.0%**

In the table above:

- As of December 2019, the CET1 capital ratio requirement included a minimum of 4.5%, the Tier 1 capital ratio requirement included a minimum of 6.0%, and the Total capital ratio requirement included a minimum of 8.0%. The requirements also included the capital conservation buffer of 2.5% and the countercyclical capital buffer, which the FRB has set to zero percent.
- As of December 2018, the CET1 capital ratio requirement included a minimum of 4.5%, the Tier 1 capital ratio requirement included a minimum of 6.0%, and the Total capital ratio requirement included a minimum of 8.0%. The requirements also included the 75% phase-in of the capital conservation buffer of 2.5% and the countercyclical capital buffer of zero percent.
- The "well-capitalized" requirements were the binding requirements for risk-based capital ratios as of December 2018 and were the binding requirements for leverage ratios as of both December 2019 and December 2018.

The table below presents information about GS Bank USA's risk-based capital ratios.

$ in millions	Standardized	Advanced
As of December 2019		
CET1 capital	**$ 29,176**	**$ 29,176**
Tier 1 capital	**$ 29,176**	**$ 29,176**
Tier 2 capital	**$ 5,293**	**$ 4,486**
Total capital	**$ 34,469**	**$ 33,662**
RWAs	**$258,541**	**$135,596**
CET1 capital ratio	**11.3%**	**21.5%**
Tier 1 capital ratio	**11.3%**	**21.5%**
Total capital ratio	**13.3%**	**24.8%**
As of December 2018		
CET1 capital	$ 27,467	$ 27,467
Tier 1 capital	$ 27,467	$ 27,467
Tier 2 capital	$ 5,069	$ 4,446
Total capital	$ 32,536	$ 31,913
RWAs	$248,356	$149,019
CET1 capital ratio	11.1%	18.4%
Tier 1 capital ratio	11.1%	18.4%
Total capital ratio	13.1%	21.4%

In the table above:

- In accordance with the Capital Rules, the lower of the Standardized or Advanced ratio is the ratio against which GS Bank USA's compliance with the capital requirements is assessed, and therefore, the Standardized ratios applied to GS Bank USA as of both December 2019 and December 2018.
- Beginning in the fourth quarter of 2019, GS Bank USA made changes to the calculation of the loss given default for certain wholesale exposures. At the date of adoption, the estimated impact of these changes was an increase in GS Bank USA's Advanced CET1 capital ratio of approximately 2.2 percentage points.
- The Standardized risk-based capital ratios increased from December 2018 to December 2019, reflecting an increase in capital, principally due to net earnings, partially offset by an increase in credit RWAs. The Advanced risk-based capital ratios increased from December 2018 to December 2019, reflecting a decrease in credit RWAs, principally due to updates to the loss given default calculation for certain wholesale exposures.

The table below presents information about GS Bank USA's leverage ratios.

	For the Three Months Ended or as of December	
$ in millions	**2019**	2018
Tier 1 capital	**$ 29,176**	$ 27,467
Average adjusted total assets	**$220,974**	$188,606
Total leverage exposure	**$413,852**	$368,062
Tier 1 leverage ratio	**13.2%**	14.6%
SLR	**7.0%**	7.5%

In the table above:

- Tier 1 leverage ratio is calculated as Tier 1 capital divided by average adjusted total assets.
- SLR is calculated as Tier 1 capital divided by total leverage exposure.

The firm's principal non-U.S. bank subsidiary, GSIB, is a wholly-owned credit institution, regulated by the Prudential Regulation Authority and the Financial Conduct Authority and is subject to regulatory capital requirements. As of both December 2019 and December 2018, GSIB was in compliance with its regulatory capital requirements.

Other. The deposits of GS Bank USA are insured by the FDIC to the extent provided by law. The FRB requires that GS Bank USA maintain cash reserves with the Federal Reserve Bank of New York. The amount deposited by GS Bank USA at the Federal Reserve Bank of New York was $50.55 billion as of December 2019 and $29.20 billion as of December 2018, which exceeded required reserve amounts by $50.29 billion as of December 2019 and $29.03 billion as of December 2018.

Restrictions on Payments

Group Inc. may be limited in its ability to access capital held at certain subsidiaries as a result of regulatory, tax or other constraints. These limitations include provisions of applicable law and regulations and other regulatory restrictions that limit the ability of those subsidiaries to declare and pay dividends without prior regulatory approval (e.g., dividends that may be paid by GS Bank USA are limited to the lesser of the amounts calculated under a recent earnings test and an undivided profits test) even if the relevant subsidiary would satisfy the equity capital requirements applicable to it after giving effect to the dividend. For example, the FRB, the FDIC and the New York State Department of Financial Services have authority to prohibit or to limit the payment of dividends by the banking organizations they supervise (including GS Bank USA) if, in the regulator's opinion, payment of a dividend would constitute an unsafe or unsound practice in the light of the financial condition of the banking organization.

In addition, subsidiaries not subject to separate regulatory capital requirements may hold capital to satisfy local tax and legal guidelines, rating agency requirements (for entities with assigned credit ratings) or internal policies, including policies concerning the minimum amount of capital a subsidiary should hold based on its underlying level of risk.

Group Inc.'s equity investment in subsidiaries was $95.68 billion as of December 2019 and $90.22 billion as of December 2018, of which Group Inc. was required to maintain $57.58 billion as of December 2019 and $52.92 billion as of December 2018, of minimum equity capital in its regulated subsidiaries in order to satisfy the regulatory requirements of such subsidiaries.

Group Inc.'s capital invested in certain non-U.S. subsidiaries is exposed to foreign exchange risk, substantially all of which is managed through a combination of derivatives and non-U.S. denominated debt. See Note 7 for information about the firm's net investment hedges used to hedge this risk.

Note 21.

Earnings Per Common Share

Basic earnings per common share (EPS) is calculated by dividing net earnings to common by the weighted average number of common shares outstanding and restricted stock units (RSUs) for which the delivery of the underlying common stock is not subject to satisfaction of future service or performance conditions (collectively, basic shares). Diluted EPS includes the determinants of basic EPS and, in addition, reflects the dilutive effect of the common stock deliverable for stock options and for RSUs for which the delivery of the underlying common stock is subject to satisfaction of future service or performance conditions.

The table below presents information about basic and diluted EPS.

	Year Ended December		
in millions, except per share amounts	**2019**	2018	2017
Net earnings to common	**$7,897**	$9,860	$3,685
Weighted average basic shares	**371.6**	385.4	401.6
Effect of dilutive securities:			
RSUs	**3.9**	3.9	5.3
Stock options	**–**	0.9	2.2
Dilutive securities	**3.9**	4.8	7.5
Weighted average diluted shares	**375.5**	390.2	409.1
Basic EPS	**$21.18**	$25.53	$ 9.12
Diluted EPS	**$21.03**	$25.27	$ 9.01

In the table above:

- Net earnings to common represents net earnings applicable to common shareholders, which is calculated as net earnings less preferred stock dividends.
- Unvested share-based awards that have non-forfeitable rights to dividends or dividend equivalents are treated as a separate class of securities under the two-class method. Distributed earnings allocated to these securities reduce net earnings to common to calculate basic EPS. The impact of applying this methodology was a reduction in basic EPS of $0.07 for 2019, $0.05 for 2018 and $0.06 for 2017.
- Diluted EPS does not include antidilutive RSUs of 0.1 million for 2019, of less than 0.1 million for 2018 and 0.1 million for 2017.

Note 22.

Transactions with Affiliated Funds

The firm has formed nonconsolidated investment funds with third-party investors. As the firm generally acts as the investment manager for these funds, it is entitled to receive management fees and, in certain cases, advisory fees or incentive fees from these funds. Additionally, the firm invests alongside the third-party investors in certain funds.

The tables below present information about affiliated funds.

	Year Ended December		
$ in millions	**2019**	2018	2017
Fees earned from funds	**$2,967**	$3,571	$2,932

	As of December	
$ in millions	**2019**	2018
Fees receivable from funds	**$ 780**	$ 610
Aggregate carrying value of interests in funds	**$5,490**	$4,994

The firm may periodically determine to waive certain management fees on selected money market funds. Management fees waived were $44 million for 2019 and $51 million for 2018 and $98 million for 2017.

The Volcker Rule restricts the firm from providing financial support to covered funds (as defined in the rule) after the expiration of the conformance period. As a general matter, in the ordinary course of business, the firm does not expect to provide additional voluntary financial support to any covered funds, but may choose to do so with respect to funds that are not subject to the Volcker Rule. However, in the event that such support is provided, the amount is not expected to be material.

The firm had an outstanding guarantee, as permitted under the Volcker Rule, on behalf of its funds of $87 million as of December 2019 and $154 million as of December 2018. The firm has voluntarily provided this guarantee in connection with a financing agreement with a third-party lender executed by one of the firm's real estate funds that is not covered by the Volcker Rule. As of both December 2019 and December 2018, except as noted above, the firm has not provided any additional financial support to its affiliated funds.

In addition, in the ordinary course of business, the firm may also engage in other activities with its affiliated funds including, among others, securities lending, trade execution, market-making, custody, and acquisition and bridge financing. See Note 18 for the firm's investment commitments related to these funds.

Note 23.

Interest Income and Interest Expense

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

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

	Year Ended December		
$ in millions	**2019**	2018	2017
Deposits with banks	**$ 1,211**	$ 1,418	$ 819
Collateralized agreements	**4,397**	3,852	1,661
Trading assets	**5,899**	5,157	4,667
Investments	**1,457**	1,215	704
Loans	**5,411**	4,689	3,222
Other interest	**3,363**	3,348	2,040
Total interest income	**21,738**	19,679	13,113
Deposits	**3,568**	2,606	1,380
Collateralized financings	**2,658**	2,051	863
Trading liabilities	**1,213**	1,554	1,388
Short-term borrowings	**668**	695	698
Long-term borrowings	**5,359**	5,555	4,599
Other interest	**3,910**	3,451	1,253
Total interest expense	**17,376**	15,912	10,181
Net interest income	**$ 4,362**	$ 3,767	$ 2,932

In the table above:

- Collateralized agreements includes rebates paid and interest income on securities borrowed.
- Loans excludes interest on loans held for sale that are accounted for at the lower of cost or fair value. Such interest is included within other interest.
- Other interest income includes interest income on customer debit balances, other interest-earning assets and loans held for sale that are accounted for at the lower of cost or fair value.
- Collateralized financings consists of repurchase agreements and securities loaned.
- Short- and long-term borrowings include both secured and unsecured borrowings.
- Other interest expense includes rebates received on other interest-bearing liabilities and interest expense on customer credit balances.

Note 24.

Income Taxes

Provision for Income Taxes

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

The table below presents information about the provision for taxes.

	Year Ended December		
$ in millions	**2019**	2018	2017
Current taxes			
U.S. federal	**$1,113**	$ 2,986	$ 320
State and local	**388**	379	64
Non-U.S.	**950**	1,302	1,004
Total current tax expense	**2,451**	4,667	1,388
Deferred taxes			
U.S. federal	**(383)**	(2,711)	5,083
State and local	**(20)**	58	157
Non-U.S.	**69**	8	218
Total deferred tax (benefit)/expense	**(334)**	(2,645)	5,458
Provision for taxes	**$2,117**	$ 2,022	$6,846

In the table above:

- State and local current taxes in 2017 includes the impact of settlements of state and local examinations.
- U.S. federal current tax expense and U.S. federal deferred tax expense in 2018 and 2017 includes the impact of Tax Legislation.

The table below presents a reconciliation of the U.S. federal statutory income tax rate to the effective income tax rate.

	Year Ended December		
	2019	2018	2017
U.S. federal statutory income tax rate	**21.0%**	21.0%	35.0%
State and local taxes, net of U.S. federal benefit	**2.9**	2.0	1.5
Settlement of employee share-based awards	**(0.6)**	(2.2)	(6.4)
Non-U.S. operations	**(3.6)**	(0.7)	(6.3)
Tax credits	**(1.8)**	(1.4)	(2.1)
Tax-exempt income, including dividends	**(1.0)**	(0.6)	(0.2)
Tax Legislation	**–**	(3.9)	39.5
Non-deductible legal expenses	**2.1**	1.2	0.5
Other	**1.0**	0.8	–
Effective income tax rate	**20.0%**	16.2%	61.5%

In the table above:

- Non-U.S. operations in 2019 and 2018 include the impact of the Base Erosion and Anti-Abuse Tax and Global Intangible Low Taxed Income (GILTI).
- Non-U.S. operations in 2017 includes the impact of permanently reinvested earnings and excludes the estimated impact of Tax Legislation.
- State and local taxes in 2017, net of U.S. federal income tax effects, includes the impact of settlements of state and local examinations.

Deferred Income Taxes

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

The table below presents information about deferred tax assets and liabilities, excluding the impact of netting within tax jurisdictions.

	As of December	
$ in millions	**2019**	2018
Deferred tax assets		
Compensation and benefits	**$1,351**	$1,296
ASC 740 asset related to unrecognized tax benefits	**279**	152
Non-U.S. operations	**472**	264
Net operating losses	**411**	688
Occupancy-related	**178**	71
Other comprehensive income-related	**407**	–
Tax credits carryforward	**59**	62
Operating lease liabilities	**559**	–
Allowance for credit losses	**433**	326
Other, net	**160**	42
Subtotal	**4,309**	2,901
Valuation allowance	**(467)**	(245)
Total deferred tax assets	**$3,842**	$2,656
Deferred tax liabilities		
Depreciation and amortization	**$1,022**	$ 930
Unrealized gains	**1,196**	1,290
Operating lease right-of-use assets	**560**	–
Other comprehensive income-related	**–**	84
Total deferred tax liabilities	**$2,778**	$2,304

The firm has recorded deferred tax assets of $411 million as of December 2019 and $688 million as of December 2018, in connection with U.S. federal, state and local and foreign net operating loss carryforwards. The firm also recorded a valuation allowance of $79 million as of December 2019 and $81 million as of December 2018, related to these net operating loss carryforwards.

As of December 2019, the U.S. federal net operating loss carryforward was $327 million, the state and local net operating loss carryforward was $1.46 billion, and the foreign net operating loss carryforward was $1.24 billion. If not utilized, the U.S. federal net operating loss carryforward will begin to expire in 2025 and the state and local, and foreign net operating loss carryforwards will begin to expire in 2020. If these carryforwards expire, they will not have a material impact on the firm's results of operations. As of December 2019, the firm has recorded deferred tax assets of $5 million in connection with general business credit carryforwards and $29 million in connection with state and local tax credit carryforwards. If not utilized, the general business credit carryforward will begin to expire in 2021 and the state and local tax credit carryforward will begin to expire in 2020. As of December 2019, the firm did not have any foreign tax credit carryforwards.

As of both December 2019 and December 2018, the firm had no U.S. capital loss carryforwards and no related net deferred income tax assets. As of December 2019, the firm had deferred tax assets of $181 million in connection with foreign capital loss carryforwards and a valuation allowance of $181 million related to these capital loss carryforwards.

The valuation allowance increased by $222 million during 2019 and increased by $89 million during 2018. The increases in both 2019 and 2018 were primarily due to an increase in deferred tax assets from which the firm does not expect to realize any benefit.

The firm permanently reinvested eligible earnings of certain foreign subsidiaries. As of both December 2019 and December 2018, all U.S. taxes were accrued on these subsidiaries' distributable earnings, substantially all of which resulted from the Tax Legislation repatriation tax and GILTI.

Unrecognized Tax Benefits

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

The accrued liability for interest expense related to income tax matters and income tax penalties was $198 million as of December 2019 and $107 million as of December 2018. The firm recognized interest expense and income tax penalties of $60 million for 2019, $18 million for 2018 and $63 million for 2017. It is reasonably possible that unrecognized tax benefits could change significantly during the twelve months subsequent to December 2019 due to potential audit settlements. However, at this time it is not possible to estimate any potential change.

The table below presents the changes in the liability for unrecognized tax benefits, which is included in other liabilities.

	Year Ended or as of December		
$ in millions	**2019**	2018	2017
Beginning balance	**$1,051**	$ 665	$ 852
Increases based on current year tax positions	**131**	197	94
Increases based on prior years' tax positions	**441**	232	101
Decreases based on prior years' tax positions	**(54)**	(39)	(128)
Decreases related to settlements	**(125)**	(3)	(255)
Exchange rate fluctuations	**1**	(1)	1
Ending balance	**$1,445**	$1,051	$ 665
Related deferred income tax asset	**279**	152	75
Net unrecognized tax benefit	**$1,166**	$ 899	$ 590

Regulatory Tax Examinations

The firm is subject to examination by the U.S. Internal Revenue Service (IRS) and other taxing authorities in jurisdictions where the firm has significant business operations, such as the United Kingdom, Japan, Hong Kong and various states, such as New York. The tax years under examination vary by jurisdiction. The firm does not expect completion of these audits to have a material impact on the firm's financial condition, but it may be material to operating results for a particular period, depending, in part, on the operating results for that period.

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

Jurisdiction	As of December 2019
U.S. Federal	**2011**
New York State and City	**2011**
United Kingdom	**2017**
Japan	**2014**
Hong Kong	**2013**

U.S. Federal examinations of 2011 and 2012 began in 2013. The firm has been accepted into the Compliance Assurance Process program by the IRS for each of the tax years from 2013 through 2019 and submitted an application for 2020. This program allows the firm to work with the IRS to identify and resolve potential U.S. Federal tax issues before the filing of tax returns. The 2013 through 2018 tax years remain subject to post-filing review.

New York State and City examinations (excluding GS Bank USA) of 2011 through 2014 began in 2017. New York State and City examinations for GS Bank USA have been completed through 2014.

All years including and subsequent to the years in the table above remain open to examination by the taxing authorities. The firm believes that the liability for unrecognized tax benefits it has established is adequate in relation to the potential for additional assessments.

Note 25.

Business Segments

The firm reports its activities in the following four business segments: Investment Banking, Global Markets, Asset Management and Consumer & Wealth Management. See Note 1 for information about the firm's business segments.

Compensation and benefits expenses in the firm's segments reflect, among other factors, the overall performance of the firm, as well as the performance of individual businesses. Consequently, pre-tax margins in one segment of the firm's business may be significantly affected by the performance of the firm's other business segments.

The firm allocates assets (including allocations of global core liquid assets and cash, secured client financing and other assets), revenues and expenses among the four business segments. Due to the integrated nature of these segments, estimates and judgments are made in allocating certain assets, revenues and expenses. The allocation process is based on the manner in which management currently views the performance of the segments.

The allocation of common shareholders' equity and preferred stock dividends to each segment is based on the estimated amount of equity required to support the activities of the segment under relevant regulatory capital requirements.

Net earnings for each segment is calculated by applying the firmwide tax rate to each segment's pre-tax earnings.

Management believes that this allocation provides a reasonable representation of each segment's contribution to consolidated net earnings to common, return on average common equity and total assets. Transactions between segments are based on specific criteria or approximate third-party rates.

Segment Results

The table below presents a summary of the firm's segment results.

	Year Ended December		
$ in millions	**2019**	2018	2017
Investment Banking			
Non-interest revenues	**$ 7,079**	$ 7,856	$ 7,158
Net interest income	**520**	322	301
Total net revenues	**7,599**	8,178	7,459
Provision for credit losses	**333**	124	34
Operating expenses	**4,685**	4,473	3,613
Pre-tax earnings	**$ 2,581**	$ 3,581	$ 3,812
Net earnings	**$ 2,065**	$ 3,001	$ 1,468
Net earnings to common	**$ 1,996**	$ 2,924	$ 1,394
Average common equity	**$11,167**	$ 8,737	$ 8,753
Return on average common equity	**17.9%**	33.5%	15.9%
Global Markets			
Non-interest revenues	**$13,109**	$12,831	$10,853
Net interest income	**1,670**	1,607	1,442
Total net revenues	**14,779**	14,438	12,295
Provision for credit losses	**35**	52	178
Operating expenses	**10,851**	10,585	9,981
Pre-tax earnings	**$ 3,893**	$ 3,801	$ 2,136
Net earnings	**$ 3,114**	$ 3,185	$ 823
Net earnings to common	**$ 2,729**	$ 2,796	$ 397
Average common equity	**$40,060**	$41,237	$44,448
Return on average common equity	**6.8%**	6.8%	0.9%
Asset Management			
Non-interest revenues	**$ 8,454**	$ 8,353	$ 8,491
Net interest income	**511**	482	39
Total net revenues	**8,965**	8,835	8,530
Provision for credit losses	**274**	160	322
Operating expenses	**4,817**	4,179	3,773
Pre-tax earnings	**$ 3,874**	$ 4,496	$ 4,435
Net earnings	**$ 3,099**	$ 3,767	$ 1,707
Net earnings to common	**$ 3,013**	$ 3,668	$ 1,639
Average common equity	**$21,575**	$19,061	$16,904
Return on average common equity	**14.0%**	19.2%	9.7%
Consumer & Wealth Management			
Non-interest revenues	**$ 3,542**	$ 3,809	$ 3,296
Net interest income	**1,661**	1,356	1,150
Total net revenues	**5,203**	5,165	4,446
Provision for credit losses	**423**	338	123
Operating expenses	**4,545**	4,224	3,574
Pre-tax earnings	**$ 235**	$ 603	$ 749
Net earnings	**$ 188**	$ 506	$ 288
Net earnings to common	**$ 159**	$ 472	$ 255
Average common equity	**$ 6,292**	$ 4,950	$ 4,616
Return on average common equity	**2.5%**	9.5%	5.5%
Total			
Non-interest revenues	**$32,184**	$32,849	$29,798
Net interest income	**4,362**	3,767	2,932
Total net revenues	**36,546**	36,616	32,730
Provision for credit losses	**1,065**	674	657
Operating expenses	**24,898**	23,461	20,941
Pre-tax earnings	**$10,583**	$12,481	$11,132
Net earnings	**$ 8,466**	$10,459	$ 4,286
Net earnings to common	**$ 7,897**	$ 9,860	$ 3,685
Average common equity	**$79,094**	$73,985	$74,721
Return on average common equity	**10.0%**	13.3%	4.9%

In the table above:

- Revenues and expenses directly associated with each segment are included in determining pre-tax earnings.
- Net revenues in the firm's segments include allocations of interest income and expense to specific positions in relation to the cash generated by, or funding requirements of, such positions. Net interest is included in segment net revenues as it is consistent with how management assesses segment performance.
- Overhead expenses not directly allocable to specific segments are allocated ratably based on direct segment expenses.
- Operating expenses related to corporate charitable contributions, previously not allocated to the segments, have now been allocated. This allocation reflects a change in the manner in which management measures the performance of the firm's segments. As a result of this change, all operating expenses are now allocated to segments. Reclassifications have been made to previously reported segment amounts to conform to the current presentation.
- Total operating expenses included net provisions for litigation and regulatory proceedings of $1.24 billion for 2019, $844 million for 2018 and $188 million for 2017. The net provisions for 2019 and 2018 were primarily reflected in Investment Banking and Global Markets.
- Net earnings included an income tax benefit of $487 million in 2018 and estimated income tax expense of $4.40 billion in 2017 related to Tax Legislation.

The table below presents depreciation and amortization expense by segment.

	Year Ended December		
$ in millions	**2019**	2018	2017
Investment Banking	**$ 139**	$ 114	$ 123
Global Markets	**646**	563	514
Asset Management	**618**	450	365
Consumer & Wealth Management	**301**	201	150
Total	**$1,704**	$1,328	$1,152

Segment Assets

The table below presents assets by segment.

	As of December	
$ in millions	**2019**	2018
Investment Banking	**$ 92,009**	$ 89,451
Global Markets	**725,060**	683,702
Asset Management	**92,102**	85,003
Consumer & Wealth Management	**83,797**	73,640
Total	**$992,968**	$931,796

The table below presents gross loans by segment and loan type.

	As of December	
$ in millions	**2019**	2018
Corporate	**$ 27,035**	$26,375
Investment Banking	**27,035**	26,375
Corporate	**11,852**	11,147
Real estate	**15,671**	14,231
Other	**3,756**	3,636
Global Markets	**31,279**	29,014
Corporate	**7,420**	4,853
Real estate	**9,030**	8,248
Other	**1,036**	1,109
Asset Management	**17,486**	14,210
Wealth Management	**27,940**	24,768
Consumer	**4,747**	4,536
Credit cards	**1,858**	–
Consumer & Wealth Management	**34,545**	29,304
Total	**$110,345**	$98,903

The table below presents the allowance for loan losses by segment.

	As of December	
$ in millions	**2019**	2018
Investment Banking	**$ 470**	$ 355
Global Markets	**168**	138
Asset Management	**385**	254
Consumer & Wealth Management	**418**	319
Total	**$1,441**	$1,066

See Note 9 for further information about loans.

Geographic Information

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 are generally allocated as follows:

- Investment Banking: location of the client and investment banking team.
- Global Markets: FICC and Equities intermediation: location of the market-making desk; FICC and Equities financing (excluding prime brokerage financing): location of the desk; prime brokerage financing: location of the primary market for the underlying security.
- Asset Management (excluding Equity investments and lending): location of the sales team; Equity investments: location of the investment; Lending: location of the client.
- Consumer & Wealth Management: Wealth management: location of the sales team; Consumer banking: location of the client.

The table below presents total net revenues, pre-tax earnings and net earnings by geographic region.

$ in millions	**2019**		2018		2017	
Year Ended December						
Americas	**$22,148**	**60%**	$22,339	61%	$19,737	60%
EMEA	**9,745**	**27%**	9,244	25%	8,168	25%
Asia	**4,653**	**13%**	5,033	14%	4,825	15%
Total net revenues	**$36,546**	**100%**	$36,616	100%	$32,730	100%
Americas	**$ 6,623**	**62%**	$ 8,125	65%	$ 7,014	63%
EMEA	**3,349**	**32%**	3,244	26%	2,561	23%
Asia	**611**	**6%**	1,112	9%	1,557	14%
Total pre-tax earnings	**$10,583**	**100%**	$12,481	100%	$11,132	100%
Americas	**$ 5,514**	**65%**	$ 7,092	68%	$ 1,059	25%
EMEA	**2,600**	**31%**	2,522	24%	2,048	48%
Asia	**352**	**4%**	845	8%	1,179	27%
Total net earnings	**$ 8,466**	**100%**	$10,459	100%	$ 4,286	100%

In the table above:

- Americas net earnings included an income tax benefit of $487 million in 2018 and estimated income tax expense of $4.40 billion in 2017 related to Tax Legislation.
- Asia pre-tax earnings and net earnings for 2019 were impacted by net provisions for litigation and regulatory proceedings.
- Charitable contributions, previously not allocated across geographic regions for pre-tax earnings and net earnings, have now been allocated. Reclassifications have been made to previously reported amounts to conform to the current presentation.
- Substantially all of the amounts in Americas were attributable to the U.S.
- Asia includes Australia and New Zealand.

Note 26.

Credit Concentrations

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

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

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

	As of December	
$ in millions	**2019**	2018
U.S. government and agency obligations	**$167,097**	$111,114
Percentage of total assets	**16.8%**	11.9%
Non-U.S. government and agency obligations	**$ 44,875**	$ 43,607
Percentage of total assets	**4.5%**	4.7%

In addition, the firm had $96.97 billion as of December 2019 and $90.47 billion as of December 2018 of cash deposits held at central banks (included in cash and cash equivalents), of which $50.55 billion as of December 2019 and $29.20 billion as of December 2018 was held at the Federal Reserve Bank of New York.

As of both December 2019 and December 2018, the firm did not have credit exposure to any other counterparty that exceeded 2% of total assets.

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

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

	As of December	
$ in millions	**2019**	2018
U.S. government and agency obligations	**$49,396**	$78,828
Non-U.S. government and agency obligations	**$55,889**	$76,745

In the table above:

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

Note 27.

Legal Proceedings

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

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

With respect to matters described below for which management has been able to estimate a range of reasonably possible loss where (i) actual or potential plaintiffs have claimed an amount of money damages, (ii) the firm is being, or threatened to be, sued by purchasers in a securities offering and is not being indemnified by a party that the firm believes will pay the full amount of any judgment, or (iii) the purchasers are demanding that the firm repurchase securities, management has estimated the upper end of the range of reasonably possible loss as being equal to (a) in the case of (i), the amount of money damages claimed, (b) in the case of (ii), the difference between the initial sales price of the securities that the firm sold in such offering and the estimated lowest subsequent price of such securities prior to the action being commenced and (c) in the case of (iii), the price that purchasers paid for the securities less the estimated value, if any, as of December 2019 of the relevant securities, in each of cases (i), (ii) and (iii), taking into account any other factors believed to be relevant to the particular matter or matters of that type. As of the date hereof, the firm has estimated the upper end of the range of reasonably possible aggregate loss for such matters and for any other matters described below where management has been able to estimate a range of reasonably possible aggregate loss to be approximately $3.3 billion in excess of the aggregate reserves for such matters.

Management is generally unable to estimate a range of reasonably possible loss for matters other than those included in the estimate above, including where (i) actual or potential plaintiffs have not claimed an amount of money damages, except in those instances where management can otherwise determine an appropriate amount, (ii) matters are in early stages, (iii) matters relate to regulatory investigations or reviews, except in those instances where management can otherwise determine an appropriate amount, (iv) there is uncertainty as to the likelihood of a class being certified or the ultimate size of the class, (v) there is uncertainty as to the outcome of pending appeals or motions, (vi) there are significant factual issues to be resolved, and/or (vii) there are novel legal issues presented. For example, the firm's potential liabilities with respect to the investigations and reviews described below in "Regulatory Investigations and Reviews and Related Litigation" generally are not included in management's estimate of reasonably possible loss. However, management does not believe, based on currently available information, that the outcomes of such other matters will have a material adverse effect on the firm's financial condition, though the outcomes could be material to the firm's operating results for any particular period, depending, in part, upon the operating results for such period. See Note 18 for further information about mortgage-related contingencies.

1Malaysia Development Berhad (1MDB)-Related Matters

The firm has received subpoenas and requests for documents and information from various governmental and regulatory bodies and self-regulatory organizations as part of investigations and reviews relating to financing transactions and other matters involving 1MDB, a sovereign wealth fund in Malaysia. Subsidiaries of the firm acted as arrangers or purchasers of approximately $6.5 billion of debt securities of 1MDB.

On November 1, 2018, the U.S. Department of Justice (DOJ) unsealed a criminal information and guilty plea by Tim Leissner, a former participating managing director of the firm, and an indictment against Ng Chong Hwa, a former managing director of the firm, and Low Taek Jho. Leissner pleaded guilty to a two-count criminal information charging him with conspiring to launder money and conspiring to violate the U.S. Foreign Corrupt Practices Act's (FCPA) anti-bribery and internal accounting controls provisions. Low and Ng were charged in a three-count indictment with conspiring to launder money and conspiring to violate the FCPA's anti-bribery provisions. On August 28, 2018, Leissner's guilty plea was accepted by the U.S. District Court for the Eastern District of New York and Leissner was adjudicated guilty on both counts. Ng was also charged in this indictment with conspiring to violate the FCPA's internal accounting controls provisions. The charging documents state, among other things, that Leissner and Ng participated in a conspiracy to misappropriate proceeds of the 1MDB offerings for themselves and to pay bribes to various government officials to obtain and retain 1MDB business for the firm. The plea and charging documents indicate that Leissner and Ng knowingly and willfully circumvented the firm's system of internal accounting controls, in part by repeatedly lying to control personnel and internal committees that reviewed these offerings. The indictment of Ng and Low alleges that the firm's system of internal accounting controls could be easily circumvented and that the firm's business culture, particularly in Southeast Asia, at times prioritized consummation of deals ahead of the proper operation of its compliance functions. On May 6, 2019, Ng pleaded not guilty to the DOJ's criminal charges. On February 4, 2020, the FRB disclosed that Andrea Vella, a former participating managing director whom the DOJ had previously referred to as an unindicted co-conspirator, had agreed, without admitting or denying the FRB's allegations, to a consent order that prohibited him from participating in the banking industry. No other penalties were imposed by the consent order.

On December 17, 2018, the Attorney General of Malaysia filed criminal charges in Malaysia against Goldman Sachs International (GSI), as the arranger of three offerings of debt securities of 1MDB, aggregating approximately $6.5 billion in principal amount, for alleged disclosure deficiencies in the offering documents relating to, among other things, the use of proceeds for the debt securities, as well as against Goldman Sachs (Asia) LLC (GS Asia) and Goldman Sachs (Singapore) PTE (GS Singapore). Criminal charges have also been filed against Leissner, Low, Ng and Jasmine Loo Ai Swan. In a related press release, the Attorney General of Malaysia indicated that prosecutors in Malaysia will seek criminal fines against the accused in excess of $2.7 billion plus the $600 million of fees received in connection with the debt offerings. On August 9, 2019, the Attorney General of Malaysia announced that criminal charges had also been filed against seventeen current and former directors of GSI, GS Asia and GS Singapore.

The Malaysia Securities Commission issued notices to show cause against Goldman Sachs (Malaysia) Sdn Bhd (GS Malaysia) in December 2018 and March 2019 that (i) allege possible violations of Malaysian securities laws and (ii) indicate that the Malaysia Securities Commission is considering whether to revoke GS Malaysia's license to conduct corporate finance and fund management activities in Malaysia.

The firm has received multiple demands, beginning in November 2018, from alleged shareholders under Section 220 of the Delaware General Corporation Law for books and records relating to, among other things, the firm's involvement with 1MDB and the firm's compliance procedures. On December 13, 2019, an alleged shareholder filed a lawsuit in the Court of Chancery of the State of Delaware seeking books and records relating to, among other things, the firm's involvement with 1MDB and the firm's compliance procedures.

On February 19, 2019, a purported shareholder derivative action relating to 1MDB was filed in the U.S. District Court for the Southern District of New York against Group Inc. and the directors at the time and a former chairman and chief executive officer of the firm. The amended complaint filed on July 12, 2019, which seeks unspecified damages, disgorgement and injunctive relief, alleges breaches of fiduciary duties, including in connection with alleged insider trading by certain current and former directors, unjust enrichment and violations of the anti-fraud provisions of the Exchange Act, including in connection with Group Inc.'s common stock repurchases and solicitation of proxies. Defendants moved to dismiss this action on September 12, 2019.

Beginning in March 2019, the firm has also received demands from alleged shareholders to investigate and pursue claims against certain current and former directors and executive officers based on their oversight and public disclosures regarding 1MDB and related internal controls.

On November 21, 2018, a summons with notice was filed in New York Supreme Court, County of New York, by International Petroleum Investment Company, which guaranteed certain debt securities issued by 1MDB, and its subsidiary Aabar Investments PJS. The summons with notice makes unspecified claims relating to 1MDB and seeks unspecified compensatory and punitive damages and other relief against Group Inc., GSI, GS Asia, GS Singapore, GS Malaysia, Leissner, Ng, and Vella, as well as individuals (who are not current or former employees of the firm) previously associated with the plaintiffs.

On December 20, 2018, a putative securities class action lawsuit was filed in the U.S. District Court for the Southern District of New York against Group Inc. and certain former officers of the firm alleging violations of the anti-fraud provisions of the Exchange Act with respect to Group Inc.'s disclosures concerning 1MDB and seeking unspecified damages. The plaintiffs filed the second amended complaint on October 28, 2019, which the defendants moved to dismiss on January 9, 2020.

The firm is cooperating with the DOJ and all other governmental and regulatory investigations relating to 1MDB. The firm is also engaged in discussions with certain governmental and regulatory authorities with respect to potential resolution of their investigations and proceedings. There can be no assurance that the discussions will lead to resolution of any of those matters. Any such resolution, as well as proceedings by the DOJ or other governmental or regulatory authorities, could result in the imposition of significant fines, penalties and other sanctions against the firm, including restrictions on the firm's activities.

Mortgage-Related Matters

Beginning in April 2010, a number of purported securities law class actions were filed in the U.S. District Court for the Southern District of New York challenging the adequacy of Group Inc.'s public disclosure of, among other things, the firm's activities in the collateralized debt obligation market, and the firm's conflict of interest management.

The consolidated amended complaint filed on July 25, 2011, which names as defendants Group Inc. and certain current and former officers and employees of Group Inc. and its affiliates, generally alleges violations of Sections 10(b) and 20(a) of the Exchange Act and seeks unspecified damages. The defendants have moved for summary judgment. On December 11, 2018, the Second Circuit Court of Appeals granted the defendants' petition for interlocutory review of the district court's August 14, 2018 grant of class certification. On January 23, 2019, the district court stayed proceedings pending the appellate court's decision.

Beginning on February 15, 2019, a summons with notice and a complaint were filed against Goldman Sachs Mortgage Company and GS Mortgage Securities Corp. by U.S. Bank National Association, as trustee for two residential mortgage-backed securitization trusts that issued $1.7 billion of securities, and the cases are pending in the U.S. District Court for the Southern District of New York. The summons with notice and complaint generally allege that mortgage loans in the trusts failed to conform to applicable representations and warranties and seek specific performance or, alternatively, compensatory damages and other relief. Defendants moved to dismiss the complaint on September 23, 2019.

The firm continues to receive requests for information, including from certain regulators, relating to mortgage-related activities.

Director Compensation-Related Litigation

On May 9, 2017, Group Inc. and certain of its current and former directors were named as defendants in a purported direct and derivative shareholder action in the Court of Chancery of the State of Delaware (a similar purported derivative action, filed in June 2015, alleging excessive director compensation over the period 2012 to 2014 was voluntarily dismissed without prejudice in December 2016). The complaint alleges that excessive compensation has been paid to the non-employee director defendants since 2015, and that certain disclosures in connection with soliciting shareholder approval of the stock incentive plans were deficient. The complaint asserts claims for breaches of fiduciary duties and seeks, among other things, rescission or in some cases rescissory damages, disgorgement, and shareholder votes on several matters. On October 23, 2018, the court declined to approve the parties' proposed settlement. On May 31, 2019, the court dismissed the disclosure-related claims, but permitted the non-employee director compensation claim to proceed.

Currencies-Related Litigation

GS&Co. and Group Inc. are among the defendants named in putative class actions filed in the U.S. District Court for the Southern District of New York beginning in September 2016 on behalf of putative indirect purchasers of foreign exchange instruments. On August 5, 2019, the plaintiffs filed a third consolidated amended complaint generally alleging a conspiracy to manipulate the foreign currency exchange markets, asserting claims under various state antitrust laws and state consumer protection laws and seeking treble damages in an unspecified amount.

GS&Co. and Group Inc. are among the defendants named in an action filed in the U.S. District Court for the Southern District of New York on November 7, 2018 by certain direct purchasers of foreign exchange instruments that opted out of a class settlement reached with, among others, GS&Co. and Group Inc. The second amended complaint, filed on June 11, 2019, generally alleges that the defendants violated federal antitrust law and state common law in connection with an alleged conspiracy to manipulate the foreign currency exchange markets and seeks declaratory and injunctive relief, as well as unspecified amounts of compensatory, punitive, treble and other damages. Defendants moved to dismiss on July 25, 2019.

Financial Advisory Services

Group Inc. and certain of its affiliates are from time to time parties to various civil litigation and arbitration proceedings and other disputes with clients and third parties relating to the firm's financial advisory activities. These claims generally seek, among other things, compensatory damages and, in some cases, punitive damages, and in certain cases allege that the firm did not appropriately disclose or deal with conflicts of interest.

Underwriting Litigation

Firm affiliates are among the defendants in a number of proceedings in connection with securities offerings. In these proceedings, including those described below, the plaintiffs assert class action or individual claims under federal and state securities laws and in some cases other applicable laws, allege that the offering documents for the securities that they purchased contained material misstatements and omissions, and generally seek compensatory and rescissory damages in unspecified amounts. Certain of these proceedings involve additional allegations.

Adeptus Health Inc. GS&Co. is among the underwriters named as defendants in several putative securities class actions, filed beginning in October 2016 and consolidated in the U.S. District Court for the Eastern District of Texas. In addition to the underwriters, the defendants include certain former directors and officers of Adeptus Health Inc. (Adeptus), as well as Adeptus' sponsor. As to the underwriters, the consolidated complaint, filed on November 21, 2017, relates to the $124 million June 2014 initial public offering, the $154 million May 2015 secondary equity offering, the $411 million July 2015 secondary equity offering, and the $175 million June 2016 secondary equity offering. GS&Co. underwrote 1.69 million shares of common stock in the June 2014 initial public offering representing an aggregate offering price of approximately $37 million, 962,378 shares of common stock in the May 2015 offering representing an aggregate offering price of approximately $61 million, 1.76 million shares of common stock in the July 2015 offering representing an aggregate offering price of approximately $185 million, and all the shares of common stock in the June 2016 offering representing an aggregate offering price of approximately $175 million. On April 19, 2017, Adeptus filed for Chapter 11 bankruptcy. On January 9, 2020, the court preliminarily approved a settlement among the parties. The firm has reserved the full amount of its proposed contribution to the settlement.

SunEdison, Inc. GS&Co. is among the underwriters named as defendants in several putative class actions and individual actions filed beginning in March 2016 relating to the August 2015 public offering of $650 million of SunEdison, Inc. (SunEdison) convertible preferred stock. The defendants also include certain of SunEdison's directors and officers. On April 21, 2016, SunEdison filed for Chapter 11 bankruptcy. The pending cases were transferred to the U.S. District Court for the Southern District of New York and on March 17, 2017, plaintiffs in the putative class action filed a consolidated amended complaint. GS&Co., as underwriter, sold 138,890 shares of SunEdison convertible preferred stock in the offering, representing an aggregate offering price of approximately $139 million. On April 10, 2018 and April 17, 2018, certain plaintiffs in the individual actions filed amended complaints. The defendants have reached a settlement with certain plaintiffs in the individual actions and a settlement of the class action, which the court approved on October 25, 2019. The firm has paid the full amount of its contribution to the settlement. Defendants moved to dismiss the remaining individual actions on December 18, 2019.

Valeant Pharmaceuticals International, Inc. GS&Co. and Goldman Sachs Canada Inc. (GS Canada) are among the underwriters and initial purchasers named as defendants in a putative class action filed on March 2, 2016 in the Superior Court of Quebec, Canada. In addition to the underwriters and initial purchasers, the defendants include Valeant Pharmaceuticals International, Inc. (Valeant), certain directors and officers of Valeant and Valeant's auditor. As to GS&Co. and GS Canada, the complaint relates to the June 2013 public offering of $2.3 billion of common stock, the June 2013 Rule 144A offering of $3.2 billion principal amount of senior notes, and the November 2013 Rule 144A offering of $900 million principal amount of senior notes. The complaint asserts claims under the Quebec Securities Act and the Civil Code of Quebec. On August 29, 2017, the court certified a class that includes only non-U.S. purchasers in the offerings. Defendants' motion for leave to appeal the certification was denied on November 30, 2017.

GS&Co. and GS Canada, as sole underwriters, sold 5,334,897 shares of common stock in the June 2013 offering to non-U.S. purchasers representing an aggregate offering price of approximately $453 million and, as initial purchasers, had a proportional share of sales to non-U.S. purchasers of approximately CAD14.2 million in principal amount of senior notes in the June 2013 and November 2013 Rule 144A offerings.

Snap Inc. GS&Co. is among the underwriters named as defendants in putative securities class actions pending in California Superior Court, County of Los Angeles and the U.S. District Court for the Central District of California beginning in May 2017, relating to Snap Inc.'s $3.91 billion March 2017 initial public offering. In addition to the underwriters, the defendants include Snap Inc. and certain of its officers and directors. GS&Co. underwrote 57,040,000 shares of common stock representing an aggregate offering price of approximately $970 million. The underwriter defendants, including GS&Co., were voluntarily dismissed from the district court action on September 18, 2018. In the district court action, defendants moved for summary judgment on December 19, 2019, following the court's November 20, 2019 order approving plaintiffs' motion for class certification. The state court actions have been stayed. On January 17, 2020, the parties to the federal action reached a settlement in principle, subject to documentation and court approval.

Sea Limited. GS Asia is among the underwriters named as defendants in a putative securities class action filed on November 1, 2018 in New York Supreme Court, County of New York, relating to Sea Limited's $989 million October 2017 initial public offering of American depositary shares. In addition to the underwriters, the defendants include Sea Limited and certain of its officers and directors. GS Asia underwrote 28,026,721 American depositary shares representing an aggregate offering price of approximately $420 million. On January 25, 2019, the plaintiffs filed an amended complaint. Defendants moved to dismiss on March 26, 2019.

Altice USA, Inc. GS&Co. is among the underwriters named as defendants in putative securities class actions pending in New York Supreme Court, County of Queens and the U.S. District Court for the Eastern District of New York beginning in June 2018, relating to Altice USA, Inc.'s (Altice) $2.15 billion June 2017 initial public offering. In addition to the underwriters, the defendants include Altice and certain of its officers and directors. GS&Co. underwrote 12,280,042 shares of common stock representing an aggregate offering price of approximately $368 million. On May 10, 2019, plaintiffs in the district court filed an amended complaint, and on June 27, 2019, plaintiffs in the state court action filed a consolidated amended complaint. On July 23, 2019, defendants moved to dismiss the amended complaint in the state court action. On October 14, 2019, defendants moved to dismiss the complaint in the district court action.

Camping World Holdings, Inc. GS&Co. is among the underwriters named as defendants in several putative securities class actions pending in the U.S. District Court for the Northern District of Illinois, New York Supreme Court, County of New York, and the Circuit Court of Cook County, Illinois, Chancery Division, beginning in December 2018. In addition to the underwriters, the defendants include Camping World Holdings, Inc. (Camping World) and certain of its officers and directors, as well as certain of its stockholders. As to the underwriters, the complaints relate to three offerings of Camping World common stock, a $261 million October 2016 initial public offering, a $303 million May 2017 offering and a $310 million October 2017 offering. GS&Co. underwrote 4,267,214 shares of common stock in the October 2016 initial public offering representing an aggregate offering price of approximately $94 million, 4,557,286 shares of common stock in the May 2017 offering representing an aggregate offering price of approximately $126 million and 3,525,348 shares of common stock in the October 2017 offering representing an aggregate offering price of approximately $143 million. GS&Co. and the other defendants moved to dismiss the New York state court action on February 28, 2019, the Illinois state court action on April 19, 2019 and the Illinois district court action on May 17, 2019. The Illinois state court action has been stayed pending resolution of the motions to dismiss in the Illinois district court action.

Alnylam Pharmaceuticals, Inc. GS&Co. is among the underwriters named as defendants in a putative securities class action filed on September 12, 2019 in New York Supreme Court, County of New York, relating to Alnylam Pharmaceuticals, Inc.'s (Alnylam) $805 million November 2017 public offering of common stock. In addition to the underwriters, the defendants include Alnylam and certain of its officers and directors. GS&Co. underwrote 2,576,000 shares of common stock representing an aggregate offering price of approximately $322 million. On December 20, 2019, defendants moved to dismiss the amended complaint filed on November 7, 2019.

Uber Technologies, Inc. GS&Co. is among the underwriters named as defendants in several putative securities class actions filed beginning in September 2019 in California Superior Court, County of San Francisco and the U.S. District Court for the Northern District of California, relating to Uber Technologies, Inc.'s (Uber) $8.1 billion May 2019 initial public offering. In addition to the underwriters, the defendants include Uber and certain of its officers and directors. GS&Co. underwrote 35,864,408 shares of common stock representing an aggregate offering price of approximately $1.6 billion. On January 30, 2020, plaintiffs in the state court action filed a consolidated amended complaint.

Venator Materials PLC. GS&Co. is among the underwriters named as defendants in putative securities class actions in Texas District Court, Dallas County, and the U.S. District Court for the Southern District of Texas, filed beginning in February 2019, relating to Venator Materials PLC's (Venator) $522 million August 2017 initial public offering and $534 million December 2017 secondary equity offering. In addition to the underwriters, the defendants include Venator, certain of its officers and directors and certain of its shareholders. GS&Co. underwrote 6,351,347 shares of common stock in the August 2017 initial public offering representing an aggregate offering price of approximately $127 million and 5,625,768 shares of common stock in the December 2017 secondary equity offering representing an aggregate offering price of approximately $127 million. On January 21, 2020, the Texas Court of Appeals reversed the Texas District Court and dismissed the claims against the underwriter defendants, including GS&Co., in the state court action for lack of personal jurisdiction. On February 18, 2020, defendants moved to dismiss the consolidated complaint in the federal action.

Investment Management Services

Group Inc. and certain of its affiliates are parties to various civil litigation and arbitration proceedings and other disputes with clients relating to losses allegedly sustained as a result of the firm's investment management services. These claims generally seek, among other things, restitution or other compensatory damages and, in some cases, punitive damages.

Securities Lending Antitrust Litigation

Group Inc. and GS&Co. are among the defendants named in a putative antitrust class action and three individual actions relating to securities lending practices filed in the U.S. District Court for the Southern District of New York beginning in August 2017. The complaints generally assert claims under federal and state antitrust law and state common law in connection with an alleged conspiracy among the defendants to preclude the development of electronic platforms for securities lending transactions. The individual complaints also assert claims for tortious interference with business relations and under state trade practices law and, in the second and third individual actions, unjust enrichment under state common law. The complaints seek declaratory and injunctive relief, as well as unspecified amounts of compensatory, treble, punitive and other damages. Group Inc. was voluntarily dismissed from the putative class action on January 26, 2018. Defendants' motion to dismiss the class action complaint was denied on September 27, 2018. Defendants moved to dismiss the second individual action on December 21, 2018. Defendants' motion to dismiss the first individual action was granted on August 7, 2019.

Interest Rate Swap Antitrust Litigation

Group Inc., GS&Co., GSI, GS Bank USA and Goldman Sachs Financial Markets, L.P. (GSFM) are among the defendants named in a putative antitrust class action relating to the trading of interest rate swaps, filed in November 2015 and consolidated in the U.S. District Court for the Southern District of New York. The same Goldman Sachs entities also are among the defendants named in two antitrust actions relating to the trading of interest rate swaps, commenced in April 2016 and June 2018, respectively, in the U.S. District Court for the Southern District of New York by three operators of swap execution facilities and certain of their affiliates. These actions have been consolidated for pretrial proceedings. The complaints generally assert claims under federal antitrust law and state common law in connection with an alleged conspiracy among the defendants to preclude exchange trading of interest rate swaps. The complaints in the individual actions also assert claims under state antitrust law. The complaints seek declaratory and injunctive relief, as well as treble damages in an unspecified amount. Defendants moved to dismiss the class and the first individual action and the district court dismissed the state common law claims asserted by the plaintiffs in the first individual action and otherwise limited the state common law claim in the putative class action and the antitrust claims in both actions to the period from 2013 to 2016. On November 20, 2018, the court granted in part and denied in part the defendants' motion to dismiss the second individual action, dismissing the state common law claims for unjust enrichment and tortious interference, but denying dismissal of the federal and state antitrust claims. On March 13, 2019, the court denied the plaintiffs' motion in the putative class action to amend their complaint to add allegations related to 2008-2012 conduct, but granted the motion to add limited allegations from 2013-2016, which the plaintiffs added in a fourth consolidated amended complaint filed on March 22, 2019. The plaintiffs in the putative class action moved for class certification on March 7, 2019.

GSE Bonds Antitrust Litigation

GS&Co. is among the dealers named as defendants in numerous putative antitrust class actions relating to debt securities issued by Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Farm Credit Banks Funding Corporation and Federal Home Loan Banks (collectively, the GSEs), filed beginning in February 2019 and consolidated in the U.S. District Court for the Southern District of New York. The third consolidated amended complaint, filed on September 10, 2019, asserts claims under federal antitrust law in connection with an alleged conspiracy among the defendants to manipulate the secondary market for debt securities issued by the GSEs. The complaint seeks declaratory and injunctive relief, as well as treble damages in unspecified amounts. On December 12, 2019, the court preliminarily approved a settlement between the firm and class plaintiffs. The firm has reserved the full amount of its contribution to the settlement. Beginning in September 2019, the State of Louisiana and the City of Baton Rouge filed complaints in the U.S. District Court for the Middle District of Louisiana against the class defendants and a number of dealers alleging the same claims as in the class action. In January 2020, the State of Louisiana and City of Baton Rouge voluntarily dismissed their actions with prejudice against GS&Co. in favor of participating in the class settlement.

Variable Rate Demand Obligations Antitrust Litigation

GS&Co. is among the defendants named in a putative class action relating to variable rate demand obligations (VRDOs), filed beginning in February 2019 under separate complaints and consolidated in the U.S. District Court for the Southern District of New York. The consolidated amended complaint, filed on May 31, 2019, generally asserts claims under federal antitrust law and state common law in connection with an alleged conspiracy among the defendants to manipulate the market for VRDOs. The complaint seeks declaratory and injunctive relief, as well as unspecified amounts of compensatory, treble and other damages. Defendants moved to dismiss on July 30, 2019.

Commodities-Related Litigation

GSI is among the defendants named in putative class actions relating to trading in platinum and palladium, filed beginning on November 25, 2014 and most recently amended on May 15, 2017, in the U.S. District Court for the Southern District of New York. The amended complaint generally alleges that the defendants violated federal antitrust laws and the Commodity Exchange Act in connection with an alleged conspiracy to manipulate a benchmark for physical platinum and palladium prices and seek declaratory and injunctive relief, as well as treble damages in an unspecified amount. Defendants moved to dismiss the third consolidated amended complaint on July 21, 2017.

GS&Co., GSI, J. Aron & Company and Metro, a previously consolidated subsidiary of Group Inc. that was sold in the fourth quarter of 2014, are among the defendants in a number of putative class and individual actions filed beginning on August 1, 2013 and consolidated in the U.S. District Court for the Southern District of New York. The complaints generally allege violations of federal antitrust laws and state laws in connection with the storage of aluminum and aluminum trading. The complaints seek declaratory, injunctive and other equitable relief, as well as unspecified monetary damages, including treble damages. In December 2016, the district court granted defendants' motions to dismiss as to all remaining claims. Certain plaintiffs subsequently appealed in December 2016. On August 27, 2019, the Second Circuit vacated the district court's dismissals and remanded the case to district court for further proceedings.

U.S. Treasury Securities Litigation

GS&Co. is among the primary dealers named as defendants in several putative class actions relating to the market for U.S. Treasury securities, filed beginning in July 2015 and consolidated in the U.S. District Court for the Southern District of New York. GS&Co. is also among the primary dealers named as defendants in a similar individual action filed in the U.S. District Court for the Southern District of New York on August 25, 2017. The consolidated class action complaint, filed on December 29, 2017, generally alleges that the defendants violated antitrust laws in connection with an alleged conspiracy to manipulate the when-issued market and auctions for U.S. Treasury securities and that certain defendants, including GS&Co., colluded to preclude trading of U.S. Treasury securities on electronic trading platforms in order to impede competition in the bidding process. The individual action alleges a similar conspiracy regarding manipulation of the when-issued market and auctions, as well as related futures and options in violation of the Commodity Exchange Act. The complaints seek declaratory and injunctive relief, treble damages in an unspecified amount and restitution. Defendants moved to dismiss on February 23, 2018.

Employment-Related Matters

On September 15, 2010, a putative class action was filed in the U.S. District Court for the Southern District of New York by three female former employees. The complaint, as subsequently amended, alleges that Group Inc. and GS&Co. have systematically discriminated against female employees in respect of compensation, promotion and performance evaluations. The complaint alleges a class consisting of all female employees employed at specified levels in specified areas by Group Inc. and GS&Co. since July 2002, and asserts claims under federal and New York City discrimination laws. The complaint seeks class action status, injunctive relief and unspecified amounts of compensatory, punitive and other damages.

On March 30, 2018, the district court certified a damages class as to the plaintiffs' disparate impact and treatment claims. On September 4, 2018, the Second Circuit Court of Appeals denied defendants' petition for interlocutory review of the district court's class certification decision and subsequently denied defendants' petition for rehearing. On September 27, 2018, plaintiffs advised the district court that they would not seek to certify a class for injunctive and declaratory relief. On April 12, 2019, Group Inc. and GS&Co. filed a motion to compel arbitration as to certain class members who are parties to agreements with Group Inc. and/or GS&Co. in which they agreed to arbitrate employment-related disputes, and plaintiffs filed a motion challenging the enforceability of arbitration agreements executed after the filing of the class action.

Regulatory Investigations and Reviews and Related Litigation

Group Inc. and certain of its affiliates are subject to a number of other investigations and reviews by, and in some cases have received subpoenas and requests for documents and information from, various governmental and regulatory bodies and self-regulatory organizations and litigation and shareholder requests relating to various matters relating to the firm's businesses and operations, including:

- The public offering process;
- The firm's investment management and financial advisory services;
- Conflicts of interest;
- Research practices, including research independence and interactions between research analysts and other firm personnel, including investment banking personnel, as well as third parties;
- Transactions involving government-related financings and other matters, municipal securities, including wall-cross procedures and conflict of interest disclosure with respect to state and municipal clients, the trading and structuring of municipal derivative instruments in connection with municipal offerings, political contribution rules, municipal advisory services and the possible impact of credit default swap transactions on municipal issuers;
- The offering, auction, sales, trading and clearance of corporate and government securities, currencies, commodities and other financial products and related sales and other communications and activities, as well as the firm's supervision and controls relating to such activities, including compliance with applicable short sale rules, algorithmic, high-frequency and quantitative trading, the firm's U.S. alternative trading system (dark pool), futures trading, options trading, when-issued trading, transaction reporting, technology systems and controls, securities lending practices, trading and clearance of credit derivative instruments and interest rate swaps, commodities activities and metals storage, private placement practices, allocations of and trading in securities, and trading activities and communications in connection with the establishment of benchmark rates, such as currency rates;
- Compliance with the FCPA;
- The firm's hiring and compensation practices;
- The firm's system of risk management and controls; and
- Insider trading, the potential misuse and dissemination of material nonpublic information regarding corporate and governmental developments and the effectiveness of the firm's insider trading controls and information barriers.

The firm is cooperating with all such governmental and regulatory investigations and reviews.

Note 28.

Employee Benefit Plans

The firm sponsors various pension plans and certain other postretirement benefit plans, primarily healthcare and life insurance. The firm also provides certain benefits to former or inactive employees prior to retirement.

Defined Benefit Pension Plans and Postretirement Plans

Employees of certain non-U.S. subsidiaries participate in various defined benefit pension plans. These plans generally provide benefits based on years of credited service and a percentage of eligible compensation. The firm maintains a defined benefit pension plan for certain U.K. employees. As of April 2008, the U.K. defined benefit plan was closed to new participants and frozen for existing participants as of March 31, 2016. The non-U.S. plans do not have a material impact on the firm's consolidated results of operations.

The firm also maintains a defined benefit pension plan for substantially all U.S. employees hired prior to November 1, 2003. As of November 2004, this plan was closed to new participants and frozen for existing participants. In addition, the firm maintains unfunded postretirement benefit plans that provide medical and life insurance for eligible retirees and their dependents covered under these programs. These plans do not have a material impact on the firm's consolidated results of operations.

The firm recognizes the funded status of its defined benefit pension and postretirement plans, measured as the difference between the fair value of the plan assets and the benefit obligation, in the consolidated balance sheets. As of December 2019, other assets included $257 million (related to overfunded pension plans) and other liabilities included $415 million, related to these plans. As of December 2018, other assets included $462 million (related to overfunded pension plans) and other liabilities included $344 million, related to these plans.

Defined Contribution Plans

The firm contributes to employer-sponsored U.S. and non-U.S. defined contribution plans. The firm's contribution to these plans was $254 million for 2019, $240 million for 2018 and $257 million for 2017.

Note 29.

Employee Incentive Plans

The cost of employee services received in exchange for a share-based award is generally measured based on the grant-date fair value of the award. Share-based awards that do not require future service (i.e., vested awards, including awards granted to retirement-eligible employees) are expensed immediately. Share-based awards that require future service are amortized over the relevant service period. Forfeitures are recorded when they occur.

Cash dividend equivalents paid on RSUs are charged to retained earnings. If RSUs that require future service are forfeited, the related dividend equivalents originally charged to retained earnings are reclassified to compensation expense in the period in which forfeiture occurs.

The firm generally issues new shares of common stock upon delivery of share-based awards. In certain cases, primarily related to conflicted employment (as outlined in the applicable award agreements), the firm may cash settle share-based compensation awards accounted for as equity instruments. For these awards, whose terms allow for cash settlement, additional paid-in capital is adjusted to the extent of the difference between the value of the award at the time of cash settlement and the grant-date value of the award.

Stock Incentive Plan

The firm sponsors a stock incentive plan, The Goldman Sachs Amended and Restated Stock Incentive Plan (2018) (2018 SIP), which provides for grants of RSUs, restricted stock, dividend equivalent rights, incentive stock options, nonqualified stock options, stock appreciation rights, and other share-based awards, each of which may be subject to performance conditions. On May 2, 2018, shareholders approved the 2018 SIP. The 2018 SIP replaced The Goldman Sachs Amended and Restated Stock Incentive Plan (2015) (2015 SIP) previously in effect, and applies to awards granted on or after the date of approval. The 2015 SIP had previously replaced The Goldman Sachs Amended and Restated Stock Incentive Plan (2013) (2013 SIP).

As of December 2019, 60.6 million shares were available for grant under the 2018 SIP. If any shares of common stock underlying awards granted under the 2018 SIP, 2015 SIP or 2013 SIP are not delivered due to forfeiture, termination or cancellation or are surrendered or withheld, those shares will become available to be delivered under the 2018 SIP. Shares available for grant are also subject to adjustment for certain changes in corporate structure as permitted under the 2018 SIP. The 2018 SIP is scheduled to terminate on the date of the annual meeting of shareholders that occurs in 2022.

Restricted Stock Units

The firm grants RSUs (including RSUs subject to performance conditions) to employees, which are generally valued based on the closing price of the underlying shares on the date of grant after taking into account a liquidity discount for any applicable post-vesting and delivery transfer restrictions. RSUs generally vest and underlying shares of common stock deliver (net of required withholding tax) as outlined in the applicable award agreements. Award agreements generally provide that vesting is accelerated in certain circumstances, such as on retirement, death, disability and conflicted employment. Delivery of the underlying shares of common stock, which generally occurs over a three-year period, is conditioned on the grantees satisfying certain vesting and other requirements outlined in the award agreements.

The table below presents the 2019 activity related to RSUs.

	Restricted Stock Units Outstanding		Weighted Average Grant-Date Fair Value of Restricted Stock Units Outstanding	
	Future Service Required	No Future Service Required	Future Service Required	No Future Service Required
Beginning balance	3,761,839	13,328,995	$217.85	$187.27
Granted	**4,770,662**	**7,307,148**	**$178.76**	**$176.54**
Forfeited	**(468,754)**	**(265,510)**	**$196.13**	**$184.36**
Delivered	**–**	**(9,222,049)**	**$ –**	**$175.54**
Vested	**(3,550,271)**	**3,550,271**	**$195.09**	**$195.09**
Ending balance	**4,513,476**	**14,698,855**	**$196.69**	**$191.25**

In the table above:

- The weighted average grant-date fair value of RSUs granted was $177.42 during 2019, $218.06 during 2018 and $206.88 during 2017. The fair value of the RSUs granted included a liquidity discount of 10.5% during 2019, 11.9% during 2018 and 10.7% during 2017, to reflect post-vesting and delivery transfer restrictions, generally of up to 4 years.
- The aggregate fair value of awards that vested was $2.00 billion during 2019, $1.79 billion during 2018 and $2.14 billion during 2017.
- The ending balance included restricted stock subject to future service requirements of 23,068 shares as of December 2019 and 1,649 shares as of December 2018.
- The ending balance included RSUs subject to performance conditions and future service requirements of 224,898 RSUs as of December 2019, and represents the maximum amount of such RSUs that may be earned as of December 2019.
- The ending balance also included RSUs subject to performance conditions but not subject to future service requirements of 268,433 RSUs as of December 2019 and 174,579 RSUs as of December 2018, and the maximum amount of such RSUs that may be earned was 402,650 RSUs as of December 2019 and 261,869 RSUs as of December 2018.

In relation to 2019 year-end, during the first quarter of 2020, the firm granted to its employees 8.3 million RSUs, of which 2.9 million RSUs require future service as a condition of delivery for the related shares of common stock. These awards are subject to additional conditions as outlined in the award agreements. Generally, shares underlying these awards, net of required withholding tax, deliver over a three-year period, but are subject to post-vesting and delivery transfer restrictions through January 2025. These grants are not included in the table above.

As of December 2019, there was $467 million of total unrecognized compensation cost related to non-vested share-based compensation arrangements. This cost is expected to be recognized over a weighted average period of 1.79 years.

Stock Options

Stock options generally vested as outlined in the applicable stock option agreement. In general, options expired on the tenth anniversary of the grant date, although they may have been subject to earlier termination or cancellation under certain circumstances in accordance with the terms of the applicable stock option agreement and the SIP in effect at the time of grant.

There were no options outstanding as of both December 2019 and December 2018.

During 2019, no options were exercised. During 2018, 2.10 million options were exercised with a weighted average exercise price of $78.78. The total intrinsic value of options exercised was $288 million during 2018 and $589 million during 2017.

The table below presents the share-based compensation and the related excess tax benefit.

	Year Ended December		
$ in millions	**2019**	2018	2017
Share-based compensation	**$2,120**	$1,850	$1,812
Excess net tax benefit for options exercised	**$ –**	$ 64	$ 139
Excess net tax benefit for share-based awards	**$ 63**	$ 269	$ 719

In the table above, excess net tax benefit for share-based awards includes the net tax benefit on dividend equivalents paid on RSUs and the delivery of common stock underlying share-based awards, as well as the excess net tax benefit for options exercised.

Note 30.

Parent Company

Group Inc. – Condensed Statements of Earnings

	Year Ended December		
$ in millions	**2019**	2018	2017
Revenues			
Dividends from subsidiaries and other affiliates:			
Bank	**$ 63**	$ 102	$ 550
Nonbank	**4,199**	16,368	11,016
Other revenues	**335**	(1,376)	(384)
Total non-interest revenues	**4,597**	15,094	11,182
Interest income	**7,575**	6,617	4,638
Interest expense	**8,545**	8,114	5,978
Net interest loss	**(970)**	(1,497)	(1,340)
Total net revenues	**3,627**	13,597	9,842
Operating expenses			
Compensation and benefits	**331**	299	330
Other expenses	**1,365**	1,192	428
Total operating expenses	**1,696**	1,491	758
Pre-tax earnings	**1,931**	12,106	9,084
Provision/(benefit) for taxes	**(538)**	(1,173)	3,404
Undistributed earnings/(loss) of subsidiaries and other affiliates	**5,997**	(2,820)	(1,394)
Net earnings	**8,466**	10,459	4,286
Preferred stock dividends	**569**	599	601
Net earnings applicable to common shareholders	**$7,897**	$ 9,860	$ 3,685

Supplemental Disclosures:

In the condensed statements of earnings above, revenues and expenses included the following with subsidiaries and other affiliates:

- Dividends from bank subsidiaries included cash dividends of $60 million for 2019, $76 million for 2018 and $525 million for 2017.
- Dividends from nonbank subsidiaries and other affiliates included cash dividends of $4.18 billion for 2019, $10.78 billion for 2018 and $7.98 billion for 2017.
- Other revenues included $1.29 billion for 2019, $(1.69) billion for 2018 and $661 million for 2017.
- Interest income included $7.26 billion for 2019, $6.33 billion for 2018 and $4.65 billion for 2017.
- Interest expense included $3.15 billion for 2019, $2.39 billion for 2018 and $1.05 billion for 2017.
- Other expenses included $138 million for 2019, $159 million for 2018 and $45 million for 2017.

Group Inc.'s other comprehensive income/(loss) was $(2.18) billion for 2019, $2.57 billion for 2018 and $(664) million for 2017.

In February 2020, GS&Co. made a cash dividend distribution of $4.00 billion to Group Inc.

Group Inc. – Condensed Balance Sheets

	As of December	
$ in millions	**2019**	2018
Assets		
Cash and cash equivalents:		
With third-party banks	**$ 33**	$ 103
With subsidiary bank	**7**	–
Loans to and receivables from subsidiaries:		
Bank	**2,398**	1,019
Nonbank (includes **$6,460** and $5,461 at fair value)	**239,241**	225,471
Investments in subsidiaries and other affiliates:		
Bank	**30,376**	28,737
Nonbank	**65,301**	61,481
Trading assets (at fair value)	**691**	717
Investments (includes **$16,930** and $12,824 at fair value)	**20,499**	12,824
Other assets	**4,262**	3,653
Total assets	**$362,808**	$334,005
Liabilities and shareholders' equity		
Payables to subsidiaries	**$ 640**	$ 702
Trading liabilities (at fair value)	**417**	281
Secured borrowings with subsidiary	**42,083**	6,899
Unsecured short-term borrowings:		
With third parties (includes **$4,751** and $2,615 at fair value)	**25,635**	25,060
With subsidiaries	**917**	659
Unsecured long-term borrowings:		
With third parties (includes **$15,611** and $16,395 at fair value)	**168,602**	183,121
With subsidiaries	**28,576**	23,343
Other liabilities	**5,673**	3,755
Total liabilities	**272,543**	243,820
Commitments, contingencies and guarantees		
Shareholders' equity		
Preferred stock	**11,203**	11,203
Common stock	**9**	9
Share-based awards	**3,195**	2,845
Additional paid-in capital	**54,883**	54,005
Retained earnings	**106,465**	100,100
Accumulated other comprehensive income/(loss)	**(1,484)**	693
Stock held in treasury, at cost	**(84,006)**	(78,670)
Total shareholders' equity	**90,265**	90,185
Total liabilities and shareholders' equity	**$362,808**	$334,005

Supplemental Disclosures:

Goldman Sachs Funding LLC (Funding IHC), a wholly-owned, direct subsidiary of Group Inc., has provided Group Inc. with a committed line of credit that allows Group Inc. to draw sufficient funds to meet its cash needs in the ordinary course of business.

Trading assets included derivative contracts with subsidiaries of $584 million for December 2019 and $683 million as of December 2018.

Trading liabilities included derivative contracts with subsidiaries of $365 million as of December 2019 and $280 million as of December 2018.

As of December 2019, unsecured long-term borrowings with subsidiaries by maturity date are $26.87 billion in 2021, $311 million in 2022, $107 million in 2023, $154 million in 2024 and $1.13 billion in 2025-thereafter.

Group Inc. – Condensed Statements of Cash Flows

	Year Ended December		
$ in millions	**2019**	2018	2017
Cash flows from operating activities			
Net earnings	**$ 8,466**	$ 10,459	$ 4,286
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Undistributed (earnings)/loss of subsidiaries and other affiliates	**(5,997)**	2,820	1,394
Depreciation and amortization	**26**	51	56
Deferred income taxes	**(210)**	(2,817)	4,358
Share-based compensation	**118**	105	152
Gain related to extinguishment of unsecured borrowings	**(20)**	(160)	(114)
Changes in operating assets and liabilities:			
Trading assets	**5,145**	(1,431)	(508)
Trading liabilities	**136**	27	(521)
Other, net	**(1,131)**	1,639	(1,154)
Net cash provided by operating activities	**6,533**	10,693	7,949
Cash flows from investing activities			
Purchase of property, leasehold improvements and equipment	**(34)**	(63)	(66)
Repayments/(issuances) of short-term loans to subsidiaries, net	**2,079**	10,829	(14,415)
Issuance of term loans to subsidiaries	**(7,374)**	(30,336)	(42,234)
Repayments of term loans by subsidiaries	**1,894**	25,956	22,039
Purchase of investments	**(16,776)**	(3,141)	(6,491)
Proceeds from sales and paydowns of investments	**9,768**	–	596
Capital distributions from/(contributions to) subsidiaries, net	**(415)**	1,807	388
Net cash provided by/(used for) investing activities	**(10,858)**	5,052	(40,183)
Cash flows from financing activities			
Secured borrowings with subsidiary (short-term), net	**26,398**	(12,853)	16,035
Unsecured short-term borrowings, net:			
With third parties	**(22)**	(1,541)	(424)
With subsidiaries	**4,649**	11,855	7,043
Proceeds from issuance of unsecured long-term borrowings	**8,804**	26,157	43,917
Repayment of unsecured long-term borrowings, including the current portion	**(27,172)**	(32,429)	(27,028)
Purchase of Trust Preferred securities	**(206)**	(35)	(237)
Preferred stock redemption	**(1,100)**	(650)	(850)
Common stock repurchased	**(5,335)**	(3,294)	(6,772)
Settlement of share-based awards in satisfaction of withholding tax requirements	**(745)**	(1,118)	(2,223)
Dividends and dividend equivalents paid on common stock, preferred stock and share-based awards	**(2,104)**	(1,810)	(1,769)
Proceeds from issuance of preferred stock, net of issuance costs	**1,098**	–	1,495
Proceeds from issuance of common stock, including exercise of share-based awards	**–**	38	7
Cash settlement of share-based awards	**–**	–	(3)
Other financing, net	**(3)**	–	–
Net cash provided by/(used for) financing activities	**4,262**	(15,680)	29,191
Net increase/(decrease) in cash and cash equivalents	**(63)**	65	(3,043)
Cash and cash equivalents, beginning balance	**103**	38	3,081
Cash and cash equivalents, ending balance	**$ 40**	$ 103	$ 38

Supplemental Disclosures:

Cash payments for interest, net of capitalized interest, were $9.53 billion for 2019, $9.83 billion for 2018 and $6.31 billion for 2017, and included $3.01 billion for 2019, $3.05 billion for 2018 and $160 million for 2017 of payments to subsidiaries.

Cash payments/(refunds) for income taxes, net, were $272 million for 2019, $(98) million for 2018 and $297 million for 2017.

Cash flows related to common stock repurchased includes common stock repurchased in the prior period for which settlement occurred during the current period and excludes common stock repurchased during the current period for which settlement occurred in the following period.

Non-cash activities during the year ended December 2019:

- Group Inc. acquired $8.50 billion of deposits with GS Bank USA from Funding IHC in exchange for borrowings.
- Group Inc. exchanged $211 million of Trust Preferred securities and common beneficial interests for $231 million of certain of the Group Inc.'s junior subordinated debt.

Non-cash activities during the year ended December 2018:

- Group Inc. restructured funding for Goldman Sachs Group UK Limited and Goldman Sachs International, both wholly-owned subsidiaries of Group Inc., which resulted in a net increase in loans to subsidiaries of $5.71 billion and a decrease in equity interest of $5.71 billion.
- Group Inc. exchanged $150 million of liabilities and $46 million of related deferred tax assets for $104 million of equity interest in GS&Co., a wholly-owned subsidiary of Group Inc.
- Group Inc. exchanged $36 million of Trust Preferred securities and common beneficial interests for $36 million of certain of the Group Inc.'s junior subordinated debt.

Non-cash activities during the year ended December 2017:

- Group Inc. exchanged $84.00 billion of certain loans to and receivables from subsidiaries for an $84.00 billion unsecured subordinated note from Funding IHC (included in loans to and receivables from subsidiaries).
- Group Inc. exchanged $750 million of its equity interest in Goldman Sachs (UK) L.L.C. (GS UK), a wholly-owned subsidiary of Group Inc., for a $750 million loan to GS UK.
- Group Inc. exchanged $243 million of Trust Preferred securities and common beneficial interests for $254 million of Group Inc.'s junior subordinated debt.

Quarterly Results (unaudited)

The tables below present the unaudited quarterly results.

	Three Months Ended			
$ in millions, except per share amounts	**December 2019**	**September 2019**	**June 2019**	**March 2019**
Non-interest revenues	**$8,890**	**$7,315**	**$8,390**	**$ 7,589**
Interest income	**4,922**	**5,459**	**5,760**	**5,597**
Interest expense	**3,857**	**4,451**	**4,689**	**4,379**
Net interest income	**1,065**	**1,008**	**1,071**	**1,218**
Total net revenues	**9,955**	**8,323**	**9,461**	**8,807**
Provision for credit losses	**336**	**291**	**214**	**224**
Operating expenses	**7,298**	**5,616**	**6,120**	**5,864**
Pre-tax earnings	**2,321**	**2,416**	**3,127**	**2,719**
Provision for taxes	**404**	**539**	**706**	**468**
Net earnings	**1,917**	**1,877**	**2,421**	**2,251**
Preferred stock dividends	**193**	**84**	**223**	**69**
Net earnings to common	**$1,724**	**$1,793**	**$2,198**	**$ 2,182**
Per common share amounts:				
Basic earnings	**$ 4.74**	**$ 4.83**	**$ 5.86**	**$ 5.73**
Diluted earnings	**$ 4.69**	**$ 4.79**	**$ 5.81**	**$ 5.71**
Dividends declared	**$ 1.25**	**$ 1.25**	**$ 0.85**	**$ 0.80**

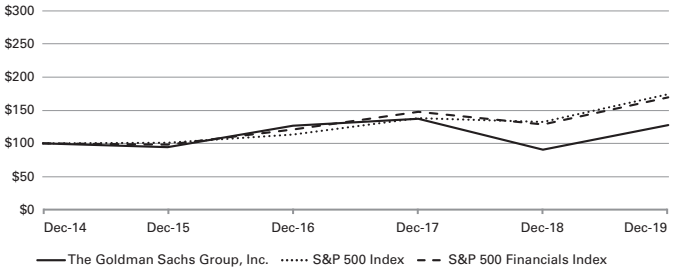
	Three Months Ended			
$ in millions, except per share amounts	December 2018	September 2018	June 2018	March 2018
Non-interest revenues	$7,089	$7,964	$8,634	$ 9,162
Interest income	5,468	5,061	4,920	4,230
Interest expense	4,477	4,205	3,918	3,312
Net interest income	991	856	1,002	918
Total net revenues	8,080	8,820	9,636	10,080
Provision for credit losses	222	174	234	44
Operating expenses	5,150	5,568	6,126	6,617
Pre-tax earnings	2,708	3,078	3,276	3,419
Provision for taxes	170	554	711	587
Net earnings	2,538	2,524	2,565	2,832
Preferred stock dividends	216	71	217	95
Net earnings to common	$2,322	$2,453	$2,348	$ 2,737
Per common share amounts:				
Basic earnings	$ 6.11	$ 6.35	$ 6.04	$ 7.02
Diluted earnings	$ 6.04	$ 6.28	$ 5.98	$ 6.95
Dividends declared	$ 0.80	$ 0.80	$ 0.80	$ 0.75

In the tables above:

- Net earnings to common represents net earnings applicable to common shareholders, which is calculated as net earnings less preferred stock dividends.
- These quarterly results were prepared in accordance with U.S. GAAP and reflect all adjustments that are, in the opinion of management, necessary for a fair statement of the results. These adjustments are of a normal, recurring nature. The timing and magnitude of changes in the firm's discretionary compensation accruals (included in operating expenses) can have a significant effect on results in a given quarter.

Common Stock Performance

The graph and table below compare the performance of an investment in the firm's common stock from December 31, 2014 (the last trading day before the firm's 2015 fiscal year) through December 31, 2019, with the S&P 500 Index (S&P 500) and the S&P 500 Financials Index (S&P 500 Financials).



	As of December					
	2014	2015	2016	2017	2018	**2019**
Group Inc.	$100.00	$ 94.21	$127.10	$136.94	$ 91.04	**$127.87**
S&P 500	$100.00	$101.37	$113.48	$138.25	$132.18	**$173.79**
S&P 500 Financials	$100.00	$ 98.44	$120.84	$147.59	$128.34	**$169.53**

The graph and table above assume $100 was invested on December 31, 2014 in each of the firm's common stock, the S&P 500 and the S&P 500 Financials, and the dividends were reinvested without payment of any commissions. The performance shown represents past performance and should not be considered an indication of future performance.

Supplemental Financial Information

Selected Financial Data

	Year Ended or as of December				
	2019	2018	2017	2016	2015
Income statement data *($ in millions)*					
Non-interest revenues	**$ 32,184**	$ 32,849	$ 29,798	$ 28,203	$ 31,045
Interest income	**21,738**	19,679	13,113	9,691	8,452
Interest expense	**17,376**	15,912	10,181	7,104	5,388
Net interest income	**4,362**	3,767	2,932	2,587	3,064
Total net revenues	**36,546**	36,616	32,730	30,790	34,109
Provision for credit losses	**1,065**	674	657	182	289
Operating expenses	**24,898**	23,461	20,941	20,304	25,042
Pre-tax earnings	**$ 10,583**	$ 12,481	$ 11,132	$ 10,304	$ 8,778
Balance sheet data *($ in millions)*					
Total assets	**$992,968**	$931,796	$916,776	$860,165	$861,395
Deposits	**$190,019**	$158,257	$138,604	$124,098	$ 97,519
Other secured financings (long-term)	**$ 11,953**	$ 11,878	$ 9,892	$ 8,405	$ 10,520
Unsecured long-term borrowings	**$207,076**	$224,149	$217,687	$189,086	$175,422
Total liabilities	**$902,703**	$841,611	$834,533	$773,272	$774,667
Total shareholders' equity	**$ 90,265**	$ 90,185	$ 82,243	$ 86,893	$ 86,728
Common share data *(in millions, except per share amounts)*					
Per common share amounts:					
Basic earnings	**$ 21.18**	$ 25.53	$ 9.12	$ 16.53	$ 12.35
Diluted earnings	**$ 21.03**	$ 25.27	$ 9.01	$ 16.29	$ 12.14
Dividends declared	**$ 4.15**	$ 3.15	$ 2.90	$ 2.60	$ 2.55
Book value	**$ 218.52**	$ 207.36	$ 181.00	$ 182.47	$ 171.03
Basic shares	**361.8**	380.9	388.9	414.8	441.6
Average common shares:					
Basic	**371.6**	385.4	401.6	427.4	448.9
Diluted	**375.5**	390.2	409.1	435.1	458.6
Selected data *(unaudited)*					
ROE	**10.0%**	13.3%	4.9%	9.4%	7.4%
Headcount					
Americas	**20,800**	19,700	18,100	17,400	18,000
Non-Americas	**17,500**	16,900	15,500	15,000	16,000
Total headcount	**38,300**	36,600	33,600	32,400	34,000
AUS by asset class *($ in billions)*					
Alternative investments	**$ 185**	$ 167	$ 168	$ 154	$ 148
Equity	**423**	301	321	266	252
Fixed income	**789**	677	660	601	546
Long-term AUS	**1,397**	1,145	1,149	1,021	946
Liquidity products	**462**	397	345	358	306
Total AUS	**$ 1,859**	$ 1,542	$ 1,494	$ 1,379	$ 1,252

In the table above, basic shares represent common shares outstanding and restricted stock units granted to employees with no future service requirements and not subject to performance conditions.

Statistical Disclosures

Distribution of Assets, Liabilities and Shareholders' Equity

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

	Average Balance for the Year Ended December		
$ in millions	**2019**	2018	2017
Assets			
U.S.	**$ 41,250**	$ 65,888	$ 66,838
Non-U.S.	**49,161**	52,773	42,353
Total deposits with banks	**90,411**	118,661	109,191
U.S.	**156,769**	161,783	159,829
Non-U.S.	**123,069**	140,411	133,156
Total collateralized agreements	**279,838**	302,194	292,985
U.S.	**157,266**	127,771	132,961
Non-U.S.	**118,086**	105,105	99,010
Total trading assets	**275,352**	232,876	231,971
U.S.	**38,419**	32,619	22,605
Non-U.S.	**15,100**	12,729	11,714
Total investments	**53,519**	45,348	34,319
U.S.	**84,416**	77,884	62,040
Non-U.S.	**13,839**	9,246	7,476
Total loans	**98,255**	87,130	69,516
U.S.	**39,961**	41,854	37,353
Non-U.S.	**36,768**	42,292	39,199
Total other interest-earning assets	**76,729**	84,146	76,552
Total interest-earning assets	**874,104**	870,355	814,534
Cash and due from banks	**10,998**	11,380	11,056
Other non-interest-earning assets	**86,137**	85,846	84,014
Total assets	**$971,239**	$967,581	$909,604
Liabilities			
U.S.	**$131,937**	$117,121	$101,109
Non-U.S.	**34,993**	30,071	24,356
Total interest-bearing deposits	**166,930**	147,192	125,465
U.S.	**65,170**	59,129	56,614
Non-U.S.	**31,875**	45,747	39,029
Total collateralized financings	**97,045**	104,876	95,643
U.S.	**29,333**	33,193	34,422
Non-U.S.	**45,816**	49,295	41,507
Total trading liabilities	**75,149**	82,488	75,929
U.S.	**34,284**	40,360	38,615
Non-U.S.	**17,323**	16,909	13,318
Total short-term borrowings	**51,607**	57,269	51,933
U.S.	**205,324**	212,200	199,569
Non-U.S.	**28,079**	24,173	15,000
Total long-term borrowings	**233,403**	236,373	214,569
U.S.	**128,846**	124,657	135,804
Non-U.S.	**55,101**	63,428	60,986
Total other interest-bearing liabilities	**183,947**	188,085	196,790
Total interest-bearing liabilities	**808,081**	816,283	760,329
Non-interest-bearing deposits	**5,503**	4,273	3,630
Other non-interest-bearing liabilities	**67,358**	61,787	59,686
Total liabilities	**880,942**	882,343	823,645
Shareholders' equity			
Preferred stock	**11,203**	11,253	11,238
Common stock	**79,094**	73,985	74,721
Total shareholders' equity	**90,297**	85,238	85,959
Total liabilities and shareholders' equity	**$971,239**	$967,581	$909,604
Percentage of interest-earning assets and interest-bearing liabilities attributable to non-U.S. operations			
Assets	**40.73%**	41.67%	40.88%
Liabilities	**26.38%**	28.13%	25.54%

Supplemental Financial Information

	Interest for the Year Ended December		
$ in millions	**2019**	2018	2017
Assets			
U.S.	**$ 918**	$ 1,247	$ 760
Non-U.S.	**293**	171	59
Total deposits with banks	**1,211**	1,418	819
U.S.	**3,925**	3,340	1,335
Non-U.S.	**472**	512	326
Total collateralized agreements	**4,397**	3,852	1,661
U.S.	**3,622**	3,200	3,094
Non-U.S.	**2,277**	1,957	1,573
Total trading assets	**5,899**	5,157	4,667
U.S.	**972**	807	437
Non-U.S.	**485**	408	267
Total investments	**1,457**	1,215	704
U.S.	**4,655**	4,166	2,817
Non-U.S.	**756**	523	405
Total loans	**5,411**	4,689	3,222
U.S.	**2,313**	2,382	1,519
Non-U.S.	**1,050**	966	521
Total other interest-earning assets	**3,363**	3,348	2,040
Total interest-earning assets	**$21,738**	$19,679	$13,113
Liabilities			
U.S.	**$ 3,099**	$ 2,317	$ 1,205
Non-U.S.	**469**	289	175
Total interest-bearing deposits	**3,568**	2,606	1,380
U.S.	**2,374**	1,760	735
Non-U.S.	**284**	291	128
Total collateralized financings	**2,658**	2,051	863
U.S.	**466**	803	682
Non-U.S.	**747**	751	706
Total trading liabilities	**1,213**	1,554	1,388
U.S.	**642**	672	660
Non-U.S.	**26**	23	38
Total short-term borrowings	**668**	695	698
U.S.	**5,234**	5,474	4,539
Non-U.S.	**125**	81	60
Total long-term borrowings	**5,359**	5,555	4,599
U.S.	**4,048**	3,245	991
Non-U.S.	**(138)**	206	262
Total other interest-bearing liabilities	**3,910**	3,451	1,253
Total interest-bearing liabilities	**$17,376**	$15,912	$10,181
Net interest income			
U.S.	**$ 542**	$ 871	$ 1,150
Non-U.S.	**3,820**	2,896	1,782
Net interest income	**$ 4,362**	$ 3,767	$ 2,932

	Average Rate for the Year Ended December		
	2019	2018	2017
Assets			
U.S.	**2.23%**	1.89%	1.14%
Non-U.S.	**0.60%**	0.32%	0.14%
Total deposits with banks	**1.34%**	1.20%	0.75%
U.S.	**2.50%**	2.06%	0.84%
Non-U.S.	**0.38%**	0.36%	0.24%
Total collateralized agreements	**1.57%**	1.27%	0.57%
U.S.	**2.30%**	2.50%	2.33%
Non-U.S.	**1.93%**	1.86%	1.59%
Total trading assets	**2.14%**	2.21%	2.01%
U.S.	**2.53%**	2.47%	1.93%
Non-U.S.	**3.21%**	3.21%	2.28%
Total investments	**2.72%**	2.68%	2.05%
U.S.	**5.51%**	5.35%	4.54%
Non-U.S.	**5.46%**	5.66%	5.42%
Total loans	**5.51%**	5.38%	4.63%
U.S.	**5.79%**	5.69%	4.07%
Non-U.S.	**2.86%**	2.28%	1.33%
Total other interest-earning assets	**4.38%**	3.98%	2.66%
Total interest-earning assets	**2.49%**	2.26%	1.61%
Liabilities			
U.S.	**2.35%**	1.98%	1.19%
Non-U.S.	**1.34%**	0.96%	0.72%
Total interest-bearing deposits	**2.14%**	1.77%	1.10%
U.S.	**3.64%**	2.98%	1.30%
Non-U.S.	**0.89%**	0.64%	0.33%
Total collateralized financings	**2.74%**	1.96%	0.90%
U.S.	**1.59%**	2.42%	1.98%
Non-U.S.	**1.63%**	1.52%	1.70%
Total trading liabilities	**1.61%**	1.88%	1.83%
U.S.	**1.87%**	1.67%	1.71%
Non-U.S.	**0.15%**	0.14%	0.29%
Total short-term borrowings	**1.29%**	1.21%	1.34%
U.S.	**2.55%**	2.58%	2.27%
Non-U.S.	**0.45%**	0.34%	0.40%
Total long-term borrowings	**2.30%**	2.35%	2.14%
U.S.	**3.14%**	2.60%	0.73%
Non-U.S.	**(0.25)%**	0.32%	0.43%
Total other interest-bearing liabilities	**2.13%**	1.83%	0.64%
Total interest-bearing liabilities	**2.15%**	1.95%	1.34%
Interest rate spread	**0.34%**	0.31%	0.27%
U.S.	**0.10%**	0.17%	0.24%
Non-U.S.	**1.07%**	0.80%	0.54%
Net yield on interest-earning assets	**0.50%**	0.43%	0.36%

In the tables above:

- Assets, liabilities and interest are classified as U.S. and non-U.S. based on the location of the entity in which the assets and liabilities are held.
- Derivative instruments and commodities are included in other non-interest-earning assets and other non-interest-bearing liabilities.
- Total other interest-earning assets primarily consists of certain receivables from customers and counterparties.
- Collateralized financings consists of repurchase agreements and securities loaned.
- Substantially all of the total other interest-bearing liabilities consists of certain payables to customers and counterparties.
- Interest rates for borrowings include the effects of interest rate swaps accounted for as hedges.

- Total loans exclude loans held for sale that are accounted for at the lower of cost or fair value. Such loans are included within other interest-earning assets.
- Total short- and long-term borrowings include both secured and unsecured borrowings.

Changes in Net Interest Income, Volume and Rate Analysis

The tables below present the effect on net interest income of volume and rate changes. In this analysis, changes due to volume/rate variance have been allocated to volume.

	Year Ended December 2019 versus December 2018		
	Increase (decrease) due to change in:		
$ in millions	Volume	Rate	Net Change
Interest-earning assets			
U.S.	**$(548)**	**$ 219**	**$ (329)**
Non-U.S.	**(22)**	**144**	**122**
Total deposits with banks	**(570)**	**363**	**(207)**
U.S.	**(126)**	**711**	**585**
Non-U.S.	**(67)**	**27**	**(40)**
Total collateralized agreements	**(193)**	**738**	**545**
U.S.	**679**	**(257)**	**422**
Non-U.S.	**250**	**70**	**320**
Total trading assets	**929**	**(187)**	**742**
U.S.	**147**	**18**	**165**
Non-U.S.	**76**	**1**	**77**
Total investments	**223**	**19**	**242**
U.S.	**360**	**129**	**489**
Non-U.S.	**251**	**(18)**	**233**
Total loans	**611**	**111**	**722**
U.S.	**(110)**	**41**	**(69)**
Non-U.S.	**(158)**	**242**	**84**
Total other interest-earning assets	**(268)**	**283**	**15**
Change in interest income	**732**	**1,327**	**2,059**
Interest-bearing liabilities			
U.S.	**348**	**434**	**782**
Non-U.S.	**66**	**114**	**180**
Total interest-bearing deposits	**414**	**548**	**962**
U.S.	**220**	**394**	**614**
Non-U.S.	**(124)**	**117**	**(7)**
Total collateralized financings	**96**	**511**	**607**
U.S.	**(61)**	**(276)**	**(337)**
Non-U.S.	**(57)**	**53**	**(4)**
Total trading liabilities	**(118)**	**(223)**	**(341)**
U.S.	**(114)**	**84**	**(30)**
Non-U.S.	**1**	**2**	**3**
Total short-term borrowings	**(113)**	**86**	**(27)**
U.S.	**(175)**	**(65)**	**(240)**
Non-U.S.	**17**	**27**	**44**
Total long-term borrowings	**(158)**	**(38)**	**(196)**
U.S.	**132**	**671**	**803**
Non-U.S.	**21**	**(365)**	**(344)**
Total other interest-bearing liabilities	**153**	**306**	**459**
Change in interest expense	**274**	**1,190**	**1,464**
Change in net interest income	**$ 458**	**$ 137**	**$ 595**

	Year Ended December 2018 versus December 2017		
	Increase (decrease) due to change in:		
$ in millions	Volume	Rate	Net Change
Interest-earning assets			
U.S.	$ (18)	$ 505	$ 487
Non-U.S.	34	78	112
Total deposits with banks	16	583	599
U.S.	40	1,965	2,005
Non-U.S.	26	160	186
Total collateralized agreements	66	2,125	2,191
U.S.	(130)	236	106
Non-U.S.	113	271	384
Total trading assets	(17)	507	490
U.S.	248	122	370
Non-U.S.	33	108	141
Total investments	281	230	511
U.S.	847	502	1,349
Non-U.S.	100	18	118
Total loans	947	520	1,467
U.S.	256	607	863
Non-U.S.	71	374	445
Total other interest-earning assets	327	981	1,308
Change in interest income	1,620	4,946	6,566
Interest-bearing liabilities			
U.S.	317	795	1,112
Non-U.S.	55	59	114
Total interest-bearing deposits	372	854	1,226
U.S.	75	950	1,025
Non-U.S.	43	120	163
Total collateralized financings	118	1,070	1,188
U.S.	(30)	151	121
Non-U.S.	119	(74)	45
Total trading liabilities	89	77	166
U.S.	29	(17)	12
Non-U.S.	5	(20)	(15)
Total short-term borrowings	34	(37)	(3)
U.S.	326	609	935
Non-U.S.	31	(10)	21
Total long-term borrowings	357	599	956
U.S.	(290)	2,544	2,254
Non-U.S.	8	(64)	(56)
Total other interest-bearing liabilities	(282)	2,480	2,198
Change in interest expense	688	5,043	5,731
Change in net interest income	$ 932	$ (97)	$ 835

Deposits

The table below presents information about interest-bearing deposits.

	Year Ended December		
$ in millions	**2019**	2018	2017
Average balances			
U.S.			
Savings and demand	**$ 86,108**	$ 76,428	$ 68,819
Time	**45,829**	40,693	32,290
Total U.S.	**131,937**	117,121	101,109
Non-U.S.			
Demand	**20,733**	9,579	8,443
Time	**14,260**	20,492	15,913
Total non-U.S.	**34,993**	30,071	24,356
Total	**$166,930**	$147,192	$125,465
Average interest rates			
U.S.			
Savings and demand	**2.23%**	1.85%	0.98%
Time	**2.58%**	2.21%	1.64%
Total U.S.	**2.35%**	1.98%	1.19%
Non-U.S.			
Demand	**1.51%**	1.29%	0.68%
Time	**1.09%**	0.81%	0.75%
Total non-U.S.	**1.34%**	0.96%	0.72%
Total	**2.14%**	1.77%	1.10%

In the table above, deposits are classified as U.S. and non-U.S. based on the location of the entity in which such deposits are held.

As of December 2019, deposits in U.S. offices included $14.39 billion and non-U.S. offices included $8.07 billion of time deposits that were greater than $100,000.

The table below presents maturities of these time deposits held in U.S. offices.

$ in millions	**As of December 2019**
3 months or less	**$ 2,582**
3 to 6 months	**3,952**
6 to 12 months	**5,460**
Greater than 12 months	**2,399**
Total	**$14,393**

Short-Term and Other Borrowed Funds

The table below presents information about securities loaned and repurchase agreements, and short-term borrowings.

	As of December		
$ in millions	**2019**	2018	2017
Securities loaned and securities sold under agreements to repurchase			
Amounts outstanding at year-end	**$132,741**	$ 90,531	$ 99,511
Average outstanding during the year	**$ 97,045**	$104,876	$ 95,643
Maximum month-end outstanding	**$132,741**	$123,805	$103,359
Weighted average interest rate			
During the year	**2.74%**	1.96%	0.90%
At year-end	**1.61%**	3.31%	1.16%
Short-term borrowings			
Amounts outstanding at year-end	**$ 55,611**	$ 50,057	$ 61,818
Average outstanding during the year	**$ 51,607**	$ 57,269	$ 51,933
Maximum month-end outstanding	**$ 57,209**	$ 63,743	$ 61,818
Weighted average interest rate			
During the year	**1.29%**	1.21%	1.34%
At year-end	**1.24%**	1.30%	1.22%

In the table above:

- These borrowings generally mature within one year of the financial statement date and include borrowings that are redeemable at the option of the holder within one year of the financial statement date.
- Amounts outstanding at year-end for short-term borrowings included short-term secured financings of $7.32 billion as of December 2019, $9.56 billion as of December 2018 and $14.90 billion as of December 2017.
- The weighted average interest rates for these borrowings include the effect of hedging activities.

Loan Portfolio

The table below presents information about loans.

	As of December				
$ in millions	**2019**	2018	2017	2016	2015
Corporate	**$ 37,161**	$37,518	$32,616	$28,889	$26,523
Wealth management	**24,783**	22,649	21,591	19,225	19,044
Commercial real estate	**12,836**	11,052	8,239	3,604	4,975
Residential real estate	**6,290**	7,820	7,299	4,305	2,890
Consumer	**4,747**	4,536	1,912	208	–
Credit card	**1,858**	–	–	–	–
Other	**4,186**	4,461	5,014	3,428	3,749
Total U.S.	**91,861**	88,036	76,671	59,659	57,181
Corporate	**9,146**	4,857	3,686	2,529	3,243
Wealth management	**3,157**	2,119	2,102	1,442	1,137
Commercial real estate	**4,907**	3,126	3,149	2,805	3,332
Residential real estate	**668**	481	600	556	522
Other	**606**	284	32	21	53
Total non-U.S.	**18,484**	10,867	9,569	7,353	8,287
Total loans, gross	**110,345**	98,903	86,240	67,012	65,468
Allowance for loan losses					
U.S.	**1,146**	848	604	476	381
Non-U.S.	**295**	218	199	33	33
Total allowance for loan losses	**1,441**	1,066	803	509	414
Total loans	**$108,904**	$97,837	$85,437	$66,503	$65,054

In the table above, loans are classified as U.S. and non-U.S. based on the location of the entity in which such loans are held.

Allowance for Loan Losses

The table below presents changes in the allowance for loan losses.

	As of December				
$ in millions	**2019**	2018	2017	2016	2015
Allowance for loan losses					
Beginning balance	**$1,066**	$ 803	$ 509	$414	$228
Net charge-offs	**(490)**	(337)	(203)	(8)	(1)
Provision for loan losses	**990**	654	574	138	187
Other	**(125)**	(54)	(77)	(35)	–
Ending balance	**$1,441**	$1,066	$ 803	$509	$414

In the table above:

- Allowance for loan losses as of both 2019 and 2018 primarily related to corporate loans and consumer loans that were held in entities located in the U.S. Allowance for loan losses as of 2017 and earlier primarily related to corporate and wealth management loans that were held in entities located in the U.S.
- Net charge-offs for 2019 were primarily related to consumer loans held in entities located in the U.S. Net charge-offs for 2018 were primarily related to consumer loans held in entities located in the U.S. and commercial real estate PCI loans held in entities located outside of the U.S. Net charge-offs for 2017 and earlier were primarily related to corporate loans held in entities located in the U.S.

Maturities and Sensitivity to Changes in Interest Rates

The table below presents gross loans by tenor and a distribution of such loans between fixed and floating interest rates.

	Maturities and Sensitivity to Changes in Interest Rates as of December 2019			
$ in millions	Less than 1 year	1 - 5 years	Greater than 5 years	Total
Corporate	$ 3,870	$28,402	$ 4,889	$ 37,161
Wealth management	14,069	2,923	7,791	24,783
Commercial real estate	1,596	10,186	1,054	12,836
Residential real estate	1,968	2,251	2,071	6,290
Consumer	84	4,330	333	4,747
Credit card	1,858	–	–	1,858
Other	715	2,961	510	4,186
Total U.S.	24,160	51,053	16,648	91,861
Corporate	1,381	4,808	2,957	9,146
Wealth management	3,120	37	–	3,157
Commercial real estate	824	3,049	1,034	4,907
Residential real estate	34	507	127	668
Other	6	553	47	606
Total non-U.S.	5,365	8,954	4,165	18,484
Total loans, gross	$29,525	$60,007	$20,813	$110,345
Loans at fixed interest rates	$ 424	$ 4,844	$ 8,977	$ 14,245
Loans at variable interest rates	29,101	55,163	11,836	96,100
Total	$29,525	$60,007	$20,813	$110,345

Cross-border Outstandings

Cross-border outstandings are based on the Federal Financial Institutions Examination Council's (FFIEC) guidelines for reporting cross-border information and represent the amounts that the firm may not be able to obtain from a foreign country due to country-specific events, including unfavorable economic and political conditions, economic and social instability, and changes in government policies.

Credit exposure represents the potential for loss due to the default or deterioration in credit quality of a counterparty or an issuer of securities or other instruments and is measured based on the potential loss in an event of non-payment by a counterparty. Credit exposure is reduced through the effect of risk mitigants, such as netting agreements with counterparties that permit the firm to offset receivables and payables with such counterparties or obtaining collateral from counterparties. The table below does not include all the effects of such risk mitigants and does not represent the firm's credit exposure.

The table below presents cross-border outstandings and commitments for each country in which cross-border outstandings exceed 0.75% of consolidated assets in accordance with the FFIEC guidelines.

$ in millions	Banks	Governments	Other	Total	Commitments
As of December 2019					
Cayman Islands	$ 7	$ 2	$35,920	$35,929	$ 5,014
Germany	$1,790	$22,828	$ 7,058	$31,676	$ 6,562
France	$1,311	$ 1,910	$15,146	$18,367	$24,497
Canada	$3,079	$ 192	$14,609	$17,880	$ 1,743
Ireland	$ 733	$ 96	$15,083	$15,912	$ 1,238
Japan	$7,203	$ 132	$ 6,889	$14,224	$13,930
China	$3,103	$ 251	$ 9,834	$13,188	$ 1,059
U.K.	$1,776	$ 18	$ 8,421	$10,215	$14,074
South Korea	$ 150	$ 1,021	$ 8,775	$ 9,946	$ 60
Luxembourg	$ 40	$ 92	$ 7,984	$ 8,116	$ 4,136
As of December 2018					
Germany	$2,028	$43,730	$ 4,755	$50,513	$ 3,834
Cayman Islands	$ 27	$ 2	$47,595	$47,624	$ 4,207
France	$1,193	$ 5,094	$11,549	$17,836	$10,307
Japan	$9,106	$ 1,686	$ 6,146	$16,938	$12,553
Ireland	$ 146	$ 55	$12,390	$12,591	$ 822
Canada	$2,383	$ 470	$ 7,845	$10,698	$ 1,513
Luxembourg	$ 22	$ 41	$ 9,799	$ 9,862	$ 2,838
U.K.	$1,101	$ 77	$ 8,458	$ 9,636	$20,336
China	$1,952	$ 66	$ 6,882	$ 8,900	$ 271
South Korea	$ 162	$ 2,935	$ 3,989	$ 7,086	$ 10
As of December 2017					
Cayman Islands	$ 6	$ –	$34,624	$34,630	$ 4,940
Germany	$4,241	$22,765	$ 6,916	$33,922	$ 7,015
France	$3,569	$ 1,574	$19,048	$24,191	$14,549
Canada	$2,562	$ 311	$17,358	$20,231	$ 2,388
Japan	$8,827	$ 69	$ 7,220	$16,116	$18,079
Ireland	$ 143	$ 65	$11,490	$11,698	$ 895
China	$2,550	$ 687	$ 7,838	$11,075	$ –
Italy	$2,306	$ 3,986	$ 2,586	$ 8,878	$ 1,649
U.K.	$1,300	$ –	$ 7,480	$ 8,780	$14,966
Singapore	$ 372	$ 5,462	$ 1,873	$ 7,707	$ 48
Luxembourg	$ 59	$ 324	$ 7,320	$ 7,703	$ 2,438

In the table above:

- Cross-border outstandings includes cash, receivables, collateralized agreements and cash financial instruments, but exclude derivative instruments.
- Collateralized agreements are presented gross, without reduction for related securities collateral held.
- Margin loans (included in receivables) are presented based on the amount of collateral advanced by the counterparty.
- Substantially all commitments consists of commitments to extend credit and collateralized agreement commitments.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no changes in or disagreements with accountants on accounting and financial disclosure during the last two years.

Item 9A. Controls and Procedures

As of the end of the period covered by this report, an evaluation was carried out by Goldman Sachs management, with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that these disclosure controls and procedures were effective as of the end of the period covered by this report. In addition, no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) occurred during the fourth quarter of our year ended December 31, 2019 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting and the Report of Independent Registered Public Accounting Firm are set forth in Part II, Item 8 of this Form 10-K.

Item 9B. Other Information

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information about our executive officers is included on page 20 of this Form 10-K. Information about our directors, including our audit committee and audit committee financial experts and the procedures by which shareholders can recommend director nominees, and our executive officers will be in our definitive Proxy Statement for our 2020 Annual Meeting of Shareholders, which will be filed within 120 days of the end of 2019 (2020 Proxy Statement) and is incorporated in this Form 10-K by reference. Information about our Code of Business Conduct and Ethics, which applies to our senior financial officers, is included in "Business — Available Information" in Part I, Item 1 of this Form 10-K.

Item 11. Executive Compensation

Information relating to our executive officer and director compensation and the compensation committee of the Board will be in the 2020 Proxy Statement and is incorporated in this Form 10-K by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information relating to security ownership of certain beneficial owners of our common stock and information relating to the security ownership of our management will be in the 2020 Proxy Statement and is incorporated in this Form 10-K by reference.

The table below presents information as of December 31, 2019 regarding securities to be issued pursuant to outstanding restricted stock units (RSUs) and securities remaining available for issuance under our equity compensation plans that were in effect during 2019.

Plan Category	Securities to be Issued Upon Exercise of Outstanding Options and Rights (a)	Weighted Average Exercise Price of Outstanding Options (b)	Securities Available For Future Issuance Under Equity Compensation Plans (c)
Equity compensation plans approved by security holders	**19,323,480**	**N/A**	**60,558,073**
Equity compensation plans not approved by security holders	**–**	**–**	**–**
Total	**19,323,480**		**60,558,073**

In the table above:

- Securities to be Issued Upon Exercise of Outstanding Options and Rights includes 19,323,480 shares that may be issued pursuant to outstanding RSUs. These awards are subject to vesting and other conditions to the extent set forth in the respective award agreements, and the underlying shares will be delivered net of any required tax withholding. As of December 31, 2019, there were no outstanding options.
- Shares underlying RSUs are deliverable without the payment of any consideration, and therefore these awards have not been taken into account in calculating the weighted average exercise price.
- Securities Available For Future Issuance Under Equity Compensation Plans represents shares remaining to be issued under our current stock incentive plan (SIP), excluding shares reflected in column (a). If any shares of common stock underlying awards granted under our current SIP, our SIP adopted in 2015 or our SIP adopted in 2013 are not delivered due to forfeiture, termination or cancellation or are surrendered or withheld, those shares will again become available to be delivered under our current SIP. Shares available for grant are also subject to adjustment for certain changes in corporate structure as permitted under our current SIP.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information regarding certain relationships and related transactions and director independence will be in the 2020 Proxy Statement and is incorporated in this Form 10-K by reference.

Item 14. Principal Accounting Fees and Services

Information regarding principal accounting fees and services will be in the 2020 Proxy Statement and is incorporated in this Form 10-K by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) Documents filed as part of this Report:

1. Consolidated Financial Statements

The consolidated financial statements required to be filed in this Form 10-K are included in Part II, Item 8 hereof.

2. Exhibits

2.1 Plan of Incorporation (incorporated by reference to Exhibit 2.1 to the Registrant's Registration Statement on Form S-1 (No. 333-74449)).

3.1 Restated Certificate of Incorporation of The Goldman Sachs Group, Inc., amended as of November 25, 2019.

3.2 Certificate of Designations of The Goldman Sachs Group, Inc. relating to the Series S Preferred Stock (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed on January 28, 2020).

3.3 Amended and Restated By-Laws of The Goldman Sachs Group, Inc., amended as of February 18, 2016 (incorporated by reference to Exhibit 3.2 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2015).

4.1 Description of The Goldman Sachs Group, Inc.'s Securities registered pursuant to Section 12 of the Securities Exchange Act of 1934.

4.2 Indenture, dated as of May 19, 1999, between The Goldman Sachs Group, Inc. and The Bank of New York, as trustee (incorporated by reference to Exhibit 6 to the Registrant's Registration Statement on Form 8-A, filed on June 29, 1999).

4.3 Subordinated Debt Indenture, dated as of February 20, 2004, between The Goldman Sachs Group, Inc. and The Bank of New York, as trustee (incorporated by reference to Exhibit 4.2 to the Registrant's Annual Report on Form 10-K for the fiscal year ended November 28, 2003).

4.4 Warrant Indenture, dated as of February 14, 2006, between The Goldman Sachs Group, Inc. and The Bank of New York, as trustee (incorporated by reference to Exhibit 4.34 to the Registrant's Post-Effective Amendment No. 3 to Form S-3, filed on March 1, 2006).

4.5 Senior Debt Indenture, dated as of December 4, 2007, among GS Finance Corp., as issuer, The Goldman Sachs Group, Inc., as guarantor, and The Bank of New York, as trustee (incorporated by reference to Exhibit 4.69 to the Registrant's Post-Effective Amendment No. 10 to Form S-3, filed on December 4, 2007).

4.6 Senior Debt Indenture, dated as of July 16, 2008, between The Goldman Sachs Group, Inc. and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.82 to the Registrant's Post-Effective Amendment No. 11 to Form S-3 (No. 333-130074), filed on July 17, 2008).

4.7 Fourth Supplemental Indenture, dated as of December 31, 2016, between The Goldman Sachs Group, Inc. and The Bank of New York Mellon, as trustee, with respect to the Senior Debt Indenture, dated as of July 16, 2008 (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed on January 6, 2017).

4.8 Senior Debt Indenture, dated as of October 10, 2008, among GS Finance Corp., as issuer, The Goldman Sachs Group, Inc., as guarantor, and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.70 to the Registrant's Registration Statement on Form S-3 (No. 333-154173), filed on October 10, 2008).

4.9 First Supplemental Indenture, dated as of February 20, 2015, among GS Finance Corp., as issuer, The Goldman Sachs Group, Inc., as guarantor, and The Bank of New York Mellon, as trustee, with respect to the Senior Debt Indenture, dated as of October 10, 2008 (incorporated by reference to Exhibit 4.7 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2014).

4.10 Fourth Supplemental Indenture, dated as of August 21, 2018, among GS Finance Corp., as issuer, The Goldman Sachs Group, Inc., as guarantor, and The Bank of New York Mellon (incorporated by reference to Exhibit 4.1 to the Registrant's Quarterly Report on Form 10-Q for the period ended September 30, 2018).

4.11 Ninth Supplemental Subordinated Debt Indenture, dated as of May 20, 2015, between The Goldman Sachs Group, Inc. and The Bank of New York Mellon, as trustee, with respect to the Subordinated Debt Indenture, dated as of February 20, 2004 (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed on May 22, 2015).

4.12 Tenth Supplemental Subordinated Debt Indenture, dated as of July 7, 2017, between The Goldman Sachs Group, Inc. and The Bank of New York Mellon, as trustee, with respect to the Subordinated Debt Indenture, dated as of February 20, 2004 (incorporated by reference to Exhibit 4.89 to the Registrant's Registration Statement on Form S-3 (No. 333-219206), filed on July 10, 2017).

Certain instruments defining the rights of holders of long-term debt securities of the Registrant and its subsidiaries are omitted pursuant to Item 601(b)(4)(iii) of Regulation S-K. The Registrant hereby undertakes to furnish to the SEC, upon request, copies of any such instruments.

10.1 The Goldman Sachs Amended and Restated Stock Incentive Plan (2018) (incorporated by reference to Exhibit 10.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2018). †

10.2 The Goldman Sachs Partner Compensation Plan (incorporated by reference to Exhibit 10.18 to the Registrant's Registration Statement on Form S-1 (No. 333-74449)). †

10.3 The Goldman Sachs Amended and Restated Restricted Partner Compensation Plan (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the period ended February 24, 2006). †

10.4 Form of Employment Agreement for Participating Managing Directors (applicable to executive officers) (incorporated by reference to Exhibit 10.19 to the Registrant's Registration Statement on Form S-1 (No. 333-75213)). †

10.5 Form of Agreement Relating to Noncompetition and Other Covenants (incorporated by reference to Exhibit 10.20 to the Registrant's Registration Statement on Form S-1 (No. 333-75213)). †

10.6 Amended and Restated Shareholders' Agreement, effective as of December 31, 2019, among The Goldman Sachs Group, Inc. and various parties.

10.7 Instrument of Indemnification (incorporated by reference to Exhibit 10.27 to the Registrant's Registration Statement on Form S-1 (No. 333-75213)).

10.8 Form of Indemnification Agreement (incorporated by reference to Exhibit 10.28 to the Registrant's Annual Report on Form 10-K for the fiscal year ended November 26, 1999).

10.9 Form of Indemnification Agreement (incorporated by reference to Exhibit 10.44 to the Registrant's Annual Report on Form 10-K for the fiscal year ended November 26, 1999).

10.10 Form of Indemnification Agreement, dated as of July 5, 2000 (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the period ended August 25, 2000).

10.11 Amendment No. 1, dated as of September 5, 2000, to the Tax Indemnification Agreement, dated as of May 7, 1999 (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the period ended August 25, 2000).

10.12 Form of Amendment, dated November 27, 2004, to Agreement Relating to Noncompetition and Other Covenants, dated May 7, 1999 (incorporated by reference to Exhibit 10.32 to the Registrant's Annual Report on Form 10-K for the fiscal year ended November 26, 2004). †

10.13 The Goldman Sachs Group, Inc. Non-Qualified Deferred Compensation Plan for U.S. Participating Managing Directors (terminated as of December 15, 2008) (incorporated by reference to Exhibit 10.36 to the Registrant's Annual Report on Form 10-K for the fiscal year ended November 30, 2007). †

10.14 Form of Year-End Option Award Agreement (incorporated by reference to Exhibit 10.36 to the Registrant's Annual Report on Form 10-K for the fiscal year ended November 28, 2008). †

10.15 Form of Non-Employee Director Option Award Agreement (incorporated by reference to Exhibit 10.34 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2009). †

10.16 Form of Non-Employee Director RSU Award Agreement (pre-2015) (incorporated by reference to Exhibit 10.21 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2014). †

10.17 Ground Lease, dated August 23, 2005, between Battery Park City Authority d/b/a/ Hugh L. Carey Battery Park City Authority, as Landlord, and Goldman Sachs Headquarters LLC, as Tenant (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed on August 26, 2005).

10.18 General Guarantee Agreement, dated January 30, 2006, made by The Goldman Sachs Group, Inc. relating to certain obligations of Goldman Sachs & Co. LLC (incorporated by reference to Exhibit 10.45 to the Registrant's Annual Report on Form 10-K for the fiscal year ended November 25, 2005).

10.19 Goldman Sachs & Co. LLC Executive Life Insurance Policy and Certificate with Metropolitan Life Insurance Company for Participating Managing Directors (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the period ended August 25, 2006). †

10.20 Form of Goldman Sachs & Co. LLC Executive Life Insurance Policy with Pacific Life & Annuity Company for Participating Managing Directors, including policy specifications and form of restriction on Policy Owner's Rights (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the period ended August 25, 2006). †

10.21 Form of Second Amendment, dated November 25, 2006, to Agreement Relating to Noncompetition and Other Covenants, dated May 7, 1999, as amended effective November 27, 2004 (incorporated by reference to Exhibit 10.51 to the Registrant's Annual Report on Form 10-K for the fiscal year ended November 24, 2006). †

10.22 Description of PMD Retiree Medical Program (incorporated by reference to Exhibit 10.25 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2018). †

10.23 Letter, dated June 28, 2008, from The Goldman Sachs Group, Inc. to Mr. Lakshmi N. Mittal (incorporated by reference to Exhibit 99.1 to the Registrant's Current Report on Form 8-K, filed on June 30, 2008). †

10.24 General Guarantee Agreement, dated December 1, 2008, made by The Goldman Sachs Group, Inc. relating to certain obligations of Goldman Sachs Bank USA (incorporated by reference to Exhibit 4.80 to the Registrant's Post-Effective Amendment No. 2 to Form S-3, filed on March 19, 2009).

10.25 Form of One-Time RSU Award Agreement (pre-2015) (incorporated by reference to Exhibit 10.32 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2014). †

10.26 Amendments to Certain Non-Employee Director Equity Award Agreements (incorporated by reference to Exhibit 10.69 to the Registrant's Annual Report on Form 10-K for the fiscal year ended November 28, 2008). †

10.27 Form of Year-End RSU Award Agreement (not fully vested) (pre-2015) (incorporated by reference to Exhibit 10.36 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2014). †

10.28 Form of Year-End RSU Award Agreement (fully vested) (pre-2015) (incorporated by reference to Exhibit 10.37 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2014). †

10.29 Form of Year-End RSU Award Agreement (Base and/or Supplemental) (pre-2015) (incorporated by reference to Exhibit 10.38 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2014). †

10.30 Form of Year-End Restricted Stock Award Agreement (fully vested) (pre-2015) (incorporated by reference to Exhibit 10.41 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2013). †

10.31 Form of Year-End Restricted Stock Award Agreement (Base and/or Supplemental) (pre-2015) (incorporated by reference to Exhibit 10.41 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2014). †

10.32 Form of Fixed Allowance RSU Award Agreement (pre-2015) (incorporated by reference to Exhibit 10.43 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2014). †

10.33 Form of Deed of Gift (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2010). †

10.34 The Goldman Sachs Long-Term Performance Incentive Plan, dated December 17, 2010 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed on December 23, 2010). †

10.35 Form of Performance-Based Restricted Stock Unit Award Agreement (pre-2015) (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K, filed on December 23, 2010). †

10.36 Form of Performance-Based Option Award Agreement (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K, filed on December 23, 2010). †

10.37 Form of Performance-Based Cash Compensation Award Agreement (pre-2015) (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K, filed on December 23, 2010). †

10.38 Amended and Restated General Guarantee Agreement, dated November 21, 2011, made by The Goldman Sachs Group, Inc. relating to certain obligations of Goldman Sachs Bank USA (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed on November 21, 2011).

10.39 Form of Aircraft Time Sharing Agreement (incorporated by reference to Exhibit 10.61 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2011). †

10.40 Description of Compensation Arrangements with Executive Officer (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2012). †

10.41 The Goldman Sachs Group, Inc. Clawback Policy, effective as of January 1, 2015 (incorporated by reference to Exhibit 10.53 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2014).

10.42 Form of Non-Employee Director RSU Award Agreement. †

10.43 Form of One-Time RSU Award Agreement. †

10.44 Form of Year-End RSU Award Agreement (not fully vested). †

10.45 Form of Year-End RSU Award Agreement (fully vested). †

10.46 Form of Year-End RSU Award Agreement (Base (not fully vested) and/or Supplemental). †

10.47 Form of Year-End Short-Term RSU Award Agreement. †

10.48 Form of Year-End Restricted Stock Award Agreement (not fully vested). †

10.49 Form of Year-End Restricted Stock Award Agreement (fully vested) (incorporated by reference to Exhibit 10.53 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2017). †

10.50 Form of Year-End Short-Term Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.57 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2015). †

10.51 Form of Fixed Allowance RSU Award Agreement. †

10.52 Form of Fixed Allowance Restricted Stock Award Agreement. †

10.53 Form of Fixed Allowance Deferred Cash Award Agreement (incorporated by reference to Exhibit 10.59 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2015). †

10.54 Form of Performance-Based Restricted Stock Unit Award Agreement. †

10.55 Form of Performance-Based Restricted Stock Unit Award Agreement (not fully vested). †

10.56 Form of Performance-Based Cash Compensation Award Agreement (incorporated by reference to Exhibit 10.61 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2015). †

10.57 Form of Signature Card for Equity Awards. †

10.58 Amended and Restated General Guarantee Agreement, dated September 28, 2018, made by The Goldman Sachs Group, Inc. relating to certain obligations of Goldman Sachs Bank USA (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed on September 28, 2018).

10.59 Amended and Restated General Guarantee Agreement, dated September 28, 2018, made by The Goldman Sachs Group, Inc. relating to certain obligations of Goldman Sachs & Co. LLC (incorporated by reference to Exhibit 99.1 to the Registrant's Current Report on Form 8-K, filed on September 28, 2018).

10.60 Lease, dated August 17, 2018, between Farringdon Street Partners Limited and Farringdon Street (Nominee) Limited, as Landlord, and Goldman Sachs International, as Tenant (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the period ended September 30, 2018).

21.1 List of significant subsidiaries of The Goldman Sachs Group, Inc.

23.1 Consent of Independent Registered Public Accounting Firm.

31.1 Rule 13a-14(a) Certifications.

32.1 Section 1350 Certifications (This information is furnished and not filed for purposes of Sections 11 and 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934).

99.1 Report of Independent Registered Public Accounting Firm on Selected Financial Data.

101 Pursuant to Rules 405 and 406 of Regulation S-T, the following information is formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) the Consolidated Statements of Earnings for the years ended December 31, 2019, December 31, 2018 and December 31, 2017, (ii) the Consolidated Statements of Comprehensive Income for the years ended December 31, 2019, December 31, 2018 and December 31, 2017, (iii) the Consolidated Balance Sheets as of December 31, 2019 and December 31, 2018, (iv) the Consolidated Statements of Changes in Shareholders' Equity for the years ended December 31, 2019, December 31, 2018 and December 31, 2017, (v) the Consolidated Statements of Cash Flows for the years ended December 31, 2019, December 31, 2018 and December 31, 2017, (vi) the notes to the Consolidated Financial Statements and (vii) the cover page.

104 Cover Page Interactive Data File (formatted in iXBRL in Exhibit 101).

† This exhibit is a management contract or a compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE GOLDMAN SACHS GROUP, INC.

By:	/s/	Stephen M. Scherr
Name:		Stephen M. Scherr
Title:		Chief Financial Officer
Date:		February 20, 2020

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By:	/s/	David M. Solomon
Name:		David M. Solomon
Capacity:		Director, Chairman and Chief Executive Officer (Principal Executive Officer)
Date:		February 20, 2020

By:	/s/	M. Michele Burns
Name:		M. Michele Burns
Capacity:		Director
Date:		February 20, 2020

By:	/s/	Drew G. Faust
Name:		Drew G. Faust
Capacity:		Director
Date:		February 20, 2020

By:	/s/	Mark A. Flaherty
Name:		Mark A. Flaherty
Capacity:		Director
Date:		February 20, 2020

By:	/s/	Ellen J. Kullman
Name:		Ellen J. Kullman
Capacity:		Director
Date:		February 20, 2020

By:	/s/	Lakshmi N. Mittal
Name:		Lakshmi N. Mittal
Capacity:		Director
Date:		February 20, 2020

By:	/s/	Adebayo O. Ogunlesi
Name:		Adebayo O. Ogunlesi
Capacity:		Director
Date:		February 20, 2020

By:	/s/	Peter Oppenheimer
Name:		Peter Oppenheimer
Capacity:		Director
Date:		February 20, 2020

By:	/s/	Jan E. Tighe
Name:		Jan E. Tighe
Capacity:		Director
Date:		February 20, 2020

By:	/s/	David A. Viniar
Name:		David A. Viniar
Capacity:		Director
Date:		February 20, 2020

By:	/s/	Mark O. Winkelman
Name:		Mark O. Winkelman
Capacity:		Director
Date:		February 20, 2020

By:	/s/	Stephen M. Scherr
Name:		Stephen M. Scherr
Capacity:		Chief Financial Officer (Principal Financial Officer)
Date:		February 20, 2020

By:	/s/	Sheara Fredman
Name:		Sheara Fredman
Capacity:		Chief Accounting Officer (Principal Accounting Officer)
Date:		February 20, 2020

Exhibit 3.1

RESTATED
CERTIFICATE OF INCORPORATION
OF
THE GOLDMAN SACHS GROUP, INC.

THE GOLDMAN SACHS GROUP, INC., a corporation organized and existing under the Delaware General Corporation Law (the "Corporation"), DOES HEREBY CERTIFY:

1. The name of the Corporation is The Goldman Sachs Group, Inc. The date of filing of its original certificate of incorporation with the Secretary of State of the State of Delaware was July 21, 1998.

2. This Restated Certificate of Incorporation restates and integrates and does not further amend the provisions of the certificate of incorporation of the Corporation as heretofore amended or supplemented. There is no discrepancy between the provisions of this Restated Certificate of Incorporation and the provisions of the certificate of incorporation of the Corporation as heretofore amended or supplemented. This Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Section 245 of the General Corporation Law of the State of Delaware. The text of the certificate of incorporation is hereby restated to read herein as set forth in full:

FIRST. The name of the Corporation is The Goldman Sachs Group, Inc.

SECOND. The address of the Corporation's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street in the City of Wilmington, County of New Castle, 19801. The name of its registered agent at such address is The Corporation Trust Company.

THIRD. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law. Without limiting the generality of the foregoing, the Corporation shall have all of the powers conferred on corporations by the Delaware General Corporation Law and other law, including the power and authority to make an initial charitable contribution (as defined in Section 170(c) of the Internal Revenue Code of 1986, as currently in effect or as the same may hereafter be amended) of up to an aggregate of $200,000,000 to one or more entities (the "Contribution"), and to make other charitable contributions from time to time thereafter, in such amounts, on such terms and conditions and for such purposes as may be lawful.

FOURTH. The total number of shares of all classes of stock which the Corporation shall have authority to issue is 4,350,000,000, of which 4,000,000,000 shares of the par value of $0.01 per share shall be a separate class designated as Common Stock, 200,000,000 shares of the par value of $0.01 per share shall be a separate class designated as Nonvoting Common Stock and 150,000,000 shares of the par value of $0.01 per share shall be a separate class designated as Preferred Stock.

COMMON STOCK AND NONVOTING COMMON STOCK

Except as set forth in this Article FOURTH, the Common Stock and the Nonvoting Common Stock (together, the "Common Shares") shall have the same rights and privileges and shall rank equally, share ratably and be identical in all respects as to all matters.

(i) Voting. Except as may be provided in this Restated Certificate of Incorporation or required by law, the Common Stock shall have voting rights in the election of directors and on all other matters presented to stockholders, with each holder of Common Stock being entitled to one vote for each share of Common Stock held of record by such holder on such matters. The Nonvoting Common Stock shall have no voting rights other than such rights as may be required by the first sentence of Section 242(b)(2) of the Delaware General Corporation Law or any similar provision hereafter enacted; provided that an amendment of this Restated Certificate of Incorporation to increase or decrease the number of authorized shares of Nonvoting Common Stock (but not below the number of shares thereof then outstanding) may be adopted by resolution adopted by the board of directors of the Corporation and approved by the affirmative vote of the holders of a majority of the voting power of all outstanding shares of Common Stock of the Corporation and all other outstanding shares of stock of the Corporation entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the Delaware General Corporation Law or any similar provision hereafter enacted, with such outstanding shares of Common Stock and other stock considered for this purpose as a single class, and no vote of the holders of any shares of Nonvoting Common Stock, voting separately as a class, shall be required therefor.

(ii) Dividends. Subject to the rights of the holders of any series of Preferred Stock, holders of Common Stock and holders of Nonvoting Common Stock shall be entitled to receive such dividends and distributions (whether payable in cash or otherwise) as may be declared on the Common Shares by the board of directors of the Corporation from time to time out of assets or funds of the Corporation legally available therefor; *provided* that the board of directors of the Corporation shall declare no dividend, and no dividend shall be paid, with respect to any outstanding share of Common Stock or Nonvoting Common Stock, whether in cash or otherwise (including any dividend in shares of Common Stock on or with respect to shares of Common Stock or any dividend in shares of Nonvoting Common Stock on or with respect to shares of Nonvoting Common Stock (collectively, "Stock Dividends")), unless, simultaneously, the same dividend is declared or paid with respect to each share of Common Stock and Nonvoting Common Stock. If a Stock Dividend is declared or paid with respect to one class, then a Stock Dividend shall likewise be declared or paid with respect to the other class and shall consist of shares of such other class in a number that bears the same relationship to the total number of shares of such other class, issued and outstanding immediately prior to the payment of such dividend, as the number of shares comprising the Stock Dividend with respect to the first referenced class bears to the total number of

shares of such first referenced class, issued and outstanding immediately prior to the payment of such dividend. Stock Dividends with respect to Common Stock may be paid only with shares of Common Stock. Stock Dividends with respect to Nonvoting Common Stock may be paid only with shares of Nonvoting Common Stock. Notwithstanding the foregoing, in the case of any dividend in the form of capital stock of a subsidiary of the Corporation, the capital stock of the subsidiary distributed to holders of Common Stock shall be identical to the capital stock of the subsidiary distributed to holders of Nonvoting Common Stock, except that the capital stock distributed to holders of Common Stock may have full or any other voting rights and the capital stock distributed to holders of Nonvoting Common Stock shall be non-voting to the same extent as the Nonvoting Common Stock is non-voting.

(iii) Subdivisions, Combinations and Mergers. If the Corporation shall in any manner split, subdivide or combine the outstanding shares of Common Stock or the outstanding shares of Nonvoting Common Stock, the outstanding shares of the other such class of the Common Shares shall likewise be split, subdivided or combined in the same manner proportionately and on the same basis per share. In the event of any merger, statutory share exchange, consolidation or similar form of corporate transaction involving the Corporation (whether or not the Corporation is the surviving entity), the holders of Common Stock and the holders of Nonvoting Common Stock shall be entitled to receive the same per share consideration, if any, except that any securities received by holders of Common Stock in consideration of such stock may have full or any other voting rights and any securities received by holders of Nonvoting Common Stock in consideration of such stock shall be non-voting to the same extent as the Nonvoting Common Stock is non-voting.

(iv) Rights on Liquidation. Subject to the rights of the holders of any series of Preferred Stock, in the event of any liquidation, dissolution or winding-up of the Corporation (whether voluntary or involuntary), the assets of the Corporation available for distribution to stockholders shall be distributed in equal amounts per share to the holders of Common Stock and the holders of Nonvoting Common Stock, as if such classes constituted a single class. For purposes of this paragraph, a merger, statutory share exchange, consolidation or similar corporate transaction involving the Corporation (whether or not the Corporation is the surviving entity), or the sale, transfer or lease by the Corporation of all or substantially all its assets, shall not constitute or be deemed a liquidation, dissolution or winding-up of the Corporation.

PREFERRED STOCK

Shares of Preferred Stock may be issued in one or more series from time to time as determined by the board of directors of the Corporation, and the board of directors of the Corporation is authorized to fix by resolution or resolutions the designations and the powers, preferences and rights, and the qualifications, limitations and restrictions thereof, of the shares of each series of Preferred Stock, including the following:

(i) the distinctive serial designation of such series which shall distinguish it from other series;

(ii) the number of shares included in such series;

(iii) whether dividends shall be payable to the holders of the shares of such series and, if so, the basis on which such holders shall be entitled to receive dividends (which may include, without limitation, a right to receive such dividends or distributions as may be declared on the shares of such series by the board of directors of the Corporation, a right to receive such dividends or distributions, or any portion or multiple thereof, as may be declared on the Common Stock or any other class of stock or, in addition to or in lieu of any other right to receive dividends, a right to receive dividends at a particular rate or at a rate determined by a particular method, in which case such rate or method of determining such rate may be set forth), the form of such dividend, any conditions on which such dividends shall be payable and the date or dates, if any, on which such dividends shall be payable;

(iv) whether dividends on the shares of such series shall be cumulative and, if so, the date or dates or method of determining the date or dates from which dividends on the shares of such series shall be cumulative;

(v) the amount or amounts, if any, which shall be payable out of the assets of the Corporation to the holders of the shares of such series upon the voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, and the relative rights of priority, if any, of payment of the shares of such series;

(vi) the price or prices (in cash, securities or other property or a combination thereof) at which, the period or periods within which and the terms and conditions upon which the shares of such series may be redeemed, in whole or in part, at the option of the Corporation or at the option of the holder or holders thereof or upon the happening of a specified event or events;

(vii) the obligation, if any, of the Corporation to purchase or redeem shares of such series pursuant to a sinking fund or otherwise and the price or prices (in cash, securities or other property or a combination thereof) at which, the period or periods within which and the terms and conditions upon which the shares of such series shall be redeemed or purchased, in whole or in part, pursuant to such obligation;

(viii) whether or not the shares of such series shall be convertible or exchangeable, at any time or times at the option of the holder or holders thereof or at the option of the Corporation or upon the happening of a specified event or events, into shares of any other class or classes or any other series of the same or any other class or classes of stock of the Corporation or any other securities or property of the Corporation or any other entity, and the price or prices (in cash, securities or other property or a combination thereof) or rate or rates of conversion or exchange and any adjustments applicable thereto; and

(ix) whether or not the holders of the shares of such series shall have voting rights, in addition to the voting rights provided by law, and if so the terms of such voting rights, which may provide, among other things and subject to the other provisions of this Restated Certificate of Incorporation, that each share of such series shall carry one vote or more or less than one vote per share, that the holders of such series shall be entitled to vote on certain matters as a separate class (which for such purpose may be comprised solely of such series or of such series and one or more other series or classes of stock of the Corporation) and that all the shares of such series entitled to vote on a particular matter shall be deemed to be voted on such matter in the manner that a specified portion of the voting power of the shares of such series or separate class are voted on such matter.

For all purposes, this Restated Certificate of Incorporation shall include each certificate of designations (if any) setting forth the terms of a series of Preferred Stock.

Subject to the rights, if any, of the holders of any series of Preferred Stock set forth in a certificate of designations, an amendment of this Restated Certificate of Incorporation to increase or decrease the number of authorized shares of any class of Preferred Stock (but not below the number of shares thereof then outstanding) may be adopted by resolution adopted by the board of directors of the Corporation and approved by the affirmative vote of the holders of a majority of the voting power of all outstanding shares of Common Stock of the Corporation and all other outstanding shares of stock of the Corporation entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the Delaware General Corporation Law or any similar provision hereafter enacted, with such outstanding shares of Common Stock and other stock considered for this purpose as a single class, and no vote of the holders of Preferred Stock, voting as a separate class, shall be required therefor.

Except as otherwise required by law or provided in the certificate of designations for the relevant series, holders of Common Shares, as such, shall not be entitled to vote on any amendment of this Restated Certificate of Incorporation that alters or changes the powers, preferences, rights or other terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other series of Preferred Stock, to vote thereon as a separate class pursuant to this Restated Certificate of Incorporation or pursuant to the Delaware General Corporation Law as then in effect.

Pursuant to the authority conferred by this Article FOURTH upon the board of directors of the Corporation and authority delegated by the board of directors to the Securities Issuance Committee of the board of directors of the Corporation (the "Securities Issuance Committee"), the Securities Issuance Committee created a series of shares of Preferred Stock designated as Floating Rate Non-Cumulative Preferred Stock, Series A, by filing a certificate of designations of the Corporation with the Secretary of State of the State of Delaware on April 22, 2005, and the voting powers, designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, of the Corporation's Floating Rate Non-Cumulative Preferred Stock, Series A, are set forth in Appendix A hereto and are incorporated herein by reference.

Pursuant to the authority conferred by this Article FOURTH upon the board of directors of the Corporation and authority delegated by the board of directors to the Securities Issuance Committee, the Securities Issuance Committee created a series of shares of Preferred Stock designated as Floating Rate Non-Cumulative Preferred Stock, Series C, by filing a certificate of designations of the Corporation with the Secretary of State of the State of Delaware on October 28, 2005, and the voting powers, designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, of the Corporation's Floating Rate Non-Cumulative Preferred Stock, Series C, are set forth in Appendix B hereto and are incorporated herein by reference.

Pursuant to the authority conferred by this Article FOURTH upon the board of directors of the Corporation and authority delegated by the board of directors to the Securities Issuance Committee, the Securities Issuance Committee created a series of shares of Preferred Stock designated as Floating Rate Non-Cumulative Preferred Stock, Series D, by filing a certificate of designations of the Corporation with the Secretary of State of the State of Delaware on May 23, 2006, and the voting powers, designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, of the Corporation's Floating Rate Non-Cumulative Preferred Stock, Series D, are set forth in Appendix C hereto and are incorporated herein by reference.

Pursuant to the authority conferred by this Article FOURTH upon the board of directors of the Corporation and authority delegated by the board of directors to the Securities Issuance Committee, the Securities Issuance Committee created a series of shares of Preferred Stock designated as Perpetual Non-Cumulative Preferred Stock, Series E, by filing a certificate of designations of the Corporation with the Secretary of State of the State of Delaware on May 14, 2007, and the voting powers, designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, of the Corporation's Perpetual Non-Cumulative Preferred Stock, Series E, are set forth in Appendix D hereto and are incorporated herein by reference.

Pursuant to the authority conferred by this Article FOURTH upon the board of directors of the Corporation and authority delegated by the board of directors to the Securities Issuance Committee, the Securities Issuance Committee created a series of shares of Preferred Stock designated as Perpetual Non-Cumulative Preferred Stock, Series F, by filing a certificate of designations of the Corporation with the Secretary of State of the State of Delaware on May 14, 2007, and the voting powers, designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, of the Corporation's Perpetual Non-Cumulative Preferred Stock, Series F, are set forth in Appendix E hereto and are incorporated herein by reference.

Pursuant to the authority conferred by this Article FOURTH upon the board of directors of the Corporation and authority delegated by the board of directors to the Securities Issuance Committee, the Securities Issuance Committee created a series of shares of Preferred Stock designated as 5.50% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series J, by filing a certificate of designations of the Corporation with the Secretary of State of the State of Delaware on April 23, 2013, and the voting powers, designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, of the Corporation's 5.50% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series J, are set forth in Appendix F hereto and are incorporated herein by reference.

Pursuant to the authority conferred by this Article FOURTH upon the board of directors of the Corporation and authority delegated by the board of directors to the Securities Issuance Committee, the Securities Issuance Committee created a series of shares of Preferred Stock designated as 6.375% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series K, by filing a certificate of designations of the Corporation with the Secretary of State of the State of Delaware on April 24, 2014, and the voting powers, designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, of the Corporation's 6.375% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series K, are set forth in Appendix G hereto and are incorporated herein by reference.

Pursuant to the authority conferred by this Article FOURTH upon the board of directors of the Corporation and authority delegated by the board of directors to the Securities Issuance Committee, the Securities Issuance Committee created a series of shares of Preferred Stock designated as 5.70% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series L, by filing a certificate of designations of the Corporation with the Secretary of State of the State of Delaware on April 24, 2014, and the voting powers, designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, of the Corporation's 5.70% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series L, are set forth in Appendix H hereto and are incorporated herein by reference.

Pursuant to the authority conferred by this Article FOURTH upon the board of directors of the Corporation and authority delegated by the board of directors to the Securities Issuance Committee, the Securities Issuance Committee created a series of shares of Preferred Stock designated as 5.375% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series M, by filing a certificate of designations of

the Corporation with the Secretary of State of the State of Delaware on April 20, 2015, and the voting powers, designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, of the Corporation's 5.375% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series M, are set forth in Appendix I hereto and are incorporated herein by reference.

Pursuant to the authority conferred by this Article FOURTH upon the board of directors of the Corporation and authority delegated by the board of directors to the Securities Issuance Committee, the Securities Issuance Committee created a series of shares of Preferred Stock designated as 6.30% Non-Cumulative Preferred Stock, Series N, by filing a certificate of designations of the Corporation with the Secretary of State of the State of Delaware on February 19, 2016, and the voting powers, designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, of the Corporation's 6.30% Non-Cumulative Preferred Stock, Series N, are set forth in Appendix J hereto and are incorporated herein by reference.

Pursuant to the authority conferred by this Article FOURTH upon the board of directors of the Corporation and authority delegated by the board of directors to the Securities Issuance Committee, the Securities Issuance Committee created a series of shares of Preferred Stock designated as 5.30% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series O, by filing a certificate of designations of the Corporation with the Secretary of State of the State of Delaware on July 26, 2016, and the voting powers, designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, of the Corporation's 5.30% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series O, are set forth in Appendix K hereto and are incorporated herein by reference.

Pursuant to the authority conferred by this Article FOURTH upon the board of directors of the Corporation and authority delegated by the board of directors to the Securities Issuance Committee, the Securities Issuance Committee created a series of shares of Preferred Stock designated as 5.00% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series P, by filing a certificate of designations of the Corporation with the Secretary of State of the State of Delaware on October 27, 2017, and the voting powers, designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, of the Corporation's 5.00% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series P, are set forth in Appendix L hereto and are incorporated herein by reference.

Pursuant to the authority conferred by this Article FOURTH upon the board of directors of the Corporation and authority delegated by the board of directors to the Securities Issuance Committee, the Securities Issuance Committee created a series of shares of Preferred Stock designated as 5.50% Fixed-Rate Reset Non-Cumulative Preferred Stock, Series Q, by filing a certificate of designations of the Corporation with the Secretary of State of the State of Delaware on June 14, 2019, and the voting powers, designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, of the Corporation's 5.50% Fixed-Rate Reset Non-Cumulative Preferred Stock, Series Q, are set forth in Appendix M hereto and are incorporated herein by reference.

Pursuant to the authority conferred by this Article FOURTH upon the board of directors of the Corporation and authority delegated by the board of directors to the Securities Issuance Committee, the Securities Issuance Committee created a series of shares of Preferred Stock designated as 4.95% Fixed-Rate Reset Non-Cumulative Preferred Stock, Series R, by filing a certificate of designations of the Corporation with the Secretary of State of the State of Delaware on November 14, 2019, and the voting powers, designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, of the Corporation's 4.95% Fixed-Rate Reset Non-Cumulative Preferred Stock, Series R, are set forth in Appendix N hereto and are incorporated herein by reference.

OPTIONS, WARRANTS AND OTHER RIGHTS

The board of directors of the Corporation is authorized to create and issue options, warrants and other rights from time to time entitling the holders thereof to purchase securities or other property of the Corporation or any other entity, including any class or series of stock of the Corporation or any other entity and whether or not in connection with the issuance or sale of any securities or other property of the Corporation, for such consideration (if any), at such times and upon such other terms and conditions as may be determined or authorized by the board of directors of the Corporation and set forth in one or more agreements or instruments. Among other things and without limitation, such terms and conditions may provide for the following:

(i) adjusting the number or exercise price of such options, warrants or other rights or the amount or nature of the securities or other property receivable upon exercise thereof in the event of a subdivision or combination of any securities, or a recapitalization, of the Corporation, the acquisition by any person of beneficial ownership of securities representing more than a designated percentage of the voting power of any outstanding series, class or classes of securities, a change in ownership of the Corporation's securities or a merger, statutory share exchange, consolidation, reorganization, sale of assets or other occurrence relating to the Corporation or any of its securities, and restricting the ability of the Corporation to enter into an agreement with respect to any such transaction absent an assumption by another party or parties thereto of the obligations of the Corporation under such options, warrants or other rights;

(ii) restricting, precluding or limiting the exercise, transfer or receipt of such options, warrants or other rights by any person that becomes the beneficial owner of a designated percentage of the voting power of any outstanding series, class or classes of securities of the Corporation or any direct or indirect transferee of such a person, or invalidating or voiding such options, warrants or other rights held by any such person or transferee; and

(iii) permitting the board of directors (or certain directors specified or qualified by the terms of the governing instruments of such options, warrants or other rights) to redeem, terminate or exchange such options, warrants or other rights.

This paragraph shall not be construed in any way to limit the power of the board of directors of the Corporation to create and issue options, warrants or other rights.

FIFTH. [Reserved]

SIXTH. All corporate powers shall be exercised by the board of directors of the Corporation, except as otherwise specifically required by law or as otherwise provided in this Restated Certificate of Incorporation. Any meeting of stockholders may be postponed by action of the board of directors at any time in advance of such meeting. The board of directors of the Corporation shall have the power to adopt such rules and regulations for the conduct of the meetings and management of the affairs of the Corporation as they may deem proper and the power to adjourn any meeting of stockholders without a vote of the stockholders, which powers may be delegated by the board of directors to the chairman of such meeting either in such rules and regulations or pursuant to the by-laws of the Corporation.

Special meetings of stockholders of the Corporation may be called at any time by, but only by, the board of directors of the Corporation or, as and to the extent required by the by-laws of the Corporation, by the Secretary of the Corporation upon the written request of the holders of record of not less than 25% of the voting power of all outstanding shares of Common Stock of the Corporation, such voting power to be calculated and determined in the manner specified, and with any limitations as may be set forth, in the Corporation's by-laws (the "Requisite Percent"). Each special meeting shall be held at such date, time and place either within or without the State of Delaware as may be stated in the notice of the meeting.

The board of directors of the Corporation is authorized to adopt, amend or repeal by-laws of the Corporation. No adoption, amendment or repeal of a by-law by action of stockholders shall be effective unless approved by the affirmative vote of not less than a majority of shares present in person or represented by proxy at the meeting and entitled to vote on such matter, with all shares of Common Stock of the Corporation and other stock of the Corporation entitled to vote on such matter considered for this purpose as a single class; for purposes of this sentence votes cast "for" or "against" and "abstentions" with respect to such matter shall be counted as shares of stock of the Corporation entitled to vote on such matter, while "broker nonvotes" (or other shares of stock of the Corporation similarly not entitled to vote) shall not be counted as shares entitled to vote on such matter. Any vote of stockholders required by this Article SIXTH shall be in addition to any other vote of stockholders that may be required by law, this Restated Certificate of Incorporation, the by-laws of the Corporation, any agreement with a national securities exchange or otherwise.

SEVENTH. Elections of directors need not be by written ballot except and to the extent provided in the by-laws of the Corporation.

EIGHTH. The number of directors of the Corporation shall be fixed only by resolution of the board of directors of the Corporation from time to time. Each director who is serving as a director on the date of this Restated Certificate of Incorporation shall hold office until the next annual meeting of stockholders after such date and until his or her successor has been duly elected and qualified, notwithstanding that such director may have been elected for a term that extended beyond the date of such next annual meeting of stockholders. At each annual meeting of stockholders after the date of this Restated Certificate of Incorporation, directors elected at such annual meeting shall hold office until the next annual meeting of stockholders and until their successors have been duly elected and qualified.

Vacancies and newly created directorships resulting from any increase in the authorized number of directors or from any other cause (other than vacancies and newly created directorships which the holders of any class or classes of stock or series thereof are expressly entitled by this Restated Certificate of Incorporation to fill) shall be filled by, and only by, a majority of the directors then in office, although less than a quorum, or by the sole remaining director. Any director appointed to fill a vacancy or a newly created directorship shall hold office until the next annual meeting of stockholders, and until his or her successor is elected and qualified or until his or her earlier resignation or removal.

Notwithstanding the foregoing, in the event that the holders of any class or series of Preferred Stock of the Corporation shall be entitled, voting separately as a class, to elect any directors of the Corporation, then the number of directors that may be elected by such holders voting separately as a class shall be in addition to the number fixed pursuant to a resolution of the board of directors of the Corporation. Except as otherwise provided in the terms of such class or series, (i) the terms of the directors elected by such holders voting separately as a class shall expire at the annual meeting of stockholders next succeeding their election and (ii) any director or directors elected by such holders voting separately as a class may be removed, with or without cause, by the holders of a majority of the voting power of all outstanding shares of stock of the Corporation entitled to vote separately as a class in an election of such directors.

NINTH. In taking any action, including action that may involve or relate to a change or potential change in the control of the Corporation, a director of the Corporation may consider, among other things, both the long-term and short-term interests of the Corporation and its stockholders and the effects that the Corporation's actions may have in the short term or long term upon any one or more of the following matters:

(i) the prospects for potential growth, development, productivity and profitability of the Corporation;

(ii) the Corporation's current employees;

(iii) the retired former partners of The Goldman Sachs Group, L.P. ("GS Group") and the Corporation's employees and other beneficiaries receiving or entitled to receive retirement, welfare or similar benefits from or pursuant to any plan sponsored, or agreement entered into, by the Corporation;

(iv) the Corporation's customers and creditors;

(v) the ability of the Corporation to provide, as a going concern, goods, services, employment opportunities and employment benefits and otherwise to contribute to the communities in which it does business; and

(vi) such other additional factors as a director may consider appropriate in such circumstances.

Nothing in this Article NINTH shall create any duty owed by any director of the Corporation to any person or entity to consider, or afford any particular weight to, any of the foregoing matters or to limit his or her consideration to the foregoing matters. No such employee, retired former partner of GS Group, former employee, beneficiary, customer, creditor or community or member thereof shall have any rights against any director of the Corporation or the Corporation under this Article NINTH.

TENTH. From and after the consummation of the initial public offering of the shares of Common Stock of the Corporation, no action of stockholders of the Corporation required or permitted to be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting of stockholders, without prior notice and without a vote, and the power of stockholders of the Corporation to consent in writing to the taking of any action without a meeting is specifically denied. Notwithstanding this Article TENTH, the holders of any series of Preferred Stock of the Corporation shall be entitled to take action by written consent to such extent, if any, as may be provided in the terms of such series.

ELEVENTH. [Reserved]

TWELFTH. A director of the Corporation shall not be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director of the Corporation, except to the extent that such exemption from liability or limitation thereof is not permitted under the Delaware General Corporation Law as currently in effect or as the same may hereafter be amended.

Pursuant to the Plan of Incorporation of GS Group, dated as of March 8, 1999, as currently in effect or as the same may hereafter be amended (the "Plan"), the Corporation has the right, but not the obligation, to make special arrangements with any person who was a partner of GS Group participating in the Plan to ameliorate, in whole or in part, certain significantly disproportionate tax or other burdens. The board of directors of the Corporation is authorized to cause the Corporation to make such arrangements (which may include special payments) as the board of directors of the Corporation may, in its sole discretion, deem appropriate to effectuate the intent of the relevant provision of the Plan and the Corporation and each stockholder of the Corporation shall, to the fullest extent permitted by law, be deemed to have approved and ratified any such determination and to have waived any claim or objection on behalf of the Corporation or any such stockholder arising out of the making of such arrangements.

Pursuant to the Plan, the Corporation has the right, but not the obligation, to register with the Securities and Exchange Commission the resale of certain securities of the Corporation by directors, employees and former directors and employees of the Corporation and its subsidiaries and affiliates and former partners and employees of GS Group and its subsidiaries and affiliates and to undertake various actions and to enter into agreements and arrangements in connection therewith (collectively, the "Registration Arrangements"). The board of directors of the Corporation is authorized to cause the Corporation to undertake such Registration Arrangements as the board of directors of the Corporation may, in its sole discretion, deem appropriate and the Corporation and each stockholder of the Corporation shall, to the fullest extent permitted by law, be deemed to have approved and ratified any such determination and to have waived any claim or objection on behalf of the Corporation or any such stockholder arising out of the undertaking of such Registration Arrangements.

The Corporation and each stockholder of the Corporation shall, to the fullest extent permitted by law, be deemed to have approved and ratified any decision by the board of directors of the Corporation to make the Contribution referred to in Article THIRD, including the amount thereof (up to the limit specified in Article THIRD) and to have waived any claim or objection on behalf of the Corporation or any such stockholder arising out of any such decision to make, or the making of, the Contribution.

The authorizations, approvals and ratifications contained in the second, third and fourth paragraphs of this Article TWELFTH shall not be construed to indicate that any other arrangements or contributions not specifically referred to in such paragraphs are, by reason of such omission, not within the power and authority of the board of directors of the Corporation or that the determination of the board of directors of the Corporation with respect thereto should be judged by any legal standard other than that which would have applied but for the inclusion of the second, third and fourth paragraphs of this Article TWELFTH.

No amendment, modification or repeal of this Article TWELFTH shall adversely affect any right or protection of a director of the Corporation that exists at the time of such amendment, modification or repeal.

IN WITNESS WHEREOF, the Corporation has caused this Restated Certificate of Incorporation to be signed and attested by its duly authorized officer on this 25th day of November, 2019.

By: /s/ Karen P. Seymour
Name: Karen P. Seymour
Title: Executive Vice President and General Counsel

Appendix A

CERTIFICATE OF DESIGNATIONS

OF

FLOATING RATE NON-CUMULATIVE PREFERRED STOCK, SERIES A

OF

THE GOLDMAN SACHS GROUP, INC.

THE GOLDMAN SACHS GROUP, INC., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), in accordance with the provisions of Sections 103 and 151 thereof, DOES HEREBY CERTIFY:

The Securities Issuance Committee (the "Committee") of the board of directors of the Corporation (the "Board of Directors"), in accordance with the resolutions of the Board of Directors dated April 6, 2005, the provisions of the amended and restated certificate of incorporation and bylaws of the Corporation and applicable law, by unanimous written consent dated April 18, 2005, adopted the following resolution creating a series of 50,000 shares of Preferred Stock of the Corporation designated as "Floating Rate Non-Cumulative Preferred Stock, Series A".

RESOLVED, that pursuant to the authority vested in the Committee and in accordance with the resolutions of the Board of Directors dated April 6, 2005, the provisions of the amended and restated certificate of incorporation and bylaws of the Corporation and applicable law, a series of Preferred Stock, par value $.01 per share, of the Corporation be and hereby is created, and that the designation and number of shares of such series, and the voting and other powers, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

Section 1. Designation. The distinctive serial designation of such series of Preferred Stock is "Floating Rate Non-Cumulative Preferred Stock, Series A" ("Series A"). Each share of Series A shall be identical in all respects to every other share of Series A, except as to the respective dates from which dividends thereon shall accrue, to the extent such dates may differ as permitted pursuant to Section 4(a) below.

Section 2. Number of Shares. The authorized number of shares of Series A shall be 50,000. Shares of Series A that are redeemed, purchased or otherwise acquired by the Corporation, or converted into another series of Preferred Stock, shall be cancelled and shall revert to authorized but unissued shares of Series A.

Section 3. Definitions. As used herein with respect to Series A:

(a) "Board of Directors" means the board of directors of the Corporation.

(b) “ByLaws” means the amended and restated bylaws of the Corporation, as they may be amended from time to time.

(c) “Business Day” means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City generally are authorized or obligated by law, regulation or executive order to close.

(d) “Calculation Agent” means, at any time, the person or entity appointed by the Corporation and serving as such agent at such time. The Corporation may terminate any such appointment and may appoint a successor agent at any time and from time to time, *provided* that the Corporation shall use its best efforts to ensure that there is, at all relevant times when the Series A is outstanding, a person or entity appointed and serving as such agent. The Calculation Agent may be a person or entity affiliated with the Corporation.

(e) “Certificate of Designations” means this Certificate of Designations relating to the Series A, as it may be amended from time to time.

(f) “Certification of Incorporation” shall mean the amended and restated certificate of incorporation of the Corporation, as it may be amended from time to time, and shall include this Certificate of Designations.

(g) “Common Stock” means the common stock, par value $0.01 per share, of the Corporation.

(h) “Junior Stock” means the Common Stock and any other class or series of stock of the Corporation (other than Series A) that ranks junior to Series A either or both as to the payment of dividends and/or as to the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(i) “London Business Day” means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is a day on which dealings in U.S. dollars are transacted in the London interbank market.

(j) “Moneyline Telerate Page” means the display on Moneyline Telerate, Inc., or any successor service, on the page or pages specified in Section 4 below or any replacement page or pages on that service.

(k) “Parity Stock” means any class or series of stock of the Corporation (other than Series A) that ranks equally with Series A both in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(l) “Preferred Stock” means any and all series of Preferred Stock, having a par value of $0.01 per share, of the Corporation, including the Series A.

(m) “Representative Amount” means, at any time, an amount that, in the Calculation Agent’s judgment, is representative of a single transaction in the relevant market at the relevant time.

(n) “Voting Preferred Stock” means, with regard to any election or removal of a Preferred Stock Director (as defined in Section 8(b) below) or any other matter as to which the holders of Series A are entitled to vote as specified in Section 8 of this Certificate of Designations, any and all series of Preferred Stock (other than Series A) that rank equally with Series A either as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up of the Corporation and upon which like voting rights have been conferred and are exercisable with respect to such matter.

Section 4. Dividends.

(a) **Rate**. Holders of Series A shall be entitled to receive, when, as and if declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) out of funds legally available for the payment of dividends under Delaware law, non-cumulative cash dividends at the rate determined as set forth below in this Section (4) applied to the liquidation preference amount of $25,000 per share of Series A. Such dividends shall be payable quarterly in arrears (as provided below in this Section 4(a)), but only when, as and if declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors), on February 10, May 10, August 10 and November 10 (“Dividend Payment Dates”), commencing on August 10, 2005; *provided* that if any such Dividend Payment Date would otherwise occur on a day that is not a Business Day, such Dividend Payment Date shall instead be (and any dividend payable on Series A on such Dividend Payment Date shall instead be payable on) the immediately succeeding Business Day, unless such immediately succeeding Business Day falls in the next calendar month, in which case such Dividend Payment Date shall instead be (and any such dividend shall instead be payable on) the immediately preceding Business Day. Dividends on Series A shall not be cumulative; holders of Series A shall not be entitled to receive any dividends not declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) and no interest, or sum of money in lieu of interest, shall be payable in respect of any dividend not so declared.

Dividends that are payable on Series A on any Dividend Payment Date will be payable to holders of record of Series A as they appear on the stock register of the Corporation on the applicable record date, which shall be the 15th calendar day before such Dividend Payment Date or such other record date fixed by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) that is not more than 60 nor less than 10 days prior to such Dividend Payment Date (each, a “Dividend Record Date”). Any such day that is a Dividend Record Date shall be a Dividend Record Date whether or not such day is a Business Day.

Each dividend period (a "Dividend Period") shall commence on and include a Dividend Payment Date (other than the initial Dividend Period, which shall commence on and include the date of original issue of the Series A, *provided* that, for any share of Series A issued after such original issue date, the initial Dividend Period for such shares may commence on and include such other date as the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) shall determine and publicly disclose) and shall end on and include the calendar day next preceding the next Dividend Payment Date. Dividends payable on the Series A in respect of any Dividend Period shall be computed by the Calculation Agent on the basis of a 360-day year and the actual number of days elapsed in such Dividend Period. Dividends payable in respect of a Dividend Period shall be payable in arrears – i.e., on the first Dividend Payment Date after such Dividend Period.

The dividend rate on the Series A, for each Dividend Period, shall be a rate per annum equal to the greater of (1) 0.75% above LIBOR (as defined below) for such Dividend Period and (2) 3.75%. LIBOR, with respect to any Dividend Period, means the offered rate expressed as a percentage per annum for three-month deposits in U.S. dollars on the first day of such Dividend Period, as that rate appears on Moneyline Telerate Page 3750 as of 11:00 A.M., London time, on the second London Business Day immediately preceding the first day of such Dividend Period.

If the rate described in the preceding paragraph does not appear on Moneyline Telerate Page 3750, LIBOR shall be determined on the basis of the rates, at approximately 11:00 A.M., London time, on the second London Business Day immediately preceding the first day of such Dividend Period, at which deposits of the following kind are offered to prime banks in the London interbank market by four major banks in that market selected by the Calculation Agent: three-month deposits in U.S. dollars, beginning on the first day of such Dividend Period, and in a Representative Amount. The Calculation Agent shall request the principal London office of each of these banks to provide a quotation of its rate at approximately 11:00 A.M., London time. If at least two quotations are provided, LIBOR for such Dividend Period shall be the arithmetic mean of such quotations.

If fewer than two quotations are provided as described in the preceding paragraph, LIBOR for such Dividend Period shall be the arithmetic mean of the rates for loans of the following kind to leading European banks quoted, at approximately 11:00 A.M. New York City time, on the second London Business Day immediately preceding the first day of such Dividend Period, by three major banks in New York City selected by the Calculation Agent: three-month loans of U.S. dollars, beginning on the first day of such Dividend Period, and in a Representative Amount.

If fewer than three banks selected by the Calculation Agent are quoting as described in the preceding paragraph, LIBOR for such Dividend Period shall be LIBOR in effect for the prior Dividend Period.

The Calculation Agent's determination of any dividend rate, and its calculation of the amount of dividends for any Dividend Period, will be maintained on file at the Corporation's principal offices and will be available to any stockholder upon request and will be final and binding in the absence of manifest error.

Holders of Series A shall not be entitled to any dividends, whether payable in cash, securities or other property, other than dividends (if any) declared and payable on the Series A as specified in this Section 4 (subject to the other provisions of this Certificate of Designations).

(b) **Priority of Dividends**. So long as any share of Series A remains outstanding, no dividend shall be declared or paid on the Common Stock or any other shares of Junior Stock (other than a dividend payable solely in Junior Stock), and no Common Stock or other Junior Stock shall be purchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into other Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock and other than through the use of the proceeds of a substantially contemporaneous sale of Junior Stock) during a Dividend Period, unless the full dividends for the latest completed Dividend Period on all outstanding shares of Series A have been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside). The foregoing provision shall not restrict the ability of Goldman, Sachs & Co., or any other affiliate of the Corporation, to engage in any market-making transactions in Junior Stock in the ordinary course of business.

When dividends are not paid (or declared and a sum sufficient for payment thereof set aside) on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within a Dividend Period) in full upon the Series A and any shares of Parity Stock, all dividends declared on the Series A and all such Parity Stock and payable on such Dividend Payment Date (or, in the case of parity stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) shall be declared pro rata so that the respective amounts of such dividends shall bear the same ratio to each other as all accrued but unpaid dividends per share on the Series A and all Parity Stock payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) bear to each other.

Subject to the foregoing, such dividends (payable in cash, securities or other property) as may be determined by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) may be declared and paid on any securities, including Common Stock and other Junior Stock, from time to time out of any funds legally available for such payment, and the Series A shall not be entitled to participate in any such dividends.

Section 5. Liquidation Rights.

(a) **Voluntary or Involuntary Liquidation**. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, holders of Series A shall be entitled to receive, out of the assets of the Corporation or proceeds thereof (whether capital or surplus) available for distribution to

stockholders of the Corporation, and after satisfaction of all liabilities and obligations to creditors of the Corporation, before any distribution of such assets or proceeds is made to or set aside for the holders of Common Stock and any other stock of the Corporation ranking junior to the Series A as to such distribution, in full an amount equal to $25,000 per share (the "Series A Liquidation Amount"), together with an amount equal to all dividends (if any) that have been declared but not paid prior to the date of payment of such distribution (but without any amount in respect of dividends that have not been declared prior to such payment date).

(b) **Partial Payment**. If in any distribution described in Section 5(a) above the assets of the Corporation or proceeds thereof are not sufficient to pay the Liquidation Preferences (as defined below) in full to all holders of Series A and all holders of any stock of the Corporation ranking equally with the Series A as to such distribution, the amounts paid to the holders of Series A and to the holders of all such other stock shall be paid pro rata in accordance with the respective aggregate Liquidation Preferences of the holders of Series A and the holders of all such other stock. In any such distribution, the "Liquidation Preference" of any holder of stock of the Corporation shall mean the amount otherwise payable to such holder in such distribution (assuming no limitation on the assets of the Corporation available for such distribution), including an amount equal to any declared but unpaid dividends (and, in the case of any holder of stock other than Series A and on which dividends accrue on a cumulative basis, an amount equal to any unpaid, accrued, cumulative dividends, whether or not declared, as applicable).

(c) **Residual Distributions**. If the Liquidation Preference has been paid in full to all holders of Series A, the holders of other stock of the Corporation shall be entitled to receive all remaining assets of the Corporation (or proceeds thereof) according to their respective rights and preferences.

(d) **Merger, Consolidation and Sale of Assets Not Liquidation**. For purposes of this Section 5, the merger or consolidation of the Corporation with any other corporation or other entity, including a merger or consolidation in which the holders of Series A receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or other property) of all or substantially all of the assets of the Corporation, shall not constitute a liquidation, dissolution or winding up of the Corporation.

Section 6. Redemption.

(a) **Optional Redemption**. The Series A may not be redeemed by the Corporation prior to April 25, 2010. On or after April 25, 2010, the Corporation, at its option, may redeem, in whole at any time or in part from time to time, the shares of Series A at the time outstanding, upon notice given as provided in Section 6(c) below, at a redemption price equal to $25,000 per share, together (except as otherwise provided herein below) with an amount equal to any dividends that have been declared but not paid prior to the redemption date (but with no amount in respect of any dividends that have not been declared prior to such date). The redemption price for any shares of Series A shall be payable on the redemption date to the holder of such shares against surrender of the

certificate(s) evidencing such shares to the Corporation or its agent. Any declared but unpaid dividends payable on a redemption date that occurs subsequent to the Dividend Record Date for a Dividend Period shall not be paid to the holder entitled to receive the redemption price on the redemption date, but rather shall be paid to the holder of record of the redeemed shares on such Dividend Record Date relating to the Dividend Payment Date as provided in Section 4 above.

(b) **No Sinking Fund**. The Series A will not be subject to any mandatory redemption, sinking fund or other similar provisions. Holders of Series A will have no right to require redemption of any shares of Series A.

(c) **Notice of Redemption**. Notice of every redemption of shares of Series A shall be given by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Corporation. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Subsection shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series A designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series A. Notwithstanding the foregoing, if the Series A or any depositary shares representing interests in the Series A are issued in book-entry form through The Depository Trust Company or any other similar facility, notice of redemption may be given to the holders of Series A at such time and in any manner permitted by such facility. Each such notice given to a holder shall state: (1) the redemption date; (2) the number of shares of Series A to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the redemption price; and (4) the place or places where certificates for such shares are to be surrendered for payment of the redemption price.

(d) **Partial Redemption**. In case of any redemption of only part of the shares of Series A at the time outstanding, the shares to be redeemed shall be selected either pro rata or in such other manner as the Corporation may determine to be fair and equitable. Subject to the provisions hereof, the Corporation shall have full power and authority to prescribe the terms and conditions upon which shares of Series A shall be redeemed from time to time. If fewer than all the shares represented by any certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without charge to the holder thereof.

(e) **Effectiveness of Redemption**. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other funds, in trust for the pro rata benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date dividends shall cease to accrue on all shares so called for redemption, all shares so called for redemption shall no longer be deemed

outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption, without interest. Any funds unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

Section 7. Conversion Upon Regulatory Changes. If both (i) and (ii) below occur:

(i) after the date of the issuance of the Series A, the Corporation (by election or otherwise) becomes subject to any law, rule, regulation or guidance (together, "Regulations") relating to its capital adequacy, which Regulation (x) modifies the existing requirements for treatment as Allowable Capital (as defined under the Securities and Exchange Commission rules relating to consolidated supervised entities as in effect from time to time), (y) provides for a type or level of capital characterized as "Tier 1" or its equivalent pursuant to Regulations of any governmental agency, authority or other body having regulatory jurisdiction over the Corporation (or any of its subsidiaries or consolidated affiliates) and implementing the capital standards published by the Basel Committee on Banking Supervision, the Securities and Exchange Commission, the Board of Governors of the Federal Reserve System or any other United States national governmental agency, authority or other body, or any other applicable regime based on capital standards published by the Basel Committee on Banking Supervision or its successor, or (z) provides for a type or level of capital that in the judgment of the Corporation (after consultation with legal counsel of recognized standing) is substantially equivalent to such "Tier 1" capital (such capital described in either (y) or (z) above is referred to below as "Tier 1 Capital Equivalent"), and

(ii) the Corporation affirmatively elects to qualify the Series A for treatment as Allowable Capital or Tier 1 Capital Equivalent without any sublimit or other quantitative restriction on the inclusion of the Series A in Allowable Capital or Tier 1 Capital Equivalent (other than any limitation the Corporation elects to accept and any limitation requiring that common equity or a specified form of common equity constitute the dominant form of Allowable Capital or Tier 1 Capital Equivalent) under such Regulations,

then, upon such affirmative election, the Series A shall be convertible at the Corporation's option into a new series of Preferred Stock having terms and provisions substantially identical to those of the Series A, except that such new series may have such additional or modified rights, preferences, privileges and voting powers, and limitations and restrictions thereof, as are necessary in the judgment of the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) (after consultation with legal counsel of recognized standing) to comply with the Required Unrestricted Capital Provisions (as defined below), *provided* that the Corporation will not cause any such conversion unless the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) determines that the rights, preferences, privileges and

voting powers, and the qualifications, limitations and restrictions thereof, of such new series of Preferred Stock, taken as a whole, are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and the qualifications, limitations and restrictions thereof, of the Series A, taken as a whole.

As used above, the term "Required Unrestricted Capital Provisions" means such terms and provisions as are, in the judgment of the Corporation (after consultation with counsel of recognized standing), required for preferred stock to be treated as Allowable Capital or Tier 1 Capital Equivalent, as applicable, without any sublimit or other quantitative restriction on the inclusion of such preferred stock in Allowable Capital or Tier 1 Capital Equivalent, as applicable (other than any limitation the Corporation elects to accept and any limitation requiring that common equity or a specified form of common equity constitute the dominant form of Allowable Capital or Tier 1 Capital Equivalent) pursuant to the applicable Regulations.

The Corporation shall provide notice to the holders of Series A of any election to qualify the Series A for Allowable Capital or Tier 1 Capital Equivalent treatment and of any determination to convert the Series A into a new series of Preferred Stock pursuant to the terms of this Section 7, promptly upon the effectiveness of any such election or determination. A copy of such notice and of the relevant Regulations shall be maintained on file at the principal offices of the Corporation and, upon request, will be made available to any stockholder of the Corporation. Any conversion of the Series A pursuant to this Section 7 shall be effected pursuant to such procedures as the Corporation may determine and publicly disclose.

Except as specified in this Section 7, holders of Series A shares shall have no right to exchange or convert such shares into any other securities.

Section 8. Voting Rights.

(a) **General.** The holders of Series A shall not have any voting rights except as set forth below or as otherwise from to time required by law.

(b) **Right To Elect Two Directors Upon Nonpayment Events**. If and whenever dividends on any shares of Series A shall not have been declared and paid for at least six Dividend Periods, whether or not consecutive (a "Nonpayment Event"), the number of directors then constituting the Board of Directors shall automatically be increased by two and the holders of Series A, together with the holders of any outstanding shares of Voting Preferred Stock, voting together as a single class, shall be entitled to elect the two additional directors (the "Preferred Stock Directors"), *provided* that it shall be a qualification for election for any such Preferred Stock Director that the election of such director shall not cause the Corporation to violate the corporate governance requirement of the New York Stock Exchange (or any other securities exchange or other trading facility on which securities of the Corporation may then be listed or traded) that listed or traded companies must have a majority of independent directors.

In the event that the holders of the Series A, and such other holders of Voting Preferred Stock, shall be entitled to vote for the election of the Preferred Stock Directors following a Nonpayment Event, such directors shall be initially elected following such Nonpayment Event only at a special meeting called at the request of the holders of record of at least 20% of the Series A or of any other series of Voting Preferred Stock then outstanding (unless such request for a special meeting is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders of the Corporation, in which event such election shall be held only at such next annual or special meeting of stockholders), and at each subsequent annual meeting of stockholders of the Corporation. Such request to call a special meeting for the initial election of the Preferred Stock Directors after a Nonpayment Event shall be made by written notice, signed by the requisite holders of Series A or Voting Preferred Stock, and delivered to the Secretary of the Corporation in such manner as provided for in Section 10 below, or as may otherwise be required by law.

When dividends have been paid (or declared and a sum sufficient for payment thereof set aside) in full on the Series A for at least four Dividend Periods (whether or not consecutive) after a Nonpayment Event, then the right of the holders of Series A to elect the Preferred Stock Directors shall cease (but subject always to revesting of such voting rights in the case of any future Nonpayment Event), and, if and when any rights of holders of Series A and Voting Preferred Stock to elect the Preferred Stock Directors shall have ceased, the terms of office of all the Preferred Stock Directors shall forthwith terminate and the number of directors constituting the Board of Directors shall automatically be reduced accordingly.

Any Preferred Stock Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of the Series A and Voting Preferred Stock, when they have the voting rights described above (voting together as a single class). So long as a Nonpayment Event shall continue, any vacancy in the office of a Preferred Stock Director (other than prior to the initial election of Preferred Stock Directors after a Nonpayment Event) may be filled by the written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of record of a majority of the outstanding shares of the Series A and all Voting Preferred Stock, when they have the voting rights described above (voting together as a single class). Any such vote of stockholders to remove, or to fill a vacancy in the office of, a Preferred Stock Director may be taken only at a special meeting of such stockholders, called as provided above for an initial election of Preferred Stock Director after a Nonpayment Event (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of stockholders). The Preferred Stock Directors shall each be entitled to one vote per director on any matter that shall come before the Board of Directors for a vote. Each Preferred Stock Director elected at any special meeting of stockholders or by written consent of the other Preferred Stock Director shall hold office until the next annual meeting of the stockholders if such office shall not have previously terminated as above provided.

(c) **Other Voting Rights**. So long as any shares of Series A are outstanding, in addition to any other vote or consent of stockholders required by law or by the Certificate of Incorporation, the vote or consent of the holders of at least 66⅔% of the shares of Series A and any Voting Preferred Stock at the time outstanding and entitled to vote thereon, voting together as a single class, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(i) **Authorization of Senior Stock**. Any amendment or alteration of the Certificate of Incorporation to authorize or create, or increase the authorized amount of, any shares of any class or series of capital stock of the Corporation ranking senior to the Series A with respect to either or both the payment of dividends and/or the distribution of assets on any liquidation, dissolution or winding up of the Corporation;

(ii) **Amendment of Series A**. Any amendment, alteration or repeal of any provision of the Certificate of Incorporation so as to materially and adversely affect the special rights, preferences, privileges or voting powers of the Series A, taken as a whole; or

(iii) **Share Exchanges, Reclassifications, Mergers and Consolidations**. Any consummation of a binding share exchange or reclassification involving the Series A, or of a merger or consolidation of the Corporation with another corporation or other entity, unless in each case (x) the shares of Series A remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (y) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series A immediately prior to such consummation, taken as a whole;

provided, *however*, that for all purposes of this Section 8(c), any increase in the amount of the authorized or issued Series A or authorized Preferred Stock, or the creation and issuance, or an increase in the authorized or issued amount, of any other series of Preferred Stock ranking equally with and/or junior to the Series A with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the special rights, preferences, privileges or voting powers of the Series A. In addition, any conversion of the Series A pursuant to Section 7 above shall not be deemed to adversely affect the rights, preferences, privileges and voting powers of the Series A.

If any amendment, alteration, repeal, share exchange, reclassification, merger or consolidation specified in this Section 8(c) would adversely affect the Series A and one or more but not all other series of Preferred Stock, then only the Series A and such series of Preferred Stock as are adversely affected by and entitled to vote on the matter shall vote on the matter together as a single class (in lieu of all other series of Preferred Stock).

(d) **Changes for Clarification**. Without the consent of the holders of the Series A, so long as such action does not adversely affect the special rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series A, the Corporation may amend, alter, supplement or repeal any terms of the Series A:

(i) to cure any ambiguity, or to cure, correct or supplement any provision contained in this Certificate of Designations that may be defective or inconsistent; or

(ii) to make any provision with respect to matters or questions arising with respect to the Series A that is not inconsistent with the provisions of this Certificate of Designations.

(e) **Changes after Provision for Redemption**. No vote or consent of the holders of Series A shall be required pursuant to Section 8(b), (c) or (d) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding shares of Series A shall have been redeemed, or shall have been called for redemption upon proper notice and sufficient funds shall have been set aside for such redemption, in each case pursuant to Section 6 above.

(f) **Procedures for Voting and Consents**. The rules and procedures for calling and conducting any meeting of the holders of Series A (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors), in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Certificate of Incorporation, the Bylaws, applicable law and any national securities exchange or other trading facility on which the Series A is listed or traded at the time. Whether the vote or consent of the holders of a plurality, majority or other portion of the shares of Series A and any Voting Preferred Stock has been cast or given on any matter on which the holders of shares of Series A are entitled to vote shall be determined by the Corporation by reference to the specified liquidation amounts of the shares voted or covered by the consent.

Section 9. Record Holders. To the fullest extent permitted by applicable law, the Corporation and the transfer agent for the Series A may deem and treat the record holder of any share of Series A as the true and lawful owner thereof for all purposes, and neither the Corporation nor such transfer agent shall be affected by any notice to the contrary.

Section 10. Notices. All notices or communications in respect of Series A shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, or if given in such other manner as may be permitted in this Certificate of Designations, in the Certificate of Incorporation or Bylaws or by applicable law.

Section 11. No Preemptive Rights. No share of Series A shall have any rights of preemption whatsoever as to any securities of the Corporation, or any warrants, rights or options issued or granted with respect thereto, regardless of how such securities, or such warrants, rights or options, may be designated, issued or granted.

Section 12. Other Rights. The shares of Series A shall not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Certificate of Incorporation or as provided by applicable law.

Appendix B

CERTIFICATE OF DESIGNATIONS

OF

FLOATING RATE NON-CUMULATIVE PREFERRED STOCK, SERIES C

OF

THE GOLDMAN SACHS GROUP, INC.

THE GOLDMAN SACHS GROUP, INC., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), in accordance with the provisions of Sections 103 and 151 thereof, DOES HEREBY CERTIFY:

The Securities Issuance Committee (the "Committee") of the board of directors of the Corporation (the "Board of Directors"), in accordance with the resolutions of the Board of Directors dated September 16, 2005, the provisions of the amended and restated certificate of incorporation and bylaws of the Corporation and applicable law, by unanimous written consent dated October 25, 2005, adopted the following resolution creating a series of 25,000 shares of Preferred Stock of the Corporation designated as "Floating Rate Non-Cumulative Preferred Stock, Series C".

RESOLVED, that pursuant to the authority vested in the Committee and in accordance with the resolutions of the Board of Directors dated September 16, 2005, the provisions of the amended and restated certificate of incorporation and bylaws of the Corporation and applicable law, a series of Preferred Stock, par value $.01 per share, of the Corporation be and hereby is created, and that the designation and number of shares of such series, and the voting and other powers, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

Section 1. Designation. The distinctive serial designation of such series of Preferred Stock is "Floating Rate Non-Cumulative Preferred Stock, Series C" ("Series C"). Each share of Series C shall be identical in all respects to every other share of Series C, except as to the respective dates from which dividends thereon shall accrue, to the extent such dates may differ as permitted pursuant to Section 4(a) below.

Section 2. Number of Shares. The authorized number of shares of Series C shall be 25,000. Shares of Series C that are redeemed, purchased or otherwise acquired by the Corporation, or converted into another series of Preferred Stock, shall be cancelled and shall revert to authorized but unissued shares of Series C.

Section 3. Definitions. As used herein with respect to Series C:

(a) "Board of Directors" means the board of directors of the Corporation.

(b) “ByLaws” means the amended and restated bylaws of the Corporation, as they may be amended from time to time.

(c) “Business Day” means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City generally are authorized or obligated by law, regulation or executive order to close.

(d) “Calculation Agent” means, at any time, the person or entity appointed by the Corporation and serving as such agent at such time. The Corporation may terminate any such appointment and may appoint a successor agent at any time and from time to time, *provided* that the Corporation shall use its best efforts to ensure that there is, at all relevant times when the Series C is outstanding, a person or entity appointed and serving as such agent. The Calculation Agent may be a person or entity affiliated with the Corporation.

(e) “Certificate of Designations” means this Certificate of Designations relating to the Series C, as it may be amended from time to time.

(f) “Certification of Incorporation” shall mean the amended and restated certificate of incorporation of the Corporation, as it may be amended from time to time, and shall include this Certificate of Designations.

(g) “Common Stock” means the common stock, par value $0.01 per share, of the Corporation.

(h) “Junior Stock” means the Common Stock and any other class or series of stock of the Corporation (other than Series C) that ranks junior to Series C either or both as to the payment of dividends and/or as to the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(i) “London Business Day” means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is a day on which dealings in U.S. dollars are transacted in the London interbank market.

(j) “Moneyline Telerate Page” means the display on Moneyline Telerate, Inc., or any successor service, on the page or pages specified in Section 4 below or any replacement page or pages on that service.

(k) “Parity Stock” means any class or series of stock of the Corporation (other than Series C) that ranks equally with Series C both in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(l) “Preferred Stock” means any and all series of Preferred Stock, having a par value of $0.01 per share, of the Corporation, including the Series C.

(m) “Representative Amount” means, at any time, an amount that, in the Calculation Agent’s judgment, is representative of a single transaction in the relevant market at the relevant time.

(n) “Voting Preferred Stock” means, with regard to any election or removal of a Preferred Stock Director (as defined in Section 8(b) below) or any other matter as to which the holders of Series C are entitled to vote as specified in Section 8 of this Certificate of Designations, any and all series of Preferred Stock (other than Series C) that rank equally with Series C either as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up of the Corporation and upon which like voting rights have been conferred and are exercisable with respect to such matter.

Section 4. Dividends.

(a) **Rate**. Holders of Series C shall be entitled to receive, when, as and if declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) out of funds legally available for the payment of dividends under Delaware law, non-cumulative cash dividends at the rate determined as set forth below in this Section (4) applied to the liquidation preference amount of $25,000 per share of Series C. Such dividends shall be payable quarterly in arrears (as provided below in this Section 4(a)), but only when, as and if declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors), on February 10, May 10, August 10 and November 10 (“Dividend Payment Dates”), commencing on February 10, 2006; *provided* that if any such Dividend Payment Date would otherwise occur on a day that is not a Business Day, such Dividend Payment Date shall instead be (and any dividend payable on Series C on such Dividend Payment Date shall instead be payable on) the immediately succeeding Business Day, unless such immediately succeeding Business Day falls in the next calendar month, in which case such Dividend Payment Date shall instead be (and any such dividend shall instead be payable on) the immediately preceding Business Day. Dividends on Series C shall not be cumulative; holders of Series C shall not be entitled to receive any dividends not declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) and no interest, or sum of money in lieu of interest, shall be payable in respect of any dividend not so declared.

Dividends that are payable on Series C on any Dividend Payment Date will be payable to holders of record of Series C as they appear on the stock register of the Corporation on the applicable record date, which shall be the 15th calendar day before such Dividend Payment Date or such other record date fixed by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) that is not more than 60 nor less than 10 days prior to such Dividend Payment Date (each, a “Dividend Record Date”). Any such day that is a Dividend Record Date shall be a Dividend Record Date whether or not such day is a Business Day.

Each dividend period (a "Dividend Period") shall commence on and include a Dividend Payment Date (other than the initial Dividend Period, which shall commence on and include the date of original issue of the Series C, *provided* that, for any share of Series C issued after such original issue date, the initial Dividend Period for such shares may commence on and include such other date as the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) shall determine and publicly disclose) and shall end on and include the calendar day next preceding the next Dividend Payment Date. Dividends payable on the Series C in respect of any Dividend Period shall be computed by the Calculation Agent on the basis of a 360-day year and the actual number of days elapsed in such Dividend Period. Dividends payable in respect of a Dividend Period shall be payable in arrears – i.e., on the first Dividend Payment Date after such Dividend Period.

The dividend rate on the Series C, for each Dividend Period, shall be a rate per annum equal to the greater of (1) 0.75% above LIBOR (as defined below) for such Dividend Period and (2) 4.00%. LIBOR, with respect to any Dividend Period, means the offered rate expressed as a percentage per annum for three-month deposits in U.S. dollars on the first day of such Dividend Period, as that rate appears on Moneyline Telerate Page 3750 as of 11:00 A.M., London time, on the second London Business Day immediately preceding the first day of such Dividend Period.

If the rate described in the preceding paragraph does not appear on Moneyline Telerate Page 3750, LIBOR shall be determined on the basis of the rates, at approximately 11:00 A.M., London time, on the second London Business Day immediately preceding the first day of such Dividend Period, at which deposits of the following kind are offered to prime banks in the London interbank market by four major banks in that market selected by the Calculation Agent: three-month deposits in U.S. dollars, beginning on the first day of such Dividend Period, and in a Representative Amount. The Calculation Agent shall request the principal London office of each of these banks to provide a quotation of its rate at approximately 11:00 A.M., London time. If at least two quotations are provided, LIBOR for such Dividend Period shall be the arithmetic mean of such quotations.

If fewer than two quotations are provided as described in the preceding paragraph, LIBOR for such Dividend Period shall be the arithmetic mean of the rates for loans of the following kind to leading European banks quoted, at approximately 11:00 A.M. New York City time, on the second London Business Day immediately preceding the first day of such Dividend Period, by three major banks in New York City selected by the Calculation Agent: three-month loans of U.S. dollars, beginning on the first day of such Dividend Period, and in a Representative Amount.

If fewer than three banks selected by the Calculation Agent are quoting as described in the preceding paragraph, LIBOR for such Dividend Period shall be LIBOR in effect for the prior Dividend Period.

The Calculation Agent's determination of any dividend rate, and its calculation of the amount of dividends for any Dividend Period, will be maintained on file at the Corporation's principal offices and will be available to any stockholder upon request and will be final and binding in the absence of manifest error.

Holders of Series C shall not be entitled to any dividends, whether payable in cash, securities or other property, other than dividends (if any) declared and payable on the Series C as specified in this Section 4 (subject to the other provisions of this Certificate of Designations).

(b) **Priority of Dividends**. So long as any share of Series C remains outstanding, no dividend shall be declared or paid on the Common Stock or any other shares of Junior Stock (other than a dividend payable solely in Junior Stock), and no Common Stock or other Junior Stock shall be purchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into other Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock and other than through the use of the proceeds of a substantially contemporaneous sale of Junior Stock) during a Dividend Period, unless the full dividends for the latest completed Dividend Period on all outstanding shares of Series C have been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside). The foregoing provision shall not restrict the ability of Goldman, Sachs & Co., or any other affiliate of the Corporation, to engage in any market-making transactions in Junior Stock in the ordinary course of business.

When dividends are not paid (or declared and a sum sufficient for payment thereof set aside) on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within a Dividend Period) in full upon the Series C and any shares of Parity Stock, all dividends declared on the Series C and all such Parity Stock and payable on such Dividend Payment Date (or, in the case of parity stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) shall be declared pro rata so that the respective amounts of such dividends shall bear the same ratio to each other as all accrued but unpaid dividends per share on the Series C and all Parity Stock payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) bear to each other.

Subject to the foregoing, such dividends (payable in cash, securities or other property) as may be determined by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) may be declared and paid on any securities, including Common Stock and other Junior Stock, from time to time out of any funds legally available for such payment, and the Series C shall not be entitled to participate in any such dividends.

Section 5. Liquidation Rights.

(a) **Voluntary or Involuntary Liquidation**. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, holders of Series C shall be entitled to receive, out of the assets of the Corporation or proceeds thereof (whether capital or surplus) available for distribution to

stockholders of the Corporation, and after satisfaction of all liabilities and obligations to creditors of the Corporation, before any distribution of such assets or proceeds is made to or set aside for the holders of Common Stock and any other stock of the Corporation ranking junior to the Series C as to such distribution, in full an amount equal to $25,000 per share (the "Series C Liquidation Amount"), together with an amount equal to all dividends (if any) that have been declared but not paid prior to the date of payment of such distribution (but without any amount in respect of dividends that have not been declared prior to such payment date).

(b) **Partial Payment**. If in any distribution described in Section 5(a) above the assets of the Corporation or proceeds thereof are not sufficient to pay the Liquidation Preferences (as defined below) in full to all holders of Series C and all holders of any stock of the Corporation ranking equally with the Series C as to such distribution, the amounts paid to the holders of Series C and to the holders of all such other stock shall be paid pro rata in accordance with the respective aggregate Liquidation Preferences of the holders of Series C and the holders of all such other stock. In any such distribution, the "Liquidation Preference" of any holder of stock of the Corporation shall mean the amount otherwise payable to such holder in such distribution (assuming no limitation on the assets of the Corporation available for such distribution), including an amount equal to any declared but unpaid dividends (and, in the case of any holder of stock other than Series C and on which dividends accrue on a cumulative basis, an amount equal to any unpaid, accrued, cumulative dividends, whether or not declared, as applicable).

(c) **Residual Distributions**. If the Liquidation Preference has been paid in full to all holders of Series C, the holders of other stock of the Corporation shall be entitled to receive all remaining assets of the Corporation (or proceeds thereof) according to their respective rights and preferences.

(d) **Merger, Consolidation and Sale of Assets Not Liquidation**. For purposes of this Section 5, the merger or consolidation of the Corporation with any other corporation or other entity, including a merger or consolidation in which the holders of Series C receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or other property) of all or substantially all of the assets of the Corporation, shall not constitute a liquidation, dissolution or winding up of the Corporation.

Section 6. Redemption.

(a) **Optional Redemption**. The Series C may not be redeemed by the Corporation prior to October 31, 2010. On or after October 31, 2010, the Corporation, at its option, may redeem, in whole at any time or in part from time to time, the shares of Series C at the time outstanding, upon notice given as provided in Section 6(c) below, at a redemption price equal to $25,000 per share, together (except as otherwise provided herein below) with an amount equal to any dividends that have been declared but not paid prior to the redemption date (but with no amount in respect of any dividends that have not been declared prior to such date). The redemption price for any shares of Series C shall be payable on the redemption date to the holder of such shares against surrender of the

certificate(s) evidencing such shares to the Corporation or its agent. Any declared but unpaid dividends payable on a redemption date that occurs subsequent to the Dividend Record Date for a Dividend Period shall not be paid to the holder entitled to receive the redemption price on the redemption date, but rather shall be paid to the holder of record of the redeemed shares on such Dividend Record Date relating to the Dividend Payment Date as provided in Section 4 above.

(b) **No Sinking Fund.** The Series C will not be subject to any mandatory redemption, sinking fund or other similar provisions. Holders of Series C will have no right to require redemption of any shares of Series C.

(c) **Notice of Redemption.** Notice of every redemption of shares of Series C shall be given by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Corporation. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Subsection shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series C designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series C. Notwithstanding the foregoing, if the Series C or any depositary shares representing interests in the Series C are issued in book-entry form through The Depository Trust Company or any other similar facility, notice of redemption may be given to the holders of Series C at such time and in any manner permitted by such facility. Each such notice given to a holder shall state: (1) the redemption date; (2) the number of shares of Series C to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the redemption price; and (4) the place or places where certificates for such shares are to be surrendered for payment of the redemption price.

(d) **Partial Redemption.** In case of any redemption of only part of the shares of Series C at the time outstanding, the shares to be redeemed shall be selected either pro rata or in such other manner as the Corporation may determine to be fair and equitable. Subject to the provisions hereof, the Corporation shall have full power and authority to prescribe the terms and conditions upon which shares of Series C shall be redeemed from time to time. If fewer than all the shares represented by any certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without charge to the holder thereof.

(e) **Effectiveness of Redemption.** If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other funds, in trust for the pro rata benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date dividends shall cease to accrue on all shares so called for redemption, all shares so called for redemption shall no longer be deemed

outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption, without interest. Any funds unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

Section 7. Conversion Upon Regulatory Changes. If both (i) and (ii) below occur:

(i) after the date of the issuance of the Series C, the Corporation (by election or otherwise) becomes subject to any law, rule, regulation or guidance (together, "Regulations") relating to its capital adequacy, which Regulation (x) modifies the existing requirements for treatment as Allowable Capital (as defined under the Securities and Exchange Commission rules relating to consolidated supervised entities as in effect from time to time), (y) provides for a type or level of capital characterized as "Tier 1" or its equivalent pursuant to Regulations of any governmental agency, authority or other body having regulatory jurisdiction over the Corporation (or any of its subsidiaries or consolidated affiliates) and implementing the capital standards published by the Basel Committee on Banking Supervision, the Securities and Exchange Commission, the Board of Governors of the Federal Reserve System or any other United States national governmental agency, authority or other body, or any other applicable regime based on capital standards published by the Basel Committee on Banking Supervision or its successor, or (z) provides for a type or level of capital that in the judgment of the Corporation (after consultation with legal counsel of recognized standing) is substantially equivalent to such "Tier 1" capital (such capital described in either (y) or (z) above is referred to below as "Tier 1 Capital Equivalent"), and

(ii) the Corporation affirmatively elects to qualify the Series C for treatment as Allowable Capital or Tier 1 Capital Equivalent without any sublimit or other quantitative restriction on the inclusion of the Series C in Allowable Capital or Tier 1 Capital Equivalent (other than any limitation the Corporation elects to accept and any limitation requiring that common equity or a specified form of common equity constitute the dominant form of Allowable Capital or Tier 1 Capital Equivalent) under such Regulations,

then, upon such affirmative election, the Series C shall be convertible at the Corporation's option into a new series of Preferred Stock having terms and provisions substantially identical to those of the Series C, except that such new series may have such additional or modified rights, preferences, privileges and voting powers, and limitations and restrictions thereof, as are necessary in the judgment of the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) (after consultation with legal counsel of recognized standing) to comply with the Required Unrestricted Capital Provisions (as defined below), *provided* that the Corporation will not cause any such conversion unless the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) determines that the rights, preferences, privileges and

voting powers, and the qualifications, limitations and restrictions thereof, of such new series of Preferred Stock, taken as a whole, are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and the qualifications, limitations and restrictions thereof, of the Series C, taken as a whole.

As used above, the term "Required Unrestricted Capital Provisions" means such terms and provisions as are, in the judgment of the Corporation (after consultation with counsel of recognized standing), required for preferred stock to be treated as Allowable Capital or Tier 1 Capital Equivalent, as applicable, without any sublimit or other quantitative restriction on the inclusion of such preferred stock in Allowable Capital or Tier 1 Capital Equivalent, as applicable (other than any limitation the Corporation elects to accept and any limitation requiring that common equity or a specified form of common equity constitute the dominant form of Allowable Capital or Tier 1 Capital Equivalent) pursuant to the applicable Regulations.

The Corporation shall provide notice to the holders of Series C of any election to qualify the Series C for Allowable Capital or Tier 1 Capital Equivalent treatment and of any determination to convert the Series C into a new series of Preferred Stock pursuant to the terms of this Section 7, promptly upon the effectiveness of any such election or determination. A copy of such notice and of the relevant Regulations shall be maintained on file at the principal offices of the Corporation and, upon request, will be made available to any stockholder of the Corporation. Any conversion of the Series C pursuant to this Section 7 shall be effected pursuant to such procedures as the Corporation may determine and publicly disclose.

Except as specified in this Section 7, holders of Series C shares shall have no right to exchange or convert such shares into any other securities.

Section 8. Voting Rights.

(a) **General.** The holders of Series C shall not have any voting rights except as set forth below or as otherwise from to time required by law.

(b) **Right To Elect Two Directors Upon Nonpayment Events.** If and whenever dividends on any shares of Series C shall not have been declared and paid for at least six Dividend Periods, whether or not consecutive (a "Nonpayment Event"), the number of directors then constituting the Board of Directors shall automatically be increased by two and the holders of Series C, together with the holders of any outstanding shares of Voting Preferred Stock, voting together as a single class, shall be entitled to elect the two additional directors (the "Preferred Stock Directors"), *provided* that it shall be a qualification for election for any such Preferred Stock Director that the election of such director shall not cause the Corporation to violate the corporate governance requirement of the New York Stock Exchange (or any other securities exchange or other trading facility on which securities of the Corporation may then be listed or traded) that listed or traded companies must have a majority of independent directors and *provided further* that the Board of Directors shall at no time include more than two Preferred Stock Directors (including, for purposes of this limitation, all directors that the holders of any series of Voting Preferred Stock are entitled to elect pursuant to like voting rights).

In the event that the holders of the Series C, and such other holders of Voting Preferred Stock, shall be entitled to vote for the election of the Preferred Stock Directors following a Nonpayment Event, such directors shall be initially elected following such Nonpayment Event only at a special meeting called at the request of the holders of record of at least 20% of the Series C or of any other series of Voting Preferred Stock then outstanding (unless such request for a special meeting is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders of the Corporation, in which event such election shall be held only at such next annual or special meeting of stockholders), and at each subsequent annual meeting of stockholders of the Corporation. Such request to call a special meeting for the initial election of the Preferred Stock Directors after a Nonpayment Event shall be made by written notice, signed by the requisite holders of Series C or Voting Preferred Stock, and delivered to the Secretary of the Corporation in such manner as provided for in Section 10 below, or as may otherwise be required by law.

When dividends have been paid (or declared and a sum sufficient for payment thereof set aside) in full on the Series C for at least four Dividend Periods (whether or not consecutive) after a Nonpayment Event, then the right of the holders of Series C to elect the Preferred Stock Directors shall cease (but subject always to revesting of such voting rights in the case of any future Nonpayment Event), and, if and when any rights of holders of Series C and Voting Preferred Stock to elect the Preferred Stock Directors shall have ceased, the terms of office of all the Preferred Stock Directors shall forthwith terminate and the number of directors constituting the Board of Directors shall automatically be reduced accordingly.

Any Preferred Stock Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of the Series C and Voting Preferred Stock, when they have the voting rights described above (voting together as a single class). So long as a Nonpayment Event shall continue, any vacancy in the office of a Preferred Stock Director (other than prior to the initial election of Preferred Stock Directors after a Nonpayment Event) may be filled by the written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of record of a majority of the outstanding shares of the Series C and all Voting Preferred Stock, when they have the voting rights described above (voting together as a single class). Any such vote of stockholders to remove, or to fill a vacancy in the office of, a Preferred Stock Director may be taken only at a special meeting of such stockholders, called as provided above for an initial election of Preferred Stock Director after a Nonpayment Event (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of stockholders). The Preferred Stock Directors shall each be entitled to one vote per director on any matter that shall come before the Board of Directors for a vote. Each Preferred Stock Director elected at any special meeting of stockholders or by written consent of the other Preferred Stock Director shall hold office until the next annual meeting of the stockholders if such office shall not have previously terminated as above provided.

(c) **Other Voting Rights**. So long as any shares of Series C are outstanding, in addition to any other vote or consent of stockholders required by law or by the Certificate of Incorporation, the vote or consent of the holders of at least 66⅔% of the shares of Series C and any Voting Preferred Stock at the time outstanding and entitled to vote thereon, voting together as a single class, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(i) **Authorization of Senior Stock**. Any amendment or alteration of the Certificate of Incorporation to authorize or create, or increase the authorized amount of, any shares of any class or series of capital stock of the Corporation ranking senior to the Series C with respect to either or both the payment of dividends and/or the distribution of assets on any liquidation, dissolution or winding up of the Corporation;

(ii) **Amendment of Series C**. Any amendment, alteration or repeal of any provision of the Certificate of Incorporation so as to materially and adversely affect the special rights, preferences, privileges or voting powers of the Series C, taken as a whole; or

(iii) **Share Exchanges, Reclassifications, Mergers and Consolidations**. Any consummation of a binding share exchange or reclassification involving the Series C, or of a merger or consolidation of the Corporation with another corporation or other entity, unless in each case (x) the shares of Series C remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (y) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series C immediately prior to such consummation, taken as a whole;

provided, *however*, that for all purposes of this Section 8(c), any increase in the amount of the authorized or issued Series C or authorized Preferred Stock, or the creation and issuance, or an increase in the authorized or issued amount, of any other series of Preferred Stock ranking equally with and/or junior to the Series C with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the rights, preferences, privileges or voting powers of the Series C. In addition, any conversion of the Series C pursuant to Section 7 above shall not be deemed to adversely affect the rights, preferences, privileges and voting powers of the Series C.

If any amendment, alteration, repeal, share exchange, reclassification, merger or consolidation specified in this Section 8(c) would adversely affect the Series C and one or more but not all other series of Preferred Stock, then only the Series C and such series of Preferred Stock as are adversely affected by and entitled to vote on the matter shall vote on the matter together as a single class (in lieu of all other series of Preferred Stock).

(d) **Changes for Clarification.** Without the consent of the holders of the Series C, so long as such action does not adversely affect the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series C, the Corporation may amend, alter, supplement or repeal any terms of the Series C:

(i) to cure any ambiguity, or to cure, correct or supplement any provision contained in this Certificate of Designations that may be defective or inconsistent; or

(ii) to make any provision with respect to matters or questions arising with respect to the Series C that is not inconsistent with the provisions of this Certificate of Designations.

(e) **Changes after Provision for Redemption.** No vote or consent of the holders of Series C shall be required pursuant to Section 8(b), (c) or (d) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding shares of Series C shall have been redeemed, or shall have been called for redemption upon proper notice and sufficient funds shall have been set aside for such redemption, in each case pursuant to Section 6 above.

(f) **Procedures for Voting and Consents.** The rules and procedures for calling and conducting any meeting of the holders of Series C (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors), in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Certificate of Incorporation, the Bylaws, applicable law and any national securities exchange or other trading facility on which the Series C is listed or traded at the time. Whether the vote or consent of the holders of a plurality, majority or other portion of the shares of Series C and any Voting Preferred Stock has been cast or given on any matter on which the holders of shares of Series C are entitled to vote shall be determined by the Corporation by reference to the specified liquidation amounts of the shares voted or covered by the consent.

Section 9. Record Holders. To the fullest extent permitted by applicable law, the Corporation and the transfer agent for the Series C may deem and treat the record holder of any share of Series C as the true and lawful owner thereof for all purposes, and neither the Corporation nor such transfer agent shall be affected by any notice to the contrary.

Section 10. Notices. All notices or communications in respect of Series C shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, or if given in such other manner as may be permitted in this Certificate of Designations, in the Certificate of Incorporation or Bylaws or by applicable law.

Section 11. No Preemptive Rights. No share of Series C shall have any rights of preemption whatsoever as to any securities of the Corporation, or any warrants, rights or options issued or granted with respect thereto, regardless of how such securities, or such warrants, rights or options, may be designated, issued or granted.

Section 12. Other Rights. The shares of Series C shall not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Certificate of Incorporation or as provided by applicable law.

Appendix C

CERTIFICATE OF DESIGNATIONS

OF

FLOATING RATE NON-CUMULATIVE PREFERRED STOCK, SERIES D

OF

THE GOLDMAN SACHS GROUP, INC.

THE GOLDMAN SACHS GROUP, INC., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), in accordance with the provisions of Sections 103 and 151 thereof, DOES HEREBY CERTIFY:

The Securities Issuance Committee (the "Committee") of the board of directors of the Corporation (the "Board of Directors"), in accordance with the resolutions of the Board of Directors dated September 16, 2005, the provisions of the restated certificate of incorporation and the amended and restated bylaws of the Corporation and applicable law, by unanimous written consent dated May 16, 2005, adopted the following resolution creating a series of 60,000 shares of Preferred Stock of the Corporation designated as "Floating Rate Non-Cumulative Preferred Stock, Series D".

RESOLVED, that pursuant to the authority vested in the Committee and in accordance with the resolutions of the Board of Directors dated September 16, 2005, the provisions of the restated certificate of incorporation and the amended and restated bylaws of the Corporation and applicable law, a series of Preferred Stock, par value $.01 per share, of the Corporation be and hereby is created, and that the designation and number of shares of such series, and the voting and other powers, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

Section 1. Designation. The distinctive serial designation of such series of Preferred Stock is "Floating Rate Non-Cumulative Preferred Stock, Series D" ("Series D"). Each share of Series D shall be identical in all respects to every other share of Series D, except as to the respective dates from which dividends thereon shall accrue, to the extent such dates may differ as permitted pursuant to Section 4(a) below.

Section 2. Number of Shares. The authorized number of shares of Series D shall be 60,000. Shares of Series D that are redeemed, purchased or otherwise acquired by the Corporation, or converted into another series of Preferred Stock, shall be cancelled and shall revert to authorized but unissued shares of Series D.

Section 3. Definitions. As used herein with respect to Series D:

(a) "Board of Directors" means the board of directors of the Corporation.

(b) “ByLaws” means the amended and restated bylaws of the Corporation, as they may be amended from time to time.

(c) “Business Day” means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City generally are authorized or obligated by law, regulation or executive order to close.

(d) “Calculation Agent” means, at any time, the person or entity appointed by the Corporation and serving as such agent at such time. The Corporation may terminate any such appointment and may appoint a successor agent at any time and from time to time, *provided* that the Corporation shall use its best efforts to ensure that there is, at all relevant times when the Series D is outstanding, a person or entity appointed and serving as such agent. The Calculation Agent may be a person or entity affiliated with the Corporation.

(e) “Certificate of Designations” means this Certificate of Designations relating to the Series D, as it may be amended from time to time.

(f) “Certification of Incorporation” shall mean the restated certificate of incorporation of the Corporation, as it may be amended from time to time, and shall include this Certificate of Designations.

(g) “Common Stock” means the common stock, par value $0.01 per share, of the Corporation.

(h) “Junior Stock” means the Common Stock and any other class or series of stock of the Corporation (other than Series D) that ranks junior to Series D either or both as to the payment of dividends and/or as to the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(i) “London Business Day” means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is a day on which dealings in U.S. dollars are transacted in the London interbank market.

(j) “Moneyline Telerate Page” means the display on Moneyline Telerate, Inc., or any successor service, on the page or pages specified in Section 4 below or any replacement page or pages on that service.

(k) “Parity Stock” means any class or series of stock of the Corporation (other than Series D) that ranks equally with Series D both in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(l) “Preferred Stock” means any and all series of Preferred Stock, having a par value of $0.01 per share, of the Corporation, including the Series D.

(m) “Representative Amount” means, at any time, an amount that, in the Calculation Agent’s judgment, is representative of a single transaction in the relevant market at the relevant time.

(n) “Voting Preferred Stock” means, with regard to any election or removal of a Preferred Stock Director (as defined in Section 8(b) below) or any other matter as to which the holders of Series D are entitled to vote as specified in Section 8 of this Certificate of Designations, any and all series of Preferred Stock (other than Series D) that rank equally with Series D either as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up of the Corporation and upon which like voting rights have been conferred and are exercisable with respect to such matter.

Section 4. Dividends.

(a) **Rate**. Holders of Series D shall be entitled to receive, when, as and if declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) out of funds legally available for the payment of dividends under Delaware law, non-cumulative cash dividends at the rate determined as set forth below in this Section (4) applied to the liquidation preference amount of $25,000 per share of Series D. Such dividends shall be payable quarterly in arrears (as provided below in this Section 4(a)), but only when, as and if declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors), on February 10, May 10, August 10 and November 10 (“Dividend Payment Dates”), commencing on August 10, 2006; *provided* that if any such Dividend Payment Date would otherwise occur on a day that is not a Business Day, such Dividend Payment Date shall instead be (and any dividend payable on Series D on such Dividend Payment Date shall instead be payable on) the immediately succeeding Business Day, unless such immediately succeeding Business Day falls in the next calendar month, in which case such Dividend Payment Date shall instead be (and any such dividend shall instead be payable on) the immediately preceding Business Day. Dividends on Series D shall not be cumulative; holders of Series D shall not be entitled to receive any dividends not declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) and no interest, or sum of money in lieu of interest, shall be payable in respect of any dividend not so declared.

Dividends that are payable on Series D on any Dividend Payment Date will be payable to holders of record of Series D as they appear on the stock register of the Corporation on the applicable record date, which shall be the 15th calendar day before such Dividend Payment Date or such other record date fixed by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) that is not more than 60 nor less than 10 days prior to such Dividend Payment Date (each, a “Dividend Record Date”). Any such day that is a Dividend Record Date shall be a Dividend Record Date whether or not such day is a Business Day.

Each dividend period (a "Dividend Period") shall commence on and include a Dividend Payment Date (other than the initial Dividend Period, which shall commence on and include the date of original issue of the Series D, *provided* that, for any share of Series D issued after such original issue date, the initial Dividend Period for such shares may commence on and include such other date as the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) shall determine and publicly disclose) and shall end on and include the calendar day next preceding the next Dividend Payment Date. Dividends payable on the Series D in respect of any Dividend Period shall be computed by the Calculation Agent on the basis of a 360-day year and the actual number of days elapsed in such Dividend Period. Dividends payable in respect of a Dividend Period shall be payable in arrears – i.e., on the first Dividend Payment Date after such Dividend Period.

The dividend rate on the Series D, for each Dividend Period, shall be a rate per annum equal to the greater of (1) 0.67% above LIBOR (as defined below) for such Dividend Period and (2) 4.00%. LIBOR, with respect to any Dividend Period, means the offered rate expressed as a percentage per annum for three-month deposits in U.S. dollars on the first day of such Dividend Period, as that rate appears on Moneyline Telerate Page 3750 (or any successor or replacement page) as of 11:00 A.M., London time, on the second London Business Day immediately preceding the first day of such Dividend Period.

If the rate described in the preceding paragraph does not appear on Moneyline Telerate Page 3750 (or any successor or replacement page), LIBOR shall be determined on the basis of the rates, at approximately 11:00 A.M., London time, on the second London Business Day immediately preceding the first day of such Dividend Period, at which deposits of the following kind are offered to prime banks in the London interbank market by four major banks in that market selected by the Calculation Agent: three-month deposits in U.S. dollars, beginning on the first day of such Dividend Period, and in a Representative Amount. The Calculation Agent shall request the principal London office of each of these banks to provide a quotation of its rate at approximately 11:00 A.M., London time. If at least two quotations are provided, LIBOR for such Dividend Period shall be the arithmetic mean of such quotations.

If fewer than two quotations are provided as described in the preceding paragraph, LIBOR for such Dividend Period shall be the arithmetic mean of the rates for loans of the following kind to leading European banks quoted, at approximately 11:00 A.M. New York City time, on the second London Business Day immediately preceding the first day of such Dividend Period, by three major banks in New York City selected by the Calculation Agent: three-month loans of U.S. dollars, beginning on the first day of such Dividend Period, and in a Representative Amount.

If fewer than three banks selected by the Calculation Agent are quoting as described in the preceding paragraph, LIBOR for such Dividend Period shall be LIBOR in effect for the prior Dividend Period.

The Calculation Agent's determination of any dividend rate, and its calculation of the amount of dividends for any Dividend Period, will be maintained on file at the Corporation's principal offices and will be available to any stockholder upon request and will be final and binding in the absence of manifest error.

Holders of Series D shall not be entitled to any dividends, whether payable in cash, securities or other property, other than dividends (if any) declared and payable on the Series D as specified in this Section 4 (subject to the other provisions of this Certificate of Designations).

(b) **Priority of Dividends**. So long as any share of Series D remains outstanding, no dividend shall be declared or paid on the Common Stock or any other shares of Junior Stock (other than a dividend payable solely in Junior Stock), and no Common Stock or other Junior Stock shall be purchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into other Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock and other than through the use of the proceeds of a substantially contemporaneous sale of Junior Stock) during a Dividend Period, unless the full dividends for the latest completed Dividend Period on all outstanding shares of Series D have been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside). The foregoing provision shall not restrict the ability of Goldman, Sachs & Co., or any other affiliate of the Corporation, to engage in any market-making transactions in Junior Stock in the ordinary course of business.

When dividends are not paid (or declared and a sum sufficient for payment thereof set aside) on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within a Dividend Period) in full upon the Series D and any shares of Parity Stock, all dividends declared on the Series D and all such Parity Stock and payable on such Dividend Payment Date (or, in the case of parity stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) shall be declared pro rata so that the respective amounts of such dividends shall bear the same ratio to each other as all accrued but unpaid dividends per share on the Series D and all Parity Stock payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) bear to each other.

Subject to the foregoing, such dividends (payable in cash, securities or other property) as may be determined by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) may be declared and paid on any securities, including Common Stock and other Junior Stock, from time to time out of any funds legally available for such payment, and the Series D shall not be entitled to participate in any such dividends.

Section 5. Liquidation Rights.

(a) **Voluntary or Involuntary Liquidation**. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, holders of Series D shall be entitled to receive, out of the assets of the Corporation or proceeds thereof (whether capital or surplus) available for distribution to

stockholders of the Corporation, and after satisfaction of all liabilities and obligations to creditors of the Corporation, before any distribution of such assets or proceeds is made to or set aside for the holders of Common Stock and any other stock of the Corporation ranking junior to the Series D as to such distribution, in full an amount equal to $25,000 per share (the "Series D Liquidation Amount"), together with an amount equal to all dividends (if any) that have been declared but not paid prior to the date of payment of such distribution (but without any amount in respect of dividends that have not been declared prior to such payment date).

(b) **Partial Payment**. If in any distribution described in Section 5(a) above the assets of the Corporation or proceeds thereof are not sufficient to pay the Liquidation Preferences (as defined below) in full to all holders of Series D and all holders of any stock of the Corporation ranking equally with the Series D as to such distribution, the amounts paid to the holders of Series D and to the holders of all such other stock shall be paid pro rata in accordance with the respective aggregate Liquidation Preferences of the holders of Series D and the holders of all such other stock. In any such distribution, the "Liquidation Preference" of any holder of stock of the Corporation shall mean the amount otherwise payable to such holder in such distribution (assuming no limitation on the assets of the Corporation available for such distribution), including an amount equal to any declared but unpaid dividends (and, in the case of any holder of stock other than Series D and on which dividends accrue on a cumulative basis, an amount equal to any unpaid, accrued, cumulative dividends, whether or not declared, as applicable).

(c) **Residual Distributions**. If the Liquidation Preference has been paid in full to all holders of Series D, the holders of other stock of the Corporation shall be entitled to receive all remaining assets of the Corporation (or proceeds thereof) according to their respective rights and preferences.

(d) **Merger, Consolidation and Sale of Assets Not Liquidation**. For purposes of this Section 5, the merger or consolidation of the Corporation with any other corporation or other entity, including a merger or consolidation in which the holders of Series D receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or other property) of all or substantially all of the assets of the Corporation, shall not constitute a liquidation, dissolution or winding up of the Corporation.

Section 6. Redemption.

(a) **Optional Redemption.** The Series D may not be redeemed by the Corporation prior to May 24, 2011. On or after May 24, 2011, the Corporation, at its option, may redeem, in whole at any time or in part from time to time, the shares of Series D at the time outstanding, upon notice given as provided in Section 6(c) below, at a redemption price equal to $25,000 per share, together (except as otherwise provided hereinbelow) with an amount equal to any dividends that have been declared but not paid prior to the redemption date (but with no amount in respect of any dividends that have not been declared prior to such date). The redemption price for any shares of Series D shall be payable on the redemption date to the holder of such shares against surrender of the

certificate(s) evidencing such shares to the Corporation or its agent. Any declared but unpaid dividends payable on a redemption date that occurs subsequent to the Dividend Record Date for a Dividend Period shall not be paid to the holder entitled to receive the redemption price on the redemption date, but rather shall be paid to the holder of record of the redeemed shares on such Dividend Record Date relating to the Dividend Payment Date as provided in Section 4 above.

(b) **No Sinking Fund**. The Series D will not be subject to any mandatory redemption, sinking fund or other similar provisions. Holders of Series D will have no right to require redemption of any shares of Series D.

(c) **Notice of Redemption**. Notice of every redemption of shares of Series D shall be given by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Corporation. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Subsection shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series D designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series D. Notwithstanding the foregoing, if the Series D or any depositary shares representing interests in the Series D are issued in book-entry form through The Depository Trust Company or any other similar facility, notice of redemption may be given to the holders of Series D at such time and in any manner permitted by such facility. Each such notice given to a holder shall state: (1) the redemption date; (2) the number of shares of Series D to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the redemption price; and (4) the place or places where certificates for such shares are to be surrendered for payment of the redemption price.

(d) **Partial Redemption.** In case of any redemption of only part of the shares of Series D at the time outstanding, the shares to be redeemed shall be selected either pro rata or in such other manner as the Corporation may determine to be fair and equitable. Subject to the provisions hereof, the Corporation shall have full power and authority to prescribe the terms and conditions upon which shares of Series D shall be redeemed from time to time. If fewer than all the shares represented by any certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without charge to the holder thereof.

(e) **Effectiveness of Redemption.** If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other funds, in trust for the pro rata benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date dividends shall cease to accrue on all shares so called for redemption, all shares so called for redemption shall no longer be deemed

outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption, without interest. Any funds unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

Section 7. Conversion Upon Regulatory Changes. If both (i) and (ii) below occur:

(i) after the date of the issuance of the Series D, the Corporation (by election or otherwise) becomes subject to any law, rule, regulation or guidance (together, "Regulations") relating to its capital adequacy, which Regulation (x) modifies the existing requirements for treatment as Allowable Capital (as defined under the Securities and Exchange Commission rules relating to consolidated supervised entities as in effect from time to time), (y) provides for a type or level of capital characterized as "Tier 1" or its equivalent pursuant to Regulations of any governmental agency, authority or other body having regulatory jurisdiction over the Corporation (or any of its subsidiaries or consolidated affiliates) and implementing the capital standards published by the Basel Committee on Banking Supervision, the Securities and Exchange Commission, the Board of Governors of the Federal Reserve System or any other United States national governmental agency, authority or other body, or any other applicable regime based on capital standards published by the Basel Committee on Banking Supervision or its successor, or (z) provides for a type or level of capital that in the judgment of the Corporation (after consultation with legal counsel of recognized standing) is substantially equivalent to such "Tier 1" capital (such capital described in either (y) or (z) above is referred to below as "Tier 1 Capital Equivalent"), and

(ii) the Corporation affirmatively elects to qualify the Series D for treatment as Allowable Capital or Tier 1 Capital Equivalent without any sublimit or other quantitative restriction on the inclusion of the Series D in Allowable Capital or Tier 1 Capital Equivalent (other than any limitation the Corporation elects to accept and any limitation requiring that common equity or a specified form of common equity constitute the dominant form of Allowable Capital or Tier 1 Capital Equivalent) under such Regulations,

then, upon such affirmative election, the Series D shall be convertible at the Corporation's option into a new series of Preferred Stock having terms and provisions substantially identical to those of the Series D, except that such new series may have such additional or modified rights, preferences, privileges and voting powers, and limitations and restrictions thereof, as are necessary in the judgment of the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) (after consultation with legal counsel of recognized standing) to comply with the Required Unrestricted Capital Provisions (as defined below), *provided* that the Corporation will not cause any such conversion unless the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) determines that the rights, preferences, privileges and

voting powers, and the qualifications, limitations and restrictions thereof, of such new series of Preferred Stock, taken as a whole, are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and the qualifications, limitations and restrictions thereof, of the Series D, taken as a whole.

As used above, the term "Required Unrestricted Capital Provisions" means such terms and provisions as are, in the judgment of the Corporation (after consultation with counsel of recognized standing), required for preferred stock to be treated as Allowable Capital or Tier 1 Capital Equivalent, as applicable, without any sublimit or other quantitative restriction on the inclusion of such preferred stock in Allowable Capital or Tier 1 Capital Equivalent, as applicable (other than any limitation the Corporation elects to accept and any limitation requiring that common equity or a specified form of common equity constitute the dominant form of Allowable Capital or Tier 1 Capital Equivalent) pursuant to the applicable Regulations.

The Corporation shall provide notice to the holders of Series D of any election to qualify the Series D for Allowable Capital or Tier 1 Capital Equivalent treatment and of any determination to convert the Series D into a new series of Preferred Stock pursuant to the terms of this Section 7, promptly upon the effectiveness of any such election or determination. A copy of such notice and of the relevant Regulations shall be maintained on file at the principal offices of the Corporation and, upon request, will be made available to any stockholder of the Corporation. Any conversion of the Series D pursuant to this Section 7 shall be effected pursuant to such procedures as the Corporation may determine and publicly disclose.

Except as specified in this Section 7, holders of Series D shares shall have no right to exchange or convert such shares into any other securities.

Section 8. Voting Rights.

(a) **General**. The holders of Series D shall not have any voting rights except as set forth below or as otherwise from to time required by law.

(b) **Right To Elect Two Directors Upon Nonpayment Events.** If and whenever dividends on any shares of Series D shall not have been declared and paid for at least six Dividend Periods, whether or not consecutive (a "Nonpayment Event"), the number of directors then constituting the Board of Directors shall automatically be increased by two and the holders of Series D, together with the holders of any outstanding shares of Voting Preferred Stock, voting together as a single class, shall be entitled to elect the two additional directors (the "Preferred Stock Directors"), *provided* that it shall be a qualification for election for any such Preferred Stock Director that the election of such director shall not cause the Corporation to violate the corporate governance requirement of the New York Stock Exchange (or any other securities exchange or other trading facility on which securities of the Corporation may then be listed or traded) that listed or traded companies must have a majority of independent directors and *provided further* that the Board of Directors shall at no time include more than two Preferred Stock Directors (including, for purposes of this limitation, all directors that the holders of any series of Voting Preferred Stock are entitled to elect pursuant to like voting rights).

In the event that the holders of the Series D, and such other holders of Voting Preferred Stock, shall be entitled to vote for the election of the Preferred Stock Directors following a Nonpayment Event, such directors shall be initially elected following such Nonpayment Event only at a special meeting called at the request of the holders of record of at least 20% of the Series D or of any other series of Voting Preferred Stock then outstanding (unless such request for a special meeting is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders of the Corporation, in which event such election shall be held only at such next annual or special meeting of stockholders), and at each subsequent annual meeting of stockholders of the Corporation. Such request to call a special meeting for the initial election of the Preferred Stock Directors after a Nonpayment Event shall be made by written notice, signed by the requisite holders of Series D or Voting Preferred Stock, and delivered to the Secretary of the Corporation in such manner as provided for in Section 10 below, or as may otherwise be required by law.

When dividends have been paid (or declared and a sum sufficient for payment thereof set aside) in full on the Series D for at least four Dividend Periods (whether or not consecutive) after a Nonpayment Event, then the right of the holders of Series D to elect the Preferred Stock Directors shall cease (but subject always to revesting of such voting rights in the case of any future Nonpayment Event), and, if and when any rights of holders of Series D and Voting Preferred Stock to elect the Preferred Stock Directors shall have ceased, the terms of office of all the Preferred Stock Directors shall forthwith terminate and the number of directors constituting the Board of Directors shall automatically be reduced accordingly.

Any Preferred Stock Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of the Series D and Voting Preferred Stock, when they have the voting rights described above (voting together as a single class). So long as a Nonpayment Event shall continue, any vacancy in the office of a Preferred Stock Director (other than prior to the initial election of Preferred Stock Directors after a Nonpayment Event) may be filled by the written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of record of a majority of the outstanding shares of the Series D and all Voting Preferred Stock, when they have the voting rights described above (voting together as a single class). Any such vote of stockholders to remove, or to fill a vacancy in the office of, a Preferred Stock Director may be taken only at a special meeting of such stockholders, called as provided above for an initial election of Preferred Stock Director after a Nonpayment Event (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of stockholders). The Preferred Stock Directors shall each be entitled to one vote per director on any matter that shall come before the Board of Directors for a vote. Each Preferred Stock Director elected at any special meeting of stockholders or by written consent of the other Preferred Stock Director shall hold office until the next annual meeting of the stockholders if such office shall not have previously terminated as above provided.

(c) **Other Voting Rights**. So long as any shares of Series D are outstanding, in addition to any other vote or consent of stockholders required by law or by the Certificate of Incorporation, the vote or consent of the holders of at least 66⅔% of the shares of Series D and any Voting Preferred Stock at the time outstanding and entitled to vote thereon, voting together as a single class, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(i) **Authorization of Senior Stock**. Any amendment or alteration of the Certificate of Incorporation to authorize or create, or increase the authorized amount of, any shares of any class or series of capital stock of the Corporation ranking senior to the Series D with respect to either or both the payment of dividends and/or the distribution of assets on any liquidation, dissolution or winding up of the Corporation;

(ii) **Amendment of Series D**. Any amendment, alteration or repeal of any provision of the Certificate of Incorporation so as to materially and adversely affect the special rights, preferences, privileges or voting powers of the Series D, taken as a whole; or

(iii) **Share Exchanges, Reclassifications, Mergers and Consolidations.** Any consummation of a binding share exchange or reclassification involving the Series D, or of a merger or consolidation of the Corporation with another corporation or other entity, unless in each case (x) the shares of Series D remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (y) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series D immediately prior to such consummation, taken as a whole;

provided, however, that for all purposes of this Section 8(c), any increase in the amount of the authorized or issued Series D or authorized Preferred Stock, or the creation and issuance, or an increase in the authorized or issued amount, of any other series of Preferred Stock ranking equally with and/or junior to the Series D with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the rights, preferences, privileges or voting powers of the Series D. In addition, any conversion of the Series D pursuant to Section 7 above shall not be deemed to adversely affect the rights, preferences, privileges and voting powers of the Series D.

If any amendment, alteration, repeal, share exchange, reclassification, merger or consolidation specified in this Section 8(c) would adversely affect the Series D and one or more but not all other series of Preferred Stock, then only the Series D and such series of Preferred Stock as are adversely affected by and entitled to vote on the matter shall vote on the matter together as a single class (in lieu of all other series of Preferred Stock).

(d) **Changes for Clarification**. Without the consent of the holders of the Series D, so long as such action does not adversely affect the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series D, the Corporation may amend, alter, supplement or repeal any terms of the Series D:

(i) to cure any ambiguity, or to cure, correct or supplement any provision contained in this Certificate of Designations that may be defective or inconsistent; or

(ii) to make any provision with respect to matters or questions arising with respect to the Series D that is not inconsistent with the provisions of this Certificate of Designations.

(e) **Changes after Provision for Redemption**. No vote or consent of the holders of Series D shall be required pursuant to Section 8(b), (c) or (d) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding shares of Series D shall have been redeemed, or shall have been called for redemption upon proper notice and sufficient funds shall have been set aside for such redemption, in each case pursuant to Section 6 above.

(f) **Procedures for Voting and Consents**. The rules and procedures for calling and conducting any meeting of the holders of Series D (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors), in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Certificate of Incorporation, the Bylaws, applicable law and any national securities exchange or other trading facility on which the Series D is listed or traded at the time. Whether the vote or consent of the holders of a plurality, majority or other portion of the shares of Series D and any Voting Preferred Stock has been cast or given on any matter on which the holders of shares of Series D are entitled to vote shall be determined by the Corporation by reference to the specified liquidation amounts of the shares voted or covered by the consent.

Section 9. Record Holders. To the fullest extent permitted by applicable law, the Corporation and the transfer agent for the Series D may deem and treat the record holder of any share of Series D as the true and lawful owner thereof for all purposes, and neither the Corporation nor such transfer agent shall be affected by any notice to the contrary.

Section 10. Notices. All notices or communications in respect of Series D shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, or if given in such other manner as may be permitted in this Certificate of Designations, in the Certificate of Incorporation or Bylaws or by applicable law.

Section 11. No Preemptive Rights. No share of Series D shall have any rights of preemption whatsoever as to any securities of the Corporation, or any warrants, rights or options issued or granted with respect thereto, regardless of how such securities, or such warrants, rights or options, may be designated, issued or granted.

Section 12. Other Rights. The shares of Series D shall not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Certificate of Incorporation or as provided by applicable law.

Appendix D

CERTIFICATE OF DESIGNATIONS

OF

PERPETUAL NON-CUMULATIVE PREFERRED STOCK, SERIES E

OF

THE GOLDMAN SACHS GROUP, INC.

THE GOLDMAN SACHS GROUP, INC., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), in accordance with the provisions of Sections 103 and 151 thereof, DOES HEREBY CERTIFY:

The Securities Issuance Committee (the "Committee") of the board of directors of the Corporation (the "Board of Directors"), in accordance with the resolutions of the Board of Directors dated September 16, 2005 and September 29, 2006, the provisions of the restated certificate of incorporation and the amended and restated bylaws of the Corporation and applicable law, by unanimous written consent dated May 14, 2007, adopted the following resolution creating a series of 17,500.1 shares of Preferred Stock of the Corporation designated as "Perpetual Non-Cumulative Preferred Stock, Series E".

RESOLVED, that pursuant to the authority vested in the Committee and in accordance with the resolutions of the Board of Directors dated September 16, 2005 and September 29, 2006, the provisions of the restated certificate of incorporation and the amended and restated bylaws of the Corporation and applicable law, a series of Preferred Stock, par value $.01 per share, of the Corporation be and hereby is created, and that the designation and number of shares of such series, and the voting and other powers, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

Section 1. Designation. The distinctive serial designation of such series of Preferred Stock is "Perpetual Non-Cumulative Preferred Stock, Series E" ("Series E"). Each share of Series E shall be identical in all respects to every other share of Series E.

Section 2. Number of Shares. The authorized number of shares of Series E shall be 17,500.1. Shares of Series E that are redeemed, purchased or otherwise acquired by the Corporation, or converted into another series of Preferred Stock, shall be cancelled and shall revert to authorized but unissued shares of Series E.

Section 3. Definitions. As used herein with respect to Series E:

(a) "Board of Directors" means the board of directors of the Corporation.

(b) “ByLaws” means the amended and restated bylaws of the Corporation, as they may be amended from time to time.

(c) “Business Day” means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City generally are authorized or obligated by law, regulation or executive order to close.

(d) “Calculation Agent” means, at any time, the person or entity appointed by the Corporation and serving as such agent at such time. The Corporation may terminate any such appointment and may appoint a successor agent at any time and from time to time, *provided* that the Corporation shall use its best efforts to ensure that there is, at all relevant times when the Series E is outstanding, a person or entity appointed and serving as such agent. The Calculation Agent may be a person or entity affiliated with the Corporation.

(e) “Certificate of Designations” means this Certificate of Designations relating to the Series E, as it may be amended from time to time.

(f) “Certification of Incorporation” shall mean the restated certificate of incorporation of the Corporation, as it may be amended from time to time, and shall include this Certificate of Designations.

(g) “Common Stock” means the common stock, par value $0.01 per share, of the Corporation.

(h) “Junior Stock” means the Common Stock and any other class or series of stock of the Corporation (other than Series E) that ranks junior to Series E either or both as to the payment of dividends and/or as to the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(i) “London Business Day” means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is a day on which dealings in U.S. dollars are transacted in the London interbank market.

(j) “Parity Stock” means any class or series of stock of the Corporation (other than Series E) that ranks equally with Series E both in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(k) “Preferred Stock” means any and all series of Preferred Stock, having a par value of $0.01 per share, of the Corporation, including the Series E.

(l) “Representative Amount” means, at any time, an amount that, in the Calculation Agent’s judgment, is representative of a single transaction in the relevant market at the relevant time.

(m) “Reuters Screen LIBOR01” means the display designated on the Reuters 3000 Xtra (or such other page as may replace that page on that service or such other service as may be nominated by the British Bankers’ Association for the purpose of displaying London interbank offered rates for U.S. Dollar deposits).

(n) “Voting Preferred Stock” means, with regard to any election or removal of a Preferred Stock Director (as defined in Section 8(b) below) or any other matter as to which the holders of Series E are entitled to vote as specified in Section 8 of this Certificate of Designations, any and all series of Preferred Stock (other than Series E) that rank equally with Series E either as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up of the Corporation and upon which like voting rights have been conferred and are exercisable with respect to such matter.

Section 4. Dividends.

(a) **Rate**. Holders of Series E shall be entitled to receive, when, as and if declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) out of funds legally available for the payment of dividends under Delaware law, non-cumulative cash dividends at the rate determined as set forth below in this Section (4) applied to the liquidation preference amount of $100,000 per share of Series E. Such dividends shall be payable in arrears (as provided below in this Section 4(a)), but only when, as and if declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors), (a) if the shares of Series E are issued prior to June 1, 2012 (or if such date is not a Business Day, the next Business Day), on June 1 and December 1 of each year until June 1, 2012, and (b) thereafter, on March 1, June 1, September 1 and December 1 of each year (each a “Dividend Payment Date”); *provided* that if any such Dividend Payment Date would otherwise occur on a day that is not a Business Day, such Dividend Payment Date shall instead be (and any dividend payable on Series E on such Dividend Payment Date shall instead be payable on) the immediately succeeding Business Day. If a Dividend Payment Date prior to June 1, 2012 is not a Business Day, the applicable dividend shall be paid on the first Business Day following that day without adjustment. Dividends on Series E shall not be cumulative; holders of Series E shall not be entitled to receive any dividends not declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) and no interest, or sum of money in lieu of interest, shall be payable in respect of any dividend not so declared.

Dividends that are payable on Series E on any Dividend Payment Date will be payable to holders of record of Series E as they appear on the stock register of the Corporation on the applicable record date, which shall be the 15th calendar day before such Dividend Payment Date or such other record date fixed by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) that is not more than 60 nor less than 10 days prior to such Dividend Payment Date (each, a “Dividend Record Date”). Any such day that is a Dividend Record Date shall be a Dividend Record Date whether or not such day is a Business Day.

Each dividend period (a "Dividend Period") shall commence on and include a Dividend Payment Date (other than the initial Dividend Period, which shall commence on and include the date of original issue of the Series E) and shall end on and include the calendar day next preceding the next Dividend Payment Date. Dividends payable on the Series E in respect of a Dividend Period shall be computed by the Calculation Agent (i) if shares of Series E are issued prior to June 1, 2012, on the basis of a 360-day year consisting of twelve-30 day months until the Dividend Payment Date in June 2012 and (ii) thereafter, on the basis of a 360-day year and the actual number of days elapsed in such Dividend Period. Dividends payable in respect of a Dividend Period shall be payable in arrears - i.e., on the first Dividend Payment Date after such Dividend Period.

The dividend rate on the Series E, for each Dividend Period, shall be (a) if the shares of Series E are issued prior to June 1, 2012, a rate per annum equal to 5.793% until the Dividend Payment date in June 2012, and (b) thereafter, a rate per annum that will reset quarterly and shall be equal to the greater of (i) three-month LIBOR for such Dividend Period plus 0.7675% and (ii) 4.000%. Three-month LIBOR, with respect to any Dividend Period, means the offered rate expressed as a percentage per annum for three-month deposits in U.S. dollars on the first day of such Dividend Period, as that rate appears on Reuters Screen LIBOR01 (or any successor or replacement page) as of 11:00 A.M., London time, on the second London Business Day immediately preceding the first day of such Dividend Period.

If the rate described in the preceding paragraph does not appear on Reuters Screen LIBOR01(or any successor or replacement page), LIBOR shall be determined on the basis of the rates, at approximately 11:00 A.M., London time, on the second London Business Day immediately preceding the first day of such Dividend Period, at which deposits of the following kind are offered to prime banks in the London interbank market by four major banks in that market selected by the Calculation Agent: three-month deposits in U.S. dollars, beginning on the first day of such Dividend Period, and in a Representative Amount. The Calculation Agent shall request the principal London office of each of these banks to provide a quotation of its rate at approximately 11:00 A.M., London time. If at least two quotations are provided, LIBOR for such Dividend Period shall be the arithmetic mean of such quotations.

If fewer than two quotations are provided as described in the preceding paragraph, LIBOR for such Dividend Period shall be the arithmetic mean of the rates for loans of the following kind to leading European banks quoted, at approximately 11:00 A.M. New York City time, on the second London Business Day immediately preceding the first day of such Dividend Period, by three major banks in New York City selected by the Calculation Agent: three-month loans of U.S. dollars, beginning on the first day of such Dividend Period, and in a Representative Amount.

If fewer than three banks selected by the Calculation Agent are quoting as described in the preceding paragraph, LIBOR for such Dividend Period shall be LIBOR in effect for the prior Dividend Period.

The Calculation Agent's determination of any dividend rate, and its calculation of the amount of dividends for any Dividend Period, will be maintained on file at the Corporation's principal offices and will be available to any stockholder upon request and will be final and binding in the absence of manifest error.

Holders of Series E shall not be entitled to any dividends, whether payable in cash, securities or other property, other than dividends (if any) declared and payable on the Series E as specified in this Section 4 (subject to the other provisions of this Certificate of Designations).

(b) **Priority of Dividends**. So long as any share of Series E remains outstanding, no dividend shall be declared or paid on the Common Stock or any other shares of Junior Stock (other than a dividend payable solely in Junior Stock), and no Common Stock or other Junior Stock shall be purchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into other Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock and other than through the use of the proceeds of a substantially contemporaneous sale of Junior Stock) during a Dividend Period, unless the full dividends for the latest completed Dividend Period on all outstanding shares of Series E have been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside). The foregoing provision shall not restrict the ability of Goldman, Sachs & Co., or any other affiliate of the Corporation, to engage in any market-making transactions in Junior Stock in the ordinary course of business.

When dividends are not paid (or declared and a sum sufficient for payment thereof set aside) on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within a Dividend Period) in full upon the Series E and any shares of Parity Stock, all dividends declared on the Series E and all such Parity Stock and payable on such Dividend Payment Date (or, in the case of parity stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) shall be declared pro rata so that the respective amounts of such dividends shall bear the same ratio to each other as all accrued but unpaid dividends per share on the Series E and all Parity Stock payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) bear to each other.

Subject to the foregoing, such dividends (payable in cash, securities or other property) as may be determined by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) may be declared and paid on any securities, including Common Stock and other Junior Stock, from time to time out of any funds legally available for such payment, and the Series E shall not be entitled to participate in any such dividends.

Section 5. Liquidation Rights.

(a) **Voluntary or Involuntary Liquidation**. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, holders of Series E shall be entitled to receive, out of the assets of the Corporation or proceeds thereof (whether capital or surplus) available for distribution to stockholders of the Corporation, and after satisfaction of all liabilities and obligations to creditors of the Corporation, before any distribution of such assets or proceeds is made to or set aside for the holders of Common Stock and any other stock of the Corporation ranking junior to the Series E as to such distribution, in full an amount equal to $100,000 per share (the "Series E Liquidation Amount"), together with an amount equal to all dividends (if any) that have been declared but not paid prior to the date of payment of such distribution (but without any amount in respect of dividends that have not been declared prior to such payment date).

(b) **Partial Payment**. If in any distribution described in Section 5(a) above the assets of the Corporation or proceeds thereof are not sufficient to pay the Liquidation Preferences (as defined below) in full to all holders of Series E and all holders of any stock of the Corporation ranking equally with the Series E as to such distribution, the amounts paid to the holders of Series E and to the holders of all such other stock shall be paid pro rata in accordance with the respective aggregate Liquidation Preferences of the holders of Series E and the holders of all such other stock. In any such distribution, the "Liquidation Preference" of any holder of stock of the Corporation shall mean the amount otherwise payable to such holder in such distribution (assuming no limitation on the assets of the Corporation available for such distribution), including an amount equal to any declared but unpaid dividends (and, in the case of any holder of stock other than Series E and on which dividends accrue on a cumulative basis, an amount equal to any unpaid, accrued, cumulative dividends, whether or not declared, as applicable).

(c) **Residual Distributions**. If the Liquidation Preference has been paid in full to all holders of Series E, the holders of other stock of the Corporation shall be entitled to receive all remaining assets of the Corporation (or proceeds thereof) according to their respective rights and preferences.

(d) **Merger, Consolidation and Sale of Assets Not Liquidation**. For purposes of this Section 5, the merger or consolidation of the Corporation with any other corporation or other entity, including a merger or consolidation in which the holders of Series E receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or other property) of all or substantially all of the assets of the Corporation, shall not constitute a liquidation, dissolution or winding up of the Corporation.

Section 6. Redemption.

(a) **Optional Redemption**. The Series E may not be redeemed by the Corporation prior to the later of June 1, 2012 and the date of original issue of Series E. On or after that date, the Corporation, at its option, may redeem, in whole at any time or in part from time to time, the shares of Series E at the time outstanding, upon notice given as provided in Section 6(c) below, at a redemption price equal to $100,000 per share, together (except as otherwise provided herein) with an amount equal to any dividends that have been declared but not paid prior to the redemption date (but with no amount in respect of any dividends that have not been declared prior to such date). The redemption price for any shares of Series E shall be payable on the redemption date to the holder of such shares against surrender of the certificate(s) evidencing such shares to the Corporation or its agent. Any declared but unpaid dividends payable on a redemption date that occurs subsequent to the Dividend Record Date for a Dividend Period shall not be paid to the holder entitled to receive the redemption price on the redemption date, but rather shall be paid to the holder of record of the redeemed shares on such Dividend Record Date relating to the Dividend Payment Date as provided in Section 4 above.

(b) **No Sinking Fund**. The Series E will not be subject to any mandatory redemption, sinking fund or other similar provisions. Holders of Series E will have no right to require redemption of any shares of Series E.

(c) **Notice of Redemption**. Notice of every redemption of shares of Series E shall be given by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Corporation. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Subsection shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series E designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series E. Notwithstanding the foregoing, if the Series E or any depositary shares representing interests in the Series E are issued in book-entry form through The Depository Trust Company or any other similar facility, notice of redemption may be given to the holders of Series E at such time and in any manner permitted by such facility. Each such notice given to a holder shall state: (1) the redemption date; (2) the number of shares of Series E to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the redemption price; and (4) the place or places where certificates for such shares are to be surrendered for payment of the redemption price.

(d) **Partial Redemption**. In case of any redemption of only part of the shares of Series E at the time outstanding, the shares to be redeemed shall be selected either pro rata or in such other manner as the Corporation may determine to be fair and equitable. Subject to the provisions hereof, the Corporation shall have full power and authority to prescribe the terms and conditions upon which shares of Series E shall be redeemed from time to time. If fewer than all the shares represented by any certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without charge to the holder thereof.

(e) **Effectiveness of Redemption**. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other funds, in trust for the pro rata benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date dividends shall cease to accrue on all shares so called for redemption, all shares so called for redemption shall no longer be deemed outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption, without interest. Any funds unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

Section 7. Conversion Upon Regulatory Changes. If both (i) and (ii) below occur:

(i) after the date of the issuance of the Series E, the Corporation (by election or otherwise) becomes subject to any law, rule, regulation or guidance (together, "Regulations") relating to its capital adequacy, which Regulation (x) modifies the existing requirements for treatment as Allowable Capital (as defined under the Securities and Exchange Commission rules relating to consolidated supervised entities as in effect from time to time), (y) provides for a type or level of capital characterized as "Tier 1" or its equivalent pursuant to Regulations of any governmental agency, authority or other body having regulatory jurisdiction over the Corporation (or any of its subsidiaries or consolidated affiliates) and implementing the capital standards published by the Basel Committee on Banking Supervision, the Securities and Exchange Commission, the Board of Governors of the Federal Reserve System or any other United States national governmental agency, authority or other body, or any other applicable regime based on capital standards published by the Basel Committee on Banking Supervision or its successor, or (z) provides for a type or level of capital that in the judgment of the Corporation (after consultation with legal counsel of recognized standing) is substantially equivalent to such "Tier 1" capital (such capital described in either (y) or (z) above is referred to below as "Tier 1 Capital Equivalent"), and

(ii) the Corporation affirmatively elects to qualify the Series E for treatment as Allowable Capital or Tier 1 Capital Equivalent without any sublimit or other quantitative restriction on the inclusion of the Series E in Allowable Capital or Tier 1 Capital Equivalent (other than any limitation the Corporation elects to accept and any limitation requiring that common equity or a specified form of common equity constitute the dominant form of Allowable Capital or Tier 1 Capital Equivalent) under such Regulations,

then, upon such affirmative election, the Series E shall be convertible at the Corporation's option into a new series of Preferred Stock having terms and provisions substantially identical to those of the Series E, except that such new series may have such additional or modified rights, preferences, privileges and voting powers, and limitations and restrictions

thereof, as are necessary in the judgment of the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) (after consultation with legal counsel of recognized standing) to comply with the Required Unrestricted Capital Provisions (as defined below), *provided* that the Corporation will not cause any such conversion unless the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) determines that the rights, preferences, privileges and voting powers, and the qualifications, limitations and restrictions thereof, of such new series of Preferred Stock, taken as a whole, are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and the qualifications, limitations and restrictions thereof, of the Series E, taken as a whole.

As used above, the term "Required Unrestricted Capital Provisions" means such terms and provisions as are, in the judgment of the Corporation (after consultation with counsel of recognized standing), required for preferred stock to be treated as Allowable Capital or Tier 1 Capital Equivalent, as applicable, without any sublimit or other quantitative restriction on the inclusion of such preferred stock in Allowable Capital or Tier 1 Capital Equivalent, as applicable (other than any limitation the Corporation elects to accept and any limitation requiring that common equity or a specified form of common equity constitute the dominant form of Allowable Capital or Tier 1 Capital Equivalent) pursuant to the applicable Regulations.

The Corporation shall provide notice to the holders of Series E of any election to qualify the Series E for Allowable Capital or Tier 1 Capital Equivalent treatment and of any determination to convert the Series E into a new series of Preferred Stock pursuant to the terms of this Section 7, promptly upon the effectiveness of any such election or determination. A copy of such notice and of the relevant Regulations shall be maintained on file at the principal offices of the Corporation and, upon request, will be made available to any stockholder of the Corporation. Any conversion of the Series E pursuant to this Section 7 shall be effected pursuant to such procedures as the Corporation may determine and publicly disclose.

Except as specified in this Section 7, holders of Series E shares shall have no right to exchange or convert such shares into any other securities.

Section 8. Voting Rights.

(a) **General**. The holders of Series E shall not have any voting rights except as set forth below or as otherwise from to time required by law.

(b) **Right To Elect Two Directors Upon Nonpayment Events**. If and whenever dividends on any shares of Series E shall not have been declared and paid for Dividend Periods, whether or not consecutive, equivalent to at least eighteen months (a "Nonpayment Event"), the number of directors then constituting the Board of Directors shall automatically be increased by two and the holders of Series E, together with the holders of any outstanding shares of Voting Preferred Stock, voting together as a single class, shall be entitled to elect the two additional directors (the "Preferred Stock Directors"), *provided* that it shall be a qualification for election for any such Preferred Stock Director that the election of such director shall not cause the Corporation to violate

the corporate governance requirement of the New York Stock Exchange (or any other securities exchange or other trading facility on which securities of the Corporation may then be listed or traded) that listed or traded companies must have a majority of independent directors and *provided further* that the Board of Directors shall at no time include more than two Preferred Stock Directors (including, for purposes of this limitation, all directors that the holders of any series of Voting Preferred Stock are entitled to elect pursuant to like voting rights).

In the event that the holders of the Series E, and such other holders of Voting Preferred Stock, shall be entitled to vote for the election of the Preferred Stock Directors following a Nonpayment Event, such directors shall be initially elected following such Nonpayment Event only at a special meeting called at the request of the holders of record of at least 20% of the Series E or of any other series of Voting Preferred Stock then outstanding (unless such request for a special meeting is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders of the Corporation, in which event such election shall be held only at such next annual or special meeting of stockholders), and at each subsequent annual meeting of stockholders of the Corporation. Such request to call a special meeting for the initial election of the Preferred Stock Directors after a Nonpayment Event shall be made by written notice, signed by the requisite holders of Series E or Voting Preferred Stock, and delivered to the Secretary of the Corporation in such manner as provided for in Section 10 below, or as may otherwise be required by law.

When dividends have been paid (or declared and a sum sufficient for payment thereof set aside) in full on the Series E for Dividend Periods, whether or not consecutive, equivalent to at least one year after a Nonpayment Event, then the right of the holders of Series E to elect the Preferred Stock Directors shall cease (but subject always to revesting of such voting rights in the case of any future Nonpayment Event), and, if and when any rights of holders of Series E and Voting Preferred Stock to elect the Preferred Stock Directors shall have ceased, the terms of office of all the Preferred Stock Directors shall forthwith terminate and the number of directors constituting the Board of Directors shall automatically be reduced accordingly.

Any Preferred Stock Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of the Series E and Voting Preferred Stock, when they have the voting rights described above (voting together as a single class). So long as a Nonpayment Event shall continue, any vacancy in the office of a Preferred Stock Director (other than prior to the initial election of Preferred Stock Directors after a Nonpayment Event) may be filled by the written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of record of a majority of the outstanding shares of the Series E and all Voting Preferred Stock, when they have the voting rights described above (voting together as a single class). Any such vote of stockholders to remove, or to fill a vacancy in the office of, a Preferred Stock Director may be taken only at a special meeting of such stockholders, called as provided above for an initial election of Preferred Stock Director after a Nonpayment Event (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at

such next annual or special meeting of stockholders). The Preferred Stock Directors shall each be entitled to one vote per director on any matter that shall come before the Board of Directors for a vote. Each Preferred Stock Director elected at any special meeting of stockholders or by written consent of the other Preferred Stock Director shall hold office until the next annual meeting of the stockholders if such office shall not have previously terminated as above provided.

(c) **Other Voting Rights**. So long as any shares of Series E are outstanding, in addition to any other vote or consent of stockholders required by law or by the Certificate of Incorporation, the vote or consent of the holders of at least 66⅔% of the shares of Series E and any Voting Preferred Stock at the time outstanding and entitled to vote thereon, voting together as a single class, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(i) **Authorization of Senior Stock**. Any amendment or alteration of the Certificate of Incorporation to authorize or create, or increase the authorized amount of, any shares of any class or series of capital stock of the Corporation ranking senior to the Series E with respect to either or both the payment of dividends and/or the distribution of assets on any liquidation, dissolution or winding up of the Corporation;

(ii) **Amendment of Series E**. Any amendment, alteration or repeal of any provision of the Certificate of Incorporation so as to materially and adversely affect the special rights, preferences, privileges or voting powers of the Series E, taken as a whole; or

(iii) **Share Exchanges, Reclassifications, Mergers and Consolidations**. Any consummation of a binding share exchange or reclassification involving the Series E, or of a merger or consolidation of the Corporation with another corporation or other entity, unless in each case (x) the shares of Series E remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (y) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series E immediately prior to such consummation, taken as a whole;

provided, however, that for all purposes of this Section 8(c), any increase in the amount of the authorized or issued Series E or authorized Preferred Stock, or the creation and issuance, or an increase in the authorized or issued amount, of any other series of Preferred Stock ranking equally with and/or junior to the Series E with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the rights, preferences, privileges or voting powers of the Series E. In addition, any conversion of the Series E pursuant to Section 7 above shall not be deemed to adversely affect the rights, preferences, privileges and voting powers of the Series E.

If any amendment, alteration, repeal, share exchange, reclassification, merger or consolidation specified in this Section 8(c) would adversely affect the Series E and one or more but not all other series of Preferred Stock, then only the Series E and such series of Preferred Stock as are adversely affected by and entitled to vote on the matter shall vote on the matter together as a single class (in lieu of all other series of Preferred Stock).

(d) **Changes for Clarification**. Without the consent of the holders of the Series E, so long as such action does not adversely affect the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series E, the Corporation may amend, alter, supplement or repeal any terms of the Series E:

(i) to cure any ambiguity, or to cure, correct or supplement any provision contained in this Certificate of Designations that may be defective or inconsistent; or

(ii) to make any provision with respect to matters or questions arising with respect to the Series E that is not inconsistent with the provisions of this Certificate of Designations.

(e) **Changes after Provision for Redemption**. No vote or consent of the holders of Series E shall be required pursuant to Section 8(b), (c) or (d) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding shares of Series E shall have been redeemed, or shall have been called for redemption upon proper notice and sufficient funds shall have been set aside for such redemption, in each case pursuant to Section 6 above.

(f) **Procedures for Voting and Consents.** The rules and procedures for calling and conducting any meeting of the holders of Series E (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors), in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Certificate of Incorporation, the Bylaws, applicable law and any national securities exchange or other trading facility on which the Series E is listed or traded at the time. Whether the vote or consent of the holders of a plurality, majority or other portion of the shares of Series E and any Voting Preferred Stock has been cast or given on any matter on which the holders of shares of Series E are entitled to vote shall be determined by the Corporation by reference to the specified liquidation amounts of the shares voted or covered by the consent.

Section 9. Record Holders. To the fullest extent permitted by applicable law, the Corporation and the transfer agent for the Series E may deem and treat the record holder of any share of Series E as the true and lawful owner thereof for all purposes, and neither the Corporation nor such transfer agent shall be affected by any notice to the contrary.

Section 10. Notices. All notices or communications in respect of Series E shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, or if given in such other manner as may be permitted in this Certificate of Designations, in the Certificate of Incorporation or Bylaws or by applicable law.

Section 11. No Preemptive Rights. No share of Series E shall have any rights of preemption whatsoever as to any securities of the Corporation, or any warrants, rights or options issued or granted with respect thereto, regardless of how such securities, or such warrants, rights or options, may be designated, issued or granted.

Section 12. Other Rights. The shares of Series E shall not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Certificate of Incorporation or as provided by applicable law.

Appendix E

CERTIFICATE OF DESIGNATIONS

OF

PERPETUAL NON-CUMULATIVE PREFERRED STOCK, SERIES F

OF

THE GOLDMAN SACHS GROUP, INC.

THE GOLDMAN SACHS GROUP, INC., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), in accordance with the provisions of Sections 103 and 151 thereof, DOES HEREBY CERTIFY:

The Securities Issuance Committee (the "Committee") of the board of directors of the Corporation (the "Board of Directors"), in accordance with the resolutions of the Board of Directors dated September 16, 2005 and September 29, 2006, the provisions of the restated certificate of incorporation and the amended and restated bylaws of the Corporation and applicable law, by unanimous written consent dated May 14, 2007, adopted the following resolution creating a series of 5,000.1 shares of Preferred Stock of the Corporation designated as "Perpetual Non-Cumulative Preferred Stock, Series F".

RESOLVED, that pursuant to the authority vested in the Committee and in accordance with the resolutions of the Board of Directors dated September 16, 2005 and September 29, 2006, the provisions of the restated certificate of incorporation and the amended and restated bylaws of the Corporation and applicable law, a series of Preferred Stock, par value $.01 per share, of the Corporation be and hereby is created, and that the designation and number of shares of such series, and the voting and other powers, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

Section 1. Designation. The distinctive serial designation of such series of Preferred Stock is "Perpetual Non-Cumulative Preferred Stock, Series F" ("Series F"). Each share of Series F shall be identical in all respects to every other share of Series F.

Section 2. Number of Shares. The authorized number of shares of Series F shall be 5,000.1. Shares of Series F that are redeemed, purchased or otherwise acquired by the Corporation, or converted into another series of Preferred Stock, shall be cancelled and shall revert to authorized but unissued shares of Series F.

Section 3. Definitions. As used herein with respect to Series F:

(a) "Board of Directors" means the board of directors of the Corporation.

(b) “ByLaws” means the amended and restated bylaws of the Corporation, as they may be amended from time to time.

(c) “Business Day” means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City generally are authorized or obligated by law, regulation or executive order to close.

(d) “Calculation Agent” means, at any time, the person or entity appointed by the Corporation and serving as such agent at such time. The Corporation may terminate any such appointment and may appoint a successor agent at any time and from time to time, *provided* that the Corporation shall use its best efforts to ensure that there is, at all relevant times when the Series F is outstanding, a person or entity appointed and serving as such agent. The Calculation Agent may be a person or entity affiliated with the Corporation.

(e) “Certificate of Designations” means this Certificate of Designations relating to the Series F, as it may be amended from time to time.

(f) “Certification of Incorporation” shall mean the restated certificate of incorporation of the Corporation, as it may be amended from time to time, and shall include this Certificate of Designations.

(g) “Common Stock” means the common stock, par value $0.01 per share, of the Corporation.

(h) “Junior Stock” means the Common Stock and any other class or series of stock of the Corporation (other than Series F) that ranks junior to Series F either or both as to the payment of dividends and/or as to the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(i) “London Business Day” means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is a day on which dealings in U.S. dollars are transacted in the London interbank market.

(j) “Parity Stock” means any class or series of stock of the Corporation (other than Series F) that ranks equally with Series F both in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(k) “Preferred Stock” means any and all series of Preferred Stock, having a par value of $0.01 per share, of the Corporation, including the Series F.

(l) “Representative Amount” means, at any time, an amount that, in the Calculation Agent’s judgment, is representative of a single transaction in the relevant market at the relevant time.

(m) “Reuters Screen LIBOR01” means the display designated on the Reuters 3000 Xtra (or such other page as may replace that page on that service or such other service as may be nominated by the British Bankers’ Association for the purpose of displaying London interbank offered rates for U.S. Dollar deposits).

(n) “Voting Preferred Stock” means, with regard to any election or removal of a Preferred Stock Director (as defined in Section 8(b) below) or any other matter as to which the holders of Series F are entitled to vote as specified in Section 8 of this Certificate of Designations, any and all series of Preferred Stock (other than Series F) that rank equally with Series F either as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up of the Corporation and upon which like voting rights have been conferred and are exercisable with respect to such matter.

Section 4. Dividends.

(a) **Rate**. Holders of Series F shall be entitled to receive, when, as and if declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) out of funds legally available for the payment of dividends under Delaware law, non-cumulative cash dividends at the rate determined as set forth below in this Section (4) applied to the liquidation preference amount of $100,000 per share of Series F. Such dividends shall be payable quarterly in arrears (as provided below in this Section 4(a)), but only when, as and if declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors), on March 1, June 1, September 1 and December 1 of each year (each a “Dividend Payment Date”); *provided* that if any such Dividend Payment Date would otherwise occur on a day that is not a Business Day, such Dividend Payment Date shall instead be (and any dividend payable on Series F on such Dividend Payment Date shall instead be payable on) the immediately succeeding Business Day. If a Dividend Payment Date is not a Business Day, the applicable dividend shall be paid on the first Business Day following that day. Dividends on Series F shall not be cumulative; holders of Series F shall not be entitled to receive any dividends not declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) and no interest, or sum of money in lieu of interest, shall be payable in respect of any dividend not so declared.

Dividends that are payable on Series F on any Dividend Payment Date will be payable to holders of record of Series F as they appear on the stock register of the Corporation on the applicable record date, which shall be the 15th calendar day before such Dividend Payment Date or such other record date fixed by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) that is not more than 60 nor less than 10 days prior to such Dividend Payment Date (each, a “Dividend Record Date”). Any such day that is a Dividend Record Date shall be a Dividend Record Date whether or not such day is a Business Day.

Each dividend period (a "Dividend Period") shall commence on and include a Dividend Payment Date (other than the initial Dividend Period, which shall commence on and include the date of original issue of the Series F) and shall end on and include the calendar day next preceding the next Dividend Payment Date. Dividends payable on the Series F in respect of any Dividend Period shall be computed by the Calculation Agent on the basis of a 360-day year and the actual number of days elapsed in such Dividend Period. Dividends payable in respect of a Dividend Period shall be payable in arrears - i.e., on the first Dividend Payment Date after such Dividend Period.

The dividend rate on the Series F, for each Dividend Period, shall be (a) if the shares of Series F are issued prior to September 1, 2012, a rate per annum equal to three-month LIBOR plus 0.77% until the Dividend Payment date in September 2012, and (b) thereafter, a rate per annum that will reset quarterly and shall be equal to the greater of (i) three-month LIBOR for such Dividend Period plus 0.77 % and (ii) 4.000%. Three-month LIBOR, with respect to any Dividend Period, means the offered rate expressed as a percentage per annum for three-month deposits in U.S. dollars on the first day of such Dividend Period, as that rate appears on Reuters Screen LIBOR01 (or any successor or replacement page) as of 11:00 A.M., London time, on the second London Business Day immediately preceding the first day of such Dividend Period.

If the rate described in the preceding paragraph does not appear on Reuters Screen LIBOR01(or any successor or replacement page), LIBOR shall be determined on the basis of the rates, at approximately 11:00 A.M., London time, on the second London Business Day immediately preceding the first day of such Dividend Period, at which deposits of the following kind are offered to prime banks in the London interbank market by four major banks in that market selected by the Calculation Agent: three-month deposits in U.S. dollars, beginning on the first day of such Dividend Period, and in a Representative Amount. The Calculation Agent shall request the principal London office of each of these banks to provide a quotation of its rate at approximately 11:00 A.M., London time. If at least two quotations are provided, LIBOR for such Dividend Period shall be the arithmetic mean of such quotations.

If fewer than two quotations are provided as described in the preceding paragraph, LIBOR for such Dividend Period shall be the arithmetic mean of the rates for loans of the following kind to leading European banks quoted, at approximately 11:00 A.M. New York City time, on the second London Business Day immediately preceding the first day of such Dividend Period, by three major banks in New York City selected by the Calculation Agent: three-month loans of U.S. dollars, beginning on the first day of such Dividend Period, and in a Representative Amount.

If fewer than three banks selected by the Calculation Agent are quoting as described in the preceding paragraph, LIBOR for such Dividend Period shall be LIBOR in effect for the prior Dividend Period.

The Calculation Agent's determination of any dividend rate, and its calculation of the amount of dividends for any Dividend Period, will be maintained on file at the Corporation's principal offices and will be available to any stockholder upon request and will be final and binding in the absence of manifest error.

Holders of Series F shall not be entitled to any dividends, whether payable in cash, securities or other property, other than dividends (if any) declared and payable on the Series F as specified in this Section 4 (subject to the other provisions of this Certificate of Designations).

(b) **Priority of Dividends**. So long as any share of Series F remains outstanding, no dividend shall be declared or paid on the Common Stock or any other shares of Junior Stock (other than a dividend payable solely in Junior Stock), and no Common Stock or other Junior Stock shall be purchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into other Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock and other than through the use of the proceeds of a substantially contemporaneous sale of Junior Stock) during a Dividend Period, unless the full dividends for the latest completed Dividend Period on all outstanding shares of Series F have been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside). The foregoing provision shall not restrict the ability of Goldman, Sachs & Co., or any other affiliate of the Corporation, to engage in any market-making transactions in Junior Stock in the ordinary course of business.

When dividends are not paid (or declared and a sum sufficient for payment thereof set aside) on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within a Dividend Period) in full upon the Series F and any shares of Parity Stock, all dividends declared on the Series F and all such Parity Stock and payable on such Dividend Payment Date (or, in the case of parity stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) shall be declared pro rata so that the respective amounts of such dividends shall bear the same ratio to each other as all accrued but unpaid dividends per share on the Series F and all Parity Stock payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) bear to each other.

Subject to the foregoing, such dividends (payable in cash, securities or other property) as may be determined by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) may be declared and paid on any securities, including Common Stock and other Junior Stock, from time to time out of any funds legally available for such payment, and the Series F shall not be entitled to participate in any such dividends.

Section 5. Liquidation Rights.

(a) **Voluntary or Involuntary Liquidation**. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, holders of Series F shall be entitled to receive, out of the assets of the Corporation or proceeds thereof (whether capital or surplus) available for distribution to stockholders of the Corporation, and after satisfaction of all liabilities and obligations to creditors of the Corporation, before any distribution of such assets or proceeds is made to or set aside for the holders of Common Stock and any other stock of the Corporation ranking junior to the Series F as to such distribution, in full an amount equal to $100,000 per share (the "Series F Liquidation Amount"), together with an amount equal to all dividends (if any) that have been declared but not paid prior to the date of payment of such distribution (but without any amount in respect of dividends that have not been declared prior to such payment date).

(b) **Partial Payment**. If in any distribution described in Section 5(a) above the assets of the Corporation or proceeds thereof are not sufficient to pay the Liquidation Preferences (as defined below) in full to all holders of Series F and all holders of any stock of the Corporation ranking equally with the Series F as to such distribution, the amounts paid to the holders of Series F and to the holders of all such other stock shall be paid pro rata in accordance with the respective aggregate Liquidation Preferences of the holders of Series F and the holders of all such other stock. In any such distribution, the "Liquidation Preference" of any holder of stock of the Corporation shall mean the amount otherwise payable to such holder in such distribution (assuming no limitation on the assets of the Corporation available for such distribution), including an amount equal to any declared but unpaid dividends (and, in the case of any holder of stock other than Series F and on which dividends accrue on a cumulative basis, an amount equal to any unpaid, accrued, cumulative dividends, whether or not declared, as applicable).

(c) **Residual Distributions**. If the Liquidation Preference has been paid in full to all holders of Series F, the holders of other stock of the Corporation shall be entitled to receive all remaining assets of the Corporation (or proceeds thereof) according to their respective rights and preferences.

(d) **Merger, Consolidation and Sale of Assets Not Liquidation**. For purposes of this Section 5, the merger or consolidation of the Corporation with any other corporation or other entity, including a merger or consolidation in which the holders of Series F receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or other property) of all or substantially all of the assets of the Corporation, shall not constitute a liquidation, dissolution or winding up of the Corporation.

Section 6. Redemption.

(a) **Optional Redemption**. The Series F may not be redeemed by the Corporation prior to the later of September 1, 2012 and the date of original issue of Series F. On or after that date, the Corporation, at its option, may redeem, in whole at any time or in part from time to time, the shares of Series F at the time outstanding, upon notice given as provided in Section 6(c) below, at a redemption price equal to $100,000 per share, together (except as otherwise provided herein) with an amount equal to any dividends that have been declared but not paid prior to the redemption date (but with no amount in respect

of any dividends that have not been declared prior to such date). The redemption price for any shares of Series F shall be payable on the redemption date to the holder of such shares against surrender of the certificate(s) evidencing such shares to the Corporation or its agent. Any declared but unpaid dividends payable on a redemption date that occurs subsequent to the Dividend Record Date for a Dividend Period shall not be paid to the holder entitled to receive the redemption price on the redemption date, but rather shall be paid to the holder of record of the redeemed shares on such Dividend Record Date relating to the Dividend Payment Date as provided in Section 4 above.

(b) **No Sinking Fund**. The Series F will not be subject to any mandatory redemption, sinking fund or other similar provisions. Holders of Series F will have no right to require redemption of any shares of Series F.

(c) **Notice of Redemption**. Notice of every redemption of shares of Series F shall be given by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Corporation. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Subsection shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series F designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series F. Notwithstanding the foregoing, if the Series F or any depositary shares representing interests in the Series F are issued in book-entry form through The Depository Trust Company or any other similar facility, notice of redemption may be given to the holders of Series F at such time and in any manner permitted by such facility. Each such notice given to a holder shall state: (1) the redemption date; (2) the number of shares of Series F to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the redemption price; and (4) the place or places where certificates for such shares are to be surrendered for payment of the redemption price.

(d) **Partial Redemption**. In case of any redemption of only part of the shares of Series F at the time outstanding, the shares to be redeemed shall be selected either pro rata or in such other manner as the Corporation may determine to be fair and equitable. Subject to the provisions hereof, the Corporation shall have full power and authority to prescribe the terms and conditions upon which shares of Series F shall be redeemed from time to time. If fewer than all the shares represented by any certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without charge to the holder thereof.

(e) **Effectiveness of Redemption**. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other funds, in trust for the pro rata benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, then, notwithstanding that

any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date dividends shall cease to accrue on all shares so called for redemption, all shares so called for redemption shall no longer be deemed outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption, without interest. Any funds unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

Section 7. Conversion Upon Regulatory Changes. If both (i) and (ii) below occur:

(i) after the date of the issuance of the Series F, the Corporation (by election or otherwise) becomes subject to any law, rule, regulation or guidance (together, "Regulations") relating to its capital adequacy, which Regulation (x) modifies the existing requirements for treatment as Allowable Capital (as defined under the Securities and Exchange Commission rules relating to consolidated supervised entities as in effect from time to time), (y) provides for a type or level of capital characterized as "Tier 1" or its equivalent pursuant to Regulations of any governmental agency, authority or other body having regulatory jurisdiction over the Corporation (or any of its subsidiaries or consolidated affiliates) and implementing the capital standards published by the Basel Committee on Banking Supervision, the Securities and Exchange Commission, the Board of Governors of the Federal Reserve System or any other United States national governmental agency, authority or other body, or any other applicable regime based on capital standards published by the Basel Committee on Banking Supervision or its successor, or (z) provides for a type or level of capital that in the judgment of the Corporation (after consultation with legal counsel of recognized standing) is substantially equivalent to such "Tier 1" capital (such capital described in either (y) or (z) above is referred to below as "Tier 1 Capital Equivalent"), and

(ii) the Corporation affirmatively elects to qualify the Series F for treatment as Allowable Capital or Tier 1 Capital Equivalent without any sublimit or other quantitative restriction on the inclusion of the Series F in Allowable Capital or Tier 1 Capital Equivalent (other than any limitation the Corporation elects to accept and any limitation requiring that common equity or a specified form of common equity constitute the dominant form of Allowable Capital or Tier 1 Capital Equivalent) under such Regulations,

then, upon such affirmative election, the Series F shall be convertible at the Corporation's option into a new series of Preferred Stock having terms and provisions substantially identical to those of the Series F, except that such new series may have such additional or modified rights, preferences, privileges and voting powers, and limitations and restrictions thereof, as are necessary in the judgment of the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) (after consultation with legal

counsel of recognized standing) to comply with the Required Unrestricted Capital Provisions (as defined below), *provided* that the Corporation will not cause any such conversion unless the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) determines that the rights, preferences, privileges and voting powers, and the qualifications, limitations and restrictions thereof, of such new series of Preferred Stock, taken as a whole, are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and the qualifications, limitations and restrictions thereof, of the Series F, taken as a whole.

As used above, the term "Required Unrestricted Capital Provisions" means such terms and provisions as are, in the judgment of the Corporation (after consultation with counsel of recognized standing), required for preferred stock to be treated as Allowable Capital or Tier 1 Capital Equivalent, as applicable, without any sublimit or other quantitative restriction on the inclusion of such preferred stock in Allowable Capital or Tier 1 Capital Equivalent, as applicable (other than any limitation the Corporation elects to accept and any limitation requiring that common equity or a specified form of common equity constitute the dominant form of Allowable Capital or Tier 1 Capital Equivalent) pursuant to the applicable Regulations.

The Corporation shall provide notice to the holders of Series F of any election to qualify the Series F for Allowable Capital or Tier 1 Capital Equivalent treatment and of any determination to convert the Series F into a new series of Preferred Stock pursuant to the terms of this Section 7, promptly upon the effectiveness of any such election or determination. A copy of such notice and of the relevant Regulations shall be maintained on file at the principal offices of the Corporation and, upon request, will be made available to any stockholder of the Corporation. Any conversion of the Series F pursuant to this Section 7 shall be effected pursuant to such procedures as the Corporation may determine and publicly disclose.

Except as specified in this Section 7, holders of Series F shares shall have no right to exchange or convert such shares into any other securities.

Section 8. Voting Rights.

(a) **General**. The holders of Series F shall not have any voting rights except as set forth below or as otherwise from to time required by law.

(b) **Right To Elect Two Directors Upon Nonpayment Events**. If and whenever dividends on any shares of Series F shall not have been declared and paid for at least six Dividend Periods, whether or not consecutive (a "Nonpayment Event"), the number of directors then constituting the Board of Directors shall automatically be increased by two and the holders of Series F, together with the holders of any outstanding shares of Voting Preferred Stock, voting together as a single class, shall be entitled to elect the two additional directors (the "Preferred Stock Directors"), *provided* that it shall be a qualification for election for any such Preferred Stock Director that the election of such director shall not cause the Corporation to violate the corporate governance requirement of the New York Stock Exchange (or any other securities exchange or other trading facility on

which securities of the Corporation may then be listed or traded) that listed or traded companies must have a majority of independent directors and *provided further* that the Board of Directors shall at no time include more than two Preferred Stock Directors (including, for purposes of this limitation, all directors that the holders of any series of Voting Preferred Stock are entitled to elect pursuant to like voting rights).

In the event that the holders of the Series F, and such other holders of Voting Preferred Stock, shall be entitled to vote for the election of the Preferred Stock Directors following a Nonpayment Event, such directors shall be initially elected following such Nonpayment Event only at a special meeting called at the request of the holders of record of at least 20% of the Series F or of any other series of Voting Preferred Stock then outstanding (unless such request for a special meeting is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders of the Corporation, in which event such election shall be held only at such next annual or special meeting of stockholders), and at each subsequent annual meeting of stockholders of the Corporation. Such request to call a special meeting for the initial election of the Preferred Stock Directors after a Nonpayment Event shall be made by written notice, signed by the requisite holders of Series F or Voting Preferred Stock, and delivered to the Secretary of the Corporation in such manner as provided for in Section 10 below, or as may otherwise be required by law.

When dividends have been paid (or declared and a sum sufficient for payment thereof set aside) in full on the Series F for at least four Dividend Periods (whether or not consecutive) after a Nonpayment Event, then the right of the holders of Series F to elect the Preferred Stock Directors shall cease (but subject always to revesting of such voting rights in the case of any future Nonpayment Event), and, if and when any rights of holders of Series F and Voting Preferred Stock to elect the Preferred Stock Directors shall have ceased, the terms of office of all the Preferred Stock Directors shall forthwith terminate and the number of directors constituting the Board of Directors shall automatically be reduced accordingly.

Any Preferred Stock Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of the Series F and Voting Preferred Stock, when they have the voting rights described above (voting together as a single class). So long as a Nonpayment Event shall continue, any vacancy in the office of a Preferred Stock Director (other than prior to the initial election of Preferred Stock Directors after a Nonpayment Event) may be filled by the written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of record of a majority of the outstanding shares of the Series F and all Voting Preferred Stock, when they have the voting rights described above (voting together as a single class). Any such vote of stockholders to remove, or to fill a vacancy in the office of, a Preferred Stock Director may be taken only at a special meeting of such stockholders, called as provided above for an initial election of Preferred Stock Director after a Nonpayment Event (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of stockholders). The Preferred Stock Directors shall

each be entitled to one vote per director on any matter that shall come before the Board of Directors for a vote. Each Preferred Stock Director elected at any special meeting of stockholders or by written consent of the other Preferred Stock Director shall hold office until the next annual meeting of the stockholders if such office shall not have previously terminated as above provided.

(c) **Other Voting Rights**. So long as any shares of Series F are outstanding, in addition to any other vote or consent of stockholders required by law or by the Certificate of Incorporation, the vote or consent of the holders of at least 66⅔% of the shares of Series F and any Voting Preferred Stock at the time outstanding and entitled to vote thereon, voting together as a single class, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(i) **Authorization of Senior Stock**. Any amendment or alteration of the Certificate of Incorporation to authorize or create, or increase the authorized amount of, any shares of any class or series of capital stock of the Corporation ranking senior to the Series F with respect to either or both the payment of dividends and/or the distribution of assets on any liquidation, dissolution or winding up of the Corporation;

(ii) **Amendment of Series F**. Any amendment, alteration or repeal of any provision of the Certificate of Incorporation so as to materially and adversely affect the special rights, preferences, privileges or voting powers of the Series F, taken as a whole; or

(iii) **Share Exchanges, Reclassifications, Mergers and Consolidations**. Any consummation of a binding share exchange or reclassification involving the Series F, or of a merger or consolidation of the Corporation with another corporation or other entity, unless in each case (x) the shares of Series F remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (y) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series F immediately prior to such consummation, taken as a whole;

provided, *however*, that for all purposes of this Section 8(c), any increase in the amount of the authorized or issued Series F or authorized Preferred Stock, or the creation and issuance, or an increase in the authorized or issued amount, of any other series of Preferred Stock ranking equally with and/or junior to the Series F with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the rights, preferences, privileges or voting powers of the Series F. In addition, any conversion of the Series F pursuant to Section 7 above shall not be deemed to adversely affect the rights, preferences, privileges and voting powers of the Series F.

If any amendment, alteration, repeal, share exchange, reclassification, merger or consolidation specified in this Section 8(c) would adversely affect the Series F and one or more but not all other series of Preferred Stock, then only the Series F and such series of Preferred Stock as are adversely affected by and entitled to vote on the matter shall vote on the matter together as a single class (in lieu of all other series of Preferred Stock).

(d) **Changes for Clarification**. Without the consent of the holders of the Series F, so long as such action does not adversely affect the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series F, the Corporation may amend, alter, supplement or repeal any terms of the Series F:

(i) to cure any ambiguity, or to cure, correct or supplement any provision contained in this Certificate of Designations that may be defective or inconsistent; or

(ii) to make any provision with respect to matters or questions arising with respect to the Series F that is not inconsistent with the provisions of this Certificate of Designations.

(e) **Changes after Provision for Redemption**. No vote or consent of the holders of Series F shall be required pursuant to Section 8(b), (c) or (d) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding shares of Series F shall have been redeemed, or shall have been called for redemption upon proper notice and sufficient funds shall have been set aside for such redemption, in each case pursuant to Section 6 above.

(f) **Procedures for Voting and Consents**. The rules and procedures for calling and conducting any meeting of the holders of Series F (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors), in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Certificate of Incorporation, the Bylaws, applicable law and any national securities exchange or other trading facility on which the Series F is listed or traded at the time. Whether the vote or consent of the holders of a plurality, majority or other portion of the shares of Series F and any Voting Preferred Stock has been cast or given on any matter on which the holders of shares of Series F are entitled to vote shall be determined by the Corporation by reference to the specified liquidation amounts of the shares voted or covered by the consent.

Section 9. Record Holders. To the fullest extent permitted by applicable law, the Corporation and the transfer agent for the Series F may deem and treat the record holder of any share of Series F as the true and lawful owner thereof for all purposes, and neither the Corporation nor such transfer agent shall be affected by any notice to the contrary.

Section 10. Notices. All notices or communications in respect of Series F shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, or if given in such other manner as may be permitted in this Certificate of Designations, in the Certificate of Incorporation or Bylaws or by applicable law.

Section 11. No Preemptive Rights. No share of Series F shall have any rights of preemption whatsoever as to any securities of the Corporation, or any warrants, rights or options issued or granted with respect thereto, regardless of how such securities, or such warrants, rights or options, may be designated, issued or granted.

Section 12. Other Rights. The shares of Series F shall not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Certificate of Incorporation or as provided by applicable law.

CERTIFICATE OF DESIGNATIONS

OF

5.50% FIXED-TO-FLOATING RATE NON-CUMULATIVE PREFERRED STOCK, SERIES J

OF

THE GOLDMAN SACHS GROUP, INC.

THE GOLDMAN SACHS GROUP, INC., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), in accordance with the provisions of Sections 103 and 151 thereof, DOES HEREBY CERTIFY:

The Securities Issuance Committee (the "Committee") of the board of directors of the Corporation (the "Board of Directors"), in accordance with the resolutions of the Board of Directors dated October 28, 2011, the provisions of the restated certificate of incorporation and the amended and restated bylaws of the Corporation and applicable law, at a meeting duly called and held on April 22, 2013, adopted the following resolution creating a series of 46,000 shares of Preferred Stock of the Corporation designated as "5.50% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series J".

RESOLVED, that pursuant to the authority vested in the Committee and in accordance with the resolutions of the Board of Directors dated October 28, 2011, the provisions of the restated certificate of incorporation and the amended and restated bylaws of the Corporation and applicable law, a series of Preferred Stock, par value $.01 per share, of the Corporation be and hereby is created, and that the designation and number of shares of such series, and the voting and other powers, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

Section 1. Designation. The distinctive serial designation of such series of Preferred Stock is "5.50% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series J" ("Series J"). Each share of Series J shall be identical in all respects to every other share of Series J, except as to the respective dates from which dividends thereon shall accrue, to the extent such dates may differ as permitted pursuant to Section 4(a) below.

Section 2. Number of Shares. The authorized number of shares of Series J shall be 46,000. Shares of Series J that are redeemed, purchased or otherwise acquired by the Corporation shall be cancelled and shall revert to authorized but unissued shares of Series J.

Section 3. Definitions. As used herein with respect to Series J:

(a) "Appropriate Federal Banking Agency" means the "appropriate federal banking agency" with respect to the Corporation as that term is defined in Section 3(q) of the Federal Deposit Insurance Act or any successor provision.

(b) "Board of Directors" means the board of directors of the Corporation.

(c) "ByLaws" means the amended and restated bylaws of the Corporation, as they may be amended from time to time.

(d) "Business Day" means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City generally are authorized or obligated by law, regulation or executive order to close.

(e) "Calculation Agent" means, at any time, the person or entity appointed by the Corporation and serving as such agent at such time. The Corporation may terminate any such appointment and may appoint a successor agent at any time and from time to time, *provided* that the Corporation shall use its best efforts to ensure that there is, at all relevant times when the Series J is outstanding, a person or entity appointed and serving as such agent. The Calculation Agent may be a person or entity affiliated with the Corporation.

(f) "Certificate of Designations" means this Certificate of Designations relating to the Series J, as it may be amended from time to time.

(g) "Certification of Incorporation" shall mean the restated certificate of incorporation of the Corporation, as it may be amended from time to time, and shall include this Certificate of Designations.

(h) "Common Stock" means the common stock, par value $0.01 per share, of the Corporation.

(i) "Junior Stock" means the Common Stock and any other class or series of stock of the Corporation (other than Series J) that ranks junior to Series J either or both as to the payment of dividends and/or as to the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(j) "London Business Day" means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is a day on which dealings in U.S. dollars are transacted in the London interbank market.

(k) "Parity Stock" means any class or series of stock of the Corporation (other than Series J) that ranks equally with Series J both in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(l) “Preferred Stock” means any and all series of Preferred Stock, having a par value of $0.01 per share, of the Corporation, including the Series J.

(m) “Regulatory Capital Treatment Event” means the good faith determination by the Corporation that, as a result of (i) any amendment to, or change in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of the Series J (ii) any proposed change in those laws or regulations that is announced or becomes effective after the initial issuance of any share of Series J, or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations that is announced after the initial issuance of any share of Series J, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation preference amount of $25,000 per share of Series J then outstanding as “tier 1 capital” (or its equivalent) for purposes of the capital adequacy guidelines of the Board of Governors of the Federal Reserve System (or, as and if applicable, the capital adequacy guidelines or regulations of any successor Appropriate Federal Banking Agency) as then in effect and applicable, for so long as any share of Series J is outstanding.

(n) “Representative Amount” means, at any time, an amount that, in the Calculation Agent’s judgment, is representative of a single transaction in the relevant market at the relevant time.

(o) “Reuters screen” means the display on the Reuters 3000 Xtra service, or any successor or replacement service.

(p) “Voting Preferred Stock” means, with regard to any election or removal of a Preferred Stock Director (as defined in Section 7(b) below) or any other matter as to which the holders of Series J are entitled to vote as specified in Section 7 of this Certificate of Designations, any and all series of Preferred Stock (other than Series J) that rank equally with Series J either as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up of the Corporation and upon which like voting rights have been conferred and are exercisable with respect to such matter.

Section 4. Dividends.

(a) Rate. Holders of Series J shall be entitled to receive, when, as and if declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) out of funds legally available for the payment of dividends under Delaware law, non-cumulative cash dividends at the rate determined as set forth below in this Section (4) applied to the liquidation preference amount of $25,000 per share of Series J. Such dividends shall be payable quarterly in arrears (as provided below in

this Section 4(a)), but only when, as and if declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors), on February 10, May 10, August 10 and November 10 ("Dividend Payment Dates"), commencing on August 10, 2013; *provided* that if any such Dividend Payment Date would otherwise occur on a day that is not a Business Day, such Dividend Payment Date shall instead be (and any dividend payable on Series J on such Dividend Payment Date shall instead be payable on) the immediately succeeding Business Day unless, after May 10, 2023, such immediately succeeding Business Day falls in the next calendar month, in which case such Dividend Payment Date shall instead be (and any such Dividend shall instead be payable on) the immediately preceding Business Day. Dividends on Series J shall not be cumulative; holders of Series J shall not be entitled to receive any dividends not declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) and no interest, or sum of money in lieu of interest, shall be payable in respect of any dividend not so declared.

Dividends on the Series J shall not be declared or set aside for payment if and to the extent such dividends would cause the Corporation to fail to comply with the capital adequacy guidelines of the Board of Governors of the Federal Reserve System (or, as and if applicable, the capital adequacy guidelines or regulations of any successor Appropriate Federal Banking Agency) applicable to the Corporation.

Dividends that are payable on Series J on any Dividend Payment Date will be payable to holders of record of Series J as they appear on the stock register of the Corporation on the applicable record date, which shall be the 15th calendar day before such Dividend Payment Date or such other record date fixed by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) that is not more than 60 nor less than 10 days prior to such Dividend Payment Date (each, a "Dividend Record Date"). Any such day that is a Dividend Record Date shall be a Dividend Record Date whether or not such day is a Business Day.

Each dividend period (a "Dividend Period") shall commence on and include a Dividend Payment Date (other than the initial Dividend Period, which shall commence on and include the date of original issue of the Series J, *provided* that, for any share of Series J issued after such original issue date, the initial Dividend Period for such shares may commence on and include such other date as the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) shall determine and publicly disclose) and shall end on and include the calendar day next preceding the next Dividend Payment Date. Dividends payable on the Series J in respect of any Dividend Period beginning prior to May 10, 2023 shall be calculated on the basis of a 360-day year consisting of twelve 30-day months, and dividends payable on the Series J in respect of any Dividend Period beginning on or after May 10, 2023 shall be calculated by the Calculation Agent on the basis of a 360-day year and the actual number of days elapsed in such Dividend Period. Dividends payable in respect of a Dividend Period shall be payable in arrears - i.e., on the first Dividend Payment Date after such Dividend Period.

The dividend rate on the Series J, for each Dividend Period beginning prior to May 10, 2023, shall be a rate per annum equal to 5.50%, and the dividend rate on the Series J, for each Dividend Period beginning on or after May 10, 2023, shall be a rate per annum equal to LIBOR (as defined below) for such Dividend Period plus 3.64%. LIBOR, with respect to any Dividend Period beginning on or after May 10, 2023, means the offered rate expressed as a percentage per annum for three-month deposits in U.S. dollars on the first day of such Dividend Period, as that rate appears on Reuters screen LIBOR01 (or any successor or replacement page) as of approximately 11:00 A.M., London time, on the second London Business Day immediately preceding the first day of such Dividend Period.

If the rate described in the preceding paragraph does not appear on the Reuters screen LIBOR01 (or any successor or replacement page), LIBOR shall be determined on the basis of the rates, at approximately 11:00 A.M., London time, on the second London Business Day immediately preceding the first day of such Dividend Period, at which deposits of the following kind are offered to prime banks in the London interbank market by four major banks in that market selected by the Calculation Agent: three-month deposits in U.S. dollars, beginning on the first day of such Dividend Period, and in a Representative Amount. The Calculation Agent shall request the principal London office of each of these banks to provide a quotation of its rate at approximately 11:00 A.M., London time. If at least two quotations are provided, LIBOR for such Dividend Period shall be the arithmetic mean of such quotations.

If fewer than two quotations are provided as described in the preceding paragraph, LIBOR for such Dividend Period shall be the arithmetic mean of the rates for loans of the following kind to leading European banks quoted, at approximately 11:00 A.M., New York City time, on the second London Business Day immediately preceding the first day of such Dividend Period, by three major banks in New York City selected by the Calculation Agent: three-month loans of U.S. dollars, beginning on the first day of such Dividend Period, and in a Representative Amount.

If no quotation is provided as described in the preceding paragraph, then the Calculation Agent, after consulting such sources as it deems comparable to any of the foregoing quotations or display page, or any such source as it deems reasonable from which to estimate LIBOR or any of the foregoing lending rates, shall determine LIBOR for such Dividend Period in its sole discretion.

The Calculation Agent’s determination of any dividend rate, and its calculation of the amount of dividends for any Dividend Period, will be maintained on file at the Corporation’s principal offices, will be made available to any stockholder upon request and will be final and binding in the absence of manifest error.

Holders of Series J shall not be entitled to any dividends, whether payable in cash, securities or other property, other than dividends (if any) declared and payable on the Series J as specified in this Section 4 (subject to the other provisions of this Certificate of Designations).

(b) Priority of Dividends. So long as any share of Series J remains outstanding, no dividend shall be declared or paid on the Common Stock or any other shares of Junior Stock (other than a dividend payable solely in Junior Stock), and no Common Stock or other Junior Stock shall be purchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into other Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock and other than through the use of the proceeds of a substantially contemporaneous sale of Junior Stock) during a Dividend Period, unless the full dividends for the latest completed Dividend Period on all outstanding shares of Series J have been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside). The foregoing provision shall not restrict the ability of Goldman, Sachs & Co., or any other affiliate of the Corporation, to engage in any market-making transactions in Junior Stock in the ordinary course of business.

When dividends are not paid (or declared and a sum sufficient for payment thereof set aside) on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within a Dividend Period) in full upon the Series J and any shares of Parity Stock, all dividends declared on the Series J and all such Parity Stock and payable on such Dividend Payment Date (or, in the case of parity stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) shall be declared pro rata so that the respective amounts of such dividends shall bear the same ratio to each other as all accrued but unpaid dividends per share on the Series J and all Parity Stock payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) bear to each other.

Subject to the foregoing, such dividends (payable in cash, securities or other property) as may be determined by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) may be declared and paid on any securities, including Common Stock and other Junior Stock, from time to time out of any funds legally available for such payment, and the Series J shall not be entitled to participate in any such dividends.

Section 5. Liquidation Rights.

(a) Voluntary or Involuntary Liquidation. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, holders of Series J shall be entitled to receive, out of the assets of the Corporation or proceeds thereof (whether capital or surplus) available for distribution to stockholders of the Corporation, and after satisfaction of all liabilities and obligations to creditors of the Corporation, before any distribution of such assets or proceeds is made to or set aside for the holders of Common Stock and any other stock of the Corporation ranking junior to the Series J as to such distribution, in full an amount equal to $25,000 per share (the “Series J Liquidation Amount”), together with an amount equal to all dividends (if any) that have been declared but not paid prior to the date of payment of such distribution (but without any amount in respect of dividends that have not been declared prior to such payment date).

(b) Partial Payment. If in any distribution described in Section 5(a) above the assets of the Corporation or proceeds thereof are not sufficient to pay the Liquidation Preferences (as defined below) in full to all holders of Series J and all holders of any stock of the Corporation ranking equally with the Series J as to such distribution, the amounts paid to the holders of Series J and to the holders of all such other stock shall be paid *pro rata* in accordance with the respective aggregate Liquidation Preferences of the holders of Series J and the holders of all such other stock. In any such distribution, the "Liquidation Preference" of any holder of stock of the Corporation shall mean the amount otherwise payable to such holder in such distribution (assuming no limitation on the assets of the Corporation available for such distribution), including an amount equal to any declared but unpaid dividends (and, in the case of any holder of stock other than Series J and on which dividends accrue on a cumulative basis, an amount equal to any unpaid, accrued, cumulative dividends, whether or not declared, as applicable).

(c) Residual Distributions. If the Liquidation Preference has been paid in full to all holders of Series J, the holders of other stock of the Corporation shall be entitled to receive all remaining assets of the Corporation (or proceeds thereof) according to their respective rights and preferences.

(d) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Section 5, the merger or consolidation of the Corporation with any other corporation or other entity, including a merger or consolidation in which the holders of Series J receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or other property) of all or substantially all of the assets of the Corporation, shall not constitute a liquidation, dissolution or winding up of the Corporation.

Section 6. Redemption.

(a) Optional Redemption. The Series J is perpetual and has no maturity date. The Corporation may, at its option, redeem the shares of Series J at the time outstanding, upon notice given as provided in Section 6(c) below, (i) in whole or in part, from time to time, on any date on or after May 10, 2023, or (ii) in whole but not in part at any time within 90 days following a Regulatory Capital Treatment Event, in each case, at a redemption price equal to $25,000 per share, together (except as otherwise provided hereinbelow) with an amount equal to any dividends that have accrued but not been paid for the then-current Dividend Period to but excluding the redemption date, whether or not such dividends have been declared. The redemption price for any shares of Series J shall be payable on the redemption date to the holder of such shares against surrender of the certificate(s) evidencing such shares to the Corporation or its agent. Any declared but unpaid dividends payable on a redemption date that occurs subsequent to the Dividend

Record Date for a Dividend Period shall not be paid to the holder entitled to receive the redemption price on the redemption date, but rather shall be paid to the holder of record of the redeemed shares on such Dividend Record Date relating to the Dividend Payment Date as provided in Section 4 above. Notwithstanding the foregoing, the Corporation may not redeem shares of Series J without having received the prior approval of the Appropriate Federal Banking Agency if then required under capital guidelines applicable to the Corporation.

(b) No Sinking Fund. The Series J will not be subject to any mandatory redemption, sinking fund or other similar provisions. Holders of Series J will have no right to require redemption of any shares of Series J.

(c) Notice of Redemption. Notice of every redemption of shares of Series J shall be given by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Corporation. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Subsection shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series J designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series J. Notwithstanding the foregoing, if the Series J or any depositary shares representing interests in the Series J are issued in book-entry form through The Depository Trust Company or any other similar facility, notice of redemption may be given to the holders of Series J at such time and in any manner permitted by such facility. Each such notice given to a holder shall state: (1) the redemption date; (2) the number of shares of Series J to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the redemption price; and (4) the place or places where certificates for such shares are to be surrendered for payment of the redemption price.

(d) Partial Redemption. In case of any redemption of only part of the shares of Series J at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or in such other manner as the Corporation may determine to be fair and equitable. Subject to the provisions hereof, the Corporation shall have full power and authority to prescribe the terms and conditions upon which shares of Series J shall be redeemed from time to time. If fewer than all the shares represented by any certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without charge to the holder thereof.

(e) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other funds, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for

cancellation, on and after the redemption date dividends shall cease to accrue on all shares so called for redemption, all shares so called for redemption shall no longer be deemed outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption, without interest. Any funds unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

Section 7. Voting Rights.

(a) General. The holders of Series J shall not have any voting rights except as set forth below or as otherwise from time to time required by law.

(b) Right To Elect Two Directors Upon Nonpayment Events. If and whenever dividends on any shares of Series J shall not have been declared and paid for at least six Dividend Periods, whether or not consecutive (a "Nonpayment Event"), the number of directors then constituting the Board of Directors shall automatically be increased by two and the holders of Series J, together with the holders of any outstanding shares of Voting Preferred Stock, voting together as a single class, shall be entitled to elect the two additional directors (the "Preferred Stock Directors"), *provided* that the Board of Directors shall at no time include more than two Preferred Stock Directors (including, for purposes of this limitation, all directors that the holders of any series of Voting Preferred Stock are entitled to elect pursuant to like voting rights).

In the event that the holders of the Series J, and such other holders of Voting Preferred Stock, shall be entitled to vote for the election of the Preferred Stock Directors following a Nonpayment Event, such directors shall be initially elected following such Nonpayment Event only at a special meeting called at the request of the holders of record of at least 20% of the Series J or of any other series of Voting Preferred Stock then outstanding (unless such request for a special meeting is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders of the Corporation, in which event such election shall be held only at such next annual or special meeting of stockholders), and at each subsequent annual meeting of stockholders of the Corporation. Such request to call a special meeting for the initial election of the Preferred Stock Directors after a Nonpayment Event shall be made by written notice, signed by the requisite holders of Series J or Voting Preferred Stock, and delivered to the Secretary of the Corporation in such manner as provided for in Section 9 below, or as may otherwise be required by law.

When dividends have been paid (or declared and a sum sufficient for payment thereof set aside) in full on the Series J for four consecutive Dividend Periods after a Nonpayment Event, then the right of the holders of Series J to elect the Preferred Stock Directors shall cease (but subject always to revesting of such voting rights in the case of any future Nonpayment Event), and, if and when any rights of holders of Series J and Voting Preferred Stock to elect the Preferred Stock Directors shall have ceased, the terms of office of all the Preferred Stock Directors shall forthwith terminate and the number of directors constituting the Board of Directors shall automatically be reduced accordingly.

Any Preferred Stock Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of the Series J and Voting Preferred Stock, when they have the voting rights described above (voting together as a single class). So long as a Nonpayment Event shall continue, any vacancy in the office of a Preferred Stock Director (other than prior to the initial election of Preferred Stock Directors after a Nonpayment Event) may be filled by the written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of record of a majority of the outstanding shares of the Series J and all Voting Preferred Stock, when they have the voting rights described above (voting together as a single class). Any such vote of stockholders to remove, or to fill a vacancy in the office of, a Preferred Stock Director may be taken only at a special meeting of such stockholders, called as provided above for an initial election of Preferred Stock Director after a Nonpayment Event (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of stockholders). The Preferred Stock Directors shall each be entitled to one vote per director on any matter that shall come before the Board of Directors for a vote. Each Preferred Stock Director elected at any special meeting of stockholders or by written consent of the other Preferred Stock Director shall hold office until the next annual meeting of the stockholders if such office shall not have previously terminated as above provided.

(c) Other Voting Rights. So long as any shares of Series J are outstanding, in addition to any other vote or consent of stockholders required by law or by the Certificate of Incorporation, the vote or consent of the holders of at least 66⅔% of the shares of Series J and any Voting Preferred Stock at the time outstanding and entitled to vote thereon, voting together as a single class, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(i) Authorization of Senior Stock. Any amendment or alteration of the Certificate of Incorporation to authorize or create, or increase the authorized amount of, any shares of any class or series of capital stock of the Corporation ranking senior to the Series J with respect to either or both the payment of dividends and/or the distribution of assets on any liquidation, dissolution or winding up of the Corporation;

(ii) Amendment of Series J. Any amendment, alteration or repeal of any provision of the Certificate of Incorporation so as to materially and adversely affect the special rights, preferences, privileges or voting powers of the Series J, taken as a whole; or

(iii) Share Exchanges, Reclassifications, Mergers and Consolidations. Any consummation of a binding share exchange or reclassification involving the Series J, or of a merger or consolidation of the Corporation with another corporation or other entity, unless in each case (x) the shares of Series J remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (y) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series J immediately prior to such consummation, taken as a whole;

provided, *however*, that for all purposes of this Section 7(c), any increase in the amount of the authorized or issued Series J or authorized Preferred Stock, or the creation and issuance, or an increase in the authorized or issued amount, of any other series of Preferred Stock ranking equally with and/or junior to the Series J with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the rights, preferences, privileges or voting powers of the Series J.

If any amendment, alteration, repeal, share exchange, reclassification, merger or consolidation specified in this Section 7(c) would adversely affect the Series J and one or more but not all other series of Preferred Stock, then only the Series J and such series of Preferred Stock as are adversely affected by and entitled to vote on the matter shall vote on the matter together as a single class (in lieu of all other series of Preferred Stock).

(d) Changes for Clarification. Without the consent of the holders of the Series J, so long as such action does not adversely affect the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series J, the Corporation may amend, alter, supplement or repeal any terms of the Series J:

(i) to cure any ambiguity, or to cure, correct or supplement any provision contained in this Certificate of Designations that may be defective or inconsistent; or

(ii) to make any provision with respect to matters or questions arising with respect to the Series J that is not inconsistent with the provisions of this Certificate of Designations.

(e) Changes after Provision for Redemption. No vote or consent of the holders of Series J shall be required pursuant to Section 7(b), (c) or (d) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding shares of Series J shall have been redeemed, or shall have been called for redemption upon proper notice and sufficient funds shall have been set aside for such redemption, in each case pursuant to Section 6 above.

(f) Procedures for Voting and Consents. The rules and procedures for calling and conducting any meeting of the holders of Series J (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors), in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Certificate of Incorporation, the Bylaws, applicable law and any national securities exchange or other trading facility on which the Series J is listed or traded at the time. Whether the vote or consent of the holders of a plurality, majority or other portion of the shares of Series J and any Voting Preferred Stock has been cast or given on any matter on which the holders of shares of Series J are entitled to vote shall be determined by the Corporation by reference to the specified liquidation amounts of the shares voted or covered by the consent.

Section 8. Record Holders. To the fullest extent permitted by applicable law, the Corporation and the transfer agent for the Series J may deem and treat the record holder of any share of Series J as the true and lawful owner thereof for all purposes, and neither the Corporation nor such transfer agent shall be affected by any notice to the contrary.

Section 9. Notices. All notices or communications in respect of Series J shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, or if given in such other manner as may be permitted in this Certificate of Designations, in the Certificate of Incorporation or Bylaws or by applicable law.

Section 10. No Preemptive Rights. No share of Series J shall have any rights of preemption whatsoever as to any securities of the Corporation, or any warrants, rights or options issued or granted with respect thereto, regardless of how such securities, or such warrants, rights or options, may be designated, issued or granted.

Section 11. Other Rights. The shares of Series J shall not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Certificate of Incorporation or as provided by applicable law.

CERTIFICATE OF DESIGNATIONS

OF

6.375% FIXED-TO-FLOATING RATE NON-CUMULATIVE PREFERRED STOCK, SERIES K

OF

THE GOLDMAN SACHS GROUP, INC.

THE GOLDMAN SACHS GROUP, INC., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), in accordance with the provisions of Sections 103 and 151 thereof, DOES HEREBY CERTIFY:

The Securities Issuance Committee (the "Committee") of the board of directors of the Corporation (the "Board of Directors"), in accordance with the resolutions of the Board of Directors dated October 28, 2011, the provisions of the restated certificate of incorporation and the amended and restated bylaws of the Corporation and applicable law, at a meeting duly called and held on April 24, 2014, adopted the following resolution creating a series of 32,200 shares of Preferred Stock of the Corporation designated as "6.375% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series K".

RESOLVED, that pursuant to the authority vested in the Committee and in accordance with the resolutions of the Board of Directors dated October 28, 2011, the provisions of the restated certificate of incorporation and the amended and restated bylaws of the Corporation and applicable law, a series of Preferred Stock, par value $.01 per share, of the Corporation be and hereby is created, and that the designation and number of shares of such series, and the voting and other powers, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

Section 1. Designation. The distinctive serial designation of such series of Preferred Stock is "6.375% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series K" ("Series K"). Each share of Series K shall be identical in all respects to every other share of Series K, except as to the respective dates from which dividends thereon shall accrue, to the extent such dates may differ as permitted pursuant to Section 4(a) below.

Section 2. Number of Shares. The authorized number of shares of Series K shall be 32,200. Shares of Series K that are redeemed, purchased or otherwise acquired by the Corporation shall be cancelled and shall revert to authorized but unissued shares of Series K.

Section 3. Definitions. As used herein with respect to Series K:

(a) "Appropriate Federal Banking Agency" means the "appropriate federal banking agency" with respect to the Corporation as that term is defined in Section 3(q) of the Federal Deposit Insurance Act or any successor provision.

(b) "Board of Directors" means the board of directors of the Corporation.

(c) "ByLaws" means the amended and restated bylaws of the Corporation, as they may be amended from time to time.

(d) "Business Day" means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City generally are authorized or obligated by law, regulation or executive order to close.

(e) "Calculation Agent" means, at any time, the person or entity appointed by the Corporation and serving as such agent at such time. The Corporation may terminate any such appointment and may appoint a successor agent at any time and from time to time, *provided* that the Corporation shall use its best efforts to ensure that there is, at all relevant times when the Series K is outstanding, a person or entity appointed and serving as such agent. The Calculation Agent may be a person or entity affiliated with the Corporation.

(f) "Certificate of Designations" means this Certificate of Designations relating to the Series K, as it may be amended from time to time.

(g) "Certification of Incorporation" shall mean the restated certificate of incorporation of the Corporation, as it may be amended from time to time, and shall include this Certificate of Designations.

(h) "Common Stock" means the common stock, par value $0.01 per share, of the Corporation.

(i) "Junior Stock" means the Common Stock and any other class or series of stock of the Corporation (other than Series K) that ranks junior to Series K either or both as to the payment of dividends and/or as to the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(j) "London Business Day" means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is a day on which dealings in U.S. dollars are transacted in the London interbank market.

(k) "Parity Stock" means any class or series of stock of the Corporation (other than Series K) that ranks equally with Series K both in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(l) “Preferred Stock” means any and all series of Preferred Stock, having a par value of $0.01 per share, of the Corporation, including the Series K.

(m) “Regulatory Capital Treatment Event” means the good faith determination by the Corporation that, as a result of (i) any amendment to, or change in, the laws, rules or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of Series K, (ii) any proposed change in those laws, rules or regulations that is announced or becomes effective after the initial issuance of any share of Series K, or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws, rules or regulations or policies with respect thereto that is announced after the initial issuance of any share of Series K, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation preference amount of $25,000 per share of Series K then outstanding as “tier 1 capital” (or its equivalent) for purposes of the capital adequacy guidelines of the Board of Governors of the Federal Reserve System (or, as and if applicable, the capital adequacy guidelines or regulations of any successor Appropriate Federal Banking Agency) as then in effect and applicable, for so long as any share of Series K is outstanding.

(n) “Representative Amount” means, at any time, an amount that, in the Calculation Agent’s judgment, is representative of a single transaction in the relevant market at the relevant time.

(o) “Reuters screen” means the display on the Reuters 3000 Xtra service, or any successor or replacement service.

(p) “Voting Preferred Stock” means, with regard to any election or removal of a Preferred Stock Director (as defined in Section 7(b) below) or any other matter as to which the holders of Series K are entitled to vote as specified in Section 7 of this Certificate of Designations, any and all series of Preferred Stock (other than Series K) that rank equally with Series K either as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up of the Corporation and upon which like voting rights have been conferred and are exercisable with respect to such matter.

Section 4. Dividends.

(a) Rate. Holders of Series K shall be entitled to receive, when, as and if declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) out of funds legally available for the payment of dividends under Delaware law, non-cumulative cash dividends per each share of Series K at the rate determined as set forth below in this Section (4) applied to the liquidation

preference amount of $25,000 per share of Series K. Such dividends shall be payable quarterly in arrears (as provided below in this Section 4(a)), but only when, as and if declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors), on February 10, May 10, August 10 and November 10 ("Dividend Payment Dates"), commencing on August 10, 2014; *provided* that if any such Dividend Payment Date would otherwise occur on a day that is not a Business Day, such Dividend Payment Date shall instead be (and any dividend payable on Series K on such Dividend Payment Date shall instead be payable on) the immediately succeeding Business Day unless, after May 10, 2024, such immediately succeeding Business Day falls in the next calendar month, in which case such Dividend Payment Date shall instead be (and any such Dividend shall instead be payable on) the immediately preceding Business Day. Dividends on Series K shall not be cumulative; holders of Series K shall not be entitled to receive any dividends not declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) and no interest, or sum of money in lieu of interest, shall be payable in respect of any dividend not so declared.

Dividends on the Series K shall not be declared or set aside for payment if and to the extent such dividends would cause the Corporation to fail to comply with the capital adequacy guidelines of the Board of Governors of the Federal Reserve System (or, as and if applicable, the capital adequacy guidelines or regulations of any successor Appropriate Federal Banking Agency) applicable to the Corporation.

Dividends that are payable on Series K on any Dividend Payment Date will be payable to holders of record of Series K as they appear on the stock register of the Corporation on the applicable record date, which shall be the 15th calendar day before such Dividend Payment Date or such other record date fixed by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) that is not more than 60 nor less than 10 days prior to such Dividend Payment Date (each, a "Dividend Record Date"). Any such day that is a Dividend Record Date shall be a Dividend Record Date whether or not such day is a Business Day.

Each dividend period (a "Dividend Period") shall commence on and include a Dividend Payment Date (other than the initial Dividend Period, which shall commence on and include the date of original issue of the Series K, *provided* that, for any share of Series K issued after such original issue date, the initial Dividend Period for such shares may commence on and include such other date as the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) shall determine and publicly disclose) and shall end on and include the calendar day next preceding the next Dividend Payment Date. Dividends payable on the Series K in respect of any Dividend Period beginning prior to May 10, 2024 shall be calculated on the basis of a 360-day year consisting of twelve 30-day months, and dividends payable on the Series K in respect of any Dividend Period beginning on or after May 10, 2024 shall be calculated by the Calculation Agent on the basis of a 360-day year and the actual number of days elapsed in such Dividend Period. Dividends payable in respect of a Dividend Period shall be payable in arrears - i.e., on the first Dividend Payment Date after such Dividend Period.

The dividend rate on the Series K, for each Dividend Period beginning prior to May 10, 2024, shall be a rate per annum equal to 6.375%, and the dividend rate on the Series K, for each Dividend Period beginning on or after May 10, 2024, shall be a rate per annum equal to LIBOR (as defined below) for such Dividend Period plus 3.55%. LIBOR, with respect to any Dividend Period beginning on or after May 10, 2024, means the offered rate expressed as a percentage per annum for three-month deposits in U.S. dollars on the first day of such Dividend Period, as that rate appears on Reuters screen LIBOR01 (or any successor or replacement page) as of approximately 11:00 A.M., London time, on the second London Business Day immediately preceding the first day of such Dividend Period.

If the rate described in the preceding paragraph does not appear on the Reuters screen LIBOR01 (or any successor or replacement page), LIBOR shall be determined on the basis of the rates, at approximately 11:00 A.M., London time, on the second London Business Day immediately preceding the first day of such Dividend Period, at which deposits of the following kind are offered to prime banks in the London interbank market by four major banks in that market selected by the Calculation Agent: three-month deposits in U.S. dollars, beginning on the first day of such Dividend Period, and in a Representative Amount. The Calculation Agent shall request the principal London office of each of these banks to provide a quotation of its rate at approximately 11:00 A.M., London time. If at least two quotations are provided, LIBOR for such Dividend Period shall be the arithmetic mean of such quotations.

If fewer than two quotations are provided as described in the preceding paragraph, LIBOR for such Dividend Period shall be the arithmetic mean of the rates for loans of the following kind to leading European banks quoted, at approximately 11:00 A.M., New York City time, on the second London Business Day immediately preceding the first day of such Dividend Period, by three major banks in New York City selected by the Calculation Agent: three-month loans of U.S. dollars, beginning on the first day of such Dividend Period, and in a Representative Amount.

If no quotation is provided as described in the preceding paragraph, then the Calculation Agent, after consulting such sources as it deems comparable to any of the foregoing quotations or display page, or any such source as it deems reasonable from which to estimate LIBOR or any of the foregoing lending rates, shall determine LIBOR for such Dividend Period in its sole discretion.

The Calculation Agent’s determination of any dividend rate, and its calculation of the amount of dividends for any Dividend Period, will be maintained on file at the Corporation’s principal offices, will be made available to any stockholder upon request and will be final and binding in the absence of manifest error.

Holders of Series K shall not be entitled to any dividends, whether payable in cash, securities or other property, other than dividends (if any) declared and payable on the Series K as specified in this Section 4 (subject to the other provisions of this Certificate of Designations).

(b) Priority of Dividends. So long as any share of Series K remains outstanding, no dividend shall be declared or paid on the Common Stock or any other shares of Junior Stock (other than a dividend payable solely in Junior Stock), and no Common Stock or other Junior Stock shall be purchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into other Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock and other than through the use of the proceeds of a substantially contemporaneous sale of Junior Stock) during a Dividend Period, unless the full dividends for the latest completed Dividend Period on all outstanding shares of Series K have been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside). The foregoing provision shall not restrict the ability of Goldman, Sachs & Co., or any other affiliate of the Corporation, to engage in any market-making transactions in Junior Stock in the ordinary course of business.

When dividends are not paid (or declared and a sum sufficient for payment thereof set aside) on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within a Dividend Period) in full upon the Series K and any shares of Parity Stock, all dividends declared on the Series K and all such Parity Stock and payable on such Dividend Payment Date (or, in the case of parity stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) shall be declared *pro rata* so that the respective amounts of such dividends shall bear the same ratio to each other as all accrued but unpaid dividends per share on the Series K and all Parity Stock payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) bear to each other.

Subject to the foregoing, such dividends (payable in cash, securities or other property) as may be determined by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) may be declared and paid on any securities, including Common Stock and other Junior Stock, from time to time out of any funds legally available for such payment, and the Series K shall not be entitled to participate in any such dividends.

Section 5. Liquidation Rights.

(a) Voluntary or Involuntary Liquidation. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, holders of Series K shall be entitled to receive, out of the assets of the Corporation or proceeds thereof (whether capital or surplus) available for distribution to stockholders of the Corporation, and after satisfaction of all liabilities and obligations to creditors of the Corporation, before any distribution of such assets or proceeds is made to or set aside for the holders of Common Stock and any other stock of the Corporation ranking junior to the Series K as to such distribution, in full an amount equal to $25,000 per share, together with an amount equal to all dividends (if any) that have been declared but not paid prior to the date of payment of such distribution (but without any amount in respect of dividends that have not been declared prior to such payment date).

(b) Partial Payment. If in any distribution described in Section 5(a) above the assets of the Corporation or proceeds thereof are not sufficient to pay the Liquidation Preferences (as defined below) in full to all holders of Series K and all holders of any stock of the Corporation ranking equally with the Series K as to such distribution, the amounts paid to the holders of Series K and to the holders of all such other stock shall be paid *pro rata* in accordance with the respective aggregate Liquidation Preferences of the holders of Series K and the holders of all such other stock. In any such distribution, the "Liquidation Preference" of any holder of stock of the Corporation shall mean the amount otherwise payable to such holder in such distribution (assuming no limitation on the assets of the Corporation available for such distribution), including an amount equal to any declared but unpaid dividends (and, in the case of any holder of stock other than Series K and on which dividends accrue on a cumulative basis, an amount equal to any unpaid, accrued, cumulative dividends, whether or not declared, as applicable).

(c) Residual Distributions. If the Liquidation Preference has been paid in full to all holders of Series K, the holders of other stock of the Corporation shall be entitled to receive all remaining assets of the Corporation (or proceeds thereof) according to their respective rights and preferences.

(d) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Section 5, the merger or consolidation of the Corporation with any other corporation or other entity, including a merger or consolidation in which the holders of Series K receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or other property) of all or substantially all of the assets of the Corporation, shall not constitute a liquidation, dissolution or winding up of the Corporation.

Section 6. Redemption.

(a) Optional Redemption. The Series K is perpetual and has no maturity date. The Corporation may, at its option, redeem the shares of Series K at the time outstanding, upon notice given as provided in Section 6(c) below, (i) in whole or in part, from time to time, on any date on or after May 10, 2024 (or, if not a Business Day, the next succeeding Business Day), or (ii) in whole but not in part at any time within 90 days following a Regulatory Capital Treatment Event, in each case, at a redemption price per share equal to $25,000, plus (except as otherwise provided hereinbelow) an amount equal to any dividends per share that have accrued but not been paid for the then-current Dividend Period to but excluding the redemption date, whether or not such dividends have been declared. The redemption price for any shares of Series K shall be payable on the redemption date to the holder of such shares against surrender of the certificate(s) evidencing such shares to the Corporation or its agent. Any declared but unpaid dividends payable on a redemption date that occurs subsequent to the Dividend Record Date for a

Dividend Period shall not be paid to the holder entitled to receive the redemption price on the redemption date, but rather shall be paid to the holder of record of the redeemed shares on such Dividend Record Date relating to the Dividend Payment Date as provided in Section 4 above. Notwithstanding the foregoing, the Corporation may not redeem shares of Series K without having received the prior approval of the Appropriate Federal Banking Agency if then required under capital guidelines applicable to the Corporation.

(b) No Sinking Fund. The Series K will not be subject to any mandatory redemption, sinking fund or other similar provisions. Holders of Series K will have no right to require redemption of any shares of Series K.

(c) Notice of Redemption. Notice of every redemption of shares of Series K shall be given by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Corporation. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Subsection shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series K designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series K. Notwithstanding the foregoing, if the Series K or any depositary shares representing interests in the Series K are issued in book-entry form through The Depository Trust Company or any other similar facility, notice of redemption may be given to the holders of Series K at such time and in any manner permitted by such facility. Each such notice given to a holder shall state: (1) the redemption date; (2) the number of shares of Series K to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the redemption price; and (4) the place or places where certificates for such shares are to be surrendered for payment of the redemption price.

(d) Partial Redemption. In case of any redemption of only part of the shares of Series K at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or by lot. Subject to the provisions hereof, the Corporation shall have full power and authority to prescribe the terms and conditions upon which shares of Series K shall be redeemed from time to time. If fewer than all the shares represented by any certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without charge to the holder thereof.

(e) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other funds, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date dividends shall cease to accrue on all shares so called for redemption, all shares so called for redemption shall no longer be deemed

outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption, without interest. Any funds unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

Section 7. Voting Rights.

(a) General. The holders of Series K shall not have any voting rights except as set forth below or as otherwise from time to time required by law.

(b) Right To Elect Two Directors Upon Nonpayment Events. If and whenever dividends on any shares of Series K shall not have been declared and paid for at least six Dividend Periods, whether or not consecutive (a "Nonpayment Event"), the number of directors then constituting the Board of Directors shall automatically be increased by two and the holders of Series K, together with the holders of all outstanding shares of Voting Preferred Stock, voting together as a single class, shall be entitled to elect the two additional directors (the "Preferred Stock Directors"), *provided* that the Board of Directors shall at no time include more than two Preferred Stock Directors (including, for purposes of this limitation, all directors that the holders of any series of Voting Preferred Stock are entitled to elect pursuant to like voting rights).

In the event that the holders of the Series K, and such other holders of Voting Preferred Stock, shall be entitled to vote for the election of the Preferred Stock Directors following a Nonpayment Event, such directors shall be initially elected following such Nonpayment Event only at a special meeting called at the request of the holders of record of at least 20% of the Series K or of any other series of Voting Preferred Stock then outstanding (unless such request for a special meeting is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders of the Corporation, in which event such election shall be held only at such next annual or special meeting of stockholders), and at each subsequent annual meeting of stockholders of the Corporation. Such request to call a special meeting for the initial election of the Preferred Stock Directors after a Nonpayment Event shall be made by written notice, signed by the requisite holders of Series K or any series of Voting Preferred Stock, and delivered to the Secretary of the Corporation in such manner as provided for in Section 9 below, or as may otherwise be required by law.

When dividends have been paid (or declared and a sum sufficient for payment thereof set aside) in full on the Series K for four consecutive Dividend Periods after a Nonpayment Event, then the right of the holders of Series K to elect the Preferred Stock Directors shall cease (but subject always to revesting of such voting rights in the case of any future Nonpayment Event), and, if and when any rights of holders of Series K and Voting Preferred Stock to elect the Preferred Stock Directors shall have ceased, the terms of office of all the Preferred Stock Directors shall forthwith terminate and the number of directors constituting the Board of Directors shall automatically be reduced accordingly.

Any Preferred Stock Director may be removed at any time without cause by the holders of record of a majority of all of the outstanding shares of the Series K and Voting Preferred Stock, when they have the voting rights described above (voting together as a single class). So long as a Nonpayment Event shall continue, any vacancy in the office of a Preferred Stock Director (other than prior to the initial election of Preferred Stock Directors after a Nonpayment Event) may be filled by the written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of record of a majority of all of the outstanding shares of the Series K and Voting Preferred Stock, when they have the voting rights described above (voting together as a single class). Any such vote of stockholders to remove, or to fill a vacancy in the office of, a Preferred Stock Director may be taken only at a special meeting of such stockholders, called as provided above for an initial election of Preferred Stock Director after a Nonpayment Event (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of stockholders). The Preferred Stock Directors shall each be entitled to one vote per director on any matter that shall come before the Board of Directors for a vote. Each Preferred Stock Director elected at any special meeting of stockholders or by written consent of the other Preferred Stock Director shall hold office until the next annual meeting of the stockholders if such office shall not have previously terminated as above provided.

(c) Other Voting Rights. So long as any shares of Series K are outstanding, in addition to any other vote or consent of stockholders required by law or by the Certificate of Incorporation, the vote or consent of the holders of at least 66⅔% of the shares of Series K and any Voting Preferred Stock at the time outstanding and entitled to vote thereon, voting together as a single class, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(i) Authorization of Senior Stock. Any amendment or alteration of the Certificate of Incorporation to authorize or create, or increase the authorized amount of, any shares of any class or series of capital stock of the Corporation ranking senior to the Series K with respect to either or both the payment of dividends and/or the distribution of assets on any liquidation, dissolution or winding up of the Corporation;

(ii) Amendment of Series K. Any amendment, alteration or repeal of any provision of the Certificate of Incorporation so as to materially and adversely affect the special rights, preferences, privileges or voting powers of the Series K, taken as a whole; or

(iii) Share Exchanges, Reclassifications, Mergers and Consolidations. Any consummation of a binding share exchange or reclassification involving the Series K, or of a merger or consolidation of the Corporation with another corporation or other entity, unless in each case (x) the shares of Series K remain outstanding or, in the case of any such merger or

consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (y) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series K immediately prior to such consummation, taken as a whole;

provided, *however*, that for all purposes of this Section 7(c), any increase in the amount of the authorized or issued Series K or authorized Preferred Stock, or the creation and issuance, or an increase in the authorized or issued amount, of any other series of Preferred Stock ranking equally with and/or junior to the Series K with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the rights, preferences, privileges or voting powers of the Series K.

If any amendment, alteration, repeal, share exchange, reclassification, merger or consolidation specified in this Section 7(c) would adversely affect the Series K and one or more but not all other series of Preferred Stock, then only the Series K and such series of Preferred Stock as are adversely affected by and entitled to vote on the matter shall vote on the matter together as a single class (in lieu of all other series of Preferred Stock).

(d) Changes for Clarification. Without the consent of the holders of the Series K, so long as such action does not adversely affect the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series K, the Corporation may amend, alter, supplement or repeal any terms of the Series K:

(i) to cure any ambiguity, or to cure, correct or supplement any provision contained in this Certificate of Designations that may be defective or inconsistent; or

(ii) to make any provision with respect to matters or questions arising with respect to the Series K that is not inconsistent with the provisions of this Certificate of Designations.

(e) Changes after Provision for Redemption. No vote or consent of the holders of Series K shall be required pursuant to Section 7(b), (c) or (d) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding shares of Series K shall have been redeemed, or shall have been called for redemption upon proper notice and sufficient funds shall have been set aside for such redemption, in each case pursuant to Section 6 above.

(f) Procedures for Voting and Consents. The rules and procedures for calling and conducting any meeting of the holders of Series K (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors), in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Certificate of Incorporation, the ByLaws, applicable law and any national securities exchange or other trading facility on which the Series K is listed or traded at the time. Whether the vote or consent of the holders of a plurality, majority or other portion of the shares of Series K and all Voting Preferred Stock has been cast or given on any matter on which the holders of shares of Series K are entitled to vote shall be determined by the Corporation by reference to the specified liquidation amounts of the shares voted or covered by the consent.

Section 8. Record Holders. To the fullest extent permitted by applicable law, the Corporation and the transfer agent for the Series K may deem and treat the record holder of any share of Series K as the true and lawful owner thereof for all purposes, and neither the Corporation nor such transfer agent shall be affected by any notice to the contrary.

Section 9. Notices. All notices or communications in respect of Series K shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, or if given in such other manner as may be permitted in this Certificate of Designations, in the Certificate of Incorporation or ByLaws or by applicable law.

Section 10. No Preemptive Rights. No share of Series K shall have any rights of preemption whatsoever as to any securities of the Corporation, or any warrants, rights or options issued or granted with respect thereto, regardless of how such securities, or such warrants, rights or options, may be designated, issued or granted.

Section 11. Other Rights. The shares of Series K shall not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Certificate of Incorporation or as provided by applicable law.

CERTIFICATE OF DESIGNATIONS

OF

5.70% FIXED-TO-FLOATING RATE NON-CUMULATIVE PREFERRED STOCK, SERIES L

OF

THE GOLDMAN SACHS GROUP, INC.

THE GOLDMAN SACHS GROUP, INC., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), in accordance with the provisions of Sections 103 and 151 thereof, DOES HEREBY CERTIFY:

The Securities Issuance Committee (the "Committee") of the board of directors of the Corporation (the "Board of Directors"), in accordance with the resolutions of the Board of Directors dated October 28, 2011, the provisions of the restated certificate of incorporation and the amended and restated bylaws of the Corporation and applicable law, at a meeting duly called and held on April 24, 2014, adopted the following resolution creating a series of 52,000 shares of Preferred Stock of the Corporation designated as "5.70% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series L".

RESOLVED, that pursuant to the authority vested in the Committee and in accordance with the resolutions of the Board of Directors dated October 28, 2011, the provisions of the restated certificate of incorporation and the amended and restated bylaws of the Corporation and applicable law, a series of Preferred Stock, par value $.01 per share, of the Corporation be and hereby is created, and that the designation and number of shares of such series, and the voting and other powers, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

Section 1. Designation. The distinctive serial designation of such series of Preferred Stock is "5.70% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series L" ("Series L"). Each share of Series L shall be identical in all respects to every other share of Series L, except as to the respective dates from which dividends thereon shall accrue, to the extent such dates may differ as permitted pursuant to Section 4(a) below.

Section 2. Number of Shares. The authorized number of shares of Series L shall be 52,000. Shares of Series L that are redeemed, purchased or otherwise acquired by the Corporation shall be cancelled and shall revert to authorized but unissued shares of Series L.

Section 3. Definitions. As used herein with respect to Series L:

(a) "Appropriate Federal Banking Agency" means the "appropriate federal banking agency" with respect to the Corporation as that term is defined in Section 3(q) of the Federal Deposit Insurance Act or any successor provision.

(b) "Board of Directors" means the board of directors of the Corporation.

(c) "ByLaws" means the amended and restated bylaws of the Corporation, as they may be amended from time to time.

(d) "Business Day" means (i) from the original issue date to and including May 10, 2019 (or, if such day is not a Monday, Tuesday, Wednesday, Thursday or Friday or is a day on which banking institutions in New York City are generally authorized or obligated by law or executive order to close, the next day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City are generally authorized or obligated by law or executive order to close), a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City are generally authorized or obligated by law or executive order to close, and (ii) thereafter, a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City are generally authorized or obligated by law or executive order to close and is a London Business Day.

(e) "Calculation Agent" means, at any time, the person or entity appointed by the Corporation and serving as such agent at such time. The Corporation may terminate any such appointment and may appoint a successor agent at any time and from time to time, *provided* that the Corporation shall use its best efforts to ensure that there is, at all relevant times when the Series L is outstanding, a person or entity appointed and serving as such agent. The Calculation Agent may be a person or entity affiliated with the Corporation.

(f) "Certificate of Designations" means this Certificate of Designations relating to the Series L, as it may be amended from time to time.

(g) "Certification of Incorporation" shall mean the restated certificate of incorporation of the Corporation, as it may be amended from time to time, and shall include this Certificate of Designations.

(h) "Common Stock" means the common stock, par value $0.01 per share, of the Corporation.

(i) "Junior Stock" means the Common Stock and any other class or series of stock of the Corporation (other than Series L) that ranks junior to Series L either or both as to the payment of dividends and/or as to the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(j) “London Business Day” means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is a day on which dealings in U.S. dollars are transacted in the London interbank market.

(k) “Parity Stock” means any class or series of stock of the Corporation (other than Series L) that ranks equally with Series L both in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(l) “Preferred Stock” means any and all series of Preferred Stock, having a par value of $0.01 per share, of the Corporation, including the Series L.

(m) “Regulatory Capital Treatment Event” means the good faith determination by the Corporation that, as a result of (i) any amendment to, or change in, the laws, rules or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of Series L, (ii) any proposed change in those laws, rules or regulations that is announced or becomes effective after the initial issuance of any share of Series L, or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws, rules or regulations or policies with respect thereto that is announced after the initial issuance of any share of Series L, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation preference amount of $25,000 per share of Series L then outstanding as “tier 1 capital” (or its equivalent) for purposes of the capital adequacy guidelines of the Board of Governors of the Federal Reserve System (or, as and if applicable, the capital adequacy guidelines or regulations of any successor Appropriate Federal Banking Agency) as then in effect and applicable, for so long as any share of Series L is outstanding.

(n) “Representative Amount” means, at any time, an amount that, in the Calculation Agent’s judgment, is representative of a single transaction in the relevant market at the relevant time.

(o) “Reuters screen” means the display on the Reuters 3000 Xtra service, or any successor or replacement service.

(p) “Voting Preferred Stock” means, with regard to any election or removal of a Preferred Stock Director (as defined in Section 7(b) below) or any other matter as to which the holders of Series L are entitled to vote as specified in Section 7 of this Certificate of Designations, any and all series of Preferred Stock (other than Series L) that rank equally with Series L either as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up of the Corporation and upon which like voting rights have been conferred and are exercisable with respect to such matter.

Section 4. Dividends.

(a) Rate. Holders of Series L shall be entitled to receive, when, as and if declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) out of funds legally available for the payment of dividends under Delaware law, non-cumulative cash dividends per each share of Series L at the rate determined as set forth below in this Section (4) applied to the liquidation preference amount of $25,000 per share of Series L. Such dividends shall be payable in arrears (as provided below in this Section 4(a)), but only when, as and if declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors), on the 10th day of May and November of each year, commencing on November 10, 2014 and ending on May 10, 2019, and on the 10th day of February, May, August and November of each year following May 10, 2019 ("Dividend Payment Dates"), commencing on November 10, 2014; *provided* that if any such Dividend Payment Date that would otherwise occur on or before May 10, 2019 is a day that is not a Business Day, such dividend shall instead be payable on the immediately succeeding Business Day without interest or other payment in respect of such delayed payment, *and provided further*, if any such Dividend Payment Date that would otherwise occur for any Dividend Period after the Dividend Period ending on but excluding May 10, 2019 is a day that is not a Business Day, such Dividend Payment Date shall instead be (and any such dividend shall accrue to and instead be payable on) the immediately succeeding Business Day unless such succeeding Business Day falls in the next calendar month, in which case such Dividend Payment Date shall instead be (and any such dividend shall accrue to and instead be payable on) the immediately preceding Business Day. Dividends on Series L shall not be cumulative; holders of Series L shall not be entitled to receive any dividends not declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) and no interest, or sum of money in lieu of interest, shall be payable in respect of any dividend not so declared.

Dividends on the Series L shall not be declared or set aside for payment if and to the extent such dividends would cause the Corporation to fail to comply with the capital adequacy guidelines of the Board of Governors of the Federal Reserve System (or, as and if applicable, the capital adequacy guidelines or regulations of any successor Appropriate Federal Banking Agency) applicable to the Corporation.

Dividends that are payable on Series L on any Dividend Payment Date will be payable to holders of record of Series L as they appear on the stock register of the Corporation on the applicable record date, which shall be the 15th calendar day before such Dividend Payment Date or such other record date fixed by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) that is not more than 60 nor less than 10 days prior to such Dividend Payment Date (each, a "Dividend Record Date"). Any such day that is a Dividend Record Date shall be a Dividend Record Date whether or not such day is a Business Day.

Each dividend period (a "Dividend Period") shall commence on and include a Dividend Payment Date (other than the initial Dividend Period, which shall commence on and include the date of original issue of the Series L, *provided* that, for any share of Series L issued after such original issue date, the initial Dividend Period for such shares may commence on and include such other date as the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) shall determine and publicly disclose) and shall end on and include the calendar day next preceding the next Dividend Payment Date. Dividends payable on the Series L in respect of any Dividend Period beginning prior to May 10, 2019 shall be calculated on the basis of a 360-day year consisting of twelve 30-day months, and dividends payable on the Series L in respect of any Dividend Period beginning on or after May 10, 2019 shall be calculated by the Calculation Agent on the basis of a 360-day year and the actual number of days elapsed in such Dividend Period. Dividends payable in respect of a Dividend Period shall be payable in arrears – i.e., on the first Dividend Payment Date after such Dividend Period.

The dividend rate on the Series L, for each Dividend Period beginning prior to May 10, 2019, shall be a rate per annum equal to 5.70%, and the dividend rate on the Series L, for each Dividend Period beginning on or after May 10, 2019, shall be a rate per annum equal to LIBOR (as defined below) for such Dividend Period plus 3.884%. LIBOR, with respect to any Dividend Period beginning on or after May 10, 2019, means the offered rate expressed as a percentage per annum for three-month deposits in U.S. dollars on the first day of such Dividend Period, as that rate appears on Reuters screen LIBOR01 (or any successor or replacement page) as of approximately 11:00 A.M., London time, on the second London Business Day immediately preceding the first day of such Dividend Period.

If the rate described in the preceding paragraph does not appear on the Reuters screen LIBOR01 (or any successor or replacement page), LIBOR shall be determined on the basis of the rates, at approximately 11:00 A.M., London time, on the second London Business Day immediately preceding the first day of such Dividend Period, at which deposits of the following kind are offered to prime banks in the London interbank market by four major banks in that market selected by the Calculation Agent: three-month deposits in U.S. dollars, beginning on the first day of such Dividend Period, and in a Representative Amount. The Calculation Agent shall request the principal London office of each of these banks to provide a quotation of its rate at approximately 11:00 A.M., London time. If at least two quotations are provided, LIBOR for such Dividend Period shall be the arithmetic mean of such quotations.

If fewer than two quotations are provided as described in the preceding paragraph, LIBOR for such Dividend Period shall be the arithmetic mean of the rates for loans of the following kind to leading European banks quoted, at approximately 11:00 A.M., New York City time, on the second London Business Day immediately preceding the first day of such Dividend Period, by three major banks in New York City selected by the Calculation Agent: three-month loans of U.S. dollars, beginning on the first day of such Dividend Period, and in a Representative Amount.

If no quotation is provided as described in the preceding paragraph, then the Calculation Agent, after consulting such sources as it deems comparable to any of the foregoing quotations or display page, or any such source as it deems reasonable from which to estimate LIBOR or any of the foregoing lending rates, shall determine LIBOR for such Dividend Period in its sole discretion.

The Calculation Agent's determination of any dividend rate, and its calculation of the amount of dividends for any Dividend Period, will be maintained on file at the Corporation's principal offices, will be made available to any stockholder upon request and will be final and binding in the absence of manifest error.

Holders of Series L shall not be entitled to any dividends, whether payable in cash, securities or other property, other than dividends (if any) declared and payable on the Series L as specified in this Section 4 (subject to the other provisions of this Certificate of Designations).

(b) Priority of Dividends. So long as any share of Series L remains outstanding, no dividend shall be declared or paid on the Common Stock or any other shares of Junior Stock (other than a dividend payable solely in Junior Stock), and no Common Stock or other Junior Stock shall be purchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into other Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock and other than through the use of the proceeds of a substantially contemporaneous sale of Junior Stock) during a Dividend Period, unless the full dividends for the latest completed Dividend Period on all outstanding shares of Series L have been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside). The foregoing provision shall not restrict the ability of Goldman, Sachs & Co., or any other affiliate of the Corporation, to engage in any market-making transactions in Junior Stock in the ordinary course of business.

When dividends are not paid (or declared and a sum sufficient for payment thereof set aside) on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within a Dividend Period) in full upon the Series L and any shares of Parity Stock, all dividends declared on the Series L and all such Parity Stock and payable on such Dividend Payment Date (or, in the case of parity stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) shall be declared *pro rata* so that the respective amounts of such dividends shall bear the same ratio to each other as all accrued but unpaid dividends per share on the Series L and all Parity Stock payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) bear to each other.

Subject to the foregoing, such dividends (payable in cash, securities or other property) as may be determined by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) may be declared and paid on any securities, including Common Stock and other Junior Stock, from time to time out of any funds legally available for such payment, and the Series L shall not be entitled to participate in any such dividends.

Section 5. Liquidation Rights.

(a) Voluntary or Involuntary Liquidation. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, holders of Series L shall be entitled to receive, out of the assets of the Corporation or proceeds thereof (whether capital or surplus) available for distribution to stockholders of the Corporation, and after satisfaction of all liabilities and obligations to creditors of the Corporation, before any distribution of such assets or proceeds is made to or set aside for the holders of Common Stock and any other stock of the Corporation ranking junior to the Series L as to such distribution, in full an amount equal to $25,000 per share, together with an amount equal to all dividends (if any) that have been declared but not paid prior to the date of payment of such distribution (but without any amount in respect of dividends that have not been declared prior to such payment date).

(b) Partial Payment. If in any distribution described in Section 5(a) above the assets of the Corporation or proceeds thereof are not sufficient to pay the Liquidation Preferences (as defined below) in full to all holders of Series L and all holders of any stock of the Corporation ranking equally with the Series L as to such distribution, the amounts paid to the holders of Series L and to the holders of all such other stock shall be paid *pro rata* in accordance with the respective aggregate Liquidation Preferences of the holders of Series L and the holders of all such other stock. In any such distribution, the "Liquidation Preference" of any holder of stock of the Corporation shall mean the amount otherwise payable to such holder in such distribution (assuming no limitation on the assets of the Corporation available for such distribution), including an amount equal to any declared but unpaid dividends (and, in the case of any holder of stock other than Series L and on which dividends accrue on a cumulative basis, an amount equal to any unpaid, accrued, cumulative dividends, whether or not declared, as applicable).

(c) Residual Distributions. If the Liquidation Preference has been paid in full to all holders of Series L, the holders of other stock of the Corporation shall be entitled to receive all remaining assets of the Corporation (or proceeds thereof) according to their respective rights and preferences.

(d) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Section 5, the merger or consolidation of the Corporation with any other corporation or other entity, including a merger or consolidation in which the holders of Series L receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or other property) of all or substantially all of the assets of the Corporation, shall not constitute a liquidation, dissolution or winding up of the Corporation.

Section 6. Redemption.

(a) Optional Redemption. The Series L is perpetual and has no maturity date. The Corporation may, at its option, redeem the shares of Series L at the time outstanding, upon notice given as provided in Section 6(c) below, (i) in whole or in part, from time to time, on any date on or after May 10, 2019 (or, if not a Business Day, the next succeeding Business Day), or (ii) in whole but not in part at any time within 90 days following a Regulatory Capital Treatment Event, in each case, at a redemption price per share equal to $25,000, plus (except as otherwise provided hereinbelow) an amount equal to any dividends per share that have accrued but not been paid for the then-current Dividend Period to but excluding the redemption date, whether or not such dividends have been declared. The redemption price for any shares of Series L shall be payable on the redemption date to the holder of such shares against surrender of the certificate(s) evidencing such shares to the Corporation or its agent. Any declared but unpaid dividends payable on a redemption date that occurs subsequent to the Dividend Record Date for a Dividend Period shall not be paid to the holder entitled to receive the redemption price on the redemption date, but rather shall be paid to the holder of record of the redeemed shares on such Dividend Record Date relating to the Dividend Payment Date as provided in Section 4 above. Notwithstanding the foregoing, the Corporation may not redeem shares of Series L without having received the prior approval of the Appropriate Federal Banking Agency if then required under capital guidelines applicable to the Corporation.

(b) No Sinking Fund. The Series L will not be subject to any mandatory redemption, sinking fund or other similar provisions. Holders of Series L will have no right to require redemption of any shares of Series L.

(c) Notice of Redemption. Notice of every redemption of shares of Series L shall be given by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Corporation. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Subsection shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series L designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series L. Notwithstanding the foregoing, if the Series L or any depositary shares representing interests in the Series L are issued in book-entry form through The Depository Trust Company or any other similar facility, notice of redemption may be given to the holders of Series L at such time and in any manner permitted by such facility. Each such notice given to a holder shall state: (1) the redemption date; (2) the number of shares of Series L to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the redemption price; and (4) the place or places where certificates for such shares are to be surrendered for payment of the redemption price.

(d) Partial Redemption. In case of any redemption of only part of the shares of Series L at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or by lot. Subject to the provisions hereof, the Corporation shall have full power and authority to prescribe the terms and conditions upon which shares of Series L shall be redeemed from time to time. If fewer than all the shares represented by any certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without charge to the holder thereof.

(e) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other funds, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date dividends shall cease to accrue on all shares so called for redemption, all shares so called for redemption shall no longer be deemed outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption, without interest. Any funds unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

Section 7. Voting Rights.

(a) General. The holders of Series L shall not have any voting rights except as set forth below or as otherwise from time to time required by law.

(b) Right To Elect Two Directors Upon Nonpayment Events. If and whenever dividends on any shares of Series L shall not have been declared and paid for any Dividend Periods that, in aggregate, equal at least 18 months, whether or not consecutive (a "Nonpayment Event"), the number of directors then constituting the Board of Directors shall automatically be increased by two and the holders of Series L, together with the holders of all outstanding shares of Voting Preferred Stock, voting together as a single class, shall be entitled to elect the two additional directors (the "Preferred Stock Directors"), *provided* that the Board of Directors shall at no time include more than two Preferred Stock Directors (including, for purposes of this limitation, all directors that the holders of any series of Voting Preferred Stock are entitled to elect pursuant to like voting rights).

In the event that the holders of the Series L, and such other holders of Voting Preferred Stock, shall be entitled to vote for the election of the Preferred Stock Directors following a Nonpayment Event, such directors shall be initially elected following such Nonpayment Event only at a special meeting called at the request of the

holders of record of at least 20% of the Series L or of any other series of Voting Preferred Stock then outstanding (unless such request for a special meeting is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders of the Corporation, in which event such election shall be held only at such next annual or special meeting of stockholders), and at each subsequent annual meeting of stockholders of the Corporation. Such request to call a special meeting for the initial election of the Preferred Stock Directors after a Nonpayment Event shall be made by written notice, signed by the requisite holders of Series L or any series of Voting Preferred Stock, and delivered to the Secretary of the Corporation in such manner as provided for in Section 9 below, or as may otherwise be required by law.

When dividends have been paid (or declared and a sum sufficient for payment thereof set aside) in full on the Series L for consecutive Dividend Periods that, in aggregate, equal at least one year after a Nonpayment Event, then the right of the holders of Series L to elect the Preferred Stock Directors shall cease (but subject always to revesting of such voting rights in the case of any future Nonpayment Event), and, if and when any rights of holders of Series L and Voting Preferred Stock to elect the Preferred Stock Directors shall have ceased, the terms of office of all the Preferred Stock Directors shall forthwith terminate and the number of directors constituting the Board of Directors shall automatically be reduced accordingly.

Any Preferred Stock Director may be removed at any time without cause by the holders of record of a majority of all of the outstanding shares of the Series L and Voting Preferred Stock, when they have the voting rights described above (voting together as a single class). So long as a Nonpayment Event shall continue, any vacancy in the office of a Preferred Stock Director (other than prior to the initial election of Preferred Stock Directors after a Nonpayment Event) may be filled by the written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of record of a majority of all of the outstanding shares of the Series L and Voting Preferred Stock, when they have the voting rights described above (voting together as a single class). Any such vote of stockholders to remove, or to fill a vacancy in the office of, a Preferred Stock Director may be taken only at a special meeting of such stockholders, called as provided above for an initial election of Preferred Stock Director after a Nonpayment Event (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of stockholders). The Preferred Stock Directors shall each be entitled to one vote per director on any matter that shall come before the Board of Directors for a vote. Each Preferred Stock Director elected at any special meeting of stockholders or by written consent of the other Preferred Stock Director shall hold office until the next annual meeting of the stockholders if such office shall not have previously terminated as above provided.

(c) Other Voting Rights. So long as any shares of Series L are outstanding, in addition to any other vote or consent of stockholders required by law or by the Certificate of Incorporation, the vote or consent of the holders of at least 66⅔% of the shares of Series L and any Voting Preferred Stock at the time outstanding and entitled to

vote thereon, voting together as a single class, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(i) Authorization of Senior Stock. Any amendment or alteration of the Certificate of Incorporation to authorize or create, or increase the authorized amount of, any shares of any class or series of capital stock of the Corporation ranking senior to the Series L with respect to either or both the payment of dividends and/or the distribution of assets on any liquidation, dissolution or winding up of the Corporation;

(ii) Amendment of Series L. Any amendment, alteration or repeal of any provision of the Certificate of Incorporation so as to materially and adversely affect the special rights, preferences, privileges or voting powers of the Series L, taken as a whole; or

(iii) Share Exchanges, Reclassifications, Mergers and Consolidations. Any consummation of a binding share exchange or reclassification involving the Series L, or of a merger or consolidation of the Corporation with another corporation or other entity, unless in each case (x) the shares of Series L remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (y) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series L immediately prior to such consummation, taken as a whole;

provided, *however*, that for all purposes of this Section 7(c), any increase in the amount of the authorized or issued Series L or authorized Preferred Stock, or the creation and issuance, or an increase in the authorized or issued amount, of any other series of Preferred Stock ranking equally with and/or junior to the Series L with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the rights, preferences, privileges or voting powers of the Series L.

If any amendment, alteration, repeal, share exchange, reclassification, merger or consolidation specified in this Section 7(c) would adversely affect the Series L and one or more but not all other series of Preferred Stock, then only the Series L and such series of Preferred Stock as are adversely affected by and entitled to vote on the matter shall vote on the matter together as a single class (in lieu of all other series of Preferred Stock).

(d) Changes for Clarification. Without the consent of the holders of the Series L, so long as such action does not adversely affect the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series L, the Corporation may amend, alter, supplement or repeal any terms of the Series L:

(i) to cure any ambiguity, or to cure, correct or supplement any provision contained in this Certificate of Designations that may be defective or inconsistent; or

(ii) to make any provision with respect to matters or questions arising with respect to the Series L that is not inconsistent with the provisions of this Certificate of Designations.

(e) Changes after Provision for Redemption. No vote or consent of the holders of Series L shall be required pursuant to Section 7(b), (c) or (d) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding shares of Series L shall have been redeemed, or shall have been called for redemption upon proper notice and sufficient funds shall have been set aside for such redemption, in each case pursuant to Section 6 above.

(f) Procedures for Voting and Consents. The rules and procedures for calling and conducting any meeting of the holders of Series L (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors), in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Certificate of Incorporation, the ByLaws, applicable law and any national securities exchange or other trading facility on which the Series L is listed or traded at the time. Whether the vote or consent of the holders of a plurality, majority or other portion of the shares of Series L and all Voting Preferred Stock has been cast or given on any matter on which the holders of shares of Series L are entitled to vote shall be determined by the Corporation by reference to the specified liquidation amounts of the shares voted or covered by the consent.

Section 8. Record Holders. To the fullest extent permitted by applicable law, the Corporation and the transfer agent for the Series L may deem and treat the record holder of any share of Series L as the true and lawful owner thereof for all purposes, and neither the Corporation nor such transfer agent shall be affected by any notice to the contrary.

Section 9. Notices. All notices or communications in respect of Series L shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, or if given in such other manner as may be permitted in this Certificate of Designations, in the Certificate of Incorporation or ByLaws or by applicable law.

Section 10. No Preemptive Rights. No share of Series L shall have any rights of preemption whatsoever as to any securities of the Corporation, or any warrants, rights or options issued or granted with respect thereto, regardless of how such securities, or such warrants, rights or options, may be designated, issued or granted.

Section 11. Other Rights. The shares of Series L shall not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Certificate of Incorporation or as provided by applicable law.

CERTIFICATE OF DESIGNATIONS

OF

5.375% FIXED-TO-FLOATING RATE NON-CUMULATIVE PREFERRED STOCK, SERIES M

OF

THE GOLDMAN SACHS GROUP, INC.

THE GOLDMAN SACHS GROUP, INC., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), in accordance with the provisions of Sections 103 and 151 thereof, DOES HEREBY CERTIFY:

The Securities Issuance Committee (the "Committee") of the board of directors of the Corporation (the "Board of Directors"), in accordance with the resolutions of the Board of Directors dated October 28, 2011, the provisions of the restated certificate of incorporation and the amended and restated bylaws of the Corporation and applicable law, at a meeting duly called and held on April 17, 2015, adopted the following resolution creating a series of 80,000 shares of Preferred Stock of the Corporation designated as "5.375% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series M".

RESOLVED, that pursuant to the authority vested in the Committee and in accordance with the resolutions of the Board of Directors dated October 28, 2011, the provisions of the restated certificate of incorporation and the amended and restated bylaws of the Corporation and applicable law, a series of Preferred Stock, par value $.01 per share, of the Corporation be and hereby is created, and that the designation and number of shares of such series, and the voting and other powers, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

Section 1. Designation. The distinctive serial designation of such series of Preferred Stock is "5.375% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series M" ("Series M"). Each share of Series M shall be identical in all respects to every other share of Series M, except as to the respective dates from which dividends thereon shall accrue, to the extent such dates may differ as permitted pursuant to Section 4(a) below.

Section 2. Number of Shares. The authorized number of shares of Series M shall be 80,000. Shares of Series M that are redeemed, purchased or otherwise acquired by the Corporation shall be cancelled and shall revert to authorized but unissued shares of Series M.

Section 3. Definitions. As used herein with respect to Series M:

(a) "Appropriate Federal Banking Agency" means the "appropriate federal banking agency" with respect to the Corporation as that term is defined in Section 3(q) of the Federal Deposit Insurance Act or any successor provision.

(b) "Board of Directors" means the board of directors of the Corporation.

(c) "ByLaws" means the amended and restated bylaws of the Corporation, as they may be amended from time to time.

(d) "Business Day" means (i) from the original issue date to and including May 10, 2020 (or, if such day is not a Monday, Tuesday, Wednesday, Thursday or Friday or is a day on which banking institutions in New York City are generally authorized or obligated by law or executive order to close, the next day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City are generally authorized or obligated by law or executive order to close), a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City are generally authorized or obligated by law or executive order to close, and (ii) thereafter, a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City are generally authorized or obligated by law or executive order to close and is a London Business Day.

(e) "Calculation Agent" means, at any time, the person or entity appointed by the Corporation and serving as such agent at such time. The Corporation may terminate any such appointment and may appoint a successor agent at any time and from time to time, *provided* that the Corporation shall use its best efforts to ensure that there is, at all relevant times when the Series M is outstanding, a person or entity appointed and serving as such agent. The Calculation Agent may be a person or entity affiliated with the Corporation.

(f) "Certificate of Designations" means this Certificate of Designations relating to the Series M, as it may be amended from time to time.

(g) "Certification of Incorporation" shall mean the restated certificate of incorporation of the Corporation, as it may be amended from time to time, and shall include this Certificate of Designations.

(h) "Common Stock" means the common stock, par value $0.01 per share, of the Corporation.

(i) "Junior Stock" means the Common Stock and any other class or series of stock of the Corporation (other than Series M) that ranks junior to Series M either or both as to the payment of dividends and/or as to the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(j) “London Business Day” means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions in London generally are authorized or obligated by law, regulation or executive order to close and is a day on which dealings in U.S. dollars are transacted in the London interbank market.

(k) “Parity Stock” means any class or series of stock of the Corporation (other than Series M) that ranks equally with Series M both in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(l) “Preferred Stock” means any and all series of Preferred Stock, having a par value of $0.01 per share, of the Corporation, including the Series M.

(m) “Regulatory Capital Treatment Event” means the good faith determination by the Corporation that, as a result of (i) any amendment to, or change in, the laws, rules or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of Series M, (ii) any proposed change in those laws, rules or regulations that is announced or becomes effective after the initial issuance of any share of Series M, or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws, rules or regulations or policies with respect thereto that is announced after the initial issuance of any share of Series M, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation preference amount of $25,000 per share of Series M then outstanding as “tier 1 capital” (or its equivalent) for purposes of the capital adequacy guidelines of the Board of Governors of the Federal Reserve System (or, as and if applicable, the capital adequacy guidelines or regulations of any successor Appropriate Federal Banking Agency) as then in effect and applicable, for so long as any share of Series M is outstanding.

(n) “Representative Amount” means, at any time, an amount that, in the Calculation Agent’s judgment, is representative of a single transaction in the relevant market at the relevant time.

(o) “Reuters screen” means the display on the Reuters 3000 Xtra service, or any successor or replacement service.

(p) “Voting Preferred Stock” means, with regard to any election or removal of a Preferred Stock Director (as defined in Section 7(b) below) or any other matter as to which the holders of Series M are entitled to vote as specified in Section 7 of this Certificate of Designations, any and all series of Preferred Stock (other than Series M) that rank equally with Series M either as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up of the Corporation and upon which like voting rights have been conferred and are exercisable with respect to such matter.

Section 4. Dividends.

(a) **Rate**. Holders of Series M shall be entitled to receive, when, as and if declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) out of funds legally available for the payment of dividends under Delaware law, non-cumulative cash dividends per each share of Series M at the rate determined as set forth below in this Section (4) applied to the liquidation preference amount of $25,000 per share of Series M. Such dividends shall be payable in arrears (as provided below in this Section 4(a)), but only when, as and if declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors), on the 10th day of May and November of each year, commencing on November 10, 2015 and ending on May 10, 2020, and on the 10th day of February, May, August and November of each year following May 10, 2020 ("Dividend Payment Dates"); *provided* that if any such Dividend Payment Date that occurs on or before May 10, 2020 is a day that is not a Business Day, such dividend shall instead be payable on the immediately succeeding Business Day without interest or other payment in respect of such delayed payment, *and provided further*, if any such Dividend Payment Date that would otherwise occur for any Dividend Period after the Dividend Period ending on but excluding May 10, 2020 is a day that is not a Business Day, such Dividend Payment Date shall instead be (and any such dividend shall accrue to and instead be payable on) the immediately succeeding Business Day unless such immediately succeeding Business Day falls in the next calendar month, in which case such Dividend Payment Date shall instead be (and any such dividend shall accrue to and instead be payable on) the immediately preceding Business Day. Dividends on Series M shall not be cumulative; holders of Series M shall not be entitled to receive any dividends not declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) and no interest, or sum of money in lieu of interest, shall be payable in respect of any dividend not so declared.

Dividends on the Series M shall not be declared or set aside for payment if and to the extent such dividends would cause the Corporation to fail to comply with the capital adequacy guidelines of the Board of Governors of the Federal Reserve System (or, as and if applicable, the capital adequacy guidelines or regulations of any successor Appropriate Federal Banking Agency) applicable to the Corporation.

Dividends that are payable on Series M on any Dividend Payment Date will be payable to holders of record of Series M as they appear on the stock register of the Corporation on the applicable record date, which shall be the 15th calendar day before such Dividend Payment Date or such other record date fixed by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) that is not more than 60 nor less than 10 days prior to such Dividend Payment Date (each, a "Dividend Record Date"). Any such day that is a Dividend Record Date shall be a Dividend Record Date whether or not such day is a Business Day.

Each dividend period (a "Dividend Period") shall commence on and include a Dividend Payment Date (other than the initial Dividend Period, which shall commence on and include the date of original issue of the Series M, *provided* that, for any share of Series M issued after such original issue date, the initial Dividend Period for such shares may commence on and include such other date as the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) shall determine and publicly disclose) and shall end on and include the calendar day next preceding the next Dividend Payment Date. Dividends payable on the Series M in respect of any Dividend Period beginning prior to May 10, 2020 shall be calculated on the basis of a 360-day year consisting of twelve 30-day months, and dividends payable on the Series M in respect of any Dividend Period beginning on or after May 10, 2020 shall be calculated by the Calculation Agent on the basis of a 360-day year and the actual number of days elapsed in such Dividend Period. Dividends payable in respect of a Dividend Period shall be payable in arrears – i.e., on the first Dividend Payment Date after such Dividend Period.

The dividend rate on the Series M, for each Dividend Period beginning prior to May 10, 2020, shall be a rate per annum equal to 5.375%, and the dividend rate on the Series M, for each Dividend Period beginning on or after May 10, 2020, shall be a rate per annum equal to LIBOR (as defined below) for such Dividend Period plus 3.922%. LIBOR, with respect to any Dividend Period beginning on or after May 10, 2020, means the offered rate expressed as a percentage per annum for three-month deposits in U.S. dollars on the first day of such Dividend Period, as that rate appears on Reuters screen LIBOR01 (or any successor or replacement page) as of approximately 11:00 A.M., London time, on the second London Business Day immediately preceding the first day of such Dividend Period.

If the rate described in the preceding paragraph does not appear on the Reuters screen LIBOR01 (or any successor or replacement page), LIBOR shall be determined on the basis of the rates, at approximately 11:00 A.M., London time, on the second London Business Day immediately preceding the first day of such Dividend Period, at which deposits of the following kind are offered to prime banks in the London interbank market by four major banks in that market selected by the Calculation Agent: three-month deposits in U.S. dollars, beginning on the first day of such Dividend Period, and in a Representative Amount. The Calculation Agent shall request the principal London office of each of these banks to provide a quotation of its rate at approximately 11:00 A.M., London time. If at least two quotations are provided, LIBOR for such Dividend Period shall be the arithmetic mean of such quotations.

If fewer than two quotations are provided as described in the preceding paragraph, LIBOR for such Dividend Period shall be the arithmetic mean of the rates for loans of the following kind to leading European banks quoted, at approximately 11:00 A.M., New York City time, on the second London Business Day immediately preceding the first day of such Dividend Period, by major banks in New York City selected by the Calculation Agent: three-month loans of U.S. dollars, beginning on the first day of such Dividend Period, and in a Representative Amount.

If no quotation is provided as described in the preceding paragraph, then the Calculation Agent, after consulting such sources as it deems comparable to any of the foregoing quotations or display page, or any such source as it deems reasonable from which to estimate LIBOR or any of the foregoing lending rates, shall determine LIBOR for such Dividend Period in its sole discretion.

The Calculation Agent's determination of any dividend rate, and its calculation of the amount of dividends for any Dividend Period, will be maintained on file at the Corporation's principal offices, will be made available to any stockholder upon request and will be final and binding in the absence of manifest error.

Holders of Series M shall not be entitled to any dividends, whether payable in cash, securities or other property, other than dividends (if any) declared and payable on the Series M as specified in this Section 4 (subject to the other provisions of this Certificate of Designations).

(b) **Priority of Dividends.** So long as any share of Series M remains outstanding, no dividend shall be declared or paid on the Common Stock or any other shares of Junior Stock (other than a dividend payable solely in Junior Stock), and no Common Stock or other Junior Stock shall be purchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into other Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock and other than through the use of the proceeds of a substantially contemporaneous sale of Junior Stock) during a Dividend Period, unless the full dividends for the latest completed Dividend Period on all outstanding shares of Series M have been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside). The foregoing provision shall not restrict the ability of Goldman, Sachs & Co., or any other affiliate of the Corporation, to engage in any market-making transactions in Junior Stock in the ordinary course of business.

When dividends are not paid (or declared and a sum sufficient for payment thereof set aside) on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within a Dividend Period) in full upon the Series M and any shares of Parity Stock, all dividends declared on the Series M and all such Parity Stock and payable on such Dividend Payment Date (or, in the case of parity stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) shall be declared *pro rata* so that the respective amounts of such dividends shall bear the same ratio to each other as all accrued but unpaid dividends per share on the Series M and all Parity Stock payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) bear to each other.

Subject to the foregoing, such dividends (payable in cash, securities or other property) as may be determined by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) may be declared and paid on any securities, including Common Stock and other Junior Stock, from time to time out of any funds legally available for such payment, and the Series M shall not be entitled to participate in any such dividends.

Section 5. Liquidation Rights.

(a) **Voluntary or Involuntary Liquidation**. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, holders of Series M shall be entitled to receive, out of the assets of the Corporation or proceeds thereof (whether capital or surplus) available for distribution to stockholders of the Corporation, and after satisfaction of all liabilities and obligations to creditors of the Corporation, before any distribution of such assets or proceeds is made to or set aside for the holders of Common Stock and any other stock of the Corporation ranking junior to the Series M as to such distribution, in full an amount equal to $25,000 per share, together with an amount equal to all dividends (if any) that have been declared but not paid prior to the date of payment of such distribution (but without any amount in respect of dividends that have not been declared prior to such payment date).

(b) **Partial Payment**. If in any distribution described in Section 5(a) above the assets of the Corporation or proceeds thereof are not sufficient to pay the Liquidation Preferences (as defined below) in full to all holders of Series M and all holders of any stock of the Corporation ranking equally with the Series M as to such distribution, the amounts paid to the holders of Series M and to the holders of all such other stock shall be paid *pro rata* in accordance with the respective aggregate Liquidation Preferences of the holders of Series M and the holders of all such other stock. In any such distribution, the "Liquidation Preference" of any holder of stock of the Corporation shall mean the amount otherwise payable to such holder in such distribution (assuming no limitation on the assets of the Corporation available for such distribution), including an amount equal to any declared but unpaid dividends (and, in the case of any holder of stock other than Series M and on which dividends accrue on a cumulative basis, an amount equal to any unpaid, accrued, cumulative dividends, whether or not declared, as applicable).

(c) **Residual Distributions**. If the Liquidation Preference has been paid in full to all holders of Series M, the holders of other stock of the Corporation shall be entitled to receive all remaining assets of the Corporation (or proceeds thereof) according to their respective rights and preferences.

(d) **Merger, Consolidation and Sale of Assets Not Liquidation**. For purposes of this Section 5, the merger or consolidation of the Corporation with any other corporation or other entity, including a merger or consolidation in which the holders of Series M receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or other property) of all or substantially all of the assets of the Corporation, shall not constitute a liquidation, dissolution or winding up of the Corporation.

Section 6. Redemption.

(a) **Optional Redemption**. The Series M is perpetual and has no maturity date. The Corporation may, at its option, redeem the shares of Series M at the time outstanding, upon notice given as provided in Section 6(c) below, (i) in whole or in part, from time to time, on any date on or after May 10, 2020 (or, if not a Business Day, the next succeeding Business Day), or (ii) in whole but not in part at any time within 90 days following a Regulatory Capital Treatment Event, in each case, at a redemption price per share equal to $25,000, plus (except as otherwise provided hereinbelow) an amount equal to any dividends per share that have accrued but not been paid for the then-current Dividend Period to but excluding the redemption date, whether or not such dividends have been declared. The redemption price for any shares of Series M shall be payable on the redemption date to the holder of such shares against surrender of the certificate(s) evidencing such shares to the Corporation or its agent. Any declared but unpaid dividends payable on a redemption date that occurs subsequent to the Dividend Record Date for a Dividend Period shall not be paid to the holder entitled to receive the redemption price on the redemption date, but rather shall be paid to the holder of record of the redeemed shares on such Dividend Record Date relating to the Dividend Payment Date as provided in Section 4 above. Notwithstanding the foregoing, the Corporation may not redeem shares of Series M without having received the prior approval of the Appropriate Federal Banking Agency if then required under capital guidelines applicable to the Corporation.

(b) **No Sinking Fund**. The Series M will not be subject to any mandatory redemption, sinking fund or other similar provisions. Holders of Series M will have no right to require redemption of any shares of Series M.

(c) **Notice of Redemption**. Notice of every redemption of shares of Series M shall be given by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Corporation. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Subsection shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series M designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series M. Notwithstanding the foregoing, if the Series M or any depositary shares representing interests in the Series M are issued in book-entry form through The Depository Trust Company or any other similar facility, notice of redemption may be given to the holders of Series M at such time and in any manner permitted by such facility. Each such notice given to a holder shall state: (1) the redemption date; (2) the number of shares of Series M to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the redemption price; and (4) the place or places where certificates for such shares are to be surrendered for payment of the redemption price.

(d) **Partial Redemption.** In case of any redemption of only part of the shares of Series M at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or by lot. Subject to the provisions hereof, the Corporation shall have full power and authority to prescribe the terms and conditions upon which shares of Series M shall be redeemed from time to time. If fewer than all the shares represented by any certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without charge to the holder thereof.

(e) **Effectiveness of Redemption.** If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other funds, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date dividends shall cease to accrue on all shares so called for redemption, all shares so called for redemption shall no longer be deemed outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption, without interest. Any funds unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

Section 7. Voting Rights.

(a) **General.** The holders of Series M shall not have any voting rights except as set forth below or as otherwise from time to time required by law.

(b) **Right To Elect Two Directors Upon Nonpayment Events.** If and whenever dividends on any shares of Series M shall not have been declared and paid for any Dividend Periods that, in aggregate, equal at least 18 months, whether or not consecutive (a "Nonpayment Event"), the number of directors then constituting the Board of Directors shall automatically be increased by two and the holders of Series M, together with the holders of all outstanding shares of Voting Preferred Stock, voting together as a single class, shall be entitled to elect the two additional directors (the "Preferred Stock Directors"), *provided* that the Board of Directors shall at no time include more than two Preferred Stock Directors (including, for purposes of this limitation, all directors that the holders of any series of Voting Preferred Stock are entitled to elect pursuant to like voting rights).

In the event that the holders of the Series M, and such other holders of Voting Preferred Stock, shall be entitled to vote for the election of the Preferred Stock Directors following a Nonpayment Event, such directors shall be initially elected following such Nonpayment Event only at a special meeting called at the request of the

holders of record of at least 20% of the Series M or of any other series of Voting Preferred Stock then outstanding (unless such request for a special meeting is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders of the Corporation, in which event such election shall be held only at such next annual or special meeting of stockholders), and at each subsequent annual meeting of stockholders of the Corporation. Such request to call a special meeting for the initial election of the Preferred Stock Directors after a Nonpayment Event shall be made by written notice, signed by the requisite holders of Series M or any series of Voting Preferred Stock, and delivered to the Secretary of the Corporation in such manner as provided for in Section 9 below, or as may otherwise be required by law.

When dividends have been paid (or declared and a sum sufficient for payment thereof set aside) in full on the Series M for consecutive Dividend Periods that, in aggregate, equal at least one year after a Nonpayment Event, then the right of the holders of Series M to elect the Preferred Stock Directors shall cease (but subject always to revesting of such voting rights in the case of any future Nonpayment Event), and, if and when any rights of holders of Series M and Voting Preferred Stock to elect the Preferred Stock Directors shall have ceased, the terms of office of all the Preferred Stock Directors shall forthwith terminate and the number of directors constituting the Board of Directors shall automatically be reduced accordingly.

Any Preferred Stock Director may be removed at any time without cause by the holders of record of a majority of all of the outstanding shares of the Series M and Voting Preferred Stock, when they have the voting rights described above (voting together as a single class). So long as a Nonpayment Event shall continue, any vacancy in the office of a Preferred Stock Director (other than prior to the initial election of Preferred Stock Directors after a Nonpayment Event) may be filled by the written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of record of a majority of all of the outstanding shares of the Series M and Voting Preferred Stock, when they have the voting rights described above (voting together as a single class). Any such vote of stockholders to remove, or to fill a vacancy in the office of, a Preferred Stock Director may be taken only at a special meeting of such stockholders, called as provided above for an initial election of Preferred Stock Director after a Nonpayment Event (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of stockholders). The Preferred Stock Directors shall each be entitled to one vote per director on any matter that shall come before the Board of Directors for a vote. Each Preferred Stock Director elected at any special meeting of stockholders or by written consent of the other Preferred Stock Director shall hold office until the next annual meeting of the stockholders if such office shall not have previously terminated as above provided.

(c) **Other Voting Rights.** So long as any shares of Series M are outstanding, in addition to any other vote or consent of stockholders required by law or by the Certificate of Incorporation, the vote or consent of the holders of at least 66⅔% of the shares of Series M and any Voting Preferred Stock at the time outstanding and entitled to vote thereon, voting together as a single class, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(i) **Authorization of Senior Stock**. Any amendment or alteration of the Certificate of Incorporation to authorize or create, or increase the authorized amount of, any shares of any class or series of capital stock of the Corporation ranking senior to the Series M with respect to either or both the payment of dividends and/or the distribution of assets on any liquidation, dissolution or winding up of the Corporation;

(ii) **Amendment of Series M**. Any amendment, alteration or repeal of any provision of the Certificate of Incorporation so as to materially and adversely affect the special rights, preferences, privileges or voting powers of the Series M, taken as a whole; or

(iii) **Share Exchanges, Reclassifications, Mergers and Consolidations**. Any consummation of a binding share exchange or reclassification involving the Series M, or of a merger or consolidation of the Corporation with another corporation or other entity, unless in each case (x) the shares of Series M remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (y) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series M immediately prior to such consummation, taken as a whole;

provided, *however*, that for all purposes of this Section 7(c), any increase in the amount of the authorized or issued Series M or authorized Preferred Stock, or the creation and issuance, or an increase in the authorized or issued amount, of any other series of Preferred Stock ranking equally with and/or junior to the Series M with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the rights, preferences, privileges or voting powers of the Series M.

If any amendment, alteration, repeal, share exchange, reclassification, merger or consolidation specified in this Section 7(c) would adversely affect the Series M and one or more but not all other series of Preferred Stock, then only the Series M and such series of Preferred Stock as are adversely affected by and entitled to vote on the matter shall vote on the matter together as a single class (in lieu of all other series of Preferred Stock).

(d) **Changes for Clarification.** Without the consent of the holders of the Series M, so long as such action does not adversely affect the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series M, the Corporation may amend, alter, supplement or repeal any terms of the Series M:

(i) to cure any ambiguity, or to cure, correct or supplement any provision contained in this Certificate of Designations that may be defective or inconsistent; or

(ii) to make any provision with respect to matters or questions arising with respect to the Series M that is not inconsistent with the provisions of this Certificate of Designations.

(e) **Changes after Provision for Redemption.** No vote or consent of the holders of Series M shall be required pursuant to Section 7(b), (c) or (d) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding shares of Series M shall have been redeemed, or shall have been called for redemption upon proper notice and sufficient funds shall have been set aside for such redemption, in each case pursuant to Section 6 above.

(f) **Procedures for Voting and Consents.** The rules and procedures for calling and conducting any meeting of the holders of Series M (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors), in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Certificate of Incorporation, the ByLaws, applicable law and any national securities exchange or other trading facility on which the Series M is listed or traded at the time. Whether the vote or consent of the holders of a plurality, majority or other portion of the shares of Series M and all Voting Preferred Stock has been cast or given on any matter on which the holders of shares of Series M are entitled to vote shall be determined by the Corporation by reference to the specified liquidation amounts of the shares voted or covered by the consent.

Section 8. Record Holders. To the fullest extent permitted by applicable law, the Corporation and the transfer agent for the Series M may deem and treat the record holder of any share of Series M as the true and lawful owner thereof for all purposes, and neither the Corporation nor such transfer agent shall be affected by any notice to the contrary.

Section 9. Notices. All notices or communications in respect of Series M shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, or if given in such other manner as may be permitted in this Certificate of Designations, in the Certificate of Incorporation or ByLaws or by applicable law.

Section 10. No Preemptive Rights. No share of Series M shall have any rights of preemption whatsoever as to any securities of the Corporation, or any warrants, rights or options issued or granted with respect thereto, regardless of how such securities, or such warrants, rights or options, may be designated, issued or granted.

Section 11. Other Rights. The shares of Series M shall not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Certificate of Incorporation or as provided by applicable law.

Appendix J

CERTIFICATE OF DESIGNATIONS

OF

6.30% NON-CUMULATIVE PREFERRED STOCK, SERIES N

OF

THE GOLDMAN SACHS GROUP, INC.

THE GOLDMAN SACHS GROUP, INC., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), in accordance with the provisions of Sections 103 and 151 thereof, DOES HEREBY CERTIFY:

The Securities Issuance Committee (the "Committee") of the board of directors of the Corporation (the "Board of Directors"), in accordance with the resolutions of the Board of Directors dated October 28, 2011, the provisions of the restated certificate of incorporation and the amended and restated bylaws of the Corporation and applicable law, at a meeting duly called and held on February 18, 2016, adopted the following resolution creating a series of 31,050 shares of Preferred Stock of the Corporation designated as "6.30% Non-Cumulative Preferred Stock, Series N".

RESOLVED, that pursuant to the authority vested in the Committee and in accordance with the resolutions of the Board of Directors dated October 28, 2011, the provisions of the restated certificate of incorporation and the amended and restated bylaws of the Corporation and applicable law, a series of Preferred Stock, par value $.01 per share, of the Corporation be and hereby is created, and that the designation and number of shares of such series, and the voting and other powers, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

Section 1. Designation. The distinctive serial designation of such series of Preferred Stock is "6.30% Non-Cumulative Preferred Stock, Series N" ("Series N"). Each share of Series N shall be identical in all respects to every other share of Series N, except as to the respective dates from which dividends thereon shall accrue, to the extent such dates may differ as permitted pursuant to Section 4(a) below.

Section 2. Number of Shares. The authorized number of shares of Series N shall be 31,050. Shares of Series N that are redeemed, purchased or otherwise acquired by the Corporation shall be cancelled and shall revert to authorized but unissued shares of Series N.

Section 3. Definitions. As used herein with respect to Series N:

(a) "Appropriate Federal Banking Agency" means the "appropriate federal banking agency" with respect to the Corporation as that term is defined in Section 3(q) of the Federal Deposit Insurance Act or any successor provision.

(b) "Board of Directors" means the board of directors of the Corporation.

(c) "ByLaws" means the amended and restated bylaws of the Corporation, as they may be amended from time to time.

(d) "Business Day" means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City are generally authorized or obligated by law, regulation or executive order to close.

(e) "Certificate of Designations" means this Certificate of Designations relating to the Series N, as it may be amended from time to time.

(f) "Certification of Incorporation" shall mean the restated certificate of incorporation of the Corporation, as it may be amended from time to time, and shall include this Certificate of Designations.

(g) "Common Stock" means the common stock, par value $0.01 per share, of the Corporation.

(h) "Junior Stock" means the Common Stock and any other class or series of stock of the Corporation (other than Series N) that ranks junior to Series N either or both as to the payment of dividends and/or as to the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(i) "Parity Stock" means any class or series of stock of the Corporation (other than Series N) that ranks equally with Series N both in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(j) "Preferred Stock" means any and all series of Preferred Stock, having a par value of $0.01 per share, of the Corporation, including the Series N.

(k) "Regulatory Capital Treatment Event" means the good faith determination by the Corporation that, as a result of (i) any amendment to, or change in, the laws, rules or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of Series N, (ii) any proposed change in those laws, rules or regulations that is announced or becomes effective after the initial issuance of any share of Series N, or (iii) any official administrative decision or judicial

decision or administrative action or other official pronouncement interpreting or applying those laws, rules or regulations or policies with respect thereto that is announced after the initial issuance of any share of Series N, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation preference amount of $25,000 per share of Series N then outstanding as "tier 1 capital" (or its equivalent) for purposes of the capital adequacy guidelines of the Board of Governors of the Federal Reserve System (or, as and if applicable, the capital adequacy guidelines or regulations of any successor Appropriate Federal Banking Agency) as then in effect and applicable, for so long as any share of Series N is outstanding.

(l) "Voting Preferred Stock" means, with regard to any election or removal of a Preferred Stock Director (as defined in Section 7(b) below) or any other matter as to which the holders of Series N are entitled to vote as specified in Section 7 of this Certificate of Designations, any and all series of Preferred Stock (other than Series N) that rank equally with Series N either as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up of the Corporation and upon which like voting rights have been conferred and are exercisable with respect to such matter.

Section 4. Dividends.

(a) **Rate**. Holders of Series N shall be entitled to receive, when, as and if declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) out of funds legally available for the payment of dividends under Delaware law, non-cumulative cash dividends at the rate per annum equal to 6.30% applied to the liquidation preference amount of $25,000 per share of Series N. Such dividends shall be payable quarterly in arrears (as provided below in this Section 4(a)), but only when, as and if declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors), on February 10, May 10, August 10 and November 10 ("Dividend Payment Dates"), commencing on May 10, 2016; *provided* that if any such Dividend Payment Date would otherwise occur on a day that is not a Business Day, such dividend shall instead be payable on the immediately succeeding Business Day, without interest or other payment in respect of such delayed payment. Dividends on Series N shall not be cumulative; holders of Series N shall not be entitled to receive any dividends not declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) and no interest, or sum of money in lieu of interest, shall be payable in respect of any dividend not so declared.

Dividends on the Series N shall not be declared or set aside for payment if and to the extent such dividends would cause the Corporation to fail to comply with the capital adequacy guidelines of the Board of Governors of the Federal Reserve System (or, as and if applicable, the capital adequacy guidelines or regulations of any successor Appropriate Federal Banking Agency) applicable to the Corporation.

Dividends that are payable on Series N on any Dividend Payment Date will be payable to holders of record of Series N as they appear on the stock register of the Corporation on the applicable record date, which shall be the 15th calendar day before such Dividend Payment Date or such other record date fixed by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) that is not more than 60 nor less than 10 days prior to such Dividend Payment Date (each, a "Dividend Record Date"). Any such day that is a Dividend Record Date shall be a Dividend Record Date whether or not such day is a Business Day.

Each dividend period (a "Dividend Period") shall commence on and include a Dividend Payment Date (other than the initial Dividend Period, which shall commence on and include the date of original issue of the Series N, *provided* that, for any share of Series N issued after such original issue date, the initial Dividend Period for such shares may commence on and include such other date as the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) shall determine and publicly disclose) and shall end on and include the calendar day next preceding the next Dividend Payment Date. Dividends payable on the Series N in respect of any Dividend Period shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. Dividends payable in respect of a Dividend Period shall be payable in arrears – i.e., on the first Dividend Payment Date after such Dividend Period.

Holders of Series N shall not be entitled to any dividends, whether payable in cash, securities or other property, other than dividends (if any) declared and payable on the Series N as specified in this Section 4 (subject to the other provisions of this Certificate of Designations).

(b) **Priority of Dividends**. So long as any share of Series N remains outstanding, no dividend shall be declared or paid on the Common Stock or any other shares of Junior Stock (other than a dividend payable solely in Junior Stock), and no Common Stock or other Junior Stock shall be purchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into other Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock and other than through the use of the proceeds of a substantially contemporaneous sale of Junior Stock) during a Dividend Period, unless the full dividends for the latest completed Dividend Period on all outstanding shares of Series N have been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside). The foregoing provision shall not restrict the ability of Goldman, Sachs & Co., or any other affiliate of the Corporation, to engage in any market-making transactions in Junior Stock in the ordinary course of business.

When dividends are not paid (or declared and a sum sufficient for payment thereof set aside) on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within a Dividend Period) in full upon the Series N and any shares of Parity Stock, all dividends declared on the Series N and all such Parity Stock and payable

on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) shall be declared pro rata so that the respective amounts of such dividends shall bear the same ratio to each other as all accrued but unpaid dividends per share on the Series N and all Parity Stock payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) bear to each other.

Subject to the foregoing, such dividends (payable in cash, securities or other property) as may be determined by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) may be declared and paid on any securities, including Common Stock and other Junior Stock, from time to time out of any funds legally available for such payment, and the Series N shall not be entitled to participate in any such dividends.

Section 5. Liquidation Rights.

(a) **Voluntary or Involuntary Liquidation**. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, holders of Series N shall be entitled to receive, out of the assets of the Corporation or proceeds thereof (whether capital or surplus) available for distribution to stockholders of the Corporation, and after satisfaction of all liabilities and obligations to creditors of the Corporation, before any distribution of such assets or proceeds is made to or set aside for the holders of Common Stock and any other stock of the Corporation ranking junior to the Series N as to such distribution, in full an amount equal to $25,000 per share, together with an amount equal to all dividends (if any) that have been declared but not paid prior to the date of payment of such distribution (but without any amount in respect of dividends that have not been declared prior to such payment date).

(b) **Partial Payment**. If in any distribution described in Section 5(a) above the assets of the Corporation or proceeds thereof are not sufficient to pay the Liquidation Preferences (as defined below) in full to all holders of Series N and all holders of any stock of the Corporation ranking equally with the Series N as to such distribution, the amounts paid to the holders of Series N and to the holders of all such other stock shall be paid *pro rata* in accordance with the respective aggregate Liquidation Preferences of the holders of Series N and the holders of all such other stock. In any such distribution, the "Liquidation Preference" of any holder of stock of the Corporation shall mean the amount otherwise payable to such holder in such distribution (assuming no limitation on the assets of the Corporation available for such distribution), including an amount equal to any declared but unpaid dividends (and, in the case of any holder of stock other than Series N and on which dividends accrue on a cumulative basis, an amount equal to any unpaid, accrued, cumulative dividends, whether or not declared, as applicable).

(c) **Residual Distributions**. If the Liquidation Preference has been paid in full to all holders of Series N, the holders of other stock of the Corporation shall be entitled to receive all remaining assets of the Corporation (or proceeds thereof) according to their respective rights and preferences.

(d) **Merger, Consolidation and Sale of Assets Not Liquidation**. For purposes of this Section 5, the merger or consolidation of the Corporation with any other corporation or other entity, including a merger or consolidation in which the holders of Series N receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or other property) of all or substantially all of the assets of the Corporation, shall not constitute a liquidation, dissolution or winding up of the Corporation.

Section 6. Redemption.

(a) **Optional Redemption**. The Series N is perpetual and has no maturity date. The Corporation may, at its option, redeem the shares of Series N at the time outstanding, upon notice given as provided in Section 6(c) below, (i) in whole or in part, from time to time, on any date on or after May 10, 2021 (or, if not a Business Day, the next succeeding Business Day), or (ii) in whole but not in part at any time within 90 days following a Regulatory Capital Treatment Event, in each case, at a redemption price per share equal to $25,000, plus (except as otherwise provided herein below) an amount equal to any dividends per share that have accrued but not been paid for the then-current Dividend Period to but excluding the redemption date, whether or not such dividends have been declared. The redemption price for any shares of Series N shall be payable on the redemption date to the holder of such shares against surrender of the certificate(s) evidencing such shares to the Corporation or its agent. Any declared but unpaid dividends payable on a redemption date that occurs subsequent to the Dividend Record Date for a Dividend Period shall not be paid to the holder entitled to receive the redemption price on the redemption date, but rather shall be paid to the holder of record of the redeemed shares on such Dividend Record Date relating to the Dividend Payment Date as provided in Section 4 above. Notwithstanding the foregoing, the Corporation may not redeem shares of Series N without having received the prior approval of the Appropriate Federal Banking Agency if then required under capital guidelines applicable to the Corporation.

(b) **No Sinking Fund**. The Series N will not be subject to any mandatory redemption, sinking fund or other similar provisions. Holders of Series N will have no right to require redemption of any shares of Series N.

(c) **Notice of Redemption**. Notice of every redemption of shares of Series N shall be given by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Corporation. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Subsection shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series N designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series N.

Notwithstanding the foregoing, if the Series N or any depositary shares representing interests in the Series N are issued in book-entry form through The Depository Trust Company or any other similar facility, notice of redemption may be given to the holders of Series N at such time and in any manner permitted by such facility. Each such notice given to a holder shall state: (1) the redemption date; (2) the number of shares of Series N to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the redemption price; and (4) the place or places where certificates for such shares are to be surrendered for payment of the redemption price.

(d) **Partial Redemption**. In case of any redemption of only part of the shares of Series N at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or by lot. Subject to the provisions hereof, the Corporation shall have full power and authority to prescribe the terms and conditions upon which shares of Series N shall be redeemed from time to time. If fewer than all the shares represented by any certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without charge to the holder thereof.

(e) **Effectiveness of Redemption**. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other funds, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date dividends shall cease to accrue on all shares so called for redemption, all shares so called for redemption shall no longer be deemed outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption, without interest. Any funds unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

Section 7. Voting Rights.

(a) **General**. The holders of Series N shall not have any voting rights except as set forth below or as otherwise from time to time required by law.

(b) **Right To Elect Two Directors Upon Nonpayment Events**. If and whenever dividends on any shares of Series N shall not have been declared and paid for at least six Dividend Periods, whether or not consecutive (a "Nonpayment Event"), the number of directors then constituting the Board of Directors shall automatically be increased by two and the holders of Series N, together with the holders of all outstanding shares of Voting Preferred Stock, voting together as a single class, shall be entitled to elect the two additional directors (the "Preferred Stock Directors"), *provided* that the Board of Directors shall at no time include more than two Preferred Stock Directors (including, for purposes of this limitation, all directors that the holders of any series of Voting Preferred Stock are entitled to elect pursuant to like voting rights).

In the event that the holders of the Series N, and such other holders of Voting Preferred Stock, shall be entitled to vote for the election of the Preferred Stock Directors following a Nonpayment Event, such directors shall be initially elected following such Nonpayment Event only at a special meeting called at the request of the holders of record of at least 20% of the Series N or of any other series of Voting Preferred Stock then outstanding (unless such request for a special meeting is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders of the Corporation, in which event such election shall be held only at such next annual or special meeting of stockholders), and at each subsequent annual meeting of stockholders of the Corporation. Such request to call a special meeting for the initial election of the Preferred Stock Directors after a Nonpayment Event shall be made by written notice, signed by the requisite holders of Series N or any series of Voting Preferred Stock, and delivered to the Secretary of the Corporation in such manner as provided for in Section 9 below, or as may otherwise be required by law.

When dividends have been paid (or declared and a sum sufficient for payment thereof set aside) in full on the Series N for four consecutive Dividend Periods after a Nonpayment Event, then the right of the holders of Series N to elect the Preferred Stock Directors shall cease (but subject always to revesting of such voting rights in the case of any future Nonpayment Event), and, if and when any rights of holders of Series N and Voting Preferred Stock to elect the Preferred Stock Directors shall have ceased, the terms of office of all the Preferred Stock Directors shall forthwith terminate and the number of directors constituting the Board of Directors shall automatically be reduced accordingly.

Any Preferred Stock Director may be removed at any time without cause by the holders of record of a majority of all of the outstanding shares of the Series N and Voting Preferred Stock, when they have the voting rights described above (voting together as a single class). So long as a Nonpayment Event shall continue, any vacancy in the office of a Preferred Stock Director (other than prior to the initial election of Preferred Stock Directors after a Nonpayment Event) may be filled by the written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of record of a majority of all of the outstanding shares of the Series N and Voting Preferred Stock, when they have the voting rights described above (voting together as a single class). Any such vote of stockholders to remove, or to fill a vacancy in the office of, a Preferred Stock Director may be taken only at a special meeting of such stockholders, called as provided above for an initial election of Preferred Stock Director after a Nonpayment Event (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of stockholders). The Preferred Stock Directors shall each be entitled to one vote per director on any matter that shall come before the Board of Directors for a vote. Each Preferred Stock Director elected at any special meeting of stockholders or by written consent of the other Preferred Stock Director shall hold office until the next annual meeting of the stockholders if such office shall not have previously terminated as above provided.

(c) **Other Voting Rights**. So long as any shares of Series N are outstanding, in addition to any other vote or consent of stockholders required by law or by the Certificate of Incorporation, the vote or consent of the holders of at least 66⅔% of the shares of Series N and any Voting Preferred Stock at the time outstanding and entitled to vote thereon, voting together as a single class, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(i) **Authorization of Senior Stock**. Any amendment or alteration of the Certificate of Incorporation to authorize or create, or increase the authorized amount of, any shares of any class or series of capital stock of the Corporation ranking senior to the Series N with respect to either or both the payment of dividends and/or the distribution of assets on any liquidation, dissolution or winding up of the Corporation;

(ii) **Amendment of Series N**. Any amendment, alteration or repeal of any provision of the Certificate of Incorporation so as to materially and adversely affect the special rights, preferences, privileges or voting powers of the Series N, taken as a whole; or

(iii) **Share Exchanges, Reclassifications, Mergers and Consolidations**. Any consummation of a binding share exchange or reclassification involving the Series N, or of a merger or consolidation of the Corporation with another corporation or other entity, unless in each case (x) the shares of Series N remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (y) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series N immediately prior to such consummation, taken as a whole;

provided, *however*, that for all purposes of this Section 7(c), any increase in the amount of the authorized or issued Series N or authorized Preferred Stock, or the creation and issuance, or an increase in the authorized or issued amount, of any other series of Preferred Stock ranking equally with and/or junior to the Series N with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the rights, preferences, privileges or voting powers of the Series N.

If any amendment, alteration, repeal, share exchange, reclassification, merger or consolidation specified in this Section 7(c) would adversely affect the Series N and one or more but not all other series of Preferred Stock, then only the Series N and such series of Preferred Stock as are adversely affected by and entitled to vote on the matter shall vote on the matter together as a single class (in lieu of all other series of Preferred Stock).

(d) **Changes for Clarification**. Without the consent of the holders of the Series N, so long as such action does not adversely affect the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series N, the Corporation may amend, alter, supplement or repeal any terms of the Series N:

(i) to cure any ambiguity, or to cure, correct or supplement any provision contained in this Certificate of Designations that may be defective or inconsistent; or

(ii) to make any provision with respect to matters or questions arising with respect to the Series N that is not inconsistent with the provisions of this Certificate of Designations.

(e) **Changes after Provision for Redemption**. No vote or consent of the holders of Series N shall be required pursuant to Section 7(b), (c) or (d) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding shares of Series N shall have been redeemed, or shall have been called for redemption upon proper notice and sufficient funds shall have been set aside for such redemption, in each case pursuant to Section 6 above.

(f) **Procedures for Voting and Consents**. The rules and procedures for calling and conducting any meeting of the holders of Series N (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors), in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Certificate of Incorporation, the ByLaws, applicable law and any national securities exchange or other trading facility on which the Series N is listed or traded at the time. Whether the vote or consent of the holders of a plurality, majority or other portion of the shares of Series N and all Voting Preferred Stock has been cast or given on any matter on which the holders of shares of Series N are entitled to vote shall be determined by the Corporation by reference to the specified liquidation amounts of the shares voted or covered by the consent.

Section 8. Record Holders. To the fullest extent permitted by applicable law, the Corporation and the transfer agent for the Series N may deem and treat the record holder of any share of Series N as the true and lawful owner thereof for all purposes, and neither the Corporation nor such transfer agent shall be affected by any notice to the contrary.

Section 9. Notices. All notices or communications in respect of Series N shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, or if given in such other manner as may be permitted in this Certificate of Designations, in the Certificate of Incorporation or ByLaws or by applicable law.

Section 10. No Preemptive Rights. No share of Series N shall have any rights of preemption whatsoever as to any securities of the Corporation, or any warrants, rights or options issued or granted with respect thereto, regardless of how such securities, or such warrants, rights or options, may be designated, issued or granted.

Section 11. Other Rights. The shares of Series N shall not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Certificate of Incorporation or as provided by applicable law.

Appendix K

CERTIFICATE OF DESIGNATIONS

OF

5.30% FIXED-TO-FLOATING RATE NON-CUMULATIVE PREFERRED STOCK, SERIES O

OF

THE GOLDMAN SACHS GROUP, INC.

THE GOLDMAN SACHS GROUP, INC., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), in accordance with the provisions of Sections 103 and 151 thereof, DOES HEREBY CERTIFY:

The Securities Issuance Committee (the "Committee") of the board of directors of the Corporation (the "Board of Directors"), in accordance with the resolutions of the Board of Directors dated October 28, 2011, the provisions of the restated certificate of incorporation and the amended and restated bylaws of the Corporation and applicable law, at a meeting duly called and held on July 25, 2016, adopted the following resolution creating a series of 26,000 shares of Preferred Stock of the Corporation designated as "5.30% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series O".

RESOLVED, that pursuant to the authority vested in the Committee and in accordance with the resolutions of the Board of Directors dated October 28, 2011, the provisions of the restated certificate of incorporation and the amended and restated bylaws of the Corporation and applicable law, a series of Preferred Stock, par value $.01 per share, of the Corporation be and hereby is created, and that the designation and number of shares of such series, and the voting and other powers, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

Section 1. Designation. The distinctive serial designation of such series of Preferred Stock is "5.30% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series O" ("Series O"). Each share of Series O shall be identical in all respects to every other share of Series O, except as to the respective dates from which dividends thereon shall accrue, to the extent such dates may differ as permitted pursuant to Section 4(a) below.

Section 2. Number of Shares. The authorized number of shares of Series O shall be 26,000. Shares of Series O that are redeemed, purchased or otherwise acquired by the Corporation shall be cancelled and shall revert to authorized but unissued shares of Series O.

Section 3. Definitions. As used herein with respect to Series O:

(a) "Appropriate Federal Banking Agency" means the "appropriate federal banking agency" with respect to the Corporation as that term is defined in Section 3(q) of the Federal Deposit Insurance Act or any successor provision.

(b) "Board of Directors" means the board of directors of the Corporation.

(c) "ByLaws" means the amended and restated bylaws of the Corporation, as they may be amended from time to time.

(d) "Business Day" means (i) from the original issue date to and including November 10, 2026 (or, if such day is not a Monday, Tuesday, Wednesday, Thursday or Friday or is a day on which banking institutions in New York City are generally authorized or obligated by law or executive order to close, the next day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City are generally authorized or obligated by law or executive order to close), a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City are generally authorized or obligated by law or executive order to close, and (ii) thereafter, a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City are generally authorized or obligated by law or executive order to close and is a London Business Day.

(e) "Calculation Agent" means, at any time, the person or entity appointed by the Corporation and serving as such agent at such time. The Corporation may terminate any such appointment and may appoint a successor agent at any time and from time to time, *provided* that the Corporation shall use its best efforts to ensure that there is, at all relevant times when the Series O is outstanding, a person or entity appointed and serving as such agent. The Calculation Agent may be a person or entity affiliated with the Corporation.

(f) "Certificate of Designations" means this Certificate of Designations relating to the Series O, as it may be amended from time to time.

(g) "Certification of Incorporation" shall mean the restated certificate of incorporation of the Corporation, as it may be amended from time to time, and shall include this Certificate of Designations.

(h) "Common Stock" means the common stock, par value $0.01 per share, of the Corporation.

(i) "Junior Stock" means the Common Stock and any other class or series of stock of the Corporation (other than Series O) that ranks junior to Series O either or both as to the payment of dividends and/or as to the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(j) “London Business Day” means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions in London generally are authorized or obligated by law, regulation or executive order to close and is a day on which dealings in U.S. dollars are transacted in the London interbank market.

(k) “Parity Stock” means any class or series of stock of the Corporation (other than Series O) that ranks equally with Series O both in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(l) “Preferred Stock” means any and all series of Preferred Stock, having a par value of $0.01 per share, of the Corporation, including the Series O.

(m) “Regulatory Capital Treatment Event” means the good faith determination by the Corporation that, as a result of (i) any amendment to, or change in, the laws, rules or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of Series O, (ii) any proposed change in those laws, rules or regulations that is announced or becomes effective after the initial issuance of any share of Series O, or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws, rules or regulations or policies with respect thereto that is announced after the initial issuance of any share of Series O, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation preference amount of $25,000 per share of Series O then outstanding as “tier 1 capital” (or its equivalent) for purposes of the capital adequacy guidelines of the Board of Governors of the Federal Reserve System (or, as and if applicable, the capital adequacy guidelines or regulations of any successor Appropriate Federal Banking Agency) as then in effect and applicable, for so long as any share of Series O is outstanding.

(n) “Representative Amount” means, at any time, an amount that, in the Calculation Agent’s judgment, is representative of a single transaction in the relevant market at the relevant time.

(o) “Reuters screen” means the display on the Reuters 3000 Xtra service, or any successor or replacement service.

(p) “Voting Preferred Stock” means, with regard to any election or removal of a Preferred Stock Director (as defined in Section 7(b) below) or any other matter as to which the holders of Series O are entitled to vote as specified in Section 7 of this Certificate of Designations, any and all series of Preferred Stock (other than Series O) that rank equally with Series O either as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up of the Corporation and upon which like voting rights have been conferred and are exercisable with respect to such matter.

Section 4. Dividends.

(a) **Rate**. Holders of Series O shall be entitled to receive, when, as and if declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) out of funds legally available for the payment of dividends under Delaware law, non-cumulative cash dividends per each share of Series O at the rate determined as set forth below in this Section (4) applied to the liquidation preference amount of $25,000 per share of Series O. Such dividends shall be payable in arrears (as provided below in this Section 4(a)), but only when, as and if declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors), on the 10th day of May and November of each year, commencing on November 10, 2016 and ending on November 10, 2026, and on the 10th day of February, May, August and November of each year following November 10, 2026 ("Dividend Payment Dates"); *provided* that if any such Dividend Payment Date that occurs on or before November 10, 2026 is a day that is not a Business Day, such dividend shall instead be payable on the immediately succeeding Business Day without interest or other payment in respect of such delayed payment, *and provided further*, if any such Dividend Payment Date that would otherwise occur for any Dividend Period after the Dividend Period ending on but excluding November 10, 2026 is a day that is not a Business Day, such Dividend Payment Date shall instead be (and any such dividend shall accrue to and instead be payable on) the immediately succeeding Business Day unless such immediately succeeding Business Day falls in the next calendar month, in which case such Dividend Payment Date shall instead be (and any such dividend shall accrue to and instead be payable on) the immediately preceding Business Day. Dividends on Series O shall not be cumulative; holders of Series O shall not be entitled to receive any dividends not declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) and no interest, or sum of money in lieu of interest, shall be payable in respect of any dividend not so declared.

Dividends on the Series O shall not be declared or set aside for payment if and to the extent such dividends would cause the Corporation to fail to comply with the capital adequacy guidelines of the Board of Governors of the Federal Reserve System (or, as and if applicable, the capital adequacy guidelines or regulations of any successor Appropriate Federal Banking Agency) applicable to the Corporation.

Dividends that are payable on Series O on any Dividend Payment Date will be payable to holders of record of Series O as they appear on the stock register of the Corporation on the applicable record date, which shall be the 15th calendar day before such Dividend Payment Date or such other record date fixed by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) that is not more than 60 nor less than 10 days prior to such Dividend Payment Date (each, a "Dividend Record Date"). Any such day that is a Dividend Record Date shall be a Dividend Record Date whether or not such day is a Business Day.

Each dividend period (a "Dividend Period") shall commence on and include a Dividend Payment Date (other than the initial Dividend Period, which shall commence on and include the date of original issue of the Series O, *provided* that, for any share of Series O issued after such original issue date, the initial Dividend Period for such shares may commence on and include such other date as the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) shall determine and publicly disclose) and shall end on and include the calendar day next preceding the next Dividend Payment Date. Dividends payable on the Series O in respect of any Dividend Period beginning prior to November 10, 2026 shall be calculated on the basis of a 360-day year consisting of twelve 30-day months, and dividends payable on the Series O in respect of any Dividend Period beginning on or after November 10, 2026 shall be calculated by the Calculation Agent on the basis of a 360-day year and the actual number of days elapsed in such Dividend Period. Dividends payable in respect of a Dividend Period shall be payable in arrears – i.e., on the first Dividend Payment Date after such Dividend Period.

The dividend rate on the Series O, for each Dividend Period beginning prior to November 10, 2026, shall be a rate per annum equal to 5.30%, and the dividend rate on the Series O, for each Dividend Period beginning on or after November 10, 2026, shall be a rate per annum equal to LIBOR (as defined below) for such Dividend Period plus 3.834%. LIBOR, with respect to any Dividend Period beginning on or after November 10, 2026, means the offered rate expressed as a percentage per annum for three-month deposits in U.S. dollars on the first day of such Dividend Period, as that rate appears on Reuters screen LIBOR01 (or any successor or replacement page) as of approximately 11:00 A.M., London time, on the second London Business Day immediately preceding the first day of such Dividend Period.

If the rate described in the preceding paragraph does not appear on the Reuters screen LIBOR01 (or any successor or replacement page), LIBOR shall be determined on the basis of the rates, at approximately 11:00 A.M., London time, on the second London Business Day immediately preceding the first day of such Dividend Period, at which deposits of the following kind are offered to prime banks in the London interbank market by four major banks in that market selected by the Calculation Agent: three-month deposits in U.S. dollars, beginning on the first day of such Dividend Period, and in a Representative Amount. The Calculation Agent shall request the principal London office of each of these banks to provide a quotation of its rate at approximately 11:00 A.M., London time. If at least two quotations are provided, LIBOR for such Dividend Period shall be the arithmetic mean of such quotations.

If fewer than two quotations are provided as described in the preceding paragraph, LIBOR for such Dividend Period shall be the arithmetic mean of the rates for loans of the following kind to leading European banks quoted, at approximately 11:00 A.M., New York City time, on the second London Business Day immediately preceding the first day of such Dividend Period, by major banks in New York City selected by the Calculation Agent: three-month loans of U.S. dollars, beginning on the first day of such Dividend Period, and in a Representative Amount.

If no quotation is provided as described in the preceding paragraph, then the Calculation Agent, after consulting such sources as it deems comparable to any of the foregoing quotations or display page, or any such source as it deems reasonable from which to estimate LIBOR or any of the foregoing lending rates, shall determine LIBOR for such Dividend Period in its sole discretion.

The Calculation Agent's determination of any dividend rate, and its calculation of the amount of dividends for any Dividend Period, will be maintained on file at the Corporation's principal offices, will be made available to any stockholder upon request and will be final and binding in the absence of manifest error.

Holders of Series O shall not be entitled to any dividends, whether payable in cash, securities or other property, other than dividends (if any) declared and payable on the Series O as specified in this Section 4 (subject to the other provisions of this Certificate of Designations).

(b) **Priority of Dividends**. So long as any share of Series O remains outstanding, no dividend shall be declared or paid on the Common Stock or any other shares of Junior Stock (other than a dividend payable solely in Junior Stock), and no Common Stock or other Junior Stock shall be purchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into other Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock and other than through the use of the proceeds of a substantially contemporaneous sale of Junior Stock) during a Dividend Period, unless the full dividends for the latest completed Dividend Period on all outstanding shares of Series O have been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside). The foregoing provision shall not restrict the ability of Goldman, Sachs & Co., or any other affiliate of the Corporation, to engage in any market-making transactions in Junior Stock in the ordinary course of business.

When dividends are not paid (or declared and a sum sufficient for payment thereof set aside) on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within a Dividend Period) in full upon the Series O and any shares of Parity Stock, all dividends declared on the Series O and all such Parity Stock and payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) shall be declared *pro rata* so that the respective amounts of such dividends shall bear the same ratio to each other as all accrued but unpaid dividends per share on the Series O and all Parity Stock payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) bear to each other.

Subject to the foregoing, such dividends (payable in cash, securities or other property) as may be determined by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) may be declared and paid on any securities, including Common Stock and other Junior Stock, from time to time out of any funds legally available for such payment, and the Series O shall not be entitled to participate in any such dividends.

Section 5. Liquidation Rights.

(a) **Voluntary or Involuntary Liquidation**. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, holders of Series O shall be entitled to receive, out of the assets of the Corporation or proceeds thereof (whether capital or surplus) available for distribution to stockholders of the Corporation, and after satisfaction of all liabilities and obligations to creditors of the Corporation, before any distribution of such assets or proceeds is made to or set aside for the holders of Common Stock and any other stock of the Corporation ranking junior to the Series O as to such distribution, in full an amount equal to $25,000 per share, together with an amount equal to all dividends (if any) that have been declared but not paid prior to the date of payment of such distribution (but without any amount in respect of dividends that have not been declared prior to such payment date).

(b) **Partial Payment**. If in any distribution described in Section 5(a) above the assets of the Corporation or proceeds thereof are not sufficient to pay the Liquidation Preferences (as defined below) in full to all holders of Series O and all holders of any stock of the Corporation ranking equally with the Series O as to such distribution, the amounts paid to the holders of Series O and to the holders of all such other stock shall be paid *pro rata* in accordance with the respective aggregate Liquidation Preferences of the holders of Series O and the holders of all such other stock. In any such distribution, the "Liquidation Preference" of any holder of stock of the Corporation shall mean the amount otherwise payable to such holder in such distribution (assuming no limitation on the assets of the Corporation available for such distribution), including an amount equal to any declared but unpaid dividends (and, in the case of any holder of stock other than Series O and on which dividends accrue on a cumulative basis, an amount equal to any unpaid, accrued, cumulative dividends, whether or not declared, as applicable).

(c) **Residual Distributions**. If the Liquidation Preference has been paid in full to all holders of Series O, the holders of other stock of the Corporation shall be entitled to receive all remaining assets of the Corporation (or proceeds thereof) according to their respective rights and preferences.

(d) **Merger, Consolidation and Sale of Assets Not Liquidation**. For purposes of this Section 5, the merger or consolidation of the Corporation with any other corporation or other entity, including a merger or consolidation in which the holders of Series O receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or other property) of all or substantially all of the assets of the Corporation, shall not constitute a liquidation, dissolution or winding up of the Corporation.

Section 6. Redemption.

(a) **Optional Redemption**. The Series O is perpetual and has no maturity date. The Corporation may, at its option, redeem the shares of Series O at the time outstanding, upon notice given as provided in Section 6(c) below, (i) in whole or in part, from time to time, on any date on or after November 10, 2026 (or, if not a Business Day, the next succeeding Business Day), or (ii) in whole but not in part at any time within 90 days following a Regulatory Capital Treatment Event, in each case, at a redemption price per share equal to $25,000, plus (except as otherwise provided herein below) an amount equal to any dividends per share that have accrued but not been paid for the then-current Dividend Period to but excluding the redemption date, whether or not such dividends have been declared. The redemption price for any shares of Series O shall be payable on the redemption date to the holder of such shares against surrender of the certificate(s) evidencing such shares to the Corporation or its agent. Any declared but unpaid dividends payable on a redemption date that occurs subsequent to the Dividend Record Date for a Dividend Period shall not be paid to the holder entitled to receive the redemption price on the redemption date, but rather shall be paid to the holder of record of the redeemed shares on such Dividend Record Date relating to the Dividend Payment Date as provided in Section 4 above. Notwithstanding the foregoing, the Corporation may not redeem shares of Series O without having received the prior approval of the Appropriate Federal Banking Agency if then required under capital guidelines applicable to the Corporation.

(b) **No Sinking Fund**. The Series O will not be subject to any mandatory redemption, sinking fund or other similar provisions. Holders of Series O will have no right to require redemption of any shares of Series O.

(c) **Notice of Redemption**. Notice of every redemption of shares of Series O shall be given by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Corporation. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Subsection shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series O designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series O. Notwithstanding the foregoing, if the Series O or any depositary shares representing interests in the Series O are issued in book-entry form through The Depository Trust Company or any other similar facility, notice of redemption may be given to the holders of Series O at such time and in any manner permitted by such facility. Each such notice given to a holder shall state: (1) the redemption date; (2) the number of shares of Series O to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the redemption price; and (4) the place or places where certificates for such shares are to be surrendered for payment of the redemption price.

(d) **Partial Redemption**. In case of any redemption of only part of the shares of Series O at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or by lot. Subject to the provisions hereof, the Corporation shall have full power and authority to prescribe the terms and conditions upon which shares of Series O shall be redeemed from time to time. If fewer than all the shares represented by any certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without charge to the holder thereof.

(e) **Effectiveness of Redemption**. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other funds, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date dividends shall cease to accrue on all shares so called for redemption, all shares so called for redemption shall no longer be deemed outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption, without interest. Any funds unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

Section 7. Voting Rights.

(a) **General**. The holders of Series O shall not have any voting rights except as set forth below or as otherwise from time to time required by law.

(b) **Right To Elect Two Directors Upon Nonpayment Events**. If and whenever dividends on any shares of Series O shall not have been declared and paid for any Dividend Periods that, in aggregate, equal at least 18 months, whether or not consecutive (a "Nonpayment Event"), the number of directors then constituting the Board of Directors shall automatically be increased by two and the holders of Series O, together with the holders of all outstanding shares of Voting Preferred Stock, voting together as a single class, shall be entitled to elect the two additional directors (the "Preferred Stock Directors"), *provided* that the Board of Directors shall at no time include more than two Preferred Stock Directors (including, for purposes of this limitation, all directors that the holders of any series of Voting Preferred Stock are entitled to elect pursuant to like voting rights).

In the event that the holders of the Series O, and such other holders of Voting Preferred Stock, shall be entitled to vote for the election of the Preferred Stock Directors following a Nonpayment Event, such directors shall be initially elected following such Nonpayment Event only at a special meeting called at the request of the

holders of record of at least 20% of the Series O or of any other series of Voting Preferred Stock then outstanding (unless such request for a special meeting is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders of the Corporation, in which event such election shall be held only at such next annual or special meeting of stockholders), and at each subsequent annual meeting of stockholders of the Corporation. Such request to call a special meeting for the initial election of the Preferred Stock Directors after a Nonpayment Event shall be made by written notice, signed by the requisite holders of Series O or any series of Voting Preferred Stock, and delivered to the Secretary of the Corporation in such manner as provided for in Section 9 below, or as may otherwise be required by law.

When dividends have been paid (or declared and a sum sufficient for payment thereof set aside) in full on the Series O for consecutive Dividend Periods that, in aggregate, equal at least one year after a Nonpayment Event, then the right of the holders of Series O to elect the Preferred Stock Directors shall cease (but subject always to revesting of such voting rights in the case of any future Nonpayment Event), and, if and when any rights of holders of Series O and Voting Preferred Stock to elect the Preferred Stock Directors shall have ceased, the terms of office of all the Preferred Stock Directors shall forthwith terminate and the number of directors constituting the Board of Directors shall automatically be reduced accordingly.

Any Preferred Stock Director may be removed at any time without cause by the holders of record of a majority of all of the outstanding shares of the Series O and Voting Preferred Stock, when they have the voting rights described above (voting together as a single class). So long as a Nonpayment Event shall continue, any vacancy in the office of a Preferred Stock Director (other than prior to the initial election of Preferred Stock Directors after a Nonpayment Event) may be filled by the written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of record of a majority of all of the outstanding shares of the Series O and Voting Preferred Stock, when they have the voting rights described above (voting together as a single class). Any such vote of stockholders to remove, or to fill a vacancy in the office of, a Preferred Stock Director may be taken only at a special meeting of such stockholders, called as provided above for an initial election of Preferred Stock Director after a Nonpayment Event (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of stockholders). The Preferred Stock Directors shall each be entitled to one vote per director on any matter that shall come before the Board of Directors for a vote. Each Preferred Stock Director elected at any special meeting of stockholders or by written consent of the other Preferred Stock Director shall hold office until the next annual meeting of the stockholders if such office shall not have previously terminated as above provided.

(c) **Other Voting Rights**. So long as any shares of Series O are outstanding, in addition to any other vote or consent of stockholders required by law or by the Certificate of Incorporation, the vote or consent of the holders of at least 66⅔% of the shares of Series O and any Voting Preferred Stock at the time outstanding and entitled to vote thereon, voting together as a single class, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(i) **Authorization of Senior Stock**. Any amendment or alteration of the Certificate of Incorporation to authorize or create, or increase the authorized amount of, any shares of any class or series of capital stock of the Corporation ranking senior to the Series O with respect to either or both the payment of dividends and/or the distribution of assets on any liquidation, dissolution or winding up of the Corporation;

(ii) **Amendment of Series O**. Any amendment, alteration or repeal of any provision of the Certificate of Incorporation so as to materially and adversely affect the special rights, preferences, privileges or voting powers of the Series O, taken as a whole; or

(iii) **Share Exchanges, Reclassifications, Mergers and Consolidations**. Any consummation of a binding share exchange or reclassification involving the Series O, or of a merger or consolidation of the Corporation with another corporation or other entity, unless in each case (x) the shares of Series O remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (y) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series O immediately prior to such consummation, taken as a whole;

provided, *however*, that for all purposes of this Section 7(c), any increase in the amount of the authorized or issued Series O or authorized Preferred Stock, or the creation and issuance, or an increase in the authorized or issued amount, of any other series of Preferred Stock ranking equally with and/or junior to the Series O with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the rights, preferences, privileges or voting powers of the Series O.

If any amendment, alteration, repeal, share exchange, reclassification, merger or consolidation specified in this Section 7(c) would adversely affect the Series O and one or more but not all other series of Preferred Stock, then only the Series O and such series of Preferred Stock as are adversely affected by and entitled to vote on the matter shall vote on the matter together as a single class (in lieu of all other series of Preferred Stock).

(d) **Changes for Clarification**. Without the consent of the holders of the Series O, so long as such action does not adversely affect the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series O, the Corporation may amend, alter, supplement or repeal any terms of the Series O:

(i) to cure any ambiguity, or to cure, correct or supplement any provision contained in this Certificate of Designations that may be defective or inconsistent; or

(ii) to make any provision with respect to matters or questions arising with respect to the Series O that is not inconsistent with the provisions of this Certificate of Designations.

(e) **Changes after Provision for Redemption**. No vote or consent of the holders of Series O shall be required pursuant to Section 7(b), (c) or (d) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding shares of Series O shall have been redeemed, or shall have been called for redemption upon proper notice and sufficient funds shall have been set aside for such redemption, in each case pursuant to Section 6 above.

(f) **Procedures for Voting and Consents**. The rules and procedures for calling and conducting any meeting of the holders of Series O (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors), in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Certificate of Incorporation, the ByLaws, applicable law and any national securities exchange or other trading facility on which the Series O is listed or traded at the time. Whether the vote or consent of the holders of a plurality, majority or other portion of the shares of Series O and all Voting Preferred Stock has been cast or given on any matter on which the holders of shares of Series O are entitled to vote shall be determined by the Corporation by reference to the specified liquidation amounts of the shares voted or covered by the consent.

Section 8. Record Holders. To the fullest extent permitted by applicable law, the Corporation and the transfer agent for the Series O may deem and treat the record holder of any share of Series O as the true and lawful owner thereof for all purposes, and neither the Corporation nor such transfer agent shall be affected by any notice to the contrary.

Section 9. Notices. All notices or communications in respect of Series O shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, or if given in such other manner as may be permitted in this Certificate of Designations, in the Certificate of Incorporation or ByLaws or by applicable law.

Section 10. No Preemptive Rights. No share of Series O shall have any rights of preemption whatsoever as to any securities of the Corporation, or any warrants, rights or options issued or granted with respect thereto, regardless of how such securities, or such warrants, rights or options, may be designated, issued or granted.

Section 11. Other Rights. The shares of Series O shall not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Certificate of Incorporation or as provided by applicable law.

Appendix L

CERTIFICATE OF DESIGNATIONS

OF

5.00% FIXED-TO-FLOATING RATE NON-CUMULATIVE PREFERRED STOCK, SERIES P

OF

THE GOLDMAN SACHS GROUP, INC.

THE GOLDMAN SACHS GROUP, INC., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), in accordance with the provisions of Sections 103 and 151 thereof, DOES HEREBY CERTIFY:

The Securities Issuance Committee (the "Committee") of the board of directors of the Corporation (the "Board of Directors"), in accordance with the resolutions of the Board of Directors dated October 28, 2011, the provisions of the restated certificate of incorporation and the amended and restated bylaws of the Corporation and applicable law, by unanimous written consent dated October 26, 2017, adopted the following resolution creating a series of 66,000 shares of Preferred Stock of the Corporation designated as "5.00% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series P".

RESOLVED, that pursuant to the authority vested in the Committee and in accordance with the resolutions of the Board of Directors dated October 28, 2011, the provisions of the restated certificate of incorporation and the amended and restated bylaws of the Corporation and applicable law, a series of Preferred Stock, par value $.01 per share, of the Corporation be and hereby is created, and that the designation and number of shares of such series, and the voting and other powers, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

Section 1. Designation. The distinctive serial designation of such series of Preferred Stock is "5.00% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series P" ("Series P"). Each share of Series P shall be identical in all respects to every other share of Series P, except as to the respective dates from which dividends thereon shall accrue, to the extent such dates may differ as permitted pursuant to Section 4(a) below.

Section 2. Number of Shares. The authorized number of shares of Series P shall be 66,000. Shares of Series P that are redeemed, purchased or otherwise acquired by the Corporation shall be cancelled and shall revert to authorized but unissued shares of Series P.

Section 3. Definitions. As used herein with respect to Series P:

(a) "30/360 (ISDA) Day Count Convention" means the number of days in the Dividend Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\frac{[360\times(Y2-Y1)]+[30\times(M2-M1)]+(D2-D1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Dividend Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Dividend Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Dividend Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Dividend Period falls;

"D1" is the first calendar day, expressed as a number, of the Dividend Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Dividend Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30.

(b) "Actual/360 (ISDA) Day Count Convention" means the actual number of days in the Interest Period *divided* by 360.

(c) "Appropriate Federal Banking Agency" means the "appropriate federal banking agency" with respect to the Corporation as that term is defined in Section 3(q) of the Federal Deposit Insurance Act or any successor provision.

(d) "Board of Directors" means the board of directors of the Corporation.

(e) "ByLaws" means the amended and restated bylaws of the Corporation, as they may be amended from time to time.

(f) "Business Day" means (i) from the original issue date to and including November 10, 2022 (or, if such day is not a Monday, Tuesday, Wednesday, Thursday or Friday or is a day on which banking institutions in New York City are generally authorized or obligated by law or executive order to close, the next day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City are generally authorized or obligated by law or executive order to close), a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in

New York City are generally authorized or obligated by law or executive order to close, and (ii) thereafter, a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City are generally authorized or obligated by law or executive order to close and is a London Business Day.

(g) "Calculation Agent" means, at any time, the person or entity appointed by the Corporation and serving as such agent at such time. The Corporation may terminate any such appointment and may appoint a successor agent at any time and from time to time, *provided* that the Corporation shall use its best efforts to ensure that there is, at all relevant times when the Series P is outstanding, a person or entity appointed and serving as such agent. The Calculation Agent may be a person or entity affiliated with the Corporation.

(h) "Certificate of Designations" means this Certificate of Designations relating to the Series P, as it may be amended from time to time.

(i) "Certification of Incorporation" shall mean the restated certificate of incorporation of the Corporation, as it may be amended from time to time, and shall include this Certificate of Designations.

(j) "Common Stock" means the common stock, par value $0.01 per share, of the Corporation.

(k) "Junior Stock" means the Common Stock and any other class or series of stock of the Corporation (other than Series P) that ranks junior to Series P either or both as to the payment of dividends and/or as to the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(l) "London Business Day" means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions in London generally are authorized or obligated by law, regulation or executive order to close and is a day on which dealings in U.S. dollars are transacted in the London interbank market.

(m) "Parity Stock" means any class or series of stock of the Corporation (other than Series P) that ranks equally with Series P both in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(n) "Preferred Stock" means any and all series of Preferred Stock, having a par value of $0.01 per share, of the Corporation, including the Series P.

(o) “Regulatory Capital Treatment Event” means the good faith determination by the Corporation that, as a result of (i) any amendment to, or change in, the laws, rules or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of Series P, (ii) any proposed change in those laws, rules or regulations that is announced or becomes effective after the initial issuance of any share of Series P, or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws, rules or regulations or policies with respect thereto that is announced after the initial issuance of any share of Series P, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation preference amount of $25,000 per share of Series P then outstanding as “tier 1 capital” (or its equivalent) for purposes of the capital adequacy rules of the Board of Governors of the Federal Reserve System (or, as and if applicable, the capital adequacy rules or regulations of any successor Appropriate Federal Banking Agency) as then in effect and applicable, for so long as any share of Series P is outstanding.

(p) “Representative Amount” means, at any time, an amount that, in the Calculation Agent’s judgment, is representative of a single transaction in the relevant market at the relevant time.

(q) “Reuters screen” means the display on the Thomson Reuters Eikon service, or any successor or replacement service.

(r) “Voting Preferred Stock” means, with regard to any election or removal of a Preferred Stock Director (as defined in Section 7(b) below) or any other matter as to which the holders of Series P are entitled to vote as specified in Section 7 of this Certificate of Designations, any and all series of Preferred Stock (other than Series P) that rank equally with Series P either as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up of the Corporation and upon which like voting rights have been conferred and are exercisable with respect to such matter.

Section 4. Dividends.

(a) **Rate**. Holders of Series P shall be entitled to receive, when, as and if declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) out of funds legally available for the payment of dividends under Delaware law, non-cumulative cash dividends per each share of Series P at the rate determined as set forth below in this Section (4) applied to the liquidation preference amount of $25,000 per share of Series P. Such dividends shall be payable in arrears (as provided below in this Section 4(a)), but only when, as and if declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors), on the 10th day of May and November of each year, commencing on May 10, 2018 and ending on November 10, 2022, and on the 10th day of February, May, August and November of each year following November 10, 2022 (“Dividend Payment Dates”); *provided* that if any such Dividend Payment Date that occurs on or before November 10, 2022 is a day that is not a Business Day, such dividend shall instead be payable on the immediately succeeding Business Day without interest or other payment in respect of such

delayed payment, *and provided further*, if any such Dividend Payment Date that would otherwise occur for any Dividend Period after the Dividend Period ending on but excluding November 10, 2022 is a day that is not a Business Day, such Dividend Payment Date shall instead be (and any such dividend shall accrue to and instead be payable on) the immediately succeeding Business Day unless such immediately succeeding Business Day falls in the next calendar month, in which case such Dividend Payment Date shall instead be (and any such dividend shall accrue to and instead be payable on) the immediately preceding Business Day. Dividends on Series P shall not be cumulative; holders of Series P shall not be entitled to receive any dividends not declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) and no interest, or sum of money in lieu of interest, shall be payable in respect of any dividend not so declared.

Dividends on the Series P shall not be declared or set aside for payment if and to the extent such dividends would cause the Corporation to fail to comply with the capital adequacy rules of the Board of Governors of the Federal Reserve System (or, as and if applicable, the capital adequacy rules or regulations of any successor Appropriate Federal Banking Agency) applicable to the Corporation.

Dividends that are payable on Series P on any Dividend Payment Date will be payable to holders of record of Series P as they appear on the stock register of the Corporation on the applicable record date, which shall be the 15th calendar day before such Dividend Payment Date or such other record date fixed by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) that is not more than 60 nor less than 10 days prior to such Dividend Payment Date (each, a "Dividend Record Date"). Any such day that is a Dividend Record Date shall be a Dividend Record Date whether or not such day is a Business Day.

Each dividend period (a "Dividend Period") shall commence on and include a Dividend Payment Date (other than the initial Dividend Period, which shall commence on and include the date of original issue of the Series P, *provided* that, for any share of Series P issued after such original issue date, the initial Dividend Period for such shares may commence on and include such other date as the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) shall determine and publicly disclose) and shall end on and include the calendar day next preceding the next Dividend Payment Date. Dividends payable on the Series P in respect of any Dividend Period beginning prior to November 10, 2022 shall be calculated on the basis of the 30/360 (ISDA) Day Count Convention, and dividends payable on the Series P in respect of any Dividend Period beginning on or after November 10, 2022 shall be calculated by the Calculation Agent on the basis of the Actual/360 (ISDA) Day Count Convention. Dividends payable in respect of a Dividend Period shall be payable in arrears – i.e., on the first Dividend Payment Date after such Dividend Period.

The dividend rate on the Series P, for each Dividend Period beginning prior to November 10, 2022, shall be a rate per annum equal to 5.00%, and the dividend rate on the Series P, for each Dividend Period beginning on or after November 10, 2022, shall be a rate per annum equal to LIBOR (as defined below) for such Dividend Period plus 2.874%. LIBOR, with respect to any Dividend Period beginning on or after November 10, 2022, means the offered rate expressed as a percentage per annum for three-month deposits in U.S. dollars on the first day of such Dividend Period, as that rate appears on Reuters screen LIBOR01 (or any successor or replacement page) as of approximately 11:00 A.M., London time, on the second London Business Day immediately preceding the first day of such Dividend Period.

If the Calculation Agent determines on the relevant dividend determination date that the LIBOR base rate described in the preceding paragraph has been discontinued, then the Calculation Agent will use a substitute or successor base rate that it has determined in its sole discretion is most comparable to the LIBOR base rate, provided that if the Calculation Agent determines there is an industry-accepted successor base rate, then the Calculation Agent shall use such successor base rate. If the Calculation Agent has determined a substitute or successor base rate in accordance with the foregoing, the Calculation Agent in its sole discretion may determine the business day convention, the definition of business day and the dividend determination date to be used and any other relevant methodology for calculating such substitute or successor base rate, including any adjustment factor needed to make such substitute or successor base rate comparable to the LIBOR base rate, in a manner that is consistent with industry-accepted practices for such substitute or successor base rate. Unless the Calculation Agent uses a substitute or successor base rate as so provided, the following will apply.

(i) If the LIBOR base rate described in the second preceding paragraph does not appear on the Reuters screen LIBOR01 (or any successor or replacement page), LIBOR shall be determined on the basis of the rates, at approximately 11:00 A.M., London time, on the second London Business Day immediately preceding the first day of such Dividend Period, at which deposits of the following kind are offered to prime banks in the London interbank market by four major banks in that market selected by the Calculation Agent: three-month deposits in U.S. dollars, beginning on the first day of such Dividend Period, and in a Representative Amount. The Calculation Agent shall request the principal London office of each of these banks to provide a quotation of its rate at approximately 11:00 A.M., London time. If at least two quotations are provided, LIBOR for such Dividend Period shall be the arithmetic mean of such quotations.

(ii) If fewer than two quotations are provided as described in the preceding paragraph, LIBOR for such Dividend Period shall be the arithmetic mean of the rates for loans of the following kind to leading European banks quoted, at approximately 11:00 A.M., New York City time, on the second London Business Day immediately preceding the first day of such Dividend Period, by major banks in New York City selected by the Calculation Agent: three-month loans of U.S. dollars, beginning on the first day of such Dividend Period, and in a Representative Amount.

(iii) If no quotation is provided as described in the preceding paragraph, then the Calculation Agent, after consulting such sources as it deems comparable to any of the foregoing quotations or display page, or any such source as it deems reasonable from which to estimate LIBOR or any of the foregoing lending rates, shall determine LIBOR for such Dividend Period in its sole discretion.

The Calculation Agent's determination of any dividend rate, and its calculation of the amount of dividends for any Dividend Period, will be maintained on file at the Corporation's principal offices, will be made available to any stockholder upon request and will be final and binding in the absence of manifest error.

Holders of Series P shall not be entitled to any dividends, whether payable in cash, securities or other property, other than dividends (if any) declared and payable on the Series P as specified in this Section 4 (subject to the other provisions of this Certificate of Designations).

(b) **Priority of Dividends**. So long as any share of Series P remains outstanding, no dividend shall be declared or paid on the Common Stock or any other shares of Junior Stock (other than a dividend payable solely in Junior Stock), and no Common Stock or other Junior Stock shall be purchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into other Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock and other than through the use of the proceeds of a substantially contemporaneous sale of Junior Stock) during a Dividend Period, unless the full dividends for the latest completed Dividend Period on all outstanding shares of Series P have been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside). The foregoing provision shall not restrict the ability of Goldman Sachs & Co. LLC, or any other affiliate of the Corporation, to engage in any market-making transactions in Junior Stock in the ordinary course of business.

When dividends are not paid (or declared and a sum sufficient for payment thereof set aside) on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within a Dividend Period) in full upon the Series P and any shares of Parity Stock, all dividends declared on the Series P and all such Parity Stock and payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) shall be declared *pro rata* so that the respective amounts of such dividends shall bear the same ratio to each other as all accrued but unpaid dividends per share on the Series P and all Parity Stock payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) bear to each other.

Subject to the foregoing, such dividends (payable in cash, securities or other property) as may be determined by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) may be declared and paid on any securities, including Common Stock and other Junior Stock, from time to time out of any funds legally available for such payment, and the Series P shall not be entitled to participate in any such dividends.

Section 5. Liquidation Rights.

(a) **Voluntary or Involuntary Liquidation**. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, holders of Series P shall be entitled to receive, out of the assets of the Corporation or proceeds thereof (whether capital or surplus) available for distribution to stockholders of the Corporation, and after satisfaction of all liabilities and obligations to creditors of the Corporation, before any distribution of such assets or proceeds is made to or set aside for the holders of Common Stock and any other stock of the Corporation ranking junior to the Series P as to such distribution, in full an amount equal to $25,000 per share, together with an amount equal to all dividends (if any) that have been declared but not paid prior to the date of payment of such distribution (but without any amount in respect of dividends that have not been declared prior to such payment date).

(b) **Partial Payment**. If in any distribution described in Section 5(a) above the assets of the Corporation or proceeds thereof are not sufficient to pay the Liquidation Preferences (as defined below) in full to all holders of Series P and all holders of any stock of the Corporation ranking equally with the Series P as to such distribution, the amounts paid to the holders of Series P and to the holders of all such other stock shall be paid *pro rata* in accordance with the respective aggregate Liquidation Preferences of the holders of Series P and the holders of all such other stock. In any such distribution, the "Liquidation Preference" of any holder of stock of the Corporation shall mean the amount otherwise payable to such holder in such distribution (assuming no limitation on the assets of the Corporation available for such distribution), including an amount equal to any declared but unpaid dividends (and, in the case of any holder of stock other than Series P and on which dividends accrue on a cumulative basis, an amount equal to any unpaid, accrued, cumulative dividends, whether or not declared, as applicable).

(c) **Residual Distributions**. If the Liquidation Preference has been paid in full to all holders of Series P, the holders of other stock of the Corporation shall be entitled to receive all remaining assets of the Corporation (or proceeds thereof) according to their respective rights and preferences.

(d) **Merger, Consolidation and Sale of Assets Not Liquidation**. For purposes of this Section 5, the merger or consolidation of the Corporation with any other corporation or other entity, including a merger or consolidation in which the holders of Series P receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or other property) of all or substantially all of the assets of the Corporation, shall not constitute a liquidation, dissolution or winding up of the Corporation.

Section 6. Redemption.

(a) **Optional Redemption**. The Series P is perpetual and has no maturity date. The Corporation may, at its option, redeem the shares of Series P at the time outstanding, upon notice given as provided in Section 6(c) below, (i) in whole or in part, from time to time, on any date on or after November 10, 2022 (or, if not a Business Day, the next succeeding Business Day), or (ii) in whole but not in part at any time within 90 days following a Regulatory Capital Treatment Event, in each case, at a redemption price per share equal to $25,000, plus (except as otherwise provided herein below) an amount equal to any dividends per share that have accrued but not been paid for the then-current Dividend Period to but excluding the redemption date, whether or not such dividends have been declared. The redemption price for any shares of Series P shall be payable on the redemption date to the holder of such shares against surrender of the certificate(s) evidencing such shares to the Corporation or its agent. Any declared but unpaid dividends payable on a redemption date that occurs subsequent to the Dividend Record Date for a Dividend Period shall not be paid to the holder entitled to receive the redemption price on the redemption date, but rather shall be paid to the holder of record of the redeemed shares on such Dividend Record Date relating to the Dividend Payment Date as provided in Section 4 above. Notwithstanding the foregoing, the Corporation may not redeem shares of Series P without having received the prior approval of the Appropriate Federal Banking Agency if then required under capital rules applicable to the Corporation.

(b) **No Sinking Fund**. The Series P will not be subject to any mandatory redemption, sinking fund or other similar provisions. Holders of Series P will have no right to require redemption of any shares of Series P.

(c) **Notice of Redemption**. Notice of every redemption of shares of Series P shall be given by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Corporation. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Subsection shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series P designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series P. Notwithstanding the foregoing, if the Series P or any depositary shares representing interests in the Series P are issued in book-entry form through The Depository Trust Company or any other similar facility, notice of redemption may be given to the holders of Series P at such time and in any manner permitted by such facility. Each such notice given to a holder shall state: (1) the redemption date; (2) the number of shares of Series P to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the redemption price; and (4) the place or places where certificates for such shares are to be surrendered for payment of the redemption price.

(d) **Partial Redemption**. In case of any redemption of only part of the shares of Series P at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or by lot. Subject to the provisions hereof, the Corporation shall have full power and authority to prescribe the terms and conditions upon which shares of Series P shall be redeemed from time to time. If fewer than all the shares represented by any certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without charge to the holder thereof.

(e) **Effectiveness of Redemption**. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other funds, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date dividends shall cease to accrue on all shares so called for redemption, all shares so called for redemption shall no longer be deemed outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption, without interest. Any funds unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

Section 7. Voting Rights.

(a) **General**. The holders of Series P shall not have any voting rights except as set forth below or as otherwise from time to time required by law.

(b) **Right To Elect Two Directors Upon Nonpayment Events**. If and whenever dividends on any shares of Series P shall not have been declared and paid for any Dividend Periods that, in aggregate, equal at least 18 months, whether or not consecutive (a "Nonpayment Event"), the number of directors then constituting the Board of Directors shall automatically be increased by two and the holders of Series P, together with the holders of all outstanding shares of Voting Preferred Stock, voting together as a single class, shall be entitled to elect the two additional directors (the "Preferred Stock Directors"), *provided* that the Board of Directors shall at no time include more than two Preferred Stock Directors (including, for purposes of this limitation, all directors that the holders of any series of Voting Preferred Stock are entitled to elect pursuant to like voting rights).

In the event that the holders of the Series P, and such other holders of Voting Preferred Stock, shall be entitled to vote for the election of the Preferred Stock Directors following a Nonpayment Event, such directors shall be initially elected following such Nonpayment Event only at a special meeting called at the request of the

holders of record of at least 20% of the Series P or of any other series of Voting Preferred Stock then outstanding (unless such request for a special meeting is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders of the Corporation, in which event such election shall be held only at such next annual or special meeting of stockholders), and at each subsequent annual meeting of stockholders of the Corporation. Such request to call a special meeting for the initial election of the Preferred Stock Directors after a Nonpayment Event shall be made by written notice, signed by the requisite holders of Series P or any series of Voting Preferred Stock, and delivered to the Secretary of the Corporation in such manner as provided for in Section 9 below, or as may otherwise be required by law.

When dividends have been paid (or declared and a sum sufficient for payment thereof set aside) in full on the Series P for consecutive Dividend Periods that, in aggregate, equal at least one year after a Nonpayment Event, then the right of the holders of Series P to elect the Preferred Stock Directors shall cease (but subject always to revesting of such voting rights in the case of any future Nonpayment Event), and, if and when any rights of holders of Series P and Voting Preferred Stock to elect the Preferred Stock Directors shall have ceased, the terms of office of all the Preferred Stock Directors shall forthwith terminate and the number of directors constituting the Board of Directors shall automatically be reduced accordingly.

Any Preferred Stock Director may be removed at any time without cause by the holders of record of a majority of all of the outstanding shares of the Series P and Voting Preferred Stock, when they have the voting rights described above (voting together as a single class). So long as a Nonpayment Event shall continue, any vacancy in the office of a Preferred Stock Director (other than prior to the initial election of Preferred Stock Directors after a Nonpayment Event) may be filled by the written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of record of a majority of all of the outstanding shares of the Series P and Voting Preferred Stock, when they have the voting rights described above (voting together as a single class). Any such vote of stockholders to remove, or to fill a vacancy in the office of, a Preferred Stock Director may be taken only at a special meeting of such stockholders, called as provided above for an initial election of Preferred Stock Director after a Nonpayment Event (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of stockholders). The Preferred Stock Directors shall each be entitled to one vote per director on any matter that shall come before the Board of Directors for a vote. Each Preferred Stock Director elected at any special meeting of stockholders or by written consent of the other Preferred Stock Director shall hold office until the next annual meeting of the stockholders if such office shall not have previously terminated as above provided.

(c) **Other Voting Rights**. So long as any shares of Series P are outstanding, in addition to any other vote or consent of stockholders required by law or by the Certificate of Incorporation, the vote or consent of the holders of at least 66⅔% of the shares of Series P and any Voting Preferred Stock at the time outstanding and entitled to vote thereon, voting together as a single class, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(i) **Authorization of Senior Stock**. Any amendment or alteration of the Certificate of Incorporation to authorize or create, or increase the authorized amount of, any shares of any class or series of capital stock of the Corporation ranking senior to the Series P with respect to either or both the payment of dividends and/or the distribution of assets on any liquidation, dissolution or winding up of the Corporation;

(ii) **Amendment of Series P**. Any amendment, alteration or repeal of any provision of the Certificate of Incorporation so as to materially and adversely affect the special rights, preferences, privileges or voting powers of the Series P, taken as a whole; or

(iii) **Share Exchanges, Reclassifications, Mergers and Consolidations**. Any consummation of a binding share exchange or reclassification involving the Series P, or of a merger or consolidation of the Corporation with another corporation or other entity, unless in each case (x) the shares of Series P remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (y) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series P immediately prior to such consummation, taken as a whole;

provided, *however*, that for all purposes of this Section 7(c), any increase in the amount of the authorized or issued Series P or authorized Preferred Stock, or the creation and issuance, or an increase in the authorized or issued amount, of any other series of Preferred Stock ranking equally with and/or junior to the Series P with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the rights, preferences, privileges or voting powers of the Series P.

If any amendment, alteration, repeal, share exchange, reclassification, merger or consolidation specified in this Section 7(c) would adversely affect the Series P and one or more but not all other series of Preferred Stock, then only the Series P and such series of Preferred Stock as are adversely affected by and entitled to vote on the matter shall vote on the matter together as a single class (in lieu of all other series of Preferred Stock).

(d) **Changes for Clarification**. Without the consent of the holders of the Series P, so long as such action does not adversely affect the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series P, the Corporation may amend, alter, supplement or repeal any terms of the Series P:

(i) to cure any ambiguity, or to cure, correct or supplement any provision contained in this Certificate of Designations that may be defective or inconsistent; or

(ii) to make any provision with respect to matters or questions arising with respect to the Series P that is not inconsistent with the provisions of this Certificate of Designations.

(e) **Changes after Provision for Redemption**. No vote or consent of the holders of Series P shall be required pursuant to Section 7(b), (c) or (d) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding shares of Series P shall have been redeemed, or shall have been called for redemption upon proper notice and sufficient funds shall have been set aside for such redemption, in each case pursuant to Section 6 above.

(f) **Procedures for Voting and Consents**. The rules and procedures for calling and conducting any meeting of the holders of Series P (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors), in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Certificate of Incorporation, the ByLaws, applicable law and any national securities exchange or other trading facility on which the Series P is listed or traded at the time. Whether the vote or consent of the holders of a plurality, majority or other portion of the shares of Series P and all Voting Preferred Stock has been cast or given on any matter on which the holders of shares of Series P are entitled to vote shall be determined by the Corporation by reference to the specified liquidation amounts of the shares voted or covered by the consent.

Section 8. Record Holders. To the fullest extent permitted by applicable law, the Corporation and the transfer agent for the Series P may deem and treat the record holder of any share of Series P as the true and lawful owner thereof for all purposes, and neither the Corporation nor such transfer agent shall be affected by any notice to the contrary.

Section 9. Notices. All notices or communications in respect of Series P shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, or if given in such other manner as may be permitted in this Certificate of Designations, in the Certificate of Incorporation or ByLaws or by applicable law.

Section 10. No Preemptive Rights. No share of Series P shall have any rights of preemption whatsoever as to any securities of the Corporation, or any warrants, rights or options issued or granted with respect thereto, regardless of how such securities, or such warrants, rights or options, may be designated, issued or granted.

Section 11. Other Rights. The shares of Series P shall not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Certificate of Incorporation or as provided by applicable law.

Appendix M

CERTIFICATE OF DESIGNATIONS

OF

5.50% FIXED-RATE RESET NON-CUMULATIVE PREFERRED STOCK, SERIES Q

OF

THE GOLDMAN SACHS GROUP, INC.

THE GOLDMAN SACHS GROUP, INC., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), in accordance with the provisions of Sections 103 and 151 thereof, DOES HEREBY CERTIFY:

The Securities Issuance Committee (the "Committee") of the board of directors of the Corporation (the "Board of Directors"), in accordance with the resolutions of the Board of Directors dated October 28, 2011, the provisions of the restated certificate of incorporation and the amended and restated bylaws of the Corporation and applicable law, by unanimous written consent dated June 13th, 2019, adopted the following resolution creating a series of 20,000 shares of Preferred Stock of the Corporation designated as "5.50% Fixed-Rate Reset Non-Cumulative Preferred Stock, Series Q".

RESOLVED, that pursuant to the authority vested in the Committee and in accordance with the resolutions of the Board of Directors dated October 28, 2011, the provisions of the restated certificate of incorporation and the amended and restated bylaws of the Corporation and applicable law, a series of Preferred Stock, par value $.01 per share, of the Corporation be and hereby is created, and that the designation and number of shares of such series, and the voting and other powers, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

Section 1. Designation. The distinctive serial designation of such series of Preferred Stock is "5.50% Fixed-Rate Reset Non-Cumulative Preferred Stock, Series Q" ("Series Q"). Each share of Series Q shall be identical in all respects to every other share of Series Q, except as to the respective dates from which dividends thereon shall accrue, to the extent such dates may differ as permitted pursuant to Section 4(a) below.

Section 2. Number of Shares. The authorized number of shares of Series Q shall be 20,000. Shares of Series Q that are redeemed, purchased or otherwise acquired by the Corporation shall be cancelled and shall revert to authorized but unissued shares of Series Q.

Section 3. Definitions. As used herein with respect to Series Q:

(a) "30/360 (ISDA) Day Count Convention" means the number of days in the Dividend Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\frac{[360\times(Y2-Y1)]+[30\times(M2-M1)]+(D2-D1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Dividend Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Dividend Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Dividend Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Dividend Period falls;

"D1" is the first calendar day, expressed as a number, of the Dividend Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Dividend Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30.

(b) "Appropriate Federal Banking Agency" means the "appropriate federal banking agency" with respect to the Corporation as that term is defined in Section 3(q) of the Federal Deposit Insurance Act or any successor provision.

(c) "Board of Directors" means the board of directors of the Corporation.

(d) "ByLaws" means the amended and restated bylaws of the Corporation, as they may be amended from time to time.

(e) "Business Day" means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City are generally authorized or obligated by law or executive order to close, subject to any adjustments made by the Calculation Agent as provided for herein.

(f) "Calculation Agent" means, at any time, the person or entity appointed by the Corporation and serving as such agent at such time. The Corporation may terminate any such appointment and may appoint a successor agent at any time and from time to time, provided that the Corporation shall use its best efforts to ensure that there is, at all relevant times when the Series Q is outstanding, a person or entity appointed and serving as such agent. The Calculation Agent may be a person or entity affiliated with the Corporation.

(g) “Certificate of Designations” means this Certificate of Designations relating to the Series Q, as it may be amended from time to time.

(h) “Certification of Incorporation” shall mean the restated certificate of incorporation of the Corporation, as it may be amended from time to time, and shall include this Certificate of Designations.

(i) “Common Stock” means the common stock, par value $0.01 per share, of the Corporation.

(j) “Dividend Payment Date” means the 10th day of February and August of each year, commencing on February 10, 2020.

(k) “Dividend Period” is the period from and including a Dividend Payment Date to but excluding the next Dividend Payment Date, except that the initial dividend period will commence on and include the original issue date of the Series Q and will end on and exclude the February 10, 2020 Dividend Payment Date.

(l) “Five-Year Treasury Rate” means:

- The average of the yields on actively traded U.S. treasury securities adjusted to constant maturity, for five-year maturities, for the five Business Days appearing under the caption “Treasury Constant Maturities” in the most recently published statistical release designated H.15 Daily Update or any successor publication which is published by the Board of Governors of the Federal Reserve System, as determined by the Calculation Agent in its sole discretion.
- If no calculation is provided as described above, then the Calculation Agent, after consulting such sources as it deems comparable to any of the foregoing calculations, or any such source as it deems reasonable from which to estimate the five-year treasury rate, shall determine the five-year treasury rate in its sole discretion, provided that if the Calculation Agent determines there is an industry-accepted successor five-year treasury rate, then the Calculation Agent shall use such successor rate. If the Calculation Agent has determined a substitute or successor base rate in accordance with the foregoing, the Calculation Agent in its sole discretion may determine the Business Day convention, the definition of Business Day and the Reset Dividend Determination Dates to be used and any other relevant methodology for calculating such substitute or successor base rate, including any adjustment factor needed to make such substitute or successor base rate comparable to the Five-Year Treasury Rate, in a manner that is consistent with industry-accepted practices for such substitute or successor base rate.

The Five-Year Treasury Rate will be determined by the Calculation Agent on the Reset Dividend Determination Date.

(m) "Junior Stock" means the Common Stock and any other class or series of stock of the Corporation (other than Series Q) that ranks junior to Series Q either or both as to the payment of dividends and/or as to the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(n) "Parity Stock" means any class or series of stock of the Corporation (other than Series Q) that ranks equally with Series Q both in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(o) "Preferred Stock" means any and all series of Preferred Stock, having a par value of $0.01 per share, of the Corporation, including the Series Q.

(p) "Regulatory Capital Treatment Event" means the good faith determination by the Corporation that, as a result of (i) any amendment to, or change in, the laws, rules or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of Series Q, (ii) any proposed change in those laws, rules or regulations that is announced or becomes effective after the initial issuance of any share of Series Q, or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws, rules or regulations or policies with respect thereto that is announced after the initial issuance of any share of Series Q, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation preference amount of $25,000 per share of Series Q then outstanding as "tier 1 capital" (or its equivalent) for purposes of the capital adequacy rules of the Board of Governors of the Federal Reserve System (or, as and if applicable, the capital adequacy rules or regulations of any successor Appropriate Federal Banking Agency) as then in effect and applicable, for so long as any share of Series Q is outstanding.

(q) "Reset Date" means August 10, 2024 and each date falling on the fifth anniversary of the preceding Reset Date, in each case, regardless of whether such day is a Business Day.

(r) "Reset Dividend Determination Date" means, in respect of any Reset Period, the day falling three Business Days prior to the beginning of such Reset Period, subject to any adjustments made by the Calculation Agent as provided for herein.

(s) “Reset Period” means the period from and including August 10, 2024 to, but excluding, the next following Reset Date and thereafter each period from and including each Reset Date to, but excluding, the next following Reset Date.

(t) “Voting Preferred Stock” means, with regard to any election or removal of a Preferred Stock Director (as defined in Section 7(b) below) or any other matter as to which the holders of Series Q are entitled to vote as specified in Section 7 of this Certificate of Designations, any and all series of Preferred Stock (other than Series Q) that rank equally with Series Q either as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up of the Corporation and upon which like voting rights have been conferred and are exercisable with respect to such matter.

Section 4. Dividends.

(a) **Rate**. Holders of Series Q shall be entitled to receive, when, as and if declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) out of funds legally available for the payment of dividends under Delaware law, non-cumulative cash dividends per each share of Series Q at the rate determined as set forth below in this Section (4) applied to the liquidation preference amount of $25,000 per share of Series Q. Such dividends shall be payable in arrears (as provided below in this Section 4(a)), but only when, as and if declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors), on each Dividend Payment Date. Dividends will accrue (i) from the date of original issue to, but excluding, August 10, 2024 at a fixed rate per annum of 5.50%, and (ii) from, and including August 10, 2024, during each Reset Period, at a rate per annum equal to the Five-Year Treasury Rate as of the most recent Reset Dividend Determination Date plus 3.623%; provided that if any such Dividend Payment Date is a day that is not a Business Day, such dividend shall instead be payable on the next succeeding Business Day without interest or other payment in respect of such delayed payment. Dividends on Series Q shall not be cumulative; holders of Series Q shall not be entitled to receive any dividends not declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) and no interest, or sum of money in lieu of interest, shall be payable in respect of any dividend not so declared.

Dividends on the Series Q shall not be declared or set aside for payment if and to the extent such dividends would cause the Corporation to fail to comply with the capital adequacy rules of the Board of Governors of the Federal Reserve System (or, as and if applicable, the capital adequacy rules or regulations of any successor Appropriate Federal Banking Agency) applicable to the Corporation.

Dividends that are payable on Series Q on any Dividend Payment Date will be payable to holders of record of Series Q as they appear on the stock register of the Corporation on the applicable record date, which shall be the 15th calendar day before such Dividend Payment Date or such other record date fixed by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) that is not more than 60 nor less than 10 days prior to such Dividend Payment Date (each, a "Dividend Record Date"). Any such day that is a Dividend Record Date shall be a Dividend Record Date whether or not such day is a Business Day.

Each Dividend Period shall commence on and include a Dividend Payment Date (other than the initial Dividend Period, which shall commence on and include the date of original issue of the Series Q, *provided* that, for any share of Series Q issued after such original issue date, the initial Dividend Period for such shares may commence on and include such other date as the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) shall determine and publicly disclose) and shall end on and include the calendar day next preceding the next Dividend Payment Date. Dividends payable on the Series Q in respect of any Dividend Period shall be calculated on the basis of the 30/360 (ISDA) Day Count Convention. Dividends payable in respect of a Dividend Period shall be payable in arrears – i.e., on the first Dividend Payment Date after such Dividend Period.

The Calculation Agent's determination of any dividend rate, and its calculation of the amount of dividends for any Dividend Period, and any other adjustments made by the Calculation Agent pursuant to the terms hereof will be maintained on file at the Corporation's offices, will be made available to any stockholder upon request and will be final and binding in the absence of manifest error.

Holders of Series Q shall not be entitled to any dividends, whether payable in cash, securities or other property, other than dividends (if any) declared and payable on the Series Q as specified in this Section 4 (subject to the other provisions of this Certificate of Designations).

(b) **Priority of Dividends**. So long as any share of Series Q remains outstanding, no dividend shall be declared or paid on the Common Stock or any other shares of Junior Stock (other than a dividend payable solely in Junior Stock), and no Common Stock or other Junior Stock shall be purchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into other Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock and other than through the use of the proceeds of a substantially contemporaneous sale of Junior Stock) during a Dividend Period, unless the full dividends for the latest completed Dividend Period on all outstanding shares of Series Q have been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside). The foregoing provision shall not restrict the ability of Goldman Sachs & Co. LLC, or any other affiliate of the Corporation, to engage in any market-making transactions in Junior Stock in the ordinary course of business.

When dividends are not paid (or declared and a sum sufficient for payment thereof set aside) on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within a Dividend Period) in full upon the Series Q and any shares of Parity Stock, all dividends declared on the Series Q and all such Parity Stock and payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) shall be declared *pro rata* so that the respective amounts of such dividends shall bear the same ratio to each other as all accrued but unpaid dividends per share on the Series Q and all Parity Stock payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) bear to each other.

Subject to the foregoing, such dividends (payable in cash, securities or other property) as may be determined by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) may be declared and paid on any securities, including Common Stock and other Junior Stock, from time to time out of any funds legally available for such payment, and the Series Q shall not be entitled to participate in any such dividends.

Section 5. Liquidation Rights.

(a) **Voluntary or Involuntary Liquidation**. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, holders of Series Q shall be entitled to receive, out of the assets of the Corporation or proceeds thereof (whether capital or surplus) available for distribution to stockholders of the Corporation, and after satisfaction of all liabilities and obligations to creditors of the Corporation, before any distribution of such assets or proceeds is made to or set aside for the holders of Common Stock and any other stock of the Corporation ranking junior to the Series Q as to such distribution, in full an amount equal to $25,000 per share, together with an amount equal to all dividends (if any) that have been declared but not paid prior to the date of payment of such distribution (but without any amount in respect of dividends that have not been declared prior to such payment date).

(b) **Partial Payment**. If in any distribution described in Section 5(a) above the assets of the Corporation or proceeds thereof are not sufficient to pay the Liquidation Preferences (as defined below) in full to all holders of Series Q and all holders of any stock of the Corporation ranking equally with the Series Q as to such distribution, the amounts paid to the holders of Series Q and to the holders of all such other stock shall be paid *pro rata* in accordance with the respective aggregate Liquidation Preferences of the holders of Series Q and the holders of all such other stock. In any such distribution, the "Liquidation Preference" of any holder of stock of the Corporation shall mean the amount otherwise payable to such holder in such distribution (assuming no limitation on the assets of the Corporation available for such distribution), including an amount equal to any declared but unpaid dividends (and, in the case of any holder of stock other than Series Q and on which dividends accrue on a cumulative basis, an amount equal to any unpaid, accrued, cumulative dividends, whether or not declared, as applicable).

(c) **Residual Distributions.** If the Liquidation Preference has been paid in full to all holders of Series Q, the holders of other stock of the Corporation shall be entitled to receive all remaining assets of the Corporation (or proceeds thereof) according to their respective rights and preferences.

(d) **Merger, Consolidation and Sale of Assets Not Liquidation**. For purposes of this Section 5, the merger or consolidation of the Corporation with any other corporation or other entity, including a merger or consolidation in which the holders of Series Q receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or other property) of all or substantially all of the assets of the Corporation, shall not constitute a liquidation, dissolution or winding up of the Corporation.

Section 6. Redemption.

(a) **Optional Redemption**. The Series Q is perpetual and has no maturity date. The Corporation may, at its option, redeem the shares of Series Q at the time outstanding, upon notice given as provided in Section 6(c) below, (i) in whole or in part, on any Dividend Payment Date on or after August 10, 2024, or (ii) in whole but not in part at any time within 90 days following a Regulatory Capital Treatment Event, in each case, at a redemption price per share equal to $25,000, plus (except as otherwise provided herein below) an amount equal to any declared and unpaid dividends per share to but excluding the redemption date, without accumulation of undeclared dividends. The redemption price for any shares of Series Q shall be payable on the redemption date to the holder of such shares against surrender of the certificate(s) evidencing such shares to the Corporation or its agent. Any declared but unpaid dividends payable on a redemption date that occurs subsequent to the Dividend Record Date for a Dividend Period shall not be paid to the holder entitled to receive the redemption price on the redemption date, but rather shall be paid to the holder of record of the redeemed shares on such Dividend Record Date relating to the Dividend Payment Date as provided in Section 4 above. Notwithstanding the foregoing, the Corporation may not redeem shares of Series Q without having received the prior approval of the Appropriate Federal Banking Agency if then required under capital rules applicable to the Corporation.

(b) **No Sinking Fund**. The Series Q will not be subject to any mandatory redemption, sinking fund or other similar provisions. Holders of Series Q will have no right to require redemption of any shares of Series Q.

(c) **Notice of Redemption**. Notice of every redemption of shares of Series Q shall be given by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Corporation. Such mailing shall be at least 15 days and not more than 60 days

before the date fixed for redemption. Any notice mailed as provided in this Subsection shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series Q designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series Q. Notwithstanding the foregoing, if the Series Q or any depositary shares representing interests in the Series Q are issued in book-entry form through The Depository Trust Company or any other similar facility, notice of redemption may be given to the holders of Series Q at such time and in any manner permitted by such facility. Each notice given to a holder shall state: (1) the redemption date; (2) the number of shares of Series Q to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the redemption price; and (4) the place or places where holders may surrender certificates evidencing shares of Series Q Preferred Stock for payment of the redemption price.

(d) **Partial Redemption**. In case of any redemption of only part of the shares of Series Q at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or by lot. Subject to the provisions hereof, the Corporation shall have full power and authority to prescribe the terms and conditions upon which shares of Series Q shall be redeemed from time to time. If fewer than all the shares represented by any certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without charge to the holder thereof.

(e) **Effectiveness of Redemption**. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other funds, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date dividends shall cease to accrue on all shares so called for redemption, all shares so called for redemption shall no longer be deemed outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption, without interest. Any funds unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

Section 7. Voting Rights.

(a) **General**. The holders of Series Q shall not have any voting rights except as set forth below or as otherwise from time to time required by law.

(b) **Right To Elect Two Directors Upon Nonpayment Events**. If and whenever dividends on any shares of Series Q shall not have been declared and paid for any Dividend Periods that, in aggregate, equal at least 18 months, whether or not consecutive (a "Nonpayment Event"), the number of directors then constituting the Board of Directors shall automatically be increased by two and the holders of Series Q, together with the holders of all outstanding shares of Voting Preferred Stock, voting together as a single class, shall be entitled to elect the two additional directors (the "Preferred Stock Directors"), *provided* that the Board of Directors shall at no time include more than two Preferred Stock Directors (including, for purposes of this limitation, all directors that the holders of any series of Voting Preferred Stock are entitled to elect pursuant to like voting rights).

In the event that the holders of the Series Q, and such other holders of Voting Preferred Stock, shall be entitled to vote for the election of the Preferred Stock Directors following a Nonpayment Event, such directors shall be initially elected following such Nonpayment Event only at a special meeting called at the request of the holders of record of at least 20% of the Series Q or of any other series of Voting Preferred Stock then outstanding (unless such request for a special meeting is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders of the Corporation, in which event such election shall be held only at such next annual or special meeting of stockholders), and at each subsequent annual meeting of stockholders of the Corporation. Such request to call a special meeting for the initial election of the Preferred Stock Directors after a Nonpayment Event shall be made by written notice, signed by the requisite holders of Series Q or any series of Voting Preferred Stock, and delivered to the Secretary of the Corporation in such manner as provided for in Section 9 below, or as may otherwise be required by law.

When dividends have been paid (or declared and a sum sufficient for payment thereof set aside) in full on the Series Q for consecutive Dividend Periods that, in aggregate, equal at least one year after a Nonpayment Event, then the right of the holders of Series Q to elect the Preferred Stock Directors shall cease (but subject always to revesting of such voting rights in the case of any future Nonpayment Event), and, if and when any rights of holders of Series Q and Voting Preferred Stock to elect the Preferred Stock Directors shall have ceased, the terms of office of all the Preferred Stock Directors shall forthwith terminate and the number of directors constituting the Board of Directors shall automatically be reduced accordingly.

Any Preferred Stock Director may be removed at any time without cause by the holders of record of a majority of all of the outstanding shares of the Series Q and Voting Preferred Stock, when they have the voting rights described above (voting together as a single class). So long as a Nonpayment Event shall continue, any vacancy in the office of a Preferred Stock Director (other than prior to the initial election of Preferred Stock Directors after a Nonpayment Event) may be filled by the written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of record of a majority of all of the outstanding shares of the Series Q and Voting Preferred Stock, when they have the voting rights described above (voting together as a single class). Any such vote of stockholders to remove, or to fill a vacancy in the office of, a Preferred

Stock Director may be taken only at a special meeting of such stockholders, called as provided above for an initial election of Preferred Stock Director after a Nonpayment Event (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of stockholders). The Preferred Stock Directors shall each be entitled to one vote per director on any matter that shall come before the Board of Directors for a vote. Each Preferred Stock Director elected at any special meeting of stockholders or by written consent of the other Preferred Stock Director shall hold office until the next annual meeting of the stockholders if such office shall not have previously terminated as above provided.

(c) **Other Voting Rights**. So long as any shares of Series Q are outstanding, in addition to any other vote or consent of stockholders required by law or by the Certificate of Incorporation, the vote or consent of the holders of at least 66⅔% of the shares of Series Q and any Voting Preferred Stock at the time outstanding and entitled to vote thereon, voting together as a single class, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(i) **Authorization of Senior Stock**. Any amendment or alteration of the Certificate of Incorporation to authorize or create, or increase the authorized amount of, any shares of any class or series of capital stock of the Corporation ranking senior to the Series Q with respect to either or both the payment of dividends and/or the distribution of assets on any liquidation, dissolution or winding up of the Corporation;

(ii) **Amendment of Series Q**. Any amendment, alteration or repeal of any provision of the Certificate of Incorporation so as to materially and adversely affect the special rights, preferences, privileges or voting powers of the Series Q, taken as a whole; or

(iii) **Share Exchanges, Reclassifications, Mergers and Consolidations**. Any consummation of a binding share exchange or reclassification involving the Series Q, or of a merger or consolidation of the Corporation with another corporation or other entity, unless in each case (x) the shares of Series Q remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (y) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series Q immediately prior to such consummation, taken as a whole;

provided, however, that for all purposes of this Section 7(c), any increase in the amount of the authorized or issued Series Q or authorized Preferred Stock, or the creation and issuance, or an increase in the authorized or issued amount, of any other series of Preferred Stock ranking equally with and/or junior to the Series Q with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the rights, preferences, privileges or voting powers of the Series Q.

If any amendment, alteration, repeal, share exchange, reclassification, merger or consolidation specified in this Section 7(c) would adversely affect the Series Q and one or more but not all other series of Preferred Stock, then only the Series Q and such series of Preferred Stock as are adversely affected by and entitled to vote on the matter shall vote on the matter together as a single class (in lieu of all other series of Preferred Stock).

(d) **Changes for Clarification**. Without the consent of the holders of the Series Q, so long as such action does not adversely affect the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series Q, the Corporation may amend, alter, supplement or repeal any terms of the Series Q:

(i) to cure any ambiguity, or to cure, correct or supplement any provision contained in this Certificate of Designations that may be defective or inconsistent; or

(ii) to make any provision with respect to matters or questions arising with respect to the Series Q that is not inconsistent with the provisions of this Certificate of Designations.

(e) **Changes after Provision for Redemption**. No vote or consent of the holders of Series Q shall be required pursuant to Section 7(b), (c) or (d) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding shares of Series Q shall have been redeemed, or shall have been called for redemption upon proper notice and sufficient funds shall have been set aside for such redemption, in each case pursuant to Section 6 above.

(f) **Procedures for Voting and Consents**. The rules and procedures for calling and conducting any meeting of the holders of Series Q (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors), in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Certificate of Incorporation, the ByLaws, applicable law and any national securities exchange or other trading facility on which the Series Q is listed or traded at the time. Whether the vote or consent of the holders of a plurality, majority or other portion of the shares of Series Q and all Voting Preferred Stock has been cast or given on any matter on which the holders of shares of Series Q are entitled to vote shall be determined by the Corporation by reference to the specified liquidation amounts of the shares voted or covered by the consent.

Section 8. Record Holders. To the fullest extent permitted by applicable law, the Corporation and the transfer agent for the Series Q may deem and treat the record holder of any share of Series Q as the true and lawful owner thereof for all purposes, and neither the Corporation nor such transfer agent shall be affected by any notice to the contrary.

Section 9. Notices. All notices or communications in respect of Series Q shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, or if given in such other manner as may be permitted in this Certificate of Designations, in the Certificate of Incorporation or ByLaws or by applicable law.

Section 10. No Preemptive Rights. No share of Series Q shall have any rights of preemption whatsoever as to any securities of the Corporation, or any warrants, rights or options issued or granted with respect thereto, regardless of how such securities, or such warrants, rights or options, may be designated, issued or granted.

Section 11. Other Rights. The shares of Series Q shall not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Certificate of Incorporation or as provided by applicable law.

Appendix N

CERTIFICATE OF DESIGNATIONS

OF

4.95% FIXED-RATE RESET NON-CUMULATIVE PREFERRED STOCK, SERIES R

OF

THE GOLDMAN SACHS GROUP, INC.

THE GOLDMAN SACHS GROUP, INC., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), in accordance with the provisions of Sections 103 and 151 thereof, DOES HEREBY CERTIFY:

The Securities Issuance Committee (the "Committee") of the board of directors of the Corporation (the "Board of Directors"), in accordance with the resolutions of the Board of Directors dated October 28, 2011, the provisions of the restated certificate of incorporation and the amended and restated bylaws of the Corporation and applicable law, by unanimous written consent dated November 14, 2019, adopted the following resolution creating a series of 24,000 shares of Preferred Stock of the Corporation designated as "4.95% Fixed-Rate Reset Non-Cumulative Preferred Stock, Series R".

RESOLVED, that pursuant to the authority vested in the Committee and in accordance with the resolutions of the Board of Directors dated October 28, 2011, the provisions of the restated certificate of incorporation and the amended and restated bylaws of the Corporation and applicable law, a series of Preferred Stock, par value $.01 per share, of the Corporation be and hereby is created, and that the designation and number of shares of such series, and the voting and other powers, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

Section 1. Designation. The distinctive serial designation of such series of Preferred Stock is "4.95% Fixed-Rate Reset Non-Cumulative Preferred Stock, Series R" ("Series R"). Each share of Series R shall be identical in all respects to every other share of Series R, except as to the respective dates from which dividends thereon shall accrue, to the extent such dates may differ as permitted pursuant to Section 4(a) below.

Section 2. Number of Shares. The authorized number of shares of Series R shall be 24,000. Shares of Series R that are redeemed, purchased or otherwise acquired by the Corporation shall be cancelled and shall revert to authorized but unissued shares of Series R.

Section 3. Definitions. As used herein with respect to Series R:

(a) "30/360 (ISDA) Day Count Convention" means the number of days in the Dividend Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\frac{[360\times(Y2-Y1)]+[30\times(M2-M1)]+(D2-D1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Dividend Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Dividend Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Dividend Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Dividend Period falls;

"D1" is the first calendar day, expressed as a number, of the Dividend Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Dividend Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30.

(b) "Appropriate Federal Banking Agency" means the "appropriate federal banking agency" with respect to the Corporation as that term is defined in Section 3(q) of the Federal Deposit Insurance Act or any successor provision.

(c) "Board of Directors" means the board of directors of the Corporation.

(d) "Business Day" means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City are generally authorized or obligated by law or executive order to close, subject to any adjustments made by the Calculation Agent as provided for herein.

(e) "ByLaws" means the amended and restated bylaws of the Corporation, as they may be amended from time to time.

(f) “Calculation Agent” means, at any time, the person or entity appointed by the Corporation and serving as such agent at such time. The Corporation may terminate any such appointment and may appoint a successor agent at any time and from time to time, *provided* that the Corporation shall use its best efforts to ensure that there is, at all relevant times when the Series R is outstanding, a person or entity appointed and serving as such agent. The Calculation Agent may be a person or entity affiliated with the Corporation.

(g) “Certificate of Designations” means this Certificate of Designations relating to the Series R, as it may be amended from time to time.

(h) “Certification of Incorporation” shall mean the restated certificate of incorporation of the Corporation, as it may be amended from time to time, and shall include this Certificate of Designations.

(i) “Common Stock” means the common stock, par value $0.01 per share, of the Corporation.

(j) “Dividend Payment Date” means the 10th day of February and August of each year, commencing on August 10, 2020.

(k) “Dividend Period” is the period from and including a Dividend Payment Date to but excluding the next Dividend Payment Date, except that the initial dividend period will commence on and include the original issue date of the Series R and will end on and exclude the August 10, 2020 Dividend Payment Date.

(l) “Five-Year Treasury Rate” means:

- The average of the yields on actively traded U.S. treasury securities adjusted to constant maturity, for five-year maturities, for the five Business Days appearing under the caption “Treasury Constant Maturities” in the most recently published statistical release designated H.15 Daily Update or any successor publication which is published by the Board of Governors of the Federal Reserve System, as determined by the Calculation Agent in its sole discretion.
- If no calculation is provided as described above, then the Calculation Agent, after consulting such sources as it deems comparable to any of the foregoing calculations, or any such source as it deems reasonable from which to estimate the five-year treasury rate, shall determine the five-year treasury rate in its sole discretion, *provided* that if the Calculation Agent determines there is an industry-accepted successor five-year treasury rate, then the Calculation Agent shall use such successor rate. If the Calculation Agent has determined a substitute or successor base rate in accordance with the foregoing, the Calculation Agent in its sole discretion may determine the Business Day convention,

the definition of Business Day and the Reset Dividend Determination Dates to be used and any other relevant methodology for calculating such substitute or successor base rate, including any adjustment factor needed to make such substitute or successor base rate comparable to the Five-Year Treasury Rate, in a manner that is consistent with industry-accepted practices for such substitute or successor base rate.

The Five-Year Treasury Rate will be determined by the Calculation Agent on the Reset Dividend Determination Date.

(m) "Junior Stock" means the Common Stock and any other class or series of stock of the Corporation (other than Series R) that ranks junior to Series R either or both as to the payment of dividends and/or as to the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(n) "Parity Stock" means any class or series of stock of the Corporation (other than Series R) that ranks equally with Series R both in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(o) "Preferred Stock" means any and all series of Preferred Stock, having a par value of $0.01 per share, of the Corporation, including the Series R.

(p) "Regulatory Capital Treatment Event" means the good faith determination by the Corporation that, as a result of (i) any amendment to, or change in, the laws, rules or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of Series R, (ii) any proposed change in those laws, rules or regulations that is announced or becomes effective after the initial issuance of any share of Series R, or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws, rules or regulations or policies with respect thereto that is announced after the initial issuance of any share of Series R, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation preference amount of $25,000 per share of Series R then outstanding as "tier 1 capital" (or its equivalent) for purposes of the capital adequacy rules of the Board of Governors of the Federal Reserve System (or, as and if applicable, the capital adequacy rules or regulations of any successor Appropriate Federal Banking Agency) as then in effect and applicable, for so long as any share of Series R is outstanding.

(q) “Reset Date” means February 10, 2025 and each date falling on the fifth anniversary of the preceding Reset Date, in each case, regardless of whether such day is a Business Day.

(r) “Reset Dividend Determination Date” means, in respect of any Reset Period, the day falling three Business Days prior to the beginning of such Reset Period, subject to any adjustments made by the Calculation Agent as provided for herein.

(s) “Reset Period” means the period from and including February 10, 2025 to, but excluding, the next following Reset Date and thereafter each period from and including each Reset Date to, but excluding, the next following Reset Date.

(t) “Voting Preferred Stock” means, with regard to any election or removal of a Preferred Stock Director (as defined in Section 7(b) below) or any other matter as to which the holders of Series R are entitled to vote as specified in Section 7 of this Certificate of Designations, any and all series of Preferred Stock (other than Series R) that rank equally with Series R either as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up of the Corporation and upon which like voting rights have been conferred and are exercisable with respect to such matter.

Section 4. Dividends.

(a) **Rate**. Holders of Series R shall be entitled to receive, when, as and if declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) out of funds legally available for the payment of dividends under Delaware law, non-cumulative cash dividends per each share of Series R at the rate determined as set forth below in this Section (4) applied to the liquidation preference amount of $25,000 per share of Series R. Such dividends shall be payable in arrears (as provided below in this Section 4(a)), but only when, as and if declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors), on each Dividend Payment Date. Dividends will accrue (i) from the date of original issue to, but excluding, February 10, 2025 at a fixed rate per annum of 4.95%, and (ii) from, and including February 10, 2025, during each Reset Period, at a rate per annum equal to the Five-Year Treasury Rate as of the most recent Reset Dividend Determination Date plus 3.224%; *provided* that if any such Dividend Payment Date is a day that is not a Business Day, such dividend shall instead be payable on the next succeeding Business Day without interest or other payment in respect of such delayed payment. Dividends on Series R shall not be cumulative; holders of Series R shall not be entitled to receive any dividends not declared by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) and no interest, or sum of money in lieu of interest, shall be payable in respect of any dividend not so declared.

Dividends on the Series R shall not be declared or set aside for payment if and to the extent such dividends would cause the Corporation to fail to comply with the capital adequacy rules of the Board of Governors of the Federal Reserve System (or, as and if applicable, the capital adequacy rules or regulations of any successor Appropriate Federal Banking Agency) applicable to the Corporation.

Dividends that are payable on Series R on any Dividend Payment Date will be payable to holders of record of Series R as they appear on the stock register of the Corporation on the applicable record date, which shall be the 15th calendar day before such Dividend Payment Date or such other record date fixed by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) that is not more than 60 nor less than 10 days prior to such Dividend Payment Date (each, a "Dividend Record Date"). Any such day that is a Dividend Record Date shall be a Dividend Record Date whether or not such day is a Business Day.

Each Dividend Period shall commence on and include a Dividend Payment Date (other than the initial Dividend Period, which shall commence on and include the date of original issue of the Series R, *provided* that, for any share of Series R issued after such original issue date, the initial Dividend Period for such shares may commence on and include such other date as the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) shall determine and publicly disclose) and shall end on and include the calendar day next preceding the next Dividend Payment Date. Dividends payable on the Series R in respect of any Dividend Period shall be calculated on the basis of the 30/360 (ISDA) Day Count Convention. Dividends payable in respect of a Dividend Period shall be payable in arrears - i.e., on the first Dividend Payment Date after such Dividend Period.

The Calculation Agent's determination of any dividend rate, and its calculation of the amount of dividends for any Dividend Period, and any other adjustments made by the Calculation Agent pursuant to the terms hereof will be maintained on file at the Corporation's offices, will be made available to any stockholder upon request and will be final and binding in the absence of manifest error.

Holders of Series R shall not be entitled to any dividends, whether payable in cash, securities or other property, other than dividends (if any) declared and payable on the Series R as specified in this Section 4 (subject to the other provisions of this Certificate of Designations).

(b) **Priority of Dividends**. So long as any share of Series R remains outstanding, no dividend shall be declared or paid on the Common Stock or any other shares of Junior Stock (other than a dividend payable solely in Junior Stock), and no Common Stock or other Junior Stock shall be purchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into other Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock and other than through the use of the proceeds of a substantially contemporaneous sale of Junior Stock) during a Dividend Period, unless the full dividends for the latest completed Dividend Period on all outstanding shares of Series R have been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside). The foregoing provision shall not restrict the ability of Goldman Sachs & Co. LLC, or any other affiliate of the Corporation, to engage in any market-making transactions in Junior Stock in the ordinary course of business.

When dividends are not paid (or declared and a sum sufficient for payment thereof set aside) on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within a Dividend Period) in full upon the Series R and any shares of Parity Stock, all dividends declared on the Series R and all such Parity Stock and payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) shall be declared *pro rata* so that the respective amounts of such dividends shall bear the same ratio to each other as all accrued but unpaid dividends per share on the Series R and all Parity Stock payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) bear to each other.

Subject to the foregoing, such dividends (payable in cash, securities or other property) as may be determined by the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors) may be declared and paid on any securities, including Common Stock and other Junior Stock, from time to time out of any funds legally available for such payment, and the Series R shall not be entitled to participate in any such dividends.

Section 5. Liquidation Rights.

(a) **Voluntary or Involuntary Liquidation**. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, holders of Series R shall be entitled to receive, out of the assets of the Corporation or proceeds thereof (whether capital or surplus) available for distribution to stockholders of the Corporation, and after satisfaction of all liabilities and obligations to creditors of the Corporation, before any distribution of such assets or proceeds is made to or set aside for the holders of Common Stock and any other stock of the Corporation ranking junior to the Series R as to such distribution, in full an amount equal to $25,000 per share, together with an amount equal to all dividends (if any) that have been declared but not paid prior to the date of payment of such distribution (but without any amount in respect of dividends that have not been declared prior to such payment date).

(b) **Partial Payment**. If in any distribution described in Section 5(a) above the assets of the Corporation or proceeds thereof are not sufficient to pay the Liquidation Preferences (as defined below) in full to all holders of Series R and all holders of any stock of the Corporation ranking equally with the Series R as to such distribution, the amounts paid to the holders of Series R and to the holders of all such other stock shall be paid *pro rata* in accordance with the respective aggregate Liquidation Preferences of the holders of Series R and the holders of all such other stock. In any such distribution, the "Liquidation Preference" of any holder of stock of the Corporation shall mean the amount otherwise payable to such holder in such distribution (assuming no limitation on the assets of the Corporation available for such distribution), including an amount equal to any declared but unpaid dividends (and, in the case of any holder of stock other than Series R and on which dividends accrue on a cumulative basis, an amount equal to any unpaid, accrued, cumulative dividends, whether or not declared, as applicable).

(c) **Residual Distributions**. If the Liquidation Preference has been paid in full to all holders of Series R, the holders of other stock of the Corporation shall be entitled to receive all remaining assets of the Corporation (or proceeds thereof) according to their respective rights and preferences.

(d) **Merger, Consolidation and Sale of Assets Not Liquidation**. For purposes of this Section 5, the merger or consolidation of the Corporation with any other corporation or other entity, including a merger or consolidation in which the holders of Series R receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or other property) of all or substantially all of the assets of the Corporation, shall not constitute a liquidation, dissolution or winding up of the Corporation.

Section 6. Redemption.

(a) **Optional Redemption**. The Series R is perpetual and has no maturity date. The Corporation may, at its option, redeem the shares of Series R at the time outstanding, upon notice given as provided in Section 6(c) below, (i) in whole or in part, on any Dividend Payment Date on or after February 10, 2025, or (ii) in whole but not in part at any time within 90 days following a Regulatory Capital Treatment Event, in each case, at a redemption price per share equal to $25,000, plus (except as otherwise provided herein below) an amount equal to any declared and unpaid dividends per share to but excluding the redemption date, without accumulation of undeclared dividends. The redemption price for any shares of Series R shall be payable on the redemption date to the holder of such shares against surrender of the certificate(s) evidencing such shares to the Corporation or

its agent. Any declared but unpaid dividends payable on a redemption date that occurs subsequent to the Dividend Record Date for a Dividend Period shall not be paid to the holder entitled to receive the redemption price on the redemption date, but rather shall be paid to the holder of record of the redeemed shares on such Dividend Record Date relating to the Dividend Payment Date as provided in Section 4 above. Notwithstanding the foregoing, the Corporation may not redeem shares of Series R without having received the prior approval of the Appropriate Federal Banking Agency if then required under capital rules applicable to the Corporation.

(b) **No Sinking Fund**. The Series R will not be subject to any mandatory redemption, sinking fund or other similar provisions. Holders of Series R will have no right to require redemption of any shares of Series R.

(c) **Notice of Redemption**. Notice of every redemption of shares of Series R shall be given by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Corporation. Such mailing shall be at least 15 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Subsection shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series R designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series R. Notwithstanding the foregoing, if the Series R or any depositary shares representing interests in the Series R are issued in book-entry form through The Depository Trust Company or any other similar facility, notice of redemption may be given to the holders of Series R at such time and in any manner permitted by such facility. Each notice given to a holder shall state: (1) the redemption date; (2) the number of shares of Series R to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the redemption price; and (4) the place or places where holders may surrender certificates evidencing shares of Series R Preferred Stock for payment of the redemption price.

(d) **Partial Redemption**. In case of any redemption of only part of the shares of Series R at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or by lot. Subject to the provisions hereof, the Corporation shall have full power and authority to prescribe the terms and conditions upon which shares of Series R shall be redeemed from time to time. If fewer than all the shares represented by any certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without charge to the holder thereof.

(e) **Effectiveness of Redemption**. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other funds, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date dividends shall cease to accrue on all shares so called for redemption, all shares so called for redemption shall no longer be deemed outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption, without interest. Any funds unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

Section 7. Voting Rights.

(a) **General**. The holders of Series R shall not have any voting rights except as set forth below or as otherwise from time to time required by law.

(b) **Right To Elect Two Directors Upon Nonpayment Events**. If and whenever dividends on any shares of Series R shall not have been declared and paid for any Dividend Periods that, in aggregate, equal at least 18 months, whether or not consecutive (a "Nonpayment Event"), the number of directors then constituting the Board of Directors shall automatically be increased by two and the holders of Series R, together with the holders of all outstanding shares of Voting Preferred Stock, voting together as a single class, shall be entitled to elect the two additional directors (the "Preferred Stock Directors"), *provided* that the Board of Directors shall at no time include more than two Preferred Stock Directors (including, for purposes of this limitation, all directors that the holders of any series of Voting Preferred Stock are entitled to elect pursuant to like voting rights).

In the event that the holders of the Series R, and such other holders of Voting Preferred Stock, shall be entitled to vote for the election of the Preferred Stock Directors following a Nonpayment Event, such directors shall be initially elected following such Nonpayment Event only at a special meeting called at the request of the holders of record of at least 20% of the Series R or of any other series of Voting Preferred Stock then outstanding (unless such request for a special meeting is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders of the Corporation, in which event such election shall be held only at such next annual or special meeting of stockholders), and at each subsequent annual meeting of stockholders of the Corporation. Such request to call a special meeting for the initial election of the Preferred Stock Directors after a Nonpayment Event shall be made by written notice, signed by the requisite holders of Series R or any series of Voting Preferred Stock, and delivered to the Secretary of the Corporation in such manner as provided for in Section 9 below, or as may otherwise be required by law.

When dividends have been paid (or declared and a sum sufficient for payment thereof set aside) in full on the Series R for consecutive Dividend Periods that, in aggregate, equal at least one year after a Nonpayment Event, then the right of the holders of Series R to elect the Preferred Stock Directors shall cease (but subject always to revesting of such voting rights in the case of any future Nonpayment Event), and, if and when any rights of holders of Series R and Voting Preferred Stock to elect the Preferred Stock Directors shall have ceased, the terms of office of all the Preferred Stock Directors shall forthwith terminate and the number of directors constituting the Board of Directors shall automatically be reduced accordingly.

Any Preferred Stock Director may be removed at any time without cause by the holders of record of a majority of all of the outstanding shares of the Series R and Voting Preferred Stock, when they have the voting rights described above (voting together as a single class). So long as a Nonpayment Event shall continue, any vacancy in the office of a Preferred Stock Director (other than prior to the initial election of Preferred Stock Directors after a Nonpayment Event) may be filled by the written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of record of a majority of all of the outstanding shares of the Series R and Voting Preferred Stock, when they have the voting rights described above (voting together as a single class). Any such vote of stockholders to remove, or to fill a vacancy in the office of, a Preferred Stock Director may be taken only at a special meeting of such stockholders, called as provided above for an initial election of Preferred Stock Director after a Nonpayment Event (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of stockholders). The Preferred Stock Directors shall each be entitled to one vote per director on any matter that shall come before the Board of Directors for a vote. Each Preferred Stock Director elected at any special meeting of stockholders or by written consent of the other Preferred Stock Director shall hold office until the next annual meeting of the stockholders if such office shall not have previously terminated as above provided.

(c) **Other Voting Rights**. So long as any shares of Series R are outstanding, in addition to any other vote or consent of stockholders required by law or by the Certificate of Incorporation, the vote or consent of the holders of at least 66⅔% of the shares of Series R and any Voting Preferred Stock at the time outstanding and entitled to vote thereon, voting together as a single class, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(i) **Authorization of Senior Stock**. Any amendment or alteration of the Certificate of Incorporation to authorize or create, or increase the authorized amount of, any shares of any class or series of capital stock of the Corporation ranking senior to the Series R with respect to either or both the payment of dividends and/or the distribution of assets on any liquidation, dissolution or winding up of the Corporation;

(ii) **Amendment of Series R**. Any amendment, alteration or repeal of any provision of the Certificate of Incorporation so as to materially and adversely affect the special rights, preferences, privileges or voting powers of the Series R, taken as a whole; or

(iii) **Share Exchanges, Reclassifications, Mergers and Consolidations**. Any consummation of a binding share exchange or reclassification involving the Series R, or of a merger or consolidation of the Corporation with another corporation or other entity, unless in each case (x) the shares of Series R remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (y) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series R immediately prior to such consummation, taken as a whole;

provided, *however*, that for all purposes of this Section 7(c), any increase in the amount of the authorized or issued Series R or authorized Preferred Stock, or the creation and issuance, or an increase in the authorized or issued amount, of any other series of Preferred Stock ranking equally with and/or junior to the Series R with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the rights, preferences, privileges or voting powers of the Series R.

If any amendment, alteration, repeal, share exchange, reclassification, merger or consolidation specified in this Section 7(c) would adversely affect the Series R and one or more but not all other series of Preferred Stock, then only the Series R and such series of Preferred Stock as are adversely affected by and entitled to vote on the matter shall vote on the matter together as a single class (in lieu of all other series of Preferred Stock).

(d) **Changes for Clarification**. Without the consent of the holders of the Series R, so long as such action does not adversely affect the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series R, the Corporation may amend, alter, supplement or repeal any terms of the Series R:

(i) to cure any ambiguity, or to cure, correct or supplement any provision contained in this Certificate of Designations that may be defective or inconsistent; or

(ii) to make any provision with respect to matters or questions arising with respect to the Series R that is not inconsistent with the provisions of this Certificate of Designations.

(e) **Changes after Provision for Redemption**. No vote or consent of the holders of Series R shall be required pursuant to Section 7(b), (c) or (d) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding shares of Series R shall have been redeemed, or shall have been called for redemption upon proper notice and sufficient funds shall have been set aside for such redemption, in each case pursuant to Section 6 above.

(f) **Procedures for Voting and Consents**. The rules and procedures for calling and conducting any meeting of the holders of Series R (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules the Board of Directors or the Committee (or another duly authorized committee of the Board of Directors), in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Certificate of Incorporation, the ByLaws, applicable law and any national securities exchange or other trading facility on which the Series R is listed or traded at the time. Whether the vote or consent of the holders of a plurality, majority or other portion of the shares of Series R and all Voting Preferred Stock has been cast or given on any matter on which the holders of shares of Series R are entitled to vote shall be determined by the Corporation by reference to the specified liquidation amounts of the shares voted or covered by the consent.

Section 8. Record Holders. To the fullest extent permitted by applicable law, the Corporation and the transfer agent for the Series R may deem and treat the record holder of any share of Series R as the true and lawful owner thereof for all purposes, and neither the Corporation nor such transfer agent shall be affected by any notice to the contrary.

Section 9. Notices. All notices or communications in respect of Series R shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, or if given in such other manner as may be permitted in this Certificate of Designations, in the Certificate of Incorporation or ByLaws or by applicable law.

Section 10. No Preemptive Rights. No share of Series R shall have any rights of preemption whatsoever as to any securities of the Corporation, or any warrants, rights or options issued or granted with respect thereto, regardless of how such securities, or such warrants, rights or options, may be designated, issued or granted.

Section 11. Other Rights. The shares of Series R shall not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Certificate of Incorporation or as provided by applicable law.

Exhibit 4.1

THE GOLDMAN SACHS GROUP, INC.

DESCRIPTION OF SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

AS OF DECEMBER 31, 2019

The following is a description of each class of securities of The Goldman Sachs Group, Inc. (the "Company") that is registered under Section 12 of the Securities and Exchange Act of 1934, as amended, as of December 31, 2019.

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DESCRIPTION OF COMMON STOCK

The following is a brief description of the material terms of the Company's common stock. The following summary does not purport to be complete and is qualified in its entirety by reference to the pertinent sections of the Company's restated certificate of incorporation and the Company's amended and restated by-laws, which are exhibits to the Annual Report of which this exhibit is a part. Unless the context otherwise provides, all references to the Company in this description refer only to The Goldman Sachs Group, Inc. and does not include its consolidated subsidiaries.

Pursuant to the Company's restated certificate of incorporation, the Company's authorized capital stock consists of 4,350,000,000 shares, each with a par value of $0.01 per share, of which 4,000,000,000 shares are designated as common stock and 200,000,000 shares are designated as nonvoting common stock. All outstanding shares of common stock are validly issued, fully paid and nonassessable.

The Company's Shareholders' Agreement governs, among other things, the voting of shares of common stock owned by participating managing directors of the Company. Shares of common stock subject to the Company's Shareholders' Agreement are called "voting shares." Before any of the Company's shareholders vote, a separate, preliminary vote is held by the persons covered by the Company's Shareholders' Agreement. In the election of directors, all voting shares will be voted in favor of the election of the director nominees receiving the highest numbers of votes cast by the covered persons in the preliminary vote. For all other matters, all voting shares will be voted in accordance with the majority of the votes cast by the covered persons in the preliminary vote.

Common Stock

Each holder of common stock is entitled to one vote for each share owned of record on all matters submitted to a vote of shareholders. There are no cumulative voting rights. Accordingly, the holders of a plurality of the shares of common stock voting in a contested election of directors can elect all the directors if they choose to do so, subject to any voting rights of holders of preferred stock to elect directors. In an uncontested director election, a director must receive a majority of the votes cast for or against the director to be elected.

Subject to the preferential rights of any holders of any outstanding series of preferred stock, the holders of common stock, together with the holders of the nonvoting common stock, are entitled to such dividends and distributions, whether payable in cash or otherwise, as may be declared from time to time by the Company's board of directors from legally available funds. Subject to the preferential rights of holders of any outstanding series of preferred stock, upon the Company's liquidation, dissolution or winding-up and after payment of all prior claims, the holders of common stock, with the shares of the common stock and the nonvoting common stock being considered as a single class for this purpose, will be entitled to receive pro rata all the Company's assets. Holders of common stock have no redemption or conversion rights or preemptive rights to purchase or subscribe for securities of the Company.

Nonvoting Common Stock

The nonvoting common stock has the same rights and privileges as, ranks equally and shares proportionately with, and is identical in all respects as to all matters to, the common stock, except that the nonvoting common stock has no voting rights other than those voting rights required by law.

Section 203 of the Delaware General Corporation Law

The Company is subject to the provisions of Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner. A "business combination" includes a merger, asset sale or a transaction resulting in a financial benefit to the interested stockholder. An "interested stockholder" is a person who, together with affiliates and associates, owns (or, in certain cases, within the preceding three years, did own) 15% or more of the corporation's outstanding voting stock. Under Section 203, a business combination between the Company and an interested stockholder is prohibited unless it satisfies one of the following conditions:

- prior to the stockholder becoming an interested stockholder, the board of directors of the Company must have previously approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;

- on consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the Company outstanding at the time the transaction commenced, excluding, for purposes of determining the number of shares outstanding (but not the outstanding voting stock owned by the interested stockholder), those shares owned (i) by persons who are directors and also officers and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to such time the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock which is not owned by the interested stockholder.

The Company's board of directors has adopted a resolution providing that the shareholders' agreement will not create an "interested stockholder".

Certain Anti-Takeover Matters

The Company's restated certificate of incorporation and amended and restated by-laws include a number of provisions that may have the effect of encouraging persons considering unsolicited tender offers or other unilateral takeover proposals to negotiate with the Company's board of directors rather than pursue non-negotiated takeover attempts. These provisions include:

Constituency Provision

In accordance with the Company's restated certificate of incorporation, a director of the Company may (but is not required to) in taking any action (including an action that may involve or relate to a change or potential change in control of the Company), consider, among other things, the effects that the Company's actions may have on other interests or persons (including its employees, former partners of The Goldman Sachs Group, L.P. and the community) in addition to the Company's shareholders.

Advance Notice Requirements

The Company's amended and restated by-laws establish advance notice procedures with regard to shareholder proposals relating to the nomination of candidates for election as directors or new business to be brought before meetings of shareholders of the Company. These procedures provide that notice of such shareholder proposals must be timely given in writing to the Secretary of the Company prior to the meeting at which the action is to be taken. The time periods vary depending on the nature of the proposal. The notice must contain certain information specified in the amended and restated by-laws and must otherwise comply with the amended and restated by-laws.

Limitation on Ability of Shareholders to Call Special Meetings

The Company's restated certificate of incorporation and amended and restated by-laws provide procedures pursuant to which holders of record of not less than 25% of the voting power of outstanding shares of the Company's common stock may call a special meeting of shareholders. The Company's amended and restated by-laws impose certain procedural requirements on shareholders requesting such a meeting (including the provision of the same information required for shareholder proposals at annual meetings under the Company's advance notice by-law provisions described above), as well as qualifications designed to prevent duplicative and unnecessary meetings.

No Written Consent of Shareholders

The Company's restated certificate of incorporation requires all shareholder actions to be taken by a vote of the shareholders at an annual or special meeting, and does not permit the Company's shareholders to act by written consent without a meeting.

Blank Check Preferred Stock

The Company's restated certificate of incorporation provides for 150,000,000 authorized shares of preferred stock. The existence of authorized but unissued shares of preferred stock may enable the board of directors to render more

difficult or to discourage an attempt to obtain control of the Company by means of a merger, tender offer, proxy contest or otherwise. For example, if in the due exercise of its fiduciary obligations, the board of directors were to determine that a takeover proposal is not in the best interests of the Company, the board of directors could cause shares of preferred stock to be issued without shareholder approval in one or more private offerings or other transactions that might dilute the voting or other rights of the proposed acquiror or insurgent shareholder or shareholder group. In this regard, the restated certificate of incorporation grants the Company's board of directors broad power to establish the rights and preferences of authorized and unissued shares of preferred stock. The issuance of shares of preferred stock could decrease the amount of earnings and assets available for distribution to holders of shares of common stock. The issuance may also adversely affect the rights and powers, including voting rights, of such holders and may have the effect of delaying, deterring or preventing a change in control of the Company.

Listing

The common stock of the Company is listed on the NYSE under the ticker symbol "GS".

DESCRIPTION OF THE DEPOSITARY SHARES, EACH REPRESENTING 1/1,000TH INTEREST IN A SHARE OF FLOATING RATE NON-CUMULATIVE PREFERRED STOCK, SERIES A

DESCRIPTION OF SERIES A PREFERRED STOCK

The depositary is the sole holder of the Company's Series A Preferred Stock, and all references herein to the holders of the Series A Preferred Stock shall mean the depositary. However, the holders of depositary shares are entitled, through the depositary, to exercise the rights and preferences of the holders of the Series A Preferred Stock, as described below under "Description of Depositary Shares".

The following is a brief description of the material terms of the Series A Preferred Stock. The following summary of the terms and provisions of the Series A Preferred Stock does not purport to be complete and is qualified in its entirety by reference to the pertinent sections of the Company's restated certificate of incorporation, which is an exhibit to the Annual Report of which this exhibit is a part. Unless the context otherwise provides, all references to the Company in this description refer only to The Goldman Sachs Group, Inc. and does not include its consolidated subsidiaries.

General

The Company's authorized capital stock includes 150,000,000 shares of preferred stock, par value $0.01 per share. The Series A Preferred Stock is part of a single series of the Company's authorized preferred stock. The Company may from time to time, without notice to or the consent of holders of the Series A Preferred Stock, issue additional shares of the Series A Preferred Stock, up to the maximum number of authorized but unissued shares.

Shares of the Series A Preferred Stock rank senior to the Company's common stock, equally with each other series of the Company's preferred stock outstanding as of December 31, 2019 and at least equally to each other series of preferred stock that the Company may issue (except for any senior series that may be issued with the requisite consent of the holders of the Series A Preferred Stock), with respect to the payment of dividends and distributions of assets upon liquidation, dissolution or winding up. In addition, the Company will generally be able to pay dividends and distributions upon liquidation, dissolution or winding up only out of lawfully available funds for such payment (*i.e.*, after taking account of all indebtedness and other non-equity claims). The Series A Preferred Stock is fully paid and nonassessable, which means that its holders have paid their purchase price in full and that the Company may not ask them to surrender additional funds. Holders of Series A Preferred Stock do not have preemptive or subscription rights to acquire more stock of the Company.

The Series A Preferred Stock is not convertible into, or exchangeable for, shares of any other class or series of stock or other securities of the Company, except under certain limited circumstances described below under "— Regulatory Changes Relating to Capital Adequacy". The Series A Preferred Stock has no stated maturity and is not subject to any sinking fund or other obligation of the Company to redeem or repurchase the Series A Preferred Stock.

Dividends

Dividends on shares of the Series A Preferred Stock are not mandatory. Holders of Series A Preferred Stock are entitled to receive, when, as and if declared by the Company's board of directors or a duly authorized committee of the board, out of funds legally available for the payment of dividends under Delaware law, non-cumulative cash dividends from the original issue date, quarterly in arrears on the 10th day of February, May, August and November of each year (each, a dividend payment date). These dividends accrue, with respect to each dividend period, on the liquidation preference amount of $25,000 per share (equivalent to $25 per depositary share) at a rate per annum equal to the greater of (1) 0.75% above LIBOR (as described below) on the related LIBOR determination date (as described below) or (2) 3.75%. In the event that the Company issues additional shares of Series A Preferred Stock after the original issue date, dividends on such shares may accrue from the original issue date or any other date the Company specifies at the time such additional shares are issued.

Dividends will be payable to holders of record of Series A Preferred Stock as they appear on the Company's books on the applicable record date, which shall be the 15th calendar day before that dividend payment date or such other record date fixed by the Company's board of directors (or a duly authorized committee of the board) that is not more than 60 nor less than 10 days prior to such dividend payment date (each, a "dividend record date"). These dividend record dates will apply regardless of whether a particular dividend record date is a business day. The corresponding record dates for the depositary shares are the same as the record dates for the Series A Preferred Stock.

A dividend period is the period from and including a dividend payment date to but excluding the next dividend payment date. Dividends payable on the Series A Preferred Stock are computed on the basis of a 360-day year and the actual number of days elapsed in the dividend period. If any date on which dividends would otherwise be payable is not a business day, then the dividend payment date will be the next succeeding business day unless such day falls in the next calendar month, in which case the dividend payment date will be the immediately preceding day that is a business day.

For any dividend period, LIBOR shall be determined by the calculation agent on the second London business day immediately preceding the first day of such dividend period in the following manner:

- LIBOR will be the offered rate per annum for three-month deposits in U.S. dollars, beginning on the first day of such period, as that rate appears on Moneyline Telerate Page 3750 as of 11:00 A.M., London time, on the second London business day immediately preceding the first day of such dividend period.
- If the rate described above does not appear on Moneyline Telerate page 3750, LIBOR will be determined on the basis of the rates, at approximately 11:00 A.M., London time, on the second London business day immediately preceding the first day of such dividend period, at which deposits of the following kind are offered to prime banks in the London interbank market by four major banks in that market selected by the calculation agent: three-month deposits in U.S. dollars, beginning on the first day of such dividend period, and in a Representative Amount. The calculation agent will request the principal London office of each of these banks to provide a quotation of its rate. If at least two quotations are provided, LIBOR for the second London business day immediately preceding the first day of such dividend period will be the arithmetic mean of the quotations.
- If fewer than two quotations are provided as described above, LIBOR for the second London business day immediately preceding the first day of such dividend period will be the arithmetic mean of the rates for loans of the following kind to leading European banks quoted, at approximately 11:00 A.M. New York City time on the second London business day immediately preceding the first day of such dividend period, by three major banks in New York City selected by the calculation agent: three-month loans of U.S. dollars, beginning on the first day of such dividend period, and in a Representative Amount.
- If fewer than three banks selected by the calculation agent are quoting as described above, LIBOR for the new dividend period will be LIBOR in effect for the prior dividend period.

The calculation agent's determination of any dividend rate, and its calculation of the amount of dividends for any dividend period, will be on file at the Company's principal offices, will be made available to any stockholder upon request and will be final and binding in the absence of manifest error.

This subsection uses several terms that have special meanings relevant to calculating LIBOR. Those terms have the following meanings:

The term ***"Representative Amount"*** means an amount that, in the calculation agent's judgment, is representative of a single transaction in the relevant market at the relevant time.

The term ***"Moneyline Telerate Page"*** means the display on Moneyline Telerate, Inc., or any successor service, on the page or pages specified herein or any replacement page or pages on that service.

The term ***"business day"*** means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City generally are authorized or obligated by law or executive order to close.

The term ***"London business day"*** means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is a day on which dealings in U.S. dollars are transacted in the London interbank market.

Dividends on shares of Series A Preferred Stock are not cumulative. Accordingly, if the board of directors of the Company, or a duly authorized committee of the board, does not declare a dividend on the Series A Preferred Stock payable in respect of any dividend period before the related dividend payment date, such dividend will not accrue and

the Company will have no obligation to pay a dividend for that dividend period on the dividend payment date or at any future time, whether or not dividends on the Series A Preferred Stock are declared for any future dividend period.

So long as any share of Series A Preferred Stock remains outstanding, no dividend shall be paid or declared on the Company's common stock or any other shares of the Company's junior stock (as defined below) (other than a dividend payable solely in junior stock), and no common stock or other junior stock shall be purchased, redeemed or otherwise acquired for consideration by the Company, directly or indirectly (other than as a result of a reclassification of junior stock for or into other junior stock, or the exchange or conversion of one share of junior stock for or into another share of junior stock and other than through the use of the proceeds of a substantially contemporaneous sale of junior stock) during a dividend period, unless the full dividends for the latest completed dividend period on all outstanding shares of Series A Preferred Stock have been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside). However, the foregoing provision shall not restrict the ability of Goldman Sachs & Co. LLC, or any of the Company's other affiliates, to engage in any market-making transactions in the Company's junior stock in the ordinary course of business.

As used in this description of the Series A Preferred Stock, ***"junior stock"*** means any class or series of stock of the Company that ranks junior to the Series A Preferred Stock either as to the payment of dividends or as to the distribution of assets upon any liquidation, dissolution or winding up of the Company. Junior stock includes the Company's common stock.

When dividends are not paid (or duly provided for) on any dividend payment date (or, in the case of parity stock, as defined below, having dividend payment dates different from the dividend payment dates pertaining to the Series A Preferred Stock, on a dividend payment date falling within the related dividend period for the Series A Preferred Stock) in full upon the Series A Preferred Stock and any shares of parity stock, all dividends declared upon the Series A Preferred Stock and all such equally ranking securities payable on such dividend payment date (or, in the case of parity stock having dividend payment dates different from the dividend payment dates pertaining to the Series A Preferred Stock, on a dividend payment date falling within the related dividend period for the Series A Preferred Stock) shall be declared pro rata so that the respective amounts of such dividends shall bear the same ratio to each other as all accrued but unpaid dividends per share on the Series A Preferred Stock and all parity stock payable on such dividend payment date (or, in the case of parity stock having dividend payment dates different from the dividend payment dates pertaining to the Series A Preferred Stock, on a dividend payment date falling within the related dividend period for the Series A Preferred Stock) bear to each other.

As used in this description of the Series A Preferred Stock, ***"parity stock"*** means any other class or series of stock of the Company that ranks equally with the Series A Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Company.

Subject to the foregoing, such dividends (payable in cash, stock or otherwise) as may be determined by the Company's board of directors (or a duly authorized committee of the board) may be declared and paid on the Company's common stock and any other stock ranking equally with or junior to the Series A Preferred Stock from time to time out of any funds legally available for such payment, and the shares of the Series A Preferred Stock shall not be entitled to participate in any such dividend.

Liquidation Rights

Upon any voluntary or involuntary liquidation, dissolution or winding up of the Company, holders of the Series A Preferred Stock are entitled to receive out of assets of the Company available for distribution to stockholders, after satisfaction of liabilities to creditors, if any, before any distribution of assets is made to holders of common stock or of any of the Company's other shares of stock ranking junior as to such a distribution to the shares of Series A Preferred Stock, a liquidating distribution in the amount of $25,000 per share (equivalent to $25 per depositary share) plus declared and unpaid dividends, without accumulation of any undeclared dividends. Holders of the Series A Preferred Stock will not be entitled to any other amounts from the Company after they have received their full liquidation preference.

In any such distribution, if the assets of the Company are not sufficient to pay the liquidation preferences in full to all holders of the Series A Preferred Stock and all holders of any other shares of the Company's stock ranking equally as to such distribution with the Series A Preferred Stock, the amounts paid to the holders of Series A Preferred Stock and to the holders of all such other stock will be paid pro rata in accordance with the respective aggregate liquidation preferences of those holders. In any such distribution, the ***"liquidation preference"*** of any holder of preferred stock means the amount payable to such holder in such distribution, including any declared but unpaid dividends (and any unpaid, accrued cumulative dividends in the case of any holder of stock on which dividends accrue on a cumulative

basis). If the liquidation preference has been paid in full to all holders of Series A Preferred Stock, the holders of the Company's other stock shall be entitled to receive all remaining assets of the Company according to their respective rights and preferences.

For purposes of this description of the Series A Preferred Stock, the merger or consolidation of the Company with any other entity, including a merger or consolidation in which the holders of Series A Preferred Stock receive cash, securities or property for their shares, or the sale, lease or exchange of all or substantially all of the assets of the Company, for cash, securities or other property shall not constitute a liquidation, dissolution or winding up of the Company.

Redemption

The Series A Preferred Stock is not subject to any mandatory redemption, sinking fund or other similar provisions. The Series A Preferred Stock is currently redeemable at the Company's option, in whole or in part, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to $25,000 per share (equivalent to $25 per depositary share), plus declared and unpaid dividends, without accumulation of any undeclared dividends. Holders of Series A Preferred Stock have no right to require the redemption or repurchase of the Series A Preferred Stock.

If shares of the Series A Preferred Stock are to be redeemed, the notice of redemption shall be given by first-class mail to the holders of record of the Series A Preferred Stock to be redeemed, mailed not less than 30 days nor more than 60 days prior to the date fixed for redemption thereof (*provided* that, if the depositary shares representing the Series A Preferred Stock are held in book-entry form through The Depository Trust Company, or "DTC", the Company may give such notice in any manner permitted by the DTC). Each notice of redemption will include a statement setting forth: (i) the redemption date, (ii) the number of shares of the Series A Preferred Stock to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder, (iii) the redemption price and (iv) the place or places where holders may surrender certificates evidencing shares of Series A Preferred Stock for payment of the redemption price. If notice of redemption of any shares of Series A Preferred Stock has been given and if the funds necessary for such redemption have been set aside by the Company for the benefit of the holders of any shares of Series A Preferred Stock so called for redemption, then, from and after the redemption date, dividends will cease to accrue on such shares of Series A Preferred Stock, such shares of Series A Preferred Stock shall no longer be deemed outstanding and all rights of the holders of such shares will terminate, except the right to receive the redemption price.

In case of any redemption of only part of the shares of the Series A Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either pro rata or in such other manner as the Company may determine to be fair and equitable.

See "Description of Depositary Shares" below for information about redemption of the depositary shares relating to the Company's Series A Preferred Stock.

Regulatory Changes Relating to Capital Adequacy

The SEC had previously approved the application of the Company and Goldman Sachs & Co. LLC to be supervised by the SEC as a consolidated supervised entity ("CSE") pursuant to the SEC's rules at that time relating to CSEs (referred to as the "CSE Rules"). The Company treated the Series A Preferred Stock as allowable capital in accordance with the CSE Rules (such capital is referred to below as "Allowable Capital").

If the regulatory capital requirements that apply to the Company change in the future, the Series A Preferred Stock may be converted, at the Company's option and without consent of the holders, into a new series of preferred stock, subject to the limitations described below. The Company will be entitled to exercise this conversion right as follows.

If both of the following occur:

- the Company (by election or otherwise) becomes subject to any law, rule, regulation or guidance (together, "regulations") relating to its capital adequacy, which regulation (i) modifies the existing requirements for treatment as Allowable Capital, (ii) provides for a type or level of capital characterized as "Tier 1" or its equivalent pursuant to regulations of any governmental body having jurisdiction over the Company (or any of its subsidiaries or consolidated affiliates) and implementing capital standards published by the Basel Committee on Banking Supervision, the SEC, the Board of Governors of the Federal Reserve System (the "Federal Reserve Board") or any

other United States national governmental body, or any other applicable regime based on capital standards published by the Basel Committee on Banking Supervision or its successor, or (iii) provides for a type of capital that in the Company's judgment (after consultation with counsel of recognized standing) is substantially equivalent to such "Tier 1" capital (such capital described in either (ii) or (iii) is referred to below as "Tier 1 Capital Equivalent"), and

- the Company affirmatively elects to qualify the Series A Preferred Stock for such Allowable Capital or Tier 1 Capital Equivalent treatment without any sublimit or other quantitative restriction on the inclusion of the Series A Preferred Stock in Allowable Capital or Tier 1 Capital Equivalent (other than any limitation the Company elects to accept and any limitation requiring that common equity or a specified form of common equity constitute the dominant form of Allowable Capital or Tier 1 Capital Equivalent) under such regulations,

then, upon such affirmative election, the Series A Preferred Stock shall be convertible at the Company's option into a new series of preferred stock having terms and provisions substantially identical to those of the Series A Preferred Stock, *except* that such new series may have such additional or modified rights, preferences, privileges and voting powers, and such limitations and restrictions thereof, as are necessary, in the Company's judgment (after consultation with counsel of recognized standing), to comply with the Required Unrestricted Capital Provisions (defined below), *provided* that the Company will not cause any such conversion unless the Company determines that the rights, preferences, privileges and voting powers of such new series of preferred stock, taken as a whole, are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers of the Series A Preferred Stock, taken as a whole. For example, the Company could agree to restrict its ability to pay dividends on or redeem the new series of preferred stock for a specified period or indefinitely, to the extent permitted by the terms and provisions of the new series of preferred stock, since such a restriction would be permitted in the Company's discretion under the terms and provisions of the Series A Preferred Stock.

The Company will provide notice to holders of the Series A Preferred Stock of any election to qualify the Series A Preferred Stock for Allowable Capital or Tier 1 Capital Equivalent treatment and of any determination to convert the Series A Preferred Stock into a new series of preferred stock, promptly upon the effectiveness of any such election or determination. A copy of any such notice and of the relevant regulations will be on file at the Company's principal offices and, upon request, will be made available to any stockholder.

As used above, the term "Required Unrestricted Capital Provisions" means the terms that are, in the Company's judgment (after consultation with counsel of recognized standing), required for preferred stock to be treated as Allowable Capital or Tier 1 Capital Equivalent, as applicable, without any sublimit or other quantitative restriction on the inclusion of such preferred stock in Allowable Capital or Tier 1 Capital Equivalent (other than any limitation the Company elects to accept and any limitation requiring that common equity or a specified form of common equity constitute the dominant form of Allowable Capital or Tier 1 Capital Equivalent) pursuant to applicable regulations.

Voting Rights

Except as provided below, the holders of the Series A Preferred Stock have no voting rights.

Whenever dividends on any shares of the Series A Preferred Stock shall have not been declared and paid for the equivalent of six or more dividend payments, whether or not for consecutive dividend periods (as used in this section, a "Nonpayment"), the holders of such shares, voting together as a class with holders of any and all other series of voting preferred stock (as defined below) then outstanding, will be entitled to vote for the election of a total of two additional members of the Company's board of directors (as used in this section, the "Preferred Stock Directors"), *provided* that the election of any such directors shall not cause the Company to violate the corporate governance requirement of the New York Stock Exchange (or any other exchange on which the Company's securities may be listed) that listed companies must have a majority of independent directors. In that event, the number of directors on the Company's board of directors shall automatically increase by two, and the new directors shall be elected at a special meeting called at the request of the holders of record of at least 20% of the Series A Preferred Stock or of any other series of voting preferred stock (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of stockholders), and at each subsequent annual meeting. These voting rights will continue until dividends on the shares of the Series A Preferred Stock and any such series of voting preferred stock for at least four dividend periods, whether or not consecutive, following the Nonpayment shall have been fully paid (or declared and a sum sufficient for the payment of such dividends shall have been set aside for payment).

As used in this description of the Series A Preferred Stock, ***"voting preferred stock"*** means any other class or series of preferred stock of the Company ranking equally with the Series A Preferred Stock either as to dividends or the distribution of assets upon liquidation, dissolution or winding up and upon which like voting rights have been conferred and are exercisable. Whether a plurality, majority or other portion of the shares of Series A Preferred Stock and any other voting preferred stock have been voted in favor of any matter shall be determined by reference to the liquidation amounts of the shares voted.

If and when dividends for at least four dividend periods, whether or not consecutive, following a Nonpayment have been paid in full (or declared and a sum sufficient for such payment shall have been set aside), the holders of the Series A Preferred Stock shall be divested of the foregoing voting rights (subject to revesting in the event of each subsequent Nonpayment) and, if such voting rights for all other holders of voting preferred stock have terminated, the term of office of each Preferred Stock Director so elected shall terminate and the number of directors on the board of directors shall automatically decrease by two. In determining whether dividends have been paid for four dividend periods following a Nonpayment, the Company may take account of any dividend the Company elects to pay for such a dividend period after the regular dividend date for that period has passed. Any Preferred Stock Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of the Series A Preferred Stock when they have the voting rights described above (voting together as a class with all series of voting preferred stock then outstanding). So long as a Nonpayment shall continue, any vacancy in the office of a Preferred Stock Director (other than prior to the initial election after a Nonpayment) may be filled by the written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of record of a majority of the outstanding shares of Series A Preferred Stock when they have the voting rights described above (voting together as a class with all series of voting preferred stock then outstanding). The Preferred Stock Directors shall each be entitled to one vote per director on any matter.

So long as any shares of Series A Preferred Stock remain outstanding, the Company will not, without the affirmative vote or consent of the holders of at least two-thirds of the outstanding shares of the Series A Preferred Stock and all other series of voting preferred stock entitled to vote thereon, voting together as a single class, given in person or by proxy, either in writing or at a meeting:

- amend or alter the provisions of the Company's restated certificate of incorporation so as to authorize or create, or increase the authorized amount of, any class or series of stock ranking senior to the Series A Preferred Stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up of the Company;
- amend, alter or repeal the provisions of the Company's restated certificate of incorporation so as to materially and adversely affect the special rights, preferences, privileges and voting powers of the Series A Preferred Stock, taken as a whole; or
- consummate a binding share exchange or reclassification involving the Series A Preferred Stock or a merger or consolidation of the Company with another entity, unless in each case (i) the shares of Series A Preferred Stock remain outstanding or, in the case of any such merger or consolidation with respect to which the Company is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (ii) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers of the Series A Preferred Stock, taken as a whole;

provided, however, that any increase in the amount of the authorized or issued Series A Preferred Stock or authorized preferred stock or the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock ranking equally with and/or junior to the Series A Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Company will not be deemed to adversely affect the special rights, preferences, privileges or voting powers of the Series A Preferred Stock. In addition, any conversion of the Series A Preferred Stock upon the occurrence of certain regulatory events, as discussed above under "Description of Series A Preferred Stock — Regulatory Changes Relating to Capital Adequacy", will not be deemed to adversely affect the special rights, preferences, privileges or voting powers of the Series A Preferred Stock.

If an amendment, alteration, repeal, share exchange, reclassification, merger or consolidation described above would adversely affect one or more but not all series of voting preferred stock (including the Series A Preferred Stock for

this purpose), then only the series affected and entitled to vote shall vote as a class in lieu of all such series of preferred stock.

Without the consent of the holders of the Series A Preferred Stock, so long as such action does not adversely affect the special rights, preferences, privileges and voting powers of the Series A Preferred Stock, taken as a whole, the Company may amend, alter, supplement or repeal any terms of the Series A Preferred Stock:

- to cure any ambiguity, or to cure, correct or supplement any provision contained in the certificate of designation for the Series A Preferred Stock that may be defective or inconsistent; or
- to make any provision with respect to matters or questions arising with respect to the Series A Preferred Stock that is not inconsistent with the provisions of the certificate of designations.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares of Series A Preferred Stock shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been set aside by the Company for the benefit of the holders of the Series A Preferred Stock to effect such redemption.

DESCRIPTION OF DEPOSITARY SHARES

Please note that as used in this section, references to "holders" of depositary shares mean those who own depositary shares registered in their own names, on the books that the Company or the depositary maintain for this purpose, and not indirect holders who own beneficial interests in depositary shares registered in street name or issued in book-entry form through The Depository Trust Company.

General

The Company has issued fractional interests in shares of preferred stock in the form of depositary shares, each representing a 1/1,000th ownership interest in a share of Series A Preferred Stock and evidenced by a depositary receipt. The shares of Series A Preferred Stock represented by depositary shares are deposited under a deposit agreement among the Company, the depositary and the holders from time to time of the depositary receipts evidencing the depositary shares. Subject to the terms of the deposit agreement, each holder of a depositary share is entitled, through the depositary, in proportion to the applicable fraction of a share of Series A Preferred Stock represented by such depositary share, to all the rights and preferences of the Series A Preferred Stock represented thereby (including dividend, voting, redemption and liquidation rights).

Dividends and Other Distributions

The depositary will distribute any cash dividends or other cash distributions received in respect of the deposited Series A Preferred Stock to the record holders of depositary shares relating to the underlying Series A Preferred Stock in proportion to the number of depositary shares held by the holders. The depositary will distribute any property received by it other than cash to the record holders of depositary shares entitled to those distributions, unless it determines that the distribution cannot be made proportionally among those holders or that it is not feasible to make a distribution. In that event, the depositary may, with the Company's approval, sell the property and distribute the net proceeds from the sale to the holders of the depositary shares in proportion to the number of depositary shares they hold.

Record dates for the payment of dividends and other matters relating to the depositary shares will be the same as the corresponding record dates for the Series A Preferred Stock.

The amounts distributed to holders of depositary shares will be reduced by any amounts required to be withheld by the depositary or by the Company on account of taxes or other governmental charges.

Redemption of Depositary Shares

If the Company redeems the Series A Preferred Stock represented by the depositary shares, the depositary shares will be redeemed from the proceeds received by the depositary resulting from the redemption of the Series A Preferred Stock held by the depositary. The redemption price per depositary share will be equal to 1/1,000th of the redemption price per share payable with respect to the Series A Preferred Stock (or $25 per depositary share). Whenever the Company redeems shares of Series A Preferred Stock held by the depositary, the depositary will

redeem, as of the same redemption date, the number of depositary shares representing shares of Series A Preferred Stock so redeemed.

In case of any redemption of less than all of the outstanding depositary shares, the depositary shares to be redeemed will be selected by the depositary pro rata or in such other manner determined by the depositary to be equitable. In any such case, the Company will redeem depositary shares only in increments of 1,000 shares and any multiple thereof.

Voting the Series A Preferred Stock

When the depositary receives notice of any meeting at which the holders of the Series A Preferred Stock are entitled to vote, the depositary will mail the information contained in the notice to the record holders of the depositary shares relating to the Series A Preferred Stock. Each record holder of the depositary shares on the record date, which will be the same date as the record date for the Series A Preferred Stock, may instruct the depositary to vote the amount of the Series A Preferred Stock represented by the holder's depositary shares. To the extent possible, the depositary will vote the amount of the Series A Preferred Stock represented by depositary shares in accordance with the instructions it receives. The Company will agree to take all reasonable actions that the depositary determines are necessary to enable the depositary to vote as instructed. If the depositary does not receive specific instructions from the holders of any depositary shares representing the Series A Preferred Stock, it will vote all depositary shares of that series held by it proportionately with instructions received.

Listing

The depositary shares are listed on the New York Stock Exchange under the ticker symbol "GS PrA."

Form of Preferred Stock and Depositary Shares

The depositary shares are issued in book-entry form through The Depository Trust Company. The Series A Preferred Stock is issued in registered form to the depositary.

DESCRIPTION OF THE DEPOSITARY SHARES, EACH REPRESENTING 1/1,000TH INTEREST IN A SHARE OF FLOATING RATE NON-CUMULATIVE PREFERRED STOCK, SERIES C

DESCRIPTION OF SERIES C PREFERRED STOCK

The depositary is the sole holder of the Company's Series C Preferred Stock, and all references herein to the holders of the Series C Preferred Stock shall mean the depositary. However, the holders of depositary shares are entitled, through the depositary, to exercise the rights and preferences of the holders of the Series C Preferred Stock, as described below under "Description of Depositary Shares".

The following is a brief description of the material terms of the Series C Preferred Stock. The following summary of the terms and provisions of the Series C Preferred Stock does not purport to be complete and is qualified in its entirety by reference to the pertinent sections of the Company's restated certificate of incorporation, which is an exhibit to the Annual Report of which this exhibit is a part. Unless the context otherwise provides, all references to the Company in this description refer only to The Goldman Sachs Group, Inc. and does not include its consolidated subsidiaries.

General

The Company's authorized capital stock includes 150,000,000 shares of preferred stock, par value $0.01 per share. The Series C Preferred Stock is part of a single series of the Company's authorized preferred stock. The Company may from time to time, without notice to or the consent of holders of the Series C Preferred Stock, issue additional shares of the Series C Preferred Stock, up to the maximum number of authorized but unissued shares.

Shares of the Series C Preferred Stock rank senior to the Company's common stock, equally with each other series of the Company's preferred stock outstanding as of December 31, 2019 and at least equally with each other series of preferred stock that the Company may issue (except for any senior series that may be issued with the requisite consent of the holders of the Series C Preferred Stock), with respect to the payment of dividends and distributions of assets upon liquidation, dissolution or winding up. In addition, the Company will generally be able to pay dividends and distributions upon liquidation, dissolution or winding up only out of lawfully available funds for such payment (*i.e.*, after taking account of all indebtedness and other non-equity claims). The Series C Preferred Stock is fully paid and nonassessable, which means that its holders have paid their purchase price in full and that the Company may not ask them to surrender additional funds. Holders of Series C Preferred Stock do not have preemptive or subscription rights to acquire more stock of the Company.

The Series C Preferred Stock is not convertible into, or exchangeable for, shares of any other class or series of stock or other securities of the Company, except under certain limited circumstances described below under "— Regulatory Changes Relating to Capital Adequacy". The Series C Preferred Stock has no stated maturity and is not subject to any sinking fund or other obligation of the Company to redeem or repurchase the Series C Preferred Stock.

Dividends

Dividends on shares of the Series C Preferred Stock are not mandatory. Holders of Series C Preferred Stock are entitled to receive, when, as and if declared by the Company's board of directors or a duly authorized committee of the board, out of funds legally available for the payment of dividends under Delaware law, non-cumulative cash dividends from the original issue date, quarterly in arrears on the 10th day of February, May, August, and November of each year (each, a "dividend payment date"). These dividends accrue, with respect to each dividend period, on the liquidation preference amount of $25,000 per share (equivalent to $25 per depositary share) at a rate per annum equal to the greater of (1) 0.75% above LIBOR (as described below) on the related LIBOR determination date (as described below) or (2) 4.00%. In the event that the Company issues additional shares of Series C Preferred Stock after the original issue date, dividends on such shares may accrue from the original issue date or any other date the Company specifies at the time such additional shares are issued.

Dividends will be payable to holders of record of Series C Preferred Stock as they appear on the Company's books on the applicable record date, which shall be the 15th calendar day before that dividend payment date or such other record date fixed by the Company's board of directors (or a duly authorized committee of the board) that is not more than 60 nor less than 10 days prior to such dividend payment date (each, a "dividend record date"). These dividend record dates will apply regardless of whether a particular dividend record date is a business day. The corresponding record dates for the depositary shares are the same as the record dates for the Series C Preferred Stock.

A dividend period is the period from and including a dividend payment date to but excluding the next dividend payment date. Dividends payable on the Series C Preferred Stock are computed on the basis of a 360-day year and the actual number of days elapsed in the dividend period. If any date on which dividends would otherwise be payable is not a business day, then the dividend payment date will be the next succeeding business day unless such day falls in the next calendar month, in which case the dividend payment date will be the immediately preceding day that is a business day.

For any dividend period, LIBOR shall be determined by the calculation agent on the second London business day immediately preceding the first day of such dividend period in the following manner:

- LIBOR will be the offered rate per annum for three-month deposits in U.S. dollars, beginning on the first day of such period, as that rate appears on Moneyline Telerate Page 3750 as of 11:00 A.M., London time, on the second London business day immediately preceding the first day of such dividend period.
- If the rate described above does not appear on Moneyline Telerate page 3750, LIBOR will be determined on the basis of the rates, at approximately 11:00 A.M., London time, on the second London business day immediately preceding the first day of such dividend period, at which deposits of the following kind are offered to prime banks in the London interbank market by four major banks in that market selected by the calculation agent: three-month deposits in U.S. dollars, beginning on the first day of such dividend period, and in a Representative Amount. The calculation agent will request the principal London office of each of these banks to provide a quotation of its rate. If at least two quotations are provided, LIBOR for the second London business day immediately preceding the first day of such dividend period will be the arithmetic mean of the quotations.
- If fewer than two quotations are provided as described above, LIBOR for the second London business day immediately preceding the first day of such dividend period will be the arithmetic mean of the rates for loans of the following kind to leading European banks quoted, at approximately 11:00 A.M. New York City time on the second London business day immediately preceding the first day of such dividend period, by three major banks in New York City selected by the calculation agent: three-month loans of U.S. dollars, beginning on the first day of such dividend period, and in a Representative Amount.
- If fewer than three banks selected by the calculation agent are quoting as described above, LIBOR for the new dividend period will be LIBOR in effect for the prior dividend period.

The calculation agent's determination of any dividend rate, and its calculation of the amount of dividends for any dividend period, will be on file at the Company's principal offices, will be made available to any stockholder upon request and will be final and binding in the absence of manifest error.

This subsection uses several terms that have special meanings relevant to calculating LIBOR. Those terms have the following meanings:

The term ***"Representative Amount"*** means an amount that, in the calculation agent's judgment, is representative of a single transaction in the relevant market at the relevant time.

The term ***"Moneyline Telerate Page"*** means the display on Moneyline Telerate, Inc., or any successor service, on the page or pages specified herein or any replacement page or pages on that service.

The term ***"business day"*** means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City generally are authorized or obligated by law or executive order to close.

The term ***"London business day"*** means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is a day on which dealings in U.S. dollars are transacted in the London interbank market.

Dividends on shares of Series C Preferred Stock are not cumulative. Accordingly, if the board of directors of the Company, or a duly authorized committee of the board, does not declare a dividend on the Series C Preferred Stock payable in respect of any dividend period before the related dividend payment date, such dividend will not accrue and

the Company will have no obligation to pay a dividend for that dividend period on the dividend payment date or at any future time, whether or not dividends on the Series C Preferred Stock are declared for any future dividend period.

So long as any share of Series C Preferred Stock remains outstanding, no dividend shall be paid or declared on the Company's common stock or any other shares of the Company's junior stock (as defined below) (other than a dividend payable solely in junior stock), and no common stock or other junior stock shall be purchased, redeemed or otherwise acquired for consideration by the Company, directly or indirectly (other than as a result of a reclassification of junior stock for or into other junior stock, or the exchange or conversion of one share of junior stock for or into another share of junior stock and other than through the use of the proceeds of a substantially contemporaneous sale of junior stock), during a dividend period, unless the full dividends for the latest completed dividend period on all outstanding shares of Series C Preferred Stock have been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside). However, the foregoing provision shall not restrict the ability of Goldman Sachs & Co. LLC, or any of the Company's other affiliates, to engage in any market-making transactions in the Company's junior stock in the ordinary course of business.

As used in this description of the Series C Preferred Stock, ***"junior stock"*** means any class or series of stock of the Company that ranks junior to the Series C Preferred Stock either as to the payment of dividends or as to the distribution of assets upon any liquidation, dissolution or winding up of the Company. Junior stock includes the Company's common stock.

When dividends are not paid (or duly provided for) on any dividend payment date (or, in the case of parity stock, as defined below, having dividend payment dates different from the dividend payment dates pertaining to the Series C Preferred Stock, on a dividend payment date falling within the related dividend period for the Series C Preferred Stock) in full upon the Series C Preferred Stock and any shares of parity stock, all dividends declared upon the Series C Preferred Stock and all such equally ranking securities payable on such dividend payment date (or, in the case of parity stock having dividend payment dates different from the dividend payment dates pertaining to the Series C Preferred Stock, on a dividend payment date falling within the related dividend period for the Series C Preferred Stock) shall be declared *pro rata* so that the respective amounts of such dividends shall bear the same ratio to each other as all accrued but unpaid dividends per share on the Series C Preferred Stock and all parity stock payable on such dividend payment date (or, in the case of parity stock having dividend payment dates different from the dividend payment dates pertaining to the Series C Preferred Stock, on a dividend payment date falling within the related dividend period for the Series C Preferred Stock) bear to each other.

As used in this description of the Series C Preferred Stock, ***"parity stock"*** means any other class or series of stock of the Company that ranks equally with the Series C Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Company.

Subject to the foregoing, such dividends (payable in cash, stock or otherwise) as may be determined by the Company's board of directors (or a duly authorized committee of the board) may be declared and paid on the Company's common stock and any other stock ranking equally with or junior to the Series C Preferred Stock from time to time out of any funds legally available for such payment, and the shares of the Series C Preferred Stock shall not be entitled to participate in any such dividend.

Liquidation Rights

Upon any voluntary or involuntary liquidation, dissolution or winding up of the Company, holders of the Series C Preferred Stock are entitled to receive out of assets of the Company available for distribution to stockholders, after satisfaction of liabilities to creditors, if any, before any distribution of assets is made to holders of common stock or of any of the Company's other shares of stock ranking junior as to such a distribution to the shares of Series C Preferred Stock, a liquidating distribution in the amount of $25,000 per share (equivalent to $25 per depositary share) plus declared and unpaid dividends, without accumulation of any undeclared dividends. Holders of the Series C Preferred Stock will not be entitled to any other amounts from the Company after they have received their full liquidation preference.

In any such distribution, if the assets of the Company are not sufficient to pay the liquidation preferences in full to all holders of the Series C Preferred Stock and all holders of any other shares of the Company's stock ranking equally as to such distribution with the Series C Preferred Stock, the amounts paid to the holders of Series C Preferred Stock and to the holders of all such other stock will be paid *pro rata* in accordance with the respective aggregate liquidation preferences of those holders. In any such distribution, the ***"liquidation preference"*** of any holder of preferred stock means the amount payable to such holder in such distribution, including any declared but unpaid dividends (and any unpaid, accrued cumulative dividends in the case of any holder of stock on which dividends accrue on a cumulative

basis). If the liquidation preference has been paid in full to all holders of the Company's Series C Preferred Stock and any other shares of the Company's stock ranking equally as to the liquidation distribution, the holders of the Company's other stock shall be entitled to receive all remaining assets of the Company according to their respective rights and preferences.

For purposes of this description of the Series C Preferred Stock, the merger or consolidation of the Company with any other entity, including a merger or consolidation in which the holders of Series C Preferred Stock receive cash, securities or property for their shares, or the sale, lease or exchange of all or substantially all of the assets of the Company for cash, securities or other property shall not constitute a liquidation, dissolution or winding up of the Company.

Redemption

The Series C Preferred Stock is not subject to any mandatory redemption, sinking fund or other similar provisions. The Series C Preferred Stock is currently redeemable at the Company's option, in whole or in part, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to $25,000 per share (equivalent to $25 per depositary share), plus any declared and unpaid dividends, without accumulation of any undeclared dividends. Holders of Series C Preferred Stock have no right to require the redemption or repurchase of the Series C Preferred Stock.

If shares of the Series C Preferred Stock are to be redeemed, the notice of redemption shall be given by first class mail to the holders of record of the Series C Preferred Stock to be redeemed, mailed not less than 30 days nor more than 60 days prior to the date fixed for redemption thereof (*provided* that, if the depositary shares representing the Series C Preferred Stock are held in book-entry form through The Depository Trust Company, or "DTC", the Company may give such notice in any manner permitted by the DTC). Each notice of redemption will include a statement setting forth: (i) the redemption date, (ii) the number of shares of the Series C Preferred Stock to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder, (iii) the redemption price and (iv) the place or places where holders may surrender certificates evidencing shares of Series C Preferred Stock for payment of the redemption price. If notice of redemption of any shares of Series C Preferred Stock has been given and if the funds necessary for such redemption have been set aside by the Company for the benefit of the holders of any shares of Series C Preferred Stock so called for redemption, then, from and after the redemption date, dividends will cease to accrue on such shares of Series C Preferred Stock, such shares of Series C Preferred Stock shall no longer be deemed outstanding and all rights of the holders of such shares will terminate, except the right to receive the redemption price.

In case of any redemption of only part of the shares of the Series C Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either pro rata or in such other manner as the Company may determine to be fair and equitable.

See "Description of Depositary Shares" below for information about redemption of the depositary shares relating to the Company's Series C Preferred Stock.

Regulatory Changes Relating to Capital Adequacy

The Company was previously regulated by the SEC as a consolidated supervised entity ("CSE") pursuant to the SEC's rules at that time relating to CSEs (referred to as the "CSE Rules"). The Company treated the Series C Preferred Stock as allowable capital in accordance with the CSE Rules (such capital is referred to below as "Allowable Capital").

If the regulatory capital requirements that apply to the Company change in the future, the Series C Preferred Stock may be converted, at the Company's option and without consent of the holders, into a new series of preferred stock, subject to the limitations described below. The Company will be entitled to exercise this conversion right as follows.

If both of the following occur:

- the Company (by election or otherwise) becomes subject to any law, rule, regulation or guidance (together, "regulations") relating to the Company's capital adequacy, which regulation (i) modifies the existing requirements for treatment as Allowable Capital, (ii) provides for a type or level of capital characterized as "Tier 1" or its equivalent pursuant to regulations of any governmental body having jurisdiction over the Company (or any of the Company's subsidiaries or consolidated affiliates) and implementing capital standards published by the Basel Committee on Banking

Supervision, the SEC, the Federal Reserve Board or any other United States national governmental body, or any other applicable regime based on capital standards published by the Basel Committee on Banking Supervision or its successor, or (iii) provides for a type of capital that in the Company's judgment (after consultation with counsel of recognized standing) is substantially equivalent to such "Tier 1" capital (such capital described in either (ii) or (iii) is referred to below as "Tier 1 Capital Equivalent"), and

- the Company affirmatively elects to qualify the Series C Preferred Stock for such Allowable Capital or Tier 1 Capital Equivalent treatment without any sublimit or other quantitative restriction on the inclusion of the Series C Preferred Stock in Allowable Capital or Tier 1 Capital Equivalent (other than any limitation the Company elects to accept and any limitation requiring that common equity or a specified form of common equity constitute the dominant form of Allowable Capital or Tier 1 Capital Equivalent) under such regulations,

then, upon such affirmative election, the Series C Preferred Stock shall be convertible at the Company's option into a new series of preferred stock having terms and provisions substantially identical to those of the Series C Preferred Stock, *except* that such new series may have such additional or modified rights, preferences, privileges and voting powers, and such limitations and restrictions thereof, as are necessary, in the Company's judgment (after consultation with counsel of recognized standing), to comply with the Required Unrestricted Capital Provisions (defined below), *provided* that the Company will not cause any such conversion unless the Company determines that the rights, preferences, privileges and voting powers of such new series of preferred stock, taken as a whole, are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers of the Series C Preferred Stock, taken as a whole. For example, the Company could agree to restrict its ability to pay dividends on or redeem the new series of preferred stock for a specified period or indefinitely, to the extent permitted by the terms and provisions of the new series of preferred stock, since such a restriction would be permitted in the Company's discretion under the terms and provisions of the Series C Preferred Stock.

The Company will provide notice to holders of the Series C Preferred Stock of any election to qualify the Series C Preferred Stock for Allowable Capital or Tier 1 Capital Equivalent treatment and of any determination to convert the Series C Preferred Stock into a new series of preferred stock, promptly upon the effectiveness of any such election or determination. A copy of any such notice and of the relevant regulations will be on file at the Company's principal offices and, upon request, will be made available to any stockholder.

As used above, the term "Required Unrestricted Capital Provisions" means the terms that are, in the Company's judgment (after consultation with counsel of recognized standing), required for preferred stock to be treated as Allowable Capital or Tier 1 Capital Equivalent, as applicable, without any sublimit or other quantitative restriction on the inclusion of such preferred stock in Allowable Capital or Tier 1 Capital Equivalent (other than any limitation the Company elects to accept and any limitation requiring that common equity or a specified form of common equity constitute the dominant form of Allowable Capital or Tier 1 Capital Equivalent) pursuant to applicable regulations.

Voting Rights

Except as provided below, the holders of the Series C Preferred Stock have no voting rights.

Whenever dividends on any shares of the Series C Preferred Stock shall have not been declared and paid for the equivalent of six or more dividend payments, whether or not for consecutive dividend periods (as used in this section, a "Nonpayment"), the holders of such shares, voting together as a class with holders of any and all other series of voting preferred stock (as defined below) then outstanding, will be entitled to vote for the election of a total of two additional members of the Company's board of directors (as used in this section, the "Preferred Stock Directors"), *provided* that the election of any such directors shall not cause the Company to violate the corporate governance requirement of the New York Stock Exchange (or any other exchange on which the Company's securities may be listed) that listed companies must have a majority of independent directors and *provided further* that the Company's board of directors shall at no time include more than two Preferred Stock Directors. In that event, the number of directors on the Company's board of directors shall automatically increase by two, and the new directors shall be elected at a special meeting called at the request of the holders of record of at least 20% of the Series C Preferred Stock or of any other series of voting preferred stock (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of stockholders), and at each subsequent annual meeting. These voting rights will continue until dividends on the shares of the Series C Preferred Stock and any such series of voting preferred stock for at least four dividend periods, whether or not consecutive, following the Nonpayment shall have been fully paid (or declared and a sum sufficient for the payment of such dividends shall have been set aside for payment).

As used in this description of the Series C Preferred Stock, ***"voting preferred stock"*** means any other class or series of preferred stock of the Company ranking equally with the Series C Preferred Stock either as to dividends or the distribution of assets upon liquidation, dissolution or winding up and upon which like voting rights have been conferred and are exercisable. Whether a plurality, majority or other portion of the shares of Series C Preferred Stock and any other voting preferred stock have been voted in favor of any matter shall be determined by reference to the liquidation amounts of the shares voted.

If and when dividends for at least four dividend periods, whether or not consecutive, following a Nonpayment have been paid in full (or declared and a sum sufficient for such payment shall have been set aside), the holders of the Series C Preferred Stock shall be divested of the foregoing voting rights (subject to revesting in the event of each subsequent Nonpayment) and, if such voting rights for all other holders of voting preferred stock have terminated, the term of office of each Preferred Stock Director so elected shall terminate and the number of directors on the board of directors shall automatically decrease by two. In determining whether dividends have been paid for four dividend periods following a Nonpayment, the Company may take account of any dividend the Company elects to pay for such a dividend period after the regular dividend date for that period has passed. Any Preferred Stock Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of the Series C Preferred Stock when they have the voting rights described above (voting together as a class with all series of voting preferred stock then outstanding). So long as a Nonpayment shall continue, any vacancy in the office of a Preferred Stock Director (other than prior to the initial election after a Nonpayment) may be filled by the written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of record of a majority of the outstanding shares of Series C Preferred Stock and all voting preferred stock when they have the voting rights described above (voting together as a class). The Preferred Stock Directors shall each be entitled to one vote per director on any matter.

So long as any shares of Series C Preferred Stock remain outstanding, the Company will not, without the affirmative vote or consent of the holders of at least two-thirds of the outstanding shares of the Series C Preferred Stock and all other series of voting preferred stock entitled to vote thereon, voting together as a single class, given in person or by proxy, either in writing or at a meeting:

- amend or alter the provisions of the Company's restated certificate of incorporation so as to authorize or create, or increase the authorized amount of, any class or series of stock ranking senior to the Series C Preferred Stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up of the Company;
- amend, alter or repeal the provisions of the Company's restated certificate of incorporation so as to materially and adversely affect the special rights, preferences, privileges and voting powers of the Series C Preferred Stock, taken as a whole; or
- consummate a binding share exchange or reclassification involving the Series C Preferred Stock or a merger or consolidation of the Company with another entity, unless in each case (i) the shares of Series C Preferred Stock remain outstanding or, in the case of any such merger or consolidation with respect to which the Company is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (ii) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers of the Series C Preferred Stock, taken as a whole;

provided, however, that any increase in the amount of the authorized or issued Series C Preferred Stock or authorized preferred stock or the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock ranking equally with and/or junior to the Series C Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Company will not be deemed to adversely affect the rights, preferences, privileges or voting powers of the Series C Preferred Stock. In addition, any conversion of the Series C Preferred Stock upon the occurrence of certain regulatory events, as discussed above under "— Regulatory Changes Relating to Capital Adequacy", will not be deemed to adversely affect the rights, preferences, privileges or voting powers of the Series C Preferred Stock.

If an amendment, alteration, repeal, share exchange, reclassification, merger or consolidation described above would adversely affect one or more but not all series of voting preferred stock (including the Series C Preferred Stock for

this purpose), then only the series affected and entitled to vote shall vote as a class in lieu of all such series of preferred stock.

Without the consent of the holders of the Series C Preferred Stock, so long as such action does not adversely affect the rights, preferences, privileges and voting powers of the Series C Preferred Stock, the Company may amend, alter, supplement or repeal any terms of the Series C Preferred Stock:

- to cure any ambiguity, or to cure, correct or supplement any provision contained in the certificate of designation for the Series C Preferred Stock that may be defective or inconsistent; or
- to make any provision with respect to matters or questions arising with respect to the Series C Preferred Stock that is not inconsistent with the provisions of the certificate of designations.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares of Series C Preferred Stock shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been set aside by the Company for the benefit of the holders of the Series C Preferred Stock to effect such redemption.

DESCRIPTION OF DEPOSITARY SHARES

Please note that as used in this section, references to "holders" of depositary shares mean those who own depositary shares registered in their own names, on the books that the Company or the depositary maintain for this purpose, and not indirect holders who own beneficial interests in depositary shares registered in street name or issued in book-entry form through The Depository Trust Company.

General

The Company has issued fractional interests in shares of preferred stock in the form of depositary shares, each representing a 1/1,000th ownership interest in a share of Series C Preferred Stock and evidenced by a depositary receipt. The shares of Series C Preferred Stock represented by depositary shares are deposited under a deposit agreement among the Company, the depositary and the holders from time to time of the depositary receipts evidencing the depositary shares. Subject to the terms of the deposit agreement, each holder of a depositary share is entitled, through the depositary, in proportion to the applicable fraction of a share of Series C Preferred Stock represented by such depositary share, to all the rights and preferences of the Series C Preferred Stock represented thereby (including dividend, voting, redemption and liquidation rights).

Dividends and Other Distributions

The depositary will distribute any cash dividends or other cash distributions received in respect of the deposited Series C Preferred Stock to the record holders of depositary shares relating to the underlying Series C Preferred Stock in proportion to the number of depositary shares held by the holders. The depositary will distribute any property received by it other than cash to the record holders of depositary shares entitled to those distributions, unless it determines that the distribution cannot be made proportionally among those holders or that it is not feasible to make a distribution. In that event, the depositary may, with the Company's approval, sell the property and distribute the net proceeds from the sale to the holders of the depositary shares in proportion to the number of depositary shares they hold.

Record dates for the payment of dividends and other matters relating to the depositary shares will be the same as the corresponding record dates for the Series C Preferred Stock.

The amounts distributed to holders of depositary shares will be reduced by any amounts required to be withheld by the depositary or by the Company on account of taxes or other governmental charges.

Redemption of Depositary Shares

If the Company redeems the Series C Preferred Stock represented by the depositary shares, the depositary shares will be redeemed from the proceeds received by the depositary resulting from the redemption of the Series C Preferred Stock held by the depositary. The redemption price per depositary share will be equal to 1/1,000th of the redemption price per share payable with respect to the Series C Preferred Stock (or $25 per depositary share). Whenever the Company redeems shares of Series C Preferred Stock held by the depositary, the depositary will

redeem, as of the same redemption date, the number of depositary shares representing shares of Series C Preferred Stock so redeemed.

In case of any redemption of less than all of the outstanding depositary shares, the depositary shares to be redeemed will be selected by the depositary pro rata or in such other manner determined by the depositary to be equitable. In any such case, the Company will redeem depositary shares only in increments of 1,000 shares and any multiple thereof.

Voting the Series C Preferred Stock

When the depositary receives notice of any meeting at which the holders of the Series C Preferred Stock are entitled to vote, the depositary will mail the information contained in the notice to the record holders of the depositary shares relating to the Series C Preferred Stock. Each record holder of the depositary shares on the record date, which will be the same date as the record date for the Series C Preferred Stock, may instruct the depositary to vote the amount of the Series C Preferred Stock represented by the holder's depositary shares. To the extent possible, the depositary will vote the amount of the Series C Preferred Stock represented by depositary shares in accordance with the instructions it receives. The Company will agree to take all reasonable actions that the depositary determines are necessary to enable the depositary to vote as instructed. If the depositary does not receive specific instructions from the holders of any depositary shares representing the Series C Preferred Stock, it will vote all depositary shares of that series held by it proportionately with instructions received.

Listing

The depositary shares are listed on the New York Stock Exchange under the ticker symbol "GS PrC."

Form of Preferred Stock and Depositary Shares

The depositary shares are issued in book-entry form through The Depository Trust Company. The Series C Preferred Stock is issued in registered form to the depositary.

DESCRIPTION OF THE DEPOSITARY SHARES, EACH REPRESENTING 1/1,000TH INTEREST IN A SHARE OF FLOATING RATE NON-CUMULATIVE PREFERRED STOCK, SERIES D

DESCRIPTION OF SERIES D PREFERRED STOCK

The depositary is the sole holder of the Company's Series D Preferred Stock, and all references herein to the holders of the Series D Preferred Stock shall mean the depositary. However, the holders of depositary shares are entitled, through the depositary, to exercise the rights and preferences of the holders of the Series D Preferred Stock, as described below under "Description of Depositary Shares".

The following is a brief description of the material terms of the Series D Preferred Stock. The following summary of the terms and provisions of the Series D Preferred Stock does not purport to be complete and is qualified in its entirety by reference to the pertinent sections of the Company's restated certificate of incorporation, which is an exhibit to the Annual Report of which this exhibit is a part. Unless the context otherwise provides, all references to the Company in this description refer only to The Goldman Sachs Group, Inc. and does not include its consolidated subsidiaries.

General

The Company's authorized capital stock includes 150,000,000 shares of preferred stock, par value $0.01 per share. The Series D Preferred Stock is part of a single series of authorized preferred stock. The Company may from time to time, without notice to or the consent of holders of the Series D Preferred Stock, issue additional shares of the Series D Preferred Stock, up to the maximum number of authorized but unissued shares.

Shares of the Series D Preferred Stock rank senior to the Company's common stock, equally with each other series of the Company's preferred stock outstanding as of December 31, 2019 and at least equally with each other series of preferred stock that the Company may issue (except for any senior series that may be issued with the requisite consent of the holders of the Series D Preferred Stock), with respect to the payment of dividends and distributions of assets upon liquidation, dissolution or winding up. In addition, the Company will generally be able to pay dividends and distributions upon liquidation, dissolution or winding up only out of lawfully available funds for such payment (*i.e.*, after taking account of all indebtedness and other non-equity claims). The Series D Preferred Stock is fully paid and nonassessable, which means that its holders have paid their purchase price in full and that the Company may not ask them to surrender additional funds. Holders of Series D Preferred Stock do not have preemptive or subscription rights to acquire more stock of the Company.

The Series D Preferred Stock is not convertible into, or exchangeable for, shares of any other class or series of stock or other securities of the Company, except under certain limited circumstances described below under "— Regulatory Changes Relating to Capital Adequacy". The Series D Preferred Stock has no stated maturity and is not subject to any sinking fund or other obligation of the Company to redeem or repurchase the Series D Preferred Stock.

Dividends

Dividends on shares of the Series D Preferred Stock are not mandatory. Holders of Series D Preferred Stock are entitled to receive, when, as and if declared by the Company's board of directors (or a duly authorized committee of the board), out of funds legally available for the payment of dividends under Delaware law, non-cumulative cash dividends from the original issue date, quarterly in arrears on the 10th day of February, May, August, and November of each year (each, a dividend payment date). These dividends accrue, with respect to each dividend period, on the liquidation preference amount of $25,000 per share (equivalent to $25 per depositary share) at a rate per annum equal to the greater of (1) 0.67% above LIBOR (as described below) on the related LIBOR determination date (as described below) or (2) 4.00%. In the event that the Company issues additional shares of Series D Preferred Stock after the original issue date, dividends on such shares may accrue from the original issue date or any other date the Company specifies at the time such additional shares are issued.

Dividends will be payable to holders of record of Series D Preferred Stock as they appear on the Company's books on the applicable record date, which shall be the 15th calendar day before that dividend payment date or such other record date fixed by the Company's board of directors (or a duly authorized committee of the board) that is not more than 60 nor less than 10 days prior to such dividend payment date (each, a "dividend record date"). These dividend record dates will apply regardless of whether a particular dividend record date is a business day. The corresponding record dates for the depositary shares are the same as the record dates for the Series D Preferred Stock.

A dividend period is the period from and including a dividend payment date to but excluding the next dividend payment date. Dividends payable on the Series D Preferred Stock are computed on the basis of a 360-day year and the actual number of days elapsed in the dividend period. If any date on which dividends would otherwise be payable is not a business day, then the dividend payment date will be the next succeeding business day unless such day falls in the next calendar month, in which case the dividend payment date will be the immediately preceding day that is a business day.

For any dividend period, LIBOR shall be determined by the calculation agent on the second London business day immediately preceding the first day of such dividend period in the following manner:

- LIBOR will be the offered rate per annum for three-month deposits in U.S. dollars, beginning on the first day of such period, as that rate appears on Moneyline Telerate Page 3750 (or any successor or replacement page) as of 11:00 A.M., London time, on the second London business day immediately preceding the first day of such dividend period.
- If the rate described above does not appear on Moneyline Telerate page 3750 (or any successor or replacement page), LIBOR will be determined on the basis of the rates, at approximately 11:00 A.M., London time, on the second London business day immediately preceding the first day of such dividend period, at which deposits of the following kind are offered to prime banks in the London interbank market by four major banks in that market selected by the calculation agent: three-month deposits in U.S. dollars, beginning on the first day of such dividend period, and in a Representative Amount. The calculation agent will request the principal London office of each of these banks to provide a quotation of its rate. If at least two quotations are provided, LIBOR for the second London business day immediately preceding the first day of such dividend period will be the arithmetic mean of the quotations.
- If fewer than two quotations are provided as described above, LIBOR for the second London business day immediately preceding the first day of such dividend period will be the arithmetic mean of the rates for loans of the following kind to leading European banks quoted, at approximately 11:00 A.M. New York City time on the second London business day immediately preceding the first day of such dividend period, by three major banks in New York City selected by the calculation agent: three-month loans of U.S. dollars, beginning on the first day of such dividend period, and in a Representative Amount.
- If fewer than three banks selected by the calculation agent are quoting as described above, LIBOR for the new dividend period will be LIBOR in effect for the prior dividend period.

The calculation agent's determination of any dividend rate, and its calculation of the amount of dividends for any dividend period, will be on file at the Company's principal offices, will be made available to any stockholder upon request and will be final and binding in the absence of manifest error.

This subscription uses several terms that have special meanings relevant to calculating LIBOR. Those terms have the following meanings:

The term ***"Representative Amount"*** means an amount that, in the calculation agent's judgment, is representative of a single transaction in the relevant market at the relevant time.

The term ***"Moneyline Telerate Page"*** means the display on Moneyline Telerate, Inc., or any successor service, on the page or pages specified herein or any replacement page or pages on that service.

The term ***"business day"*** means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City generally are authorized or obligated by law or executive order to close.

The term ***"London business day"*** means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is a day on which dealings in U.S. dollars are transacted in the London interbank market.

Dividends on shares of Series D Preferred Stock are not cumulative. Accordingly, if the board of directors of the Company (or a duly authorized committee of the board) does not declare a dividend on the Series D Preferred Stock payable in respect of any dividend period before the related dividend payment date, such dividend will not accrue and

the Company will have no obligation to pay a dividend for that dividend period on the dividend payment date or at any future time, whether or not dividends on the Series D Preferred Stock are declared for any future dividend period.

So long as any share of Series D Preferred Stock remains outstanding, no dividend shall be paid or declared on the Company's common stock or any other shares of the Company's junior stock (as defined below) (other than a dividend payable solely in junior stock), and no common stock or other junior stock shall be purchased, redeemed or otherwise acquired for consideration by the Company, directly or indirectly (other than as a result of a reclassification of junior stock for or into other junior stock, or the exchange or conversion of one share of junior stock for or into another share of junior stock and other than through the use of the proceeds of a substantially contemporaneous sale of junior stock), during a dividend period, unless the full dividends for the latest completed dividend period on all outstanding shares of Series D Preferred Stock have been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside). However, the foregoing provision shall not restrict the ability of Goldman Sachs & Co. LLC, or any of the Company's other affiliates, to engage in any market-making transactions in the Company's junior stock in the ordinary course of business.

As used in this description of the Series D Preferred Stock, ***"junior stock"*** means any class or series of stock of the Company that ranks junior to the Series D Preferred Stock either as to the payment of dividends or as to the distribution of assets upon any liquidation, dissolution or winding up of the Company. Junior stock includes the Company's common stock.

When dividends are not paid (or duly provided for) on any dividend payment date (or, in the case of parity stock, as defined below, having dividend payment dates different from the dividend payment dates pertaining to the Series D Preferred Stock, on a dividend payment date falling within the related dividend period for the Series D Preferred Stock) in full upon the Series D Preferred Stock and any shares of parity stock, all dividends declared upon the Series D Preferred Stock and all such equally ranking securities payable on such dividend payment date (or, in the case of parity stock having dividend payment dates different from the dividend payment dates pertaining to the Series D Preferred Stock, on a dividend payment date falling within the related dividend period for the Series D Preferred Stock) shall be declared *pro rata* so that the respective amounts of such dividends shall bear the same ratio to each other as all accrued but unpaid dividends per share on the Series D Preferred Stock and all parity stock payable on such dividend payment date (or, in the case of parity stock having dividend payment dates different from the dividend payment dates pertaining to the Series D Preferred Stock, on a dividend payment date falling within the related dividend period for the Series D Preferred Stock) bear to each other.

As used in this description of the Series D Preferred Stock, ***"parity stock"*** means any other class or series of stock of the Company that ranks equally with the Series D Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Company.

Subject to the foregoing, such dividends (payable in cash, stock or otherwise) as may be determined by the Company's board of directors (or a duly authorized committee of the board) may be declared and paid on the Company's common stock and any other stock ranking equally with or junior to the Series D Preferred Stock from time to time out of any funds legally available for such payment, and the shares of the Series D Preferred Stock shall not be entitled to participate in any such dividend.

Liquidation Rights

Upon any voluntary or involuntary liquidation, dissolution or winding up of the Company, holders of the Series D Preferred Stock are entitled to receive out of assets of the Company available for distribution to stockholders, after satisfaction of liabilities to creditors, if any, before any distribution of assets is made to holders of common stock or of any of the Company's other shares of stock ranking junior as to such a distribution to the shares of Series D Preferred Stock, a liquidating distribution in the amount of $25,000 per share (equivalent to $25 per depositary share) plus declared and unpaid dividends, without accumulation of any undeclared dividends. Holders of the Series D Preferred Stock will not be entitled to any other amounts from the Company after they have received their full liquidation preference.

In any such distribution, if the assets of the Company are not sufficient to pay the liquidation preferences in full to all holders of the Series D Preferred Stock and all holders of any other shares of the Company's stock ranking equally as to such distribution with the Series D Preferred Stock, the amounts paid to the holders of Series D Preferred Stock and to the holders of all such other stock will be paid *pro rata* in accordance with the respective aggregate liquidation preferences of those holders. In any such distribution, the ***"liquidation preference"*** of any holder of preferred stock means the amount payable to such holder in such distribution, including any declared but unpaid dividends (and any unpaid, accrued cumulative dividends in the case of any holder of stock on which dividends accrue on a cumulative

basis). If the liquidation preference has been paid in full to all holders of the Company's Series D Preferred Stock and any other shares of the Company's stock ranking equally as to the liquidation distribution, the holders of the Company's other stock shall be entitled to receive all remaining assets of the Company according to their respective rights and preferences.

For purposes of this description of the Series D Preferred Stock, the merger or consolidation of the Company with any other entity, including a merger or consolidation in which the holders of Series D Preferred Stock receive cash, securities or property for their shares, or the sale, lease or exchange of all or substantially all of the assets of the Company, for cash, securities or other property shall not constitute a liquidation, dissolution or winding up of the Company.

Redemption

The Series D Preferred Stock is not subject to any mandatory redemption, sinking fund or other similar provisions. The Series D Preferred Stock is currently redeemable at the Company's option, in whole or in part, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to $25,000 per share (equivalent to $25 per depositary share), plus any declared and unpaid dividends, without accumulation of any undeclared dividends. Holders of Series D Preferred Stock have no right to require the redemption or repurchase of the Series D Preferred Stock.

If shares of the Series D Preferred Stock are to be redeemed, the notice of redemption shall be given by first class mail to the holders of record of the Series D Preferred Stock to be redeemed, mailed not less than 30 days nor more than 60 days prior to the date fixed for redemption thereof (*provided* that, if the depositary shares representing the Series D Preferred Stock are held in book-entry form through The Depository Trust Company, or "DTC", the Company may give such notice in any manner permitted by the DTC). Each notice of redemption will include a statement setting forth: (i) the redemption date, (ii) the number of shares of the Series D Preferred Stock to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder, (iii) the redemption price and (iv) the place or places where holders may surrender certificates evidencing shares of Series D Preferred Stock for payment of the redemption price. If notice of redemption of any shares of Series D Preferred Stock has been given and if the funds necessary for such redemption have been set aside by the Company for the benefit of the holders of any shares of Series D Preferred Stock so called for redemption, then, from and after the redemption date, dividends will cease to accrue on such shares of Series D Preferred Stock, such shares of Series D Preferred Stock shall no longer be deemed outstanding and all rights of the holders of such shares will terminate, except the right to receive the redemption price.

In case of any redemption of only part of the shares of the Series D Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or in such other manner as the Company may determine to be fair and equitable.

See "Description of Depositary Shares" below for information about redemption of the depositary shares relating to the Company's Series D Preferred Stock.

Regulatory Changes Relating to Capital Adequacy

The Company was previously regulated by the SEC as a consolidated supervised entity ("CSE") pursuant to the SEC's rules relating to CSEs (referred to as the "CSE Rules"). The Company treated the Series D Preferred Stock as allowable capital in accordance with the CSE Rules (such capital is referred to below as "Allowable Capital").

If the regulatory capital requirements that apply to the Company change in the future, the Series D Preferred Stock may be converted, at the Company's option and without consent of the holders, into a new series of preferred stock, subject to the limitations described below. The Company will be entitled to exercise this conversion right as follows.

If both of the following occur:

- The Company (by election or otherwise) becomes subject to any law, rule, regulation or guidance (together, "regulations") relating to the Company's capital adequacy, which regulation (i) modifies the existing requirements for treatment as Allowable Capital, (ii) provides for a type or level of capital characterized as "Tier 1" or its equivalent pursuant to regulations of any governmental body having jurisdiction over the Company (or any of the Company's subsidiaries or consolidated affiliates) and implementing capital standards published by the Basel Committee on Banking Supervision, the SEC, the Federal Reserve Board or any other United States national

governmental body, or any other applicable regime based on capital standards published by the Basel Committee on Banking Supervision or its successor, or (iii) provides for a type of capital that in the Company's judgment (after consultation with counsel of recognized standing) is substantially equivalent to such "Tier 1" capital (such capital described in either (ii) or (iii) is referred to below as "Tier 1 Capital Equivalent"), and

- the Company affirmatively elects to qualify the Series D Preferred Stock for such Allowable Capital or Tier 1 Capital Equivalent treatment without any sublimit or other quantitative restriction on the inclusion of the Series D Preferred Stock in Allowable Capital or Tier 1 Capital Equivalent (other than any limitation the Company elects to accept and any limitation requiring that common equity or a specified form of common equity constitute the dominant form of Allowable Capital or Tier 1 Capital Equivalent) under such regulations,

then, upon such affirmative election, the Series D Preferred Stock shall be convertible at the Company's option into a new series of preferred stock having terms and provisions substantially identical to those of the Series D Preferred Stock, *except* that such new series may have such additional or modified rights, preferences, privileges and voting powers, and such limitations and restrictions thereof, as are necessary, in the Company's judgment (after consultation with counsel of recognized standing), to comply with the Required Unrestricted Capital Provisions (defined below), *provided* that the Company will not cause any such conversion unless the Company determines that the rights, preferences, privileges and voting powers of such new series of preferred stock, taken as a whole, are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers of the Series D Preferred Stock, taken as a whole. For example, the Company could agree to restrict its ability to pay dividends on or redeem the new series of preferred stock for a specified period or indefinitely, to the extent permitted by the terms and provisions of the new series of preferred stock, since such a restriction would be permitted in the Company's discretion under the terms and provisions of the Series D Preferred Stock.

The Company will provide notice to holders of the Series D Preferred Stock of any election to qualify the Series D Preferred Stock for Allowable Capital or Tier 1 Capital Equivalent treatment and of any determination to convert the Series D Preferred Stock into a new series of preferred stock, promptly upon the effectiveness of any such election or determination. A copy of any such notice and of the relevant regulations will be on file at the Company's principal offices and, upon request, will be made available to any stockholder.

As used above, the term "Required Unrestricted Capital Provisions" means the terms that are, in the Company's judgment (after consultation with counsel of recognized standing), required for preferred stock to be treated as Allowable Capital or Tier 1 Capital Equivalent, as applicable, without any sublimit or other quantitative restriction on the inclusion of such preferred stock in Allowable Capital or Tier 1 Capital Equivalent (other than any limitation the Company elects to accept and any limitation requiring that common equity or a specified form of common equity constitute the dominant form of Allowable Capital or Tier 1 Capital Equivalent) pursuant to applicable regulations.

Voting Rights

Except as provided below, the holders of the Series D Preferred Stock have no voting rights.

Whenever dividends on any shares of the Series D Preferred Stock shall have not been declared and paid for the equivalent of six or more dividend payments, whether or not for consecutive dividend periods (as used in this section, a "Nonpayment"), the holders of such shares, voting together as a class with holders of any and all other series of voting preferred stock (as defined below) then outstanding, will be entitled to vote for the election of a total of two additional members of the Company's board of directors (as used in this section, the "Preferred Stock Directors"), *provided* that the election of any such directors shall not cause the Company to violate the corporate governance requirement of the New York Stock Exchange (or any other exchange on which the Company's securities may be listed) that listed companies must have a majority of independent directors and *provided further* that the Company's board of directors shall at no time include more than two Preferred Stock Directors. In that event, the number of directors on the Company's board of directors shall automatically increase by two, and the new directors shall be elected at a special meeting called at the request of the holders of record of at least 20% of the Series D Preferred Stock or of any other series of voting preferred stock (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of stockholders), and at each subsequent annual meeting. These voting rights will continue until dividends on the shares of the Series D Preferred Stock and any such series of voting preferred stock for at least four dividend periods, whether or not consecutive, following the Nonpayment shall have been fully paid (or declared and a sum sufficient for the payment of such dividends shall have been set aside for payment).

As used in this description of the Series D Preferred Stock, ***"voting preferred stock"*** means any other class or series of preferred stock of the Company ranking equally with the Series D Preferred Stock either as to dividends or the distribution of assets upon liquidation, dissolution or winding up and upon which like voting rights have been conferred and are exercisable. Whether a plurality, majority or other portion of the shares of Series D Preferred Stock and any other voting preferred stock have been voted in favor of any matter shall be determined by reference to the liquidation amounts of the shares voted.

If and when dividends for at least four dividend periods, whether or not consecutive, following a Nonpayment have been paid in full (or declared and a sum sufficient for such payment shall have been set aside), the holders of the Series D Preferred Stock shall be divested of the foregoing voting rights (subject to revesting in the event of each subsequent Nonpayment) and, if such voting rights for all other holders of voting preferred stock have terminated, the term of office of each Preferred Stock Director so elected shall terminate and the number of directors on the board of directors shall automatically decrease by two. In determining whether dividends have been paid for four dividend periods following a Nonpayment, the Company may take account of any dividend the Company elects to pay for such a dividend period after the regular dividend date for that period has passed. Any Preferred Stock Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of the Series D Preferred Stock when they have the voting rights described above (voting together as a class with all series of voting preferred stock then outstanding). So long as a Nonpayment shall continue, any vacancy in the office of a Preferred Stock Director (other than prior to the initial election after a Nonpayment) may be filled by the written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of record of a majority of the outstanding shares of Series D Preferred Stock and all voting preferred stock when they have the voting rights described above (voting together as a class). The Preferred Stock Directors shall each be entitled to one vote per director on any matter.

So long as any shares of Series D Preferred Stock remain outstanding, the Company will not, without the affirmative vote or consent of the holders of at least two-thirds of the outstanding shares of the Series D Preferred Stock and all other series of voting preferred stock entitled to vote thereon, voting together as a single class, given in person or by proxy, either in writing or at a meeting:

- amend or alter the provisions of the Company's restated certificate of incorporation so as to authorize or create, or increase the authorized amount of, any class or series of stock ranking senior to the Series D Preferred Stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up of the Company;
- amend, alter or repeal the provisions of the Company's restated certificate of incorporation so as to materially and adversely affect the special rights, preferences, privileges and voting powers of the Series D Preferred Stock, taken as a whole; or
- consummate a binding share exchange or reclassification involving the Series D Preferred Stock or a merger or consolidation of the Company with another entity, unless in each case (i) the shares of Series D Preferred Stock remain outstanding or, in the case of any such merger or consolidation with respect to which the Company is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (ii) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers of the Series D Preferred Stock, taken as a whole;

provided, however, that any increase in the amount of the authorized or issued Series D Preferred Stock or authorized preferred stock or the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock ranking equally with and/or junior to the Series D Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Company will not be deemed to adversely affect the rights, preferences, privileges or voting powers of the Series D Preferred Stock. In addition, any conversion of the Series D Preferred Stock upon the occurrence of certain regulatory events, as discussed above under "— Regulatory Changes Relating to Capital Adequacy", will not be deemed to adversely affect the rights, preferences, privileges or voting powers of the Series D Preferred Stock.

If an amendment, alteration, repeal, share exchange, reclassification, merger or consolidation described above would adversely affect one or more but not all series of voting preferred stock (including the Series D Preferred Stock for

this purpose), then only the series affected and entitled to vote shall vote as a class in lieu of all such series of preferred stock.

Without the consent of the holders of the Series D Preferred Stock, so long as such action does not adversely affect the rights, preferences, privileges and voting powers of the Series D Preferred Stock, the Company may amend, alter, supplement or repeal any terms of the Series D Preferred Stock:

- to cure any ambiguity, or to cure, correct or supplement any provision contained in the certificate of designation for the Series D Preferred Stock that may be defective or inconsistent; or
- to make any provision with respect to matters or questions arising with respect to the Series D Preferred Stock that is not inconsistent with the provisions of the certificate of designations.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares of Series D Preferred Stock shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been set aside by the Company for the benefit of the holders of the Series D Preferred Stock to effect such redemption.

DESCRIPTION OF DEPOSITARY SHARES

Please note that as used in this section, references to "holders" of depositary shares mean those who own depositary shares registered in their own names, on the books that the Company or the depositary maintain for this purpose, and not indirect holders who own beneficial interests in depositary shares registered in street name or issued in book-entry form through The Depository Trust Company.

General

The Company has issued fractional interests in shares of preferred stock in the form of depositary shares, each representing a 1/1,000th ownership interest in a share of Series D Preferred Stock and evidenced by a depositary receipt. The shares of Series D Preferred Stock represented by depositary shares are deposited under a deposit agreement among the Company, the depositary and the holders from time to time of the depositary receipts evidencing the depositary shares. Subject to the terms of the deposit agreement, each holder of a depositary share is entitled, through the depositary, in proportion to the applicable fraction of a share of Series D Preferred Stock represented by such depositary share, to all the rights and preferences of the Series D Preferred Stock represented thereby (including dividend, voting, redemption and liquidation rights).

Dividends and Other Distributions

The depositary will distribute any cash dividends or other cash distributions received in respect of the deposited Series D Preferred Stock to the record holders of depositary shares relating to the underlying Series D Preferred Stock in proportion to the number of depositary shares held by the holders. The depositary will distribute any property received by it other than cash to the record holders of depositary shares entitled to those distributions, unless it determines that the distribution cannot be made proportionally among those holders or that it is not feasible to make a distribution. In that event, the depositary may, with the Company's approval, sell the property and distribute the net proceeds from the sale to the holders of the depositary shares in proportion to the number of depositary shares they hold.

Record dates for the payment of dividends and other matters relating to the depositary shares will be the same as the corresponding record dates for the Series D Preferred Stock.

The amounts distributed to holders of depositary shares will be reduced by any amounts required to be withheld by the depositary or by the Company on account of taxes or other governmental charges.

Redemption of Depositary Shares

If the Company redeems the Series D Preferred Stock represented by the depositary shares, the depositary shares will be redeemed from the proceeds received by the depositary resulting from the redemption of the Series D Preferred Stock held by the depositary. The redemption price per depositary share will be equal to 1/1,000th of the redemption price per share payable with respect to the Series D Preferred Stock (or $25 per depositary share). Whenever the Company redeems shares of Series D Preferred Stock held by the depositary, the depositary will

redeem, as of the same redemption date, the number of depositary shares representing shares of Series D Preferred Stock so redeemed.

In case of any redemption of less than all of the outstanding depositary shares, the depositary shares to be redeemed will be selected by the depositary *pro rata* or in such other manner determined by the depositary to be equitable. In any such case, the Company will redeem depositary shares only in increments of 1,000 shares and any multiple thereof.

Voting the Series D Preferred Stock

When the depositary receives notice of any meeting at which the holders of the Series D Preferred Stock are entitled to vote, the depositary will mail the information contained in the notice to the record holders of the depositary shares relating to the Series D Preferred Stock. Each record holder of the depositary shares on the record date, which will be the same date as the record date for the Series D Preferred Stock, may instruct the depositary to vote the amount of the Series D Preferred Stock represented by the holder's depositary shares. To the extent possible, the depositary will vote the amount of the Series D Preferred Stock represented by depositary shares in accordance with the instructions it receives. The Company will agree to take all reasonable actions that the depositary determines are necessary to enable the depositary to vote as instructed. If the depositary does not receive specific instructions from the holders of any depositary shares representing the Series D Preferred Stock, it will vote all depositary shares of that series held by it proportionately with instructions received.

Listing

The depositary shares are listed on the New York Stock Exchange under the ticker symbol "GS PrD."

Form of Preferred Stock and Depositary Shares

The depositary shares are issued in book-entry form through The Depository Trust Company. The Series D Preferred Stock is issued in registered form to the depositary.

DESCRIPTION OF THE DEPOSITARY SHARES, EACH REPRESENTING 1/1,000TH INTEREST IN A SHARE OF 5.50% FIXED-TO-FLOATING RATE NON-CUMULATIVE PREFERRED STOCK, SERIES J

DESCRIPTION OF SERIES J PREFERRED STOCK

The depositary is the sole holder of the Company's Series J Preferred Stock, and all references herein to the holders of the Series J Preferred Stock shall mean the depositary. However, the holders of depositary shares are entitled, through the depositary, to exercise the rights and preferences of the holders of Series J Preferred Stock, as described below under "Description of Depositary Shares".

The following is a brief description of the material terms of the Series C Preferred Stock. The following summary of the terms and provisions of the Series J Preferred Stock does not purport to be complete and is qualified in its entirety by reference to the pertinent sections of the Company's restated certificate of incorporation, which is an exhibit to the Annual Report of which this exhibit is a part. Unless the context otherwise provides, all references to the Company in this description refer only to The Goldman Sachs Group, Inc. and does not include its consolidated subsidiaries.

General

The Company's authorized capital stock includes 150,000,000 shares of preferred stock, par value $0.01 per share. The Series J Preferred Stock is part of a single series of the Company's authorized preferred stock. The Company may from time to time, without notice to or the consent of holders of the Series J Preferred Stock, issue additional shares of the Series J Preferred Stock, up to the maximum number of authorized but unissued shares.

Shares of the Series J Preferred Stock rank senior to the Company's common stock, equally with each other series of the Company's preferred stock outstanding as of December 31, 2019 and at least equally with each other series of preferred stock that the Company may issue (except for any senior series that may be issued with the requisite consent of the holders of Series J Preferred Stock), with respect to the payment of dividends and distributions of assets upon liquidation, dissolution or winding-up. In addition, the Company will generally be able to pay dividends and distributions upon liquidation, dissolution or winding-up only out of lawfully available funds for such payment (*i.e.*, after taking account of all indebtedness and other non-equity claims). The Series J Preferred Stock is fully paid and nonassessable, which means that its holders have paid their purchase price in full and that the Company may not ask them to surrender additional funds. Holders of Series J Preferred Stock do not have preemptive or subscription rights to acquire more stock of the Company.

The Series J Preferred Stock is not convertible into, or exchangeable for, shares of any other class or series of stock or other securities of the Company. The Series J Preferred Stock has no stated maturity and is not subject to any sinking fund or other obligation of the Company to redeem or repurchase the Series J Preferred Stock. The Series J Preferred Stock represents non-withdrawable capital, is not a bank deposit and is not insured by the FDIC or any other governmental agency, nor is it the obligation of, or guaranteed by, a bank.

Dividends

Dividends on shares of the Series J Preferred Stock are not mandatory. Holders of Series J Preferred Stock are entitled to receive, when, as and if declared by the Company's board of directors (or a duly authorized committee of the board), out of funds legally available for the payment of dividends, non-cumulative cash dividends from the original issue date, quarterly in arrears on the 10th day of February, May, August and November of each year (each, a dividend payment date). These dividends accrue, with respect to each dividend period, on the liquidation preference amount of $25,000 per share (equivalent to $25 per depositary share) at a rate per annum equal to 5.50% from the original issue date to, but excluding, May 10, 2023, and, thereafter at a floating rate per annum equal to LIBOR plus 3.64% on the related LIBOR determination date. In the event that the Company issues additional shares of Series J Preferred Stock after the original issue date, dividends on such shares may accrue from the original issue date or any other date the Company specifies at the time such additional shares are issued.

Dividends will be payable to holders of record of Series J Preferred Stock as they appear on the Company's books on the applicable record date, which shall be the 15th calendar day before that dividend payment date or such other record date fixed by the Company's board of directors (or a duly authorized committee of the board) that is not more than 60 nor less than 10 days prior to such dividend payment date (each, a "dividend record date"). These dividend record dates will apply regardless of whether a particular dividend record date is a business day. The corresponding record dates for the depositary shares are the same as the record dates for the Series J Preferred Stock.

A dividend period is the period from and including a dividend payment date to but excluding the next dividend payment date. Dividends payable on the Series J Preferred Stock for any period beginning prior to May 10, 2023 are calculated on the basis of a 360-day year consisting of twelve 30-day months, and dividends for periods beginning on or after such date will be calculated on the basis of a 360-day year and the actual number of days elapsed in the dividend period. If any date on which dividends would otherwise be payable is not a business day, then the dividend payment date will be the next succeeding business day unless, after May 10, 2023, such day falls in the next calendar month, in which case the dividend payment date will be the immediately preceding day that is a business day. "Business day" means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City generally are authorized or obligated by law or executive order to close.

For any dividend period commencing on or after May 10, 2023, LIBOR will be determined by the calculation agent on the second London business day immediately preceding the first day of such dividend period in the following manner:

- LIBOR will be the offered rate per annum for three-month deposits in U.S. dollars, beginning on the first day of such period, as that rate appears on Reuters screen LIBOR01 (or any successor or replacement page) as of approximately 11:00 A.M., London time, on the second London business day immediately preceding the first day of such dividend period.
- If the rate described above does not so appear on the Reuters screen LIBOR01 (or any successor or replacement page), then LIBOR will be determined on the basis of the rates, at approximately 11:00 A.M., London time, on the second London business day immediately preceding the first day of such dividend period, at which deposits of the following kind are offered to prime banks in the London interbank market by four major banks in that market selected by the calculation agent: three-month deposits in U.S. dollars, beginning on the first day of such dividend period, and in a Representative Amount. The calculation agent will request the principal London office of each of these banks to provide a quotation of its rate. If at least two quotations are provided, LIBOR for the second London business day immediately preceding the first day of such dividend period will be the arithmetic mean of the quotations.
- If fewer than two of the requested quotations described above are provided, LIBOR for the second London business day immediately preceding the first day of such dividend period will be the arithmetic mean of the rates for loans of the following kind to leading European banks quoted, at approximately 11:00 A.M., New York City time, on the second London business day immediately preceding the first day of such dividend period, by three major banks in New York City selected by the calculation agent: three-month loans of U.S. dollars, beginning on the first day of such dividend period, and in a Representative Amount.
- If no quotation is provided as described above, then the calculation agent, after consulting such sources as it deems comparable to any of the foregoing quotations or display page, or any such source as it deems reasonable from which to estimate LIBOR or any of the foregoing lending rates, shall determine LIBOR for the second London business day immediately preceding the first day of such dividend period in its sole discretion.

The calculation agent's determination of any dividend rate, and its calculation of the amount of dividends for any dividend period, will be on file at the Company's principal offices, will be made available to any stockholder upon request and will be final and binding in the absence of manifest error.

This subsection uses several terms that have special meanings relevant to calculating LIBOR. Those terms have the following meanings:

The term "***Representative Amount***" means an amount that, in the calculation agent's judgment, is representative of a single transaction in the relevant market at the relevant time.

The term "***London business day***" means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is a day on which dealings in U.S. dollars are transacted in the London interbank market.

The term "***Reuters screen***" means the display on the Reuters 3000 Xtra service, or any successor or replacement service.

Dividends on shares of Series J Preferred Stock are not cumulative. Accordingly, if the board of directors of the Company (or a duly authorized committee of the board) does not declare a dividend on the Series J Preferred Stock payable in respect of any dividend period before the related dividend payment date, such dividend will not accrue and the Company will have no obligation to pay a dividend for that dividend period on the dividend payment date or at any future time, whether or not dividends on the Series J Preferred Stock are declared for any future dividend period.

So long as any share of Series J Preferred Stock remains outstanding, no dividend shall be paid or declared on the Company's common stock or any other shares of the Company's junior stock (as defined below) (other than a dividend payable solely in junior stock), and no common stock or other junior stock shall be purchased, redeemed or otherwise acquired for consideration by the Company, directly or indirectly (other than as a result of a reclassification of junior stock for or into other junior stock, or the exchange or conversion of one share of junior stock for or into another share of junior stock and other than through the use of the proceeds of a substantially contemporaneous sale of junior stock), during a dividend period, unless the full dividends for the latest completed dividend period on all outstanding shares of Series J Preferred Stock have been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside). However, the foregoing provision shall not restrict the ability of Goldman Sachs & Co. LLC, or any of the Company's other affiliates, to engage in any market-making transactions in the Company's junior stock in the ordinary course of business.

As used in this description of the Series J Preferred Stock, "***junior stock***" means any class or series of stock of the Company that ranks junior to the Series J Preferred Stock either as to the payment of dividends or as to the distribution of assets upon any liquidation, dissolution or winding-up of the Company Junior stock includes the Company's common stock.

When dividends are not paid (or duly provided for) on any dividend payment date (or, in the case of parity stock, as defined below, having dividend payment dates different from the dividend payment dates pertaining to the Series J Preferred Stock, on a dividend payment date falling within the related dividend period for the Series J Preferred Stock) in full on the Series J Preferred Stock and any shares of parity stock, all dividends declared on the Series J Preferred Stock and all such equally ranking securities payable on such dividend payment date (or, in the case of parity stock having dividend payment dates different from the dividend payment dates pertaining to the Series J Preferred Stock, on a dividend payment date falling within the related dividend period for the Series J Preferred Stock) shall be declared *pro rata* so that the respective amounts of such dividends shall bear the same ratio to each other as all accrued but unpaid dividends per share on the Series J Preferred Stock and all parity stock payable on such dividend payment date (or, in the case of parity stock having dividend payment dates different from the dividend payment dates pertaining to the Series J Preferred Stock, on a dividend payment date falling within the related dividend period for the Series J Preferred Stock) bear to each other.

As used in this description of the Series J Preferred Stock, "***parity stock***" means any other class or series of stock of the Company that ranks equally with the Series J Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding-up of the Company.

Subject to the foregoing, such dividends (payable in cash, stock or otherwise) as may be determined by the Company's board of directors (or a duly authorized committee of the board) may be declared and paid on the Company's common stock and any other stock ranking equally with or junior to the Series J Preferred Stock from time to time out of any funds legally available for such payment, and the shares of the Series J Preferred Stock shall not be entitled to participate in any such dividend.

Dividends on the Series J Preferred Stock will not be declared, paid or set aside for payment if the Company fails to comply, or if and to the extent such act would cause the Company to fail to comply, with applicable laws and regulations. The restated certificate of incorporation provides that dividends on the Series J Preferred Stock may not be declared or set aside for payment if and to the extent such dividends would cause the Company to fail to comply with applicable capital adequacy standards.

Liquidation Rights

Upon any voluntary or involuntary liquidation, dissolution or winding-up of the Company, holders of Series J Preferred Stock are entitled to receive out of assets of the Company available for distribution to stockholders, after satisfaction of liabilities to creditors, if any, before any distribution of assets is made to holders of common stock or of any of the Company's other shares of stock ranking junior as to such a distribution to the shares of Series J Preferred Stock, a liquidating distribution in the amount of $25,000 per share (equivalent to $25 per depositary share) plus declared and unpaid dividends, without accumulation of any undeclared dividends. Holders of Series J Preferred Stock will not be entitled to any other amounts from the Company after they have received their full liquidation preference.

The Series J Preferred Stock may be fully subordinate to interests held by the U.S. government in the event of a receivership, insolvency, liquidation, or similar proceeding, including a proceeding under the "orderly liquidation authority" provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

In any such distribution, if the assets of the Company are not sufficient to pay the liquidation preferences in full to all holders of Series J Preferred Stock and all holders of any other shares of the Company's stock ranking equally as to such distribution with the Series J Preferred Stock, the amounts paid to the holders of Series J Preferred Stock and to the holders of all such other stock will be paid *pro rata* in accordance with the respective aggregate liquidation preferences of those holders. In any such distribution, the *"**liquidation preference***" of any holder of preferred stock means the amount payable to such holder in such distribution, including any declared but unpaid dividends (and any unpaid, accrued cumulative dividends in the case of any holder of stock on which dividends accrue on a cumulative basis). If the liquidation preference has been paid in full to all holders of the Company's Series J Preferred Stock and any other shares of the Company's stock ranking equally as to the liquidation distribution, the holders of the Company's other stock shall be entitled to receive all remaining assets of the Company according to their respective rights and preferences.

For purposes of this description of the Series J Preferred Stock, the merger or consolidation the Company with any other entity, including a merger or consolidation in which the holders of Series J Preferred Stock receive cash, securities or property for their shares, or the sale, lease or exchange of all or substantially all of the assets of the Company, for cash, securities or other property shall not constitute a liquidation, dissolution or winding-up of the Company.

Redemption

The Series J Preferred Stock is perpetual and has no maturity date, and is not subject to any mandatory redemption, sinking fund or other similar provisions. The Company may, at its option, redeem the Series J Preferred Stock (i) in whole or in part, from time to time, on any date on or after May 10, 2023, or (ii) in whole but not in part at any time within 90 days following a Regulatory Capital Treatment Event, in each case, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to $25,000 per share (equivalent to $25 per depositary share), plus accrued and unpaid dividends for the then-current dividend period to but excluding the redemption date, whether or not declared. Holders of Series J Preferred Stock have no right to require the redemption or repurchase of the Series J Preferred Stock.

The Company is a bank holding company and a financial holding company regulated by the Federal Reserve Board. The Company treats the Series J Preferred Stock as "tier 1 capital" (or its equivalent) for purposes of the capital adequacy guidelines of the Federal Reserve Board (or, as and if applicable, the capital adequacy guidelines or regulations of any successor appropriate federal banking agency).

A "Regulatory Capital Treatment Event" means the good faith determination by the Company that, as a result of (i) any amendment to, or change in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of the Series J Preferred Stock, (ii) any proposed change in those laws or regulations that is announced or becomes effective after the initial issuance of any share of the Series J Preferred Stock, or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations that is announced after the initial issuance of any share of the Series J Preferred Stock, there is more than an insubstantial risk that the Company will not be entitled to treat the full liquidation preference amount of $25,000 per share of Series J Preferred Stock then outstanding as "tier 1 capital" (or its equivalent) for purposes of the capital adequacy guidelines of the Federal Reserve Board (or, as and if applicable, the capital adequacy guidelines or regulations of any successor appropriate federal banking agency) as then in effect and applicable, for so long as any share of Series J Preferred Stock is outstanding. "Appropriate federal banking agency" means the "appropriate federal banking agency" with respect to the Company as that term is defined in Section 3(q) of the Federal Deposit Insurance Act or any successor provision.

The Company will not exercise its option to redeem any shares of preferred stock without obtaining the approval of the Federal Reserve Board (or any successor appropriate federal banking agency) if then required by applicable law. Unless the Federal Reserve Board (or any successor appropriate federal banking agency) authorizes the Company to do otherwise in writing, the Company will redeem the Series J Preferred Stock only if it is replaced with other tier 1 capital that is not a restricted core capital element (*e.g.*, common stock or another series of noncumulative perpetual preferred stock).

If shares of Series J Preferred Stock are to be redeemed, the notice of redemption shall be given by first class mail to the holders of record of Series J Preferred Stock to be redeemed, mailed not less than 30 days nor more than 60 days prior to the date fixed for redemption thereof (*provided* that, if the depositary shares representing the Series J Preferred Stock are held in book-entry form through The Depository Trust Company, or "DTC", the Company may give such notice in any manner permitted by the DTC). Each notice of redemption will include a statement setting forth: (i) the redemption date, (ii) the number of shares of Series J Preferred Stock to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder, (iii) the redemption price and (iv) the place or places where holders may surrender certificates evidencing shares of Series J Preferred Stock for payment of the redemption price. If notice of redemption of any shares of Series J Preferred Stock has been given and if the funds necessary for such redemption have been set aside by the Company for the benefit of the holders of any shares of Series J Preferred Stock so called for redemption, then, from and after the redemption date, dividends will cease to accrue on such shares of Series J Preferred Stock, such shares of Series J Preferred Stock shall no longer be deemed outstanding and all rights of the holders of such shares will terminate, except the right to receive the redemption price.

In case of any redemption of only part of the shares of the Series J Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or in such other manner as the Company may determine to be fair and equitable.

See "Description of Depositary Shares" below for information about redemption of the depositary shares relating to the Company's Series J Preferred Stock.

Voting Rights

Except as provided below, the holders of Series J Preferred Stock have no voting rights.

Whenever dividends on any shares of Series J Preferred Stock shall have not been declared and paid for the equivalent of six or more dividend payments, whether or not for consecutive dividend periods (as used in this section, a "Nonpayment"), the holders of such shares, voting together as a class with holders of any and all other series of voting preferred stock (as defined below) then outstanding, will be entitled to vote for the election of a total of two additional members of the Company's board of directors (as used in this section, the "Preferred Stock Directors"), *provided* that the Company's board of directors shall at no time include more than two Preferred Stock Directors. In that event, the number of directors on the Company's board of directors shall automatically increase by two, and the new directors shall be elected at a special meeting called at the request of the holders of record of at least 20% of the Series J Preferred Stock or of any other series of voting preferred stock (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of stockholders), and at each subsequent annual meeting.

These voting rights will continue until dividends on the shares of Series J Preferred Stock and any such series of voting preferred stock for four consecutive dividend periods following the Nonpayment shall have been fully paid (or declared and a sum sufficient for the payment of such dividends shall have been set aside for payment).

As used in this description of the Series J Preferred Stock, "***voting preferred stock***" means any other class or series of preferred stock of the Company ranking equally with the Series J Preferred Stock either as to dividends or the distribution of assets upon liquidation, dissolution or winding-up and upon which like voting rights have been conferred and are exercisable. Whether a plurality, majority or other portion of the shares of Series J Preferred Stock and any other voting preferred stock have been voted in favor of any matter shall be determined by reference to the liquidation amounts of the shares voted.

If and when dividends for four consecutive dividend periods following a Nonpayment have been paid in full (or declared and a sum sufficient for such payment shall have been set aside), the holders of Series J Preferred Stock shall be divested of the foregoing voting rights (subject to revesting in the event of each subsequent Nonpayment) and, if such voting rights for all other holders of voting preferred stock have terminated, the term of office of each Preferred Stock Director so elected shall terminate and the number of directors on the board of directors shall automatically decrease by two. Any Preferred Stock Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of Series J Preferred Stock when they have the voting rights described above (voting together as a class with all series of voting preferred stock then outstanding). So long as a Nonpayment shall continue, any vacancy in the office of a Preferred Stock Director (other than prior to the initial election after a Nonpayment) may be filled by the written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of record of a majority of the outstanding shares of Series J

Preferred Stock and all voting preferred stock when they have the voting rights described above (voting together as a class). The Preferred Stock Directors shall each be entitled to one vote per director on any matter.

So long as any shares of Series J Preferred Stock remain outstanding, the Company will not, without the affirmative vote or consent of the holders of at least two-thirds of the outstanding shares of the Series J Preferred Stock and all other series of voting preferred stock entitled to vote thereon, voting together as a single class, given in person or by proxy, either in writing or at a meeting:

- amend or alter the provisions of the Company's restated certificate of incorporation so as to authorize or create, or increase the authorized amount of, any class or series of stock ranking senior to the Series J Preferred Stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding-up of the Company;
- amend, alter or repeal the provisions of the Company's restated certificate of incorporation so as to materially and adversely affect the special rights, preferences, privileges and voting powers of the Series J Preferred Stock, taken as a whole; or
- consummate a binding share exchange or reclassification involving the Series J Preferred Stock or a merger or consolidation of the Company with another entity, unless in each case (i) the shares of Series J Preferred Stock remain outstanding or, in the case of any such merger or consolidation with respect to which the Company is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (ii) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers of the Series J Preferred Stock, taken as a whole;

provided, however, that any increase in the amount of the authorized or issued Series J Preferred Stock or authorized preferred stock or the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock ranking equally with and/or junior to the Series J Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding-up of the Company will not be deemed to adversely affect the rights, preferences, privileges or voting powers of the Series J Preferred Stock.

If an amendment, alteration, repeal, share exchange, reclassification, merger or consolidation described above would adversely affect one or more but not all series of voting preferred stock (including the Series J Preferred Stock for this purpose), then only the series affected and entitled to vote shall vote as a class in lieu of all such series of preferred stock.

Without the consent of the holders of Series J Preferred Stock, so long as such action does not adversely affect the rights, preferences, privileges and voting powers of the Series J Preferred Stock, the Company may amend, alter, supplement or repeal any terms of the Series J Preferred Stock:

- to cure any ambiguity, or to cure, correct or supplement any provision contained in the certificate of designation for the Series J Preferred Stock that may be defective or inconsistent; or
- to make any provision with respect to matters or questions arising with respect to the Series J Preferred Stock that is not inconsistent with the provisions of the certificate of designations.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares of Series J Preferred Stock shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been set aside by the Company for the benefit of the holders of Series J Preferred Stock to effect such redemption.

DESCRIPTION OF DEPOSITARY SHARES

Please note that as used in this section, references to "holders" of depositary shares mean those who own depositary shares registered in their own names, on the books that the Company or the depositary maintain for this purpose, and not indirect holders who own beneficial interests in depositary shares registered in street name or issued in book-entry form through The Depository Trust Company.

General

The Company has issued fractional interests in shares of preferred stock in the form of depositary shares, each representing a 1/1,000th ownership interest in a share of Series J Preferred Stock and evidenced by a depositary receipt. The shares of Series J Preferred Stock represented by depositary shares are deposited under a deposit agreement among the Company, the depositary and the holders from time to time of the depositary receipts evidencing the depositary shares. Subject to the terms of the deposit agreement, each holder of a depositary share is entitled, through the depositary, in proportion to the applicable fraction of a share of Series J Preferred Stock represented by such depositary share, to all the rights and preferences of the Series J Preferred Stock represented thereby (including dividend, voting, redemption and liquidation rights).

Dividends and Other Distributions

The depositary will distribute any cash dividends or other cash distributions received in respect of the deposited Series J Preferred Stock to the record holders of depositary shares relating to the underlying Series J Preferred Stock in proportion to the number of depositary shares held by the holders. The depositary will distribute any property received by it other than cash to the record holders of depositary shares entitled to those distributions, unless it determines that the distribution cannot be made proportionally among those holders or that it is not feasible to make a distribution. In that event, the depositary may, with the Company's approval, sell the property and distribute the net proceeds from the sale to the holders of the depositary shares in proportion to the number of depositary shares they hold.

Record dates for the payment of dividends and other matters relating to the depositary shares will be the same as the corresponding record dates for the Series J Preferred Stock.

The amounts distributed to holders of depositary shares will be reduced by any amounts required to be withheld by the depositary or by the Company on account of taxes or other governmental charges.

Redemption of Depositary Shares

If the Company redeems the Series J Preferred Stock represented by the depositary shares, the depositary shares will be redeemed from the proceeds received by the depositary resulting from the redemption of the Series J Preferred Stock held by the depositary. The redemption price per depositary share will be equal to 1/1,000th of the redemption price per share payable with respect to the Series J Preferred Stock (or $25 per depositary share). Whenever the Company redeems shares of Series J Preferred Stock held by the depositary, the depositary will redeem, as of the same redemption date, the number of depositary shares representing shares of Series J Preferred Stock so redeemed.

In case of any redemption of less than all of the outstanding depositary shares, the depositary shares to be redeemed will be selected by the depositary *pro rata* or in such other manner determined by the depositary to be equitable. In any such case, the Company will redeem depositary shares only in increments of 1,000 shares and any multiple thereof.

Voting the Series J Preferred Stock

When the depositary receives notice of any meeting at which the holders of Series J Preferred Stock are entitled to vote, the depositary will mail the information contained in the notice to the record holders of the depositary shares relating to the Series J Preferred Stock. Each record holder of the depositary shares on the record date, which will be the same date as the record date for the Series J Preferred Stock, may instruct the depositary to vote the amount of Series J Preferred Stock represented by the holder's depositary shares. To the extent possible, the depositary will vote the amount of Series J Preferred Stock represented by depositary shares in accordance with the instructions it receives. The Company will agree to take all reasonable actions that the depositary determines are necessary to enable the depositary to vote as instructed. If the depositary does not receive specific instructions from the holders of any depositary shares representing the Series J Preferred Stock, it will vote all depositary shares of that series held by it proportionately with instructions received.

Listing

The depositary shares are listed on the New York Stock Exchange under the ticker symbol "GS PrJ."

Form of Preferred Stock and Depositary Shares

The depositary shares are issued in book-entry form through The Depository Trust Company. The Series J Preferred Stock is issued in registered form to the depositary.

DESCRIPTION OF THE DEPOSITARY SHARES, EACH REPRESENTING 1/1,000TH INTEREST IN A SHARE OF 6.375% FIXED-TO-FLOATING RATE NON-CUMULATIVE PREFERRED STOCK, SERIES K

DESCRIPTION OF SERIES K PREFERRED STOCK

The depositary is the sole holder of the Company's Series K Preferred Stock, and all references herein to the holders of the Series K Preferred Stock shall mean the depositary. However, the holders of depositary shares are entitled, through the depositary, to exercise the rights and preferences of the holders of Series K Preferred Stock, as described below under "Description of Depositary Shares".

The following is a brief description of the material terms of the Series K Preferred Stock. The following summary of the terms and provisions of the Series K Preferred Stock does not purport to be complete and is qualified in its entirety by reference to the pertinent sections of the Company's restated certificate of incorporation, which is an exhibit to the Annual Report of which this exhibit is a part. Unless the context otherwise provides, all references to the Company in this description refer only to The Goldman Sachs Group, Inc. and does not include its consolidated subsidiaries.

General

The Company's authorized capital stock includes 150,000,000 shares of preferred stock, par value $0.01 per share. The Series K Preferred Stock is part of a single series of the Company's authorized preferred stock. The Company may from time to time, without notice to or the consent of holders of the Series K Preferred Stock, issue additional shares of the Series K Preferred Stock, up to the maximum number of authorized but unissued shares.

Shares of the Series K Preferred Stock rank senior to the Company's common stock, equally with each other series of the Company's preferred stock outstanding as of December 31, 2019 and at least equally with each other series of preferred stock that the Company may issue (except for any senior series that may be issued with the requisite consent of the holders of Series K Preferred Stock), with respect to the payment of dividends and distributions of assets upon liquidation, dissolution or winding-up. In addition, the Company will generally be able to pay dividends and distributions upon liquidation, dissolution or winding-up only out of lawfully available funds for such payment (*i.e.*, after taking account of all indebtedness and other non-equity claims). The Series K Preferred Stock is fully paid and nonassessable, which means that its holders have paid their purchase price in full and that the Company may not ask them to surrender additional funds. Holders of Series K Preferred Stock do not have preemptive or subscription rights to acquire more stock of the Company.

The Series K Preferred Stock is not convertible into, or exchangeable for, shares of any other class or series of stock or other securities of the Company. The Series K Preferred Stock has no stated maturity and is not subject to any sinking fund or other obligation of the Company to redeem or repurchase the Series K Preferred Stock. The Series K Preferred Stock represents non-withdrawable capital, is not a bank deposit and is not insured by the FDIC or any other governmental agency, nor is it the obligation of, or guaranteed by, a bank.

Dividends

Dividends on shares of the Series K Preferred Stock are not mandatory. Holders of Series K Preferred Stock are entitled to receive, when, as and if declared by the Company's board of directors (or a duly authorized committee of the board), out of funds legally available for the payment of dividends, non-cumulative cash dividends from the original issue date, quarterly in arrears on the 10th day of February, May, August and November of each year (each, a dividend payment date). These dividends accrue, with respect to each dividend period, on the liquidation preference amount of $25,000 per share (equivalent to $25 per depositary share) at a rate per annum equal to 6.375% from the original issue date to, but excluding, May 10, 2024 (or, if not a business day, the next succeeding business day), and, thereafter at a floating rate per annum equal to LIBOR plus 3.55% on the related LIBOR determination date. In the event that the Company issues additional shares of Series K Preferred Stock after the original issue date, dividends on such shares may accrue from the original issue date or any other date the Company specifies at the time such additional shares are issued.

Dividends will be payable to holders of record of Series K Preferred Stock as they appear on the Company's books on the applicable record date, which shall be the 15th calendar day before that dividend payment date or such other record date fixed by the Company's board of directors (or a duly authorized committee of the board) that is not more than 60 nor less than 10 days prior to such dividend payment date (each, a "dividend record date"). These dividend record dates will apply regardless of whether a particular dividend record date is a business day. The corresponding record dates for the depositary shares are the same as the record dates for the Series K Preferred Stock.

A dividend period is the period from and including a dividend payment date to but excluding the next dividend payment date. Dividends payable on the Series K Preferred Stock for any period beginning prior to May 10, 2024 will be calculated on the basis of a 360-day year consisting of twelve 30-day months, and dividends for periods beginning on or after such date will be calculated on the basis of a 360-day year and the actual number of days elapsed in the dividend period. If any date on which dividends would otherwise be payable is not a business day, then the dividend payment date will be the next succeeding business day unless, after May 10, 2024, such day falls in the next calendar month, in which case the dividend payment date will be the immediately preceding day that is a business day. "Business day" means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City generally are authorized or obligated by law or executive order to close.

For any dividend period commencing on or after May 10, 2024, LIBOR will be determined by the calculation agent on the second London business day immediately preceding the first day of such dividend period in the following manner:

- LIBOR will be the offered rate per annum for three-month deposits in U.S. dollars, beginning on the first day of such period, as that rate appears on Reuters screen LIBOR01 (or any successor or replacement page) as of approximately 11:00 A.M., London time, on the second London business day immediately preceding the first day of such dividend period.
- If the rate described above does not so appear on the Reuters screen LIBOR01 (or any successor or replacement page), then LIBOR will be determined on the basis of the rates, at approximately 11:00 A.M., London time, on the second London business day immediately preceding the first day of such dividend period, at which deposits of the following kind are offered to prime banks in the London interbank market by four major banks in that market selected by the calculation agent: three-month deposits in U.S. dollars, beginning on the first day of such dividend period, and in a Representative Amount. The calculation agent will request the principal London office of each of these banks to provide a quotation of its rate. If at least two quotations are provided, LIBOR for the second London business day immediately preceding the first day of such dividend period will be the arithmetic mean of the quotations.
- If fewer than two of the requested quotations described above are provided, LIBOR for the second London business day immediately preceding the first day of such dividend period will be the arithmetic mean of the rates for loans of the following kind to leading European banks quoted, at approximately 11:00 A.M., New York City time, on the second London business day immediately preceding the first day of such dividend period, by three major banks in New York City selected by the calculation agent: three-month loans of U.S. dollars, beginning on the first day of such dividend period, and in a Representative Amount.
- If no quotation is provided as described above, then the calculation agent, after consulting such sources as it deems comparable to any of the foregoing quotations or display page, or any such source as it deems reasonable from which to estimate LIBOR or any of the foregoing lending rates, shall determine LIBOR for the second London business day immediately preceding the first day of such dividend period in its sole discretion.

The calculation agent's determination of any dividend rate, and its calculation of the amount of dividends for any dividend period, will be on file at the Company's principal offices, will be made available to any stockholder upon request and will be final and binding in the absence of manifest error.

This subsection uses several terms that have special meanings relevant to calculating LIBOR. Those terms have the following meanings:

The term "***Representative Amount***" means an amount that, in the calculation agent's judgment, is representative of a single transaction in the relevant market at the relevant time.

The term "***London business day***" means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is a day on which dealings in U.S. dollars are transacted in the London interbank market.

The term "***Reuters screen***" means the display on the Reuters 3000 Xtra service, or any successor or replacement service.

Dividends on shares of Series K Preferred Stock are not cumulative. Accordingly, if the board of directors of the Company (or a duly authorized committee of the board) does not declare a dividend on the Series K Preferred Stock payable in respect of any dividend period before the related dividend payment date, such dividend will not accrue and the Company will have no obligation to pay a dividend for that dividend period on the dividend payment date or at any future time, whether or not dividends on the Series K Preferred Stock are declared for any future dividend period.

So long as any share of Series K Preferred Stock remains outstanding, no dividend shall be paid or declared on the Company's common stock or any other shares of the Company's junior stock (as defined below) (other than a dividend payable solely in junior stock), and no common stock or other junior stock shall be purchased, redeemed or otherwise acquired for consideration by the Company, directly or indirectly (other than as a result of a reclassification of junior stock for or into other junior stock, or the exchange or conversion of one share of junior stock for or into another share of junior stock and other than through the use of the proceeds of a substantially contemporaneous sale of junior stock), during a dividend period, unless the full dividends for the latest completed dividend period on all outstanding shares of Series K Preferred Stock have been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside). However, the foregoing provision shall not restrict the ability of Goldman Sachs & Co. LLC, or any of the Company's other affiliates, to engage in any market-making transactions in the Company's junior stock in the ordinary course of business.

As used in this description of the Series K Preferred Stock, "junior stock" means any class or series of stock of the Company that ranks junior to the Series K Preferred Stock either as to the payment of dividends or as to the distribution of assets upon any liquidation, dissolution or winding-up of the Company. Junior stock includes the Company's common stock.

When dividends are not paid (or duly provided for) on any dividend payment date (or, in the case of parity stock, as defined below, having dividend payment dates different from the dividend payment dates pertaining to the Series K Preferred Stock, on a dividend payment date falling within the related dividend period for the Series K Preferred Stock) in full on the Series K Preferred Stock and any shares of parity stock, all dividends declared on the Series K Preferred Stock and all such equally ranking securities payable on such dividend payment date (or, in the case of parity stock having dividend payment dates different from the dividend payment dates pertaining to the Series K Preferred Stock, on a dividend payment date falling within the related dividend period for the Series K Preferred Stock) shall be declared *pro rata* so that the respective amounts of such dividends shall bear the same ratio to each other as all accrued but unpaid dividends per share on the Series K Preferred Stock and all parity stock payable on such dividend payment date (or, in the case of parity stock having dividend payment dates different from the dividend payment dates pertaining to the Series K Preferred Stock, on a dividend payment date falling within the related dividend period for the Series K Preferred Stock) bear to each other.

As used in this description of the Series K Preferred Stock, "parity stock" means any other class or series of stock of the Company that ranks equally with the Series K Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding-up of the Company.

Subject to the foregoing, such dividends (payable in cash, stock or otherwise) as may be determined by the Company's board of directors (or a duly authorized committee of the board) may be declared and paid on the Company's common stock and any other stock ranking equally with or junior to the Series K Preferred Stock from time to time out of any funds legally available for such payment, and the shares of the Series K Preferred Stock shall not be entitled to participate in any such dividend.

Dividends on the Series K Preferred Stock will not be declared, paid or set aside for payment if the Company fails to comply, or if and to the extent such act would cause the Company to fail to comply, with applicable laws, rules and regulations. The restated certificate of incorporation provides that dividends on the Series K Preferred Stock may not be declared or set aside for payment if and to the extent such dividends would cause the Company to fail to comply with applicable capital adequacy standards.

Liquidation Rights

Upon any voluntary or involuntary liquidation, dissolution or winding-up of the Company, holders of Series K Preferred Stock are entitled to receive out of assets of the Company, available for distribution to stockholders, after satisfaction of liabilities to creditors, if any, before any distribution of assets is made to holders of common stock or of any of the Company's other shares of stock ranking junior as to such a distribution to the shares of Series K Preferred Stock, a liquidating distribution in the amount of $25,000 per share (equivalent to $25 per depositary share) plus declared and unpaid dividends, without accumulation of any undeclared dividends. Holders of Series K Preferred

Stock will not be entitled to any other amounts from the Company after they have received their full liquidation preference.

The Series K Preferred Stock, like the Company's other series of preferred stock, may be fully subordinate to any interests held by the U.S. government in the event of a receivership, insolvency, liquidation, or similar proceeding, including a proceeding under the "orderly liquidation authority" provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

In any such distribution, if the assets of the Company are not sufficient to pay the liquidation preferences in full to all holders of Series K Preferred Stock and all holders of any other shares of the Company's stock ranking equally as to such distribution with the Series K Preferred Stock, the amounts paid to the holders of Series K Preferred Stock and to the holders of all such other stock will be paid *pro rata* in accordance with the respective aggregate liquidation preferences of those holders. In any such distribution, the *"*liquidation preference" of any holder of preferred stock means the amount payable to such holder in such distribution, including any declared but unpaid dividends (and any unpaid, accrued cumulative dividends in the case of any holder of stock on which dividends accrue on a cumulative basis). If the liquidation preference has been paid in full to all holders of the Company's Series K Preferred Stock and any other shares of the Company's stock ranking equally as to the liquidation distribution, the holders of the Company's other stock shall be entitled to receive all remaining assets of the Company according to their respective rights and preferences.

For purposes of this description of the Series K Preferred Stock, the merger or consolidation of the Company with any other entity, including a merger or consolidation in which the holders of Series K Preferred Stock receive cash, securities or property for their shares, or the sale, lease or exchange of all or substantially all of the assets of the Company, for cash, securities or other property shall not constitute a liquidation, dissolution or winding-up of the Company.

Redemption

The Series K Preferred Stock is perpetual and has no maturity date, and is not subject to any mandatory redemption, sinking fund or other similar provisions. The Company may, at the Company's option, redeem the Series K Preferred Stock (i) in whole or in part, from time to time, on any date on or after May 10, 2024 (or, if not a business day, the next succeeding business day), or (ii) in whole but not in part at any time within 90 days following a Regulatory Capital Treatment Event, in each case, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to $25,000 per share (equivalent to $25 per depositary share), plus accrued and unpaid dividends for the then-current dividend period to but excluding the redemption date, whether or not declared. Holders of Series K Preferred Stock have no right to require the redemption or repurchase of the Series K Preferred Stock.

The Company is a bank holding company and a financial holding company regulated by the Federal Reserve Board. The Company treats the Series K Preferred Stock as "tier 1 capital" (or its equivalent) for purposes of the capital adequacy guidelines of the Federal Reserve Board (or, as and if applicable, the capital adequacy guidelines or regulations of any successor appropriate federal banking agency).

A "Regulatory Capital Treatment Event" means the good faith determination by the Company that, as a result of (i) any amendment to, or change in, the laws, rules or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of the Series K Preferred Stock, (ii) any proposed change in those laws, rules or regulations that is announced or becomes effective after the initial issuance of any share of the Series K Preferred Stock, or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws, rules or regulations or policies with respect thereto that is announced after the initial issuance of any share of the Series K Preferred Stock, there is more than an insubstantial risk that the Company will not be entitled to treat the full liquidation preference amount of $25,000 per share of Series K Preferred Stock then outstanding as "tier 1 capital" (or its equivalent) for purposes of the capital adequacy guidelines of the Federal Reserve Board (or, as and if applicable, the capital adequacy guidelines or regulations of any successor appropriate federal banking agency) as then in effect and applicable, for so long as any share of Series K Preferred Stock is outstanding. "Appropriate federal banking agency" means the "appropriate federal banking agency" with respect to the Company as that term is defined in Section 3(q) of the Federal Deposit Insurance Act or any successor provision.

The Company will not exercise its option to redeem any shares of preferred stock without obtaining the approval of the Federal Reserve Board (or any successor appropriate federal banking agency) as required by applicable law. Unless the Federal Reserve Board (or any successor appropriate federal banking agency) authorizes the Company to do otherwise in writing, the Company will redeem the Series K Preferred Stock only if it is replaced with other tier 1

capital that is not a restricted core capital element (*e.g.*, common stock or another series of noncumulative perpetual preferred stock).

If shares of Series K Preferred Stock are to be redeemed, the notice of redemption shall be given by first class mail to the holders of record of Series K Preferred Stock to be redeemed, mailed not less than 30 days nor more than 60 days prior to the date fixed for redemption thereof (*provided* that, if the depositary shares representing the Series K Preferred Stock are held in book-entry form through The Depository Trust Company, or "DTC", the Company may give such notice in any manner permitted by the DTC). Each notice of redemption will include a statement setting forth: (i) the redemption date, (ii) the number of shares of Series K Preferred Stock to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder, (iii) the redemption price and (iv) the place or places where holders may surrender certificates evidencing shares of Series K Preferred Stock for payment of the redemption price. If notice of redemption of any shares of Series K Preferred Stock has been given and if the funds necessary for such redemption have been set aside by the Company for the benefit of the holders of any shares of Series K Preferred Stock so called for redemption, then, from and after the redemption date, dividends will cease to accrue on such shares of Series K Preferred Stock, such shares of Series K Preferred Stock shall no longer be deemed outstanding and all rights of the holders of such shares will terminate, except the right to receive the redemption price.

In case of any redemption of only part of the shares of the Series K Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or by lot.

See "Description of Depositary Shares" below for information about redemption of the depositary shares relating to the Company's Series K Preferred Stock.

Voting Rights

Except as provided below, the holders of Series K Preferred Stock have no voting rights.

Whenever dividends on any shares of Series K Preferred Stock shall have not been declared and paid for the equivalent of six or more dividend payments, whether or not for consecutive dividend periods (as used in this section, a "Nonpayment"), the holders of such shares, voting together as a class with holders of any and all other series of voting preferred stock (as defined below) then outstanding, will be entitled to vote for the election of a total of two additional members of the Company's board of directors (as used in this section, the "Preferred Stock Directors"), provided that the Company's board of directors shall at no time include more than two Preferred Stock Directors. In that event, the number of directors on the Company's board of directors shall automatically increase by two, and the new directors shall be elected at a special meeting called at the request of the holders of record of at least 20% of the Series K Preferred Stock or of any other series of voting preferred stock (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of stockholders), and at each subsequent annual meeting. These voting rights will continue until dividends on the shares of Series K Preferred Stock and any such series of voting preferred stock for four consecutive dividend periods following the Nonpayment shall have been fully paid (or declared and a sum sufficient for the payment of such dividends shall have been set aside for payment).

As used in this description of the Series K Preferred Stock, "voting preferred stock" means any other class or series of preferred stock of the Company ranking equally with the Series K Preferred Stock either as to dividends or the distribution of assets upon liquidation, dissolution or winding-up and upon which like voting rights have been conferred and are exercisable. Whether a plurality, majority or other portion of the shares of Series K Preferred Stock and any other voting preferred stock have been voted in favor of any matter shall be determined by reference to the liquidation amounts of the shares voted.

If and when dividends for four consecutive dividend periods following a Nonpayment have been paid in full (or declared and a sum sufficient for such payment shall have been set aside), the holders of Series K Preferred Stock shall be divested of the foregoing voting rights (subject to revesting in the event of each subsequent Nonpayment) and, if such voting rights for all other holders of voting preferred stock have terminated, the term of office of each Preferred Stock Director so elected shall terminate and the number of directors on the board of directors shall automatically decrease by two. Any Preferred Stock Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of Series K Preferred Stock when they have the voting rights described above (voting together as a class with all series of voting preferred stock then outstanding). So long as a Nonpayment shall continue, any vacancy in the office of a Preferred Stock Director (other than prior to the initial election after a Nonpayment) may be filled by the written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of record of a majority of the outstanding shares of Series K

Preferred Stock and all voting preferred stock when they have the voting rights described above (voting together as a class). The Preferred Stock Directors shall each be entitled to one vote per director on any matter.

So long as any shares of Series K Preferred Stock remain outstanding, the Company will not, without the affirmative vote or consent of the holders of at least two-thirds of the outstanding shares of the Series K Preferred Stock and all other series of voting preferred stock entitled to vote thereon, voting together as a single class, given in person or by proxy, either in writing or at a meeting:

- amend or alter the provisions of the Company's restated certificate of incorporation so as to authorize or create, or increase the authorized amount of, any class or series of stock ranking senior to the Series K Preferred Stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding-up of the Company;
- amend, alter or repeal the provisions of the Company's restated certificate of incorporation so as to materially and adversely affect the special rights, preferences, privileges and voting powers of the Series K Preferred Stock, taken as a whole; or
- consummate a binding share exchange or reclassification involving the Series K Preferred Stock or a merger or consolidation of the Company with another entity, unless in each case (i) the shares of Series K Preferred Stock remain outstanding or, in the case of any such merger or consolidation with respect to which the Company is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (ii) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers of the Series K Preferred Stock, taken as a whole;

provided, however, that any increase in the amount of the authorized or issued Series K Preferred Stock or authorized preferred stock or the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock ranking equally with and/or junior to the Series K Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding-up of the Company will not be deemed to adversely affect the rights, preferences, privileges or voting powers of the Series K Preferred Stock.

If an amendment, alteration, repeal, share exchange, reclassification, merger or consolidation described above would adversely affect one or more but not all series of voting preferred stock (including the Series K Preferred Stock for this purpose), then only the series affected and entitled to vote shall vote as a class in lieu of all such series of preferred stock.

Without the consent of the holders of Series K Preferred Stock, so long as such action does not adversely affect the rights, preferences, privileges and voting powers of the Series K Preferred Stock, the Company may amend, alter, supplement or repeal any terms of the Series K Preferred Stock:

- to cure any ambiguity, or to cure, correct or supplement any provision contained in the certificate of designation for the Series K Preferred Stock that may be defective or inconsistent; or
- to make any provision with respect to matters or questions arising with respect to the Series K Preferred Stock that is not inconsistent with the provisions of the certificate of designations.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares of Series K Preferred Stock shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been set aside by the Company for the benefit of the holders of Series K Preferred Stock to effect such redemption.

DESCRIPTION OF DEPOSITARY SHARES

Please note as used in this section, references to "holders" of depositary shares mean those who own depositary shares registered in their own names, on the books that the Company or the depositary maintain for this purpose, and not indirect holders who own beneficial interests in depositary shares registered in street name or issued in book-entry form through The Depository Trust Company.

General

The Company has issued fractional interests in shares of preferred stock in the form of depositary shares, each representing a 1/1,000th ownership interest in a share of Series K Preferred Stock and evidenced by a depositary receipt. The shares of Series K Preferred Stock represented by depositary shares are deposited under a deposit agreement among the Company, the depositary and the holders from time to time of the depositary receipts evidencing the depositary shares. Subject to the terms of the deposit agreement, each holder of a depositary share is entitled, through the depositary, in proportion to the applicable fraction of a share of Series K Preferred Stock represented by such depositary share, to all the rights and preferences of the Series K Preferred Stock represented thereby (including dividend, voting, redemption and liquidation rights).

Dividends and Other Distributions

The depositary will distribute any cash dividends or other cash distributions received in respect of the deposited Series K Preferred Stock to the record holders of depositary shares relating to the underlying Series K Preferred Stock in proportion to the number of depositary shares held by the holders. The depositary will distribute any property received by it other than cash to the record holders of depositary shares entitled to those distributions, unless it determines that the distribution cannot be made proportionally among those holders or that it is not feasible to make a distribution. In that event, the depositary may, with the Company's approval, sell the property and distribute the net proceeds from the sale to the holders of the depositary shares in proportion to the number of depositary shares they hold.

Record dates for the payment of dividends and other matters relating to the depositary shares will be the same as the corresponding record dates for the Series K Preferred Stock.

The amounts distributed to holders of depositary shares will be reduced by any amounts required to be withheld by the depositary or by the Company on account of taxes or other governmental charges.

Redemption of Depositary Shares

If the Company redeems the Series K Preferred Stock represented by the depositary shares, the depositary shares will be redeemed from the proceeds received by the depositary resulting from the redemption of the Series K Preferred Stock held by the depositary. The redemption price per depositary share will be equal to 1/1,000th of the redemption price per share payable with respect to the Series K Preferred Stock (or $25 per depositary share). Whenever the Company redeems shares of Series K Preferred Stock held by the depositary, the depositary will redeem, as of the same redemption date, the number of depositary shares representing shares of Series K Preferred Stock so redeemed.

In case of any redemption of less than all of the outstanding depositary shares, the depositary shares to be redeemed will be selected by the depositary *pro rata* or by lot. In any such case, the Company will redeem depositary shares only in increments of 1,000 shares and any multiple thereof.

Voting the Series K Preferred Stock

When the depositary receives notice of any meeting at which the holders of Series K Preferred Stock are entitled to vote, the depositary will mail the information contained in the notice to the record holders of the depositary shares relating to the Series K Preferred Stock. Each record holder of the depositary shares on the record date, which will be the same date as the record date for the Series K Preferred Stock, may instruct the depositary to vote the amount of Series K Preferred Stock represented by the holder's depositary shares. To the extent possible, the depositary will vote the amount of Series K Preferred Stock represented by depositary shares in accordance with the instructions it receives. The Company will agree to take all reasonable actions that the depositary determines are necessary to enable the depositary to vote as instructed. If the depositary does not receive specific instructions from the holders of any depositary shares representing the Series K Preferred Stock, it will vote all depositary shares of that series held by it proportionately with instructions received.

Listing

The depositary shares are listed on the New York Stock Exchange under the ticker symbol "GS PrK."

Form of Preferred Stock and Depositary Shares

The depositary shares are issued in book-entry form through The Depository Trust Company. The Series K Preferred Stock is issued in registered form to the depositary.

DESCRIPTION OF THE DEPOSITARY SHARES, EACH REPRESENTING 1/1,000TH INTEREST IN A SHARE OF 6.30% NON-CUMULATIVE PREFERRED STOCK, SERIES N

DESCRIPTION OF SERIES N PREFERRED STOCK

The depositary is the sole holder of the Company's Series N Preferred Stock, and all references herein to the holders of the Series N Preferred Stock shall mean the depositary. However, the holders of depositary shares are entitled, through the depositary, to exercise the rights and preferences of the holders of Series N Preferred Stock, as described below under "Description of Depositary Shares".

The following is a brief description of the material items of the Series N Preferred Stock. The following summary of the terms and provisions of the Series N Preferred Stock does not purport to be complete and is qualified in its entirety by reference to the pertinent sections of the Company's restated certificate of incorporation, which is an exhibit to the Annual Report of which this exhibit is a part. Unless the context otherwise provides, all references to the Company in this description refer only to The Goldman Sachs Group, Inc. and does not include its consolidated subsidiaries.

General

The Company's authorized capital stock includes 150,000,000 shares of preferred stock, par value $0.01 per share. The Series N Preferred Stock is part of a single series of the Company's authorized preferred stock. The Company may from time to time, without notice to or the consent of holders of the Series N Preferred Stock, issue additional shares of the Series N Preferred Stock, up to the maximum number of authorized but unissued shares.

Shares of the Series N Preferred Stock rank senior to the Company's common stock, equally with each other series of the Company's preferred stock as of December 31, 2019 and at least equally with each other series of preferred stock that the Company may issue (except for any senior series that may be issued with the requisite consent of the holders of Series N Preferred Stock), with respect to the payment of dividends and distributions of assets upon liquidation, dissolution or winding-up. Holders of the Series N Preferred Stock may be fully subordinated to interests held by the U.S. government in the event the Company enters into a receivership, insolvency, liquidation or similar proceeding. In addition, the Company will generally be able to pay dividends and distributions upon liquidation, dissolution or winding-up only out of lawfully available funds for such payment (i.e., after taking account of all indebtedness and other non-equity claims). The Series N Preferred Stock is fully paid and nonassessable, which means that its holders have paid their purchase price in full and that the Company may not ask them to surrender additional funds. Holders of Series N Preferred Stock do not have preemptive or subscription rights to acquire more stock of the Company.

The Series N Preferred Stock is not convertible into, or exchangeable for, shares of any other class or series of stock or other securities of the Company. The Series N Preferred Stock has no stated maturity and is not subject to any sinking fund or other obligation of the Company to redeem or repurchase the Series N Preferred Stock. The Series N Preferred Stock represents non-withdrawable capital, is not a bank deposit and is not insured by the FDIC or any other governmental agency, nor is it the obligation of, or guaranteed by, a bank.

Dividends

Dividends on shares of the Series N Preferred Stock are not mandatory. Holders of Series N Preferred Stock are entitled to receive, when, as and if declared by the Company's board of directors (or a duly authorized committee of the board), out of funds legally available for the payment of dividends, non-cumulative cash dividends from the original issue date, quarterly in arrears on the 10th day of February, May, August and November of each year (each, a dividend payment date). These dividends accrue, with respect to each dividend period, on the liquidation preference amount of $25,000 per share (equivalent to $25 per depositary share) at a rate per annum equal to 6.30%. In the event that the Company issues additional shares of Series N Preferred Stock after the original issue date, dividends on such shares may accrue from the original issue date or any other date the Company specifies at the time such additional shares are issued. Payment dates are subject to adjustment for business days.

Dividends will be payable to holders of record of Series N Preferred Stock as they appear on the Company's books on the applicable record date, which shall be the 15th calendar day before that dividend payment date or such other record date fixed by the Company's board of directors (or a duly authorized committee of the board) that is not more than 60 nor less than 10 days prior to such dividend payment date (each, a "dividend record date"). These dividend record dates will apply regardless of whether a particular dividend record date is a business day. The corresponding record dates for the depositary shares are the same as the record dates for the Series N Preferred Stock.

A dividend period is the period from and including a dividend payment date to but excluding the next dividend payment date. Dividends payable on the Series N Preferred Stock are calculated on the basis of a 360-day year consisting of twelve 30-day months. If any date on which dividends would otherwise be payable is not a business day, then the dividend with respect to that dividend payment date will be paid on the next succeeding business day, without interest or other payment in respect of such delayed payment. "Business day" means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City are generally authorized or obligated by law or executive order to close.

Dividends on shares of Series N Preferred Stock are not cumulative. Accordingly, if the board of directors of the Company (or a duly authorized committee of the board) does not declare a dividend on the Series N Preferred Stock payable in respect of any dividend period before the related dividend payment date, such dividend will not accrue and the Company will have no obligation to pay a dividend for that dividend period on the dividend payment date or at any future time, whether or not dividends on the Series N Preferred Stock are declared for any future dividend period.

So long as any share of Series N Preferred Stock remains outstanding, no dividend shall be paid or declared on the Company's common stock or any other shares of the Company's junior stock (as defined below) (other than a dividend payable solely in junior stock), and no common stock or other junior stock shall be purchased, redeemed or otherwise acquired for consideration by the Company, directly or indirectly (other than as a result of a reclassification of junior stock for or into other junior stock, or the exchange or conversion of one share of junior stock for or into another share of junior stock and other than through the use of the proceeds of a substantially contemporaneous sale of junior stock), during a dividend period, unless the full dividends for the latest completed dividend period on all outstanding shares of Series N Preferred Stock have been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside). However, the foregoing provision shall not restrict the ability of Goldman Sachs & Co. LLC, or any of the Company's other affiliates, to engage in any market-making transactions in the Company's junior stock in the ordinary course of business.

As used in this description of the Series N Preferred Stock, "junior stock" means any class or series of stock of the Company that ranks junior to the Series N Preferred Stock either as to the payment of dividends or as to the distribution of assets upon any liquidation, dissolution or winding-up of the Company. Junior stock includes the Company's common stock.

When dividends are not paid (or duly provided for) on any dividend payment date (or, in the case of parity stock, as defined below, having dividend payment dates different from the dividend payment dates pertaining to the Series N Preferred Stock, on a dividend payment date falling within the related dividend period for the Series N Preferred Stock) in full on the Series N Preferred Stock and any shares of parity stock, all dividends declared on the Series N Preferred Stock and all such equally ranking securities payable on such dividend payment date (or, in the case of parity stock having dividend payment dates different from the dividend payment dates pertaining to the Series N Preferred Stock, on a dividend payment date falling within the related dividend period for the Series N Preferred Stock) shall be declared *pro rata* so that the respective amounts of such dividends shall bear the same ratio to each other as all accrued but unpaid dividends per share on the Series N Preferred Stock and all parity stock payable on such dividend payment date (or, in the case of parity stock having dividend payment dates different from the dividend payment dates pertaining to the Series N Preferred Stock, on a dividend payment date falling within the related dividend period for the Series N Preferred Stock) bear to each other.

As used in this description of the Series N Preferred Stock, "parity stock" means any other class or series of stock of the Company that ranks equally with the Series N Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding-up of the Company.

Subject to the foregoing, such dividends (payable in cash, stock or otherwise) as may be determined by the Company's board of directors (or a duly authorized committee of the board) may be declared and paid on the Company's common stock and any other stock ranking equally with or junior to the Series N Preferred Stock from time to time out of any funds legally available for such payment, and the shares of the Series N Preferred Stock shall not be entitled to participate in any such dividend.

Dividends on the Series N Preferred Stock will not be declared, paid or set aside for payment if the Company fails to comply, or if and to the extent such act would cause the Company to fail to comply, with applicable laws, rules and regulations. The restated certificate of incorporation provides that dividends on the Series N Preferred Stock may not be declared or set aside for payment if and to the extent such dividends would cause the Company to fail to comply with applicable capital adequacy standards.

Liquidation Rights

Upon any voluntary or involuntary liquidation, dissolution or winding-up of the Company, holders of Series N Preferred Stock are entitled to receive out of assets of the Company available for distribution to stockholders, after satisfaction of liabilities to creditors, if any, before any distribution of assets is made to holders of common stock or of any of the Company's other shares of stock ranking junior as to such a distribution to the shares of Series N Preferred Stock, a liquidating distribution in the amount of $25,000 per share (equivalent to $25 per depositary share) plus declared and unpaid dividends, without accumulation of any undeclared dividends. Holders of Series N Preferred Stock will not be entitled to any other amounts from the Company after they have received their full liquidation preference.

The Series N Preferred Stock, like the Company's other series of preferred stock, may be fully subordinate to any interests held by the U.S. government in the event of a receivership, insolvency, liquidation, or similar proceeding, including a proceeding under the "orderly liquidation authority" provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

In any such distribution, if the assets of the Company. are not sufficient to pay the liquidation preferences in full to all holders of Series N Preferred Stock and all holders of any other shares of the Company's stock ranking equally as to such distribution with the Series N Preferred Stock, the amounts paid to the holders of Series N Preferred Stock and to the holders of all such other stock will be paid *pro rata* in accordance with the respective aggregate liquidation preferences of those holders. In any such distribution, the "liquidation preference" of any holder of preferred stock means the amount payable to such holder in such distribution, including any declared but unpaid dividends (and any unpaid, accrued cumulative dividends in the case of any holder of stock on which dividends accrue on a cumulative basis). If the liquidation preference has been paid in full to all holders of Series N Preferred Stock and any other shares of the Company's stock ranking equally as to the liquidation distribution, the holders of the Company's other stock shall be entitled to receive all remaining assets of the Company according to their respective rights and preferences.

For purposes of this description of the Series N Preferred Stock, the merger or consolidation of the Company with any other entity, including a merger or consolidation in which the holders of Series N Preferred Stock receive cash, securities or property for their shares, or the sale, lease or exchange of all or substantially all of the assets of the Company, for cash, securities or other property shall not constitute a liquidation, dissolution or winding-up of the Company.

Redemption

The Series N Preferred Stock is perpetual and has no maturity date, and is not subject to any mandatory redemption, sinking fund or other similar provisions. The Company may, at its option, redeem the Series N Preferred Stock (i) in whole or in part, from time to time, on any date on or after May 10, 2021 (or, if not a business day, on the next succeeding business day), or (ii) in whole but not in part at any time within 90 days following a Regulatory Capital Treatment Event, in each case, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to $25,000 per share (equivalent to $25 per depositary share), plus accrued and unpaid dividends for the then-current dividend period to but excluding the redemption date, whether or not declared. Holders of Series N Preferred Stock have no right to require the redemption or repurchase of the Series N Preferred Stock.

The Company is a bank holding company and a financial holding company regulated by the Federal Reserve Board. The Company treats the Series N Preferred Stock as "tier 1 capital" (or its equivalent) for purposes of the capital adequacy guidelines of the Federal Reserve Board (or, as and if applicable, the capital adequacy guidelines or regulations of any successor appropriate federal banking agency).

A "Regulatory Capital Treatment Event" means the good faith determination by the Company that, as a result of (i) any amendment to, or change in, the laws, rules or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of the Series N Preferred Stock, (ii) any proposed change in those laws, rules or regulations that is announced or becomes effective after the initial issuance of any share of the Series N Preferred Stock, or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws, rules or regulations or policies with respect thereto that is announced after the initial issuance of any share of the Series N Preferred Stock, there is more than an insubstantial risk that the Company will not be entitled to treat the full liquidation preference amount of $25,000 per share of Series N Preferred Stock then outstanding as "tier 1 capital" (or its equivalent) for purposes of the capital adequacy guidelines of the Federal Reserve Board (or, as and if applicable, the capital adequacy guidelines or regulations of any successor appropriate federal banking agency) as then in effect

and applicable, for so long as any share of Series N Preferred Stock is outstanding. "Appropriate federal banking agency" means the "appropriate federal banking agency" with respect to the Company as that term is defined in Section 3(q) of the Federal Deposit Insurance Act or any successor provision.

The Company will not exercise its option to redeem any shares of preferred stock without obtaining the approval of the Federal Reserve Board (or any successor appropriate federal banking agency) as required by applicable law. Unless the Federal Reserve Board (or any successor appropriate federal banking agency) authorizes the Company to do otherwise in writing, the Company will redeem the Series N Preferred Stock only if it is replaced with other tier 1 capital that is not a restricted core capital element (e.g., common stock or another series of noncumulative perpetual preferred stock).

If shares of Series N Preferred Stock are to be redeemed, the notice of redemption shall be given by first class mail to the holders of record of Series N Preferred Stock to be redeemed, mailed not less than 30 days nor more than 60 days prior to the date fixed for redemption thereof (*provided* that, if the depositary shares representing the Series N Preferred Stock are held in global form through The Depository Trust Company, or "DTC", the Company may give such notice in any manner permitted by the DTC). Each notice of redemption will include a statement setting forth: (i) the redemption date, (ii) the number of shares of Series N Preferred Stock to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder, (iii) the redemption price and (iv) the place or places where holders may surrender certificates evidencing shares of Series N Preferred Stock for payment of the redemption price. If notice of redemption of any shares of Series N Preferred Stock has been given and if the funds necessary for such redemption have been set aside by the Company for the benefit of the holders of any shares of Series N Preferred Stock so called for redemption, then, from and after the redemption date, dividends will cease to accrue on such shares of Series N Preferred Stock, such shares of Series N Preferred Stock shall no longer be deemed outstanding and all rights of the holders of such shares will terminate, except the right to receive the redemption price.

In case of any redemption of only part of the shares of the Series N Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or by lot.

See "Description of Depositary Shares" below for information about redemption of the depositary shares relating to the Company's Series N Preferred Stock.

Voting Rights

Except as provided below or as required by law, the holders of Series N Preferred Stock have no voting rights.

Whenever dividends on any shares of Series N Preferred Stock shall have not been declared and paid for the equivalent of six or more dividend payments, whether or not for consecutive dividend periods (as used in this section, a "Nonpayment"), the holders of such shares, voting together as a class with holders of any and all other series of voting preferred stock (as defined below) then outstanding, will be entitled to vote for the election of a total of two additional members of the Company's board of directors (as used in this section, the "Preferred Stock Directors"), *provided* that the Company's board of directors shall at no time include more than two Preferred Stock Directors. In that event, the number of directors on the Company's board of directors shall automatically increase by two, and the new directors shall be elected at a special meeting called at the request of the holders of record of at least 20% of the Series N Preferred Stock or of any other series of voting preferred stock (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of stockholders), and at each subsequent annual meeting. These voting rights will continue until dividends on the shares of Series N Preferred Stock and any such series of voting preferred stock for at least four consecutive dividend periods following the Nonpayment shall have been fully paid (or declared and a sum sufficient for the payment of such dividends shall have been set aside for payment).

As used in this description of the Series N Preferred Stock, "voting preferred stock" means any other class or series of preferred stock of the Company ranking equally with the Series N Preferred Stock either as to dividends or the distribution of assets upon liquidation, dissolution or winding-up and upon which like voting rights have been conferred and are exercisable. Whether a plurality, majority or other portion of the shares of Series N Preferred Stock and any other voting preferred stock have been voted in favor of any matter shall be determined by reference to the liquidation amounts of the shares voted.

If and when dividends for at least four consecutive dividend periods following a Nonpayment have been paid in full (or declared and a sum sufficient for such payment shall have been set aside), the holders of Series N Preferred Stock shall be divested of the foregoing voting rights (subject to revesting in the event of each subsequent Nonpayment)

and, if such voting rights for all other holders of voting preferred stock have terminated, the term of office of each Preferred Stock Director so elected shall terminate and the number of directors on the board of directors shall automatically decrease by two. Any Preferred Stock Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of Series N Preferred Stock when they have the voting rights described above (voting together as a class with all series of voting preferred stock then outstanding). So long as a Nonpayment shall continue, any vacancy in the office of a Preferred Stock Director (other than prior to the initial election after a Nonpayment) may be filled by the written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of record of a majority of the outstanding shares of Series N Preferred Stock and all voting preferred stock when they have the voting rights described above (voting together as a class). The Preferred Stock Directors shall each be entitled to one vote per director on any matter.

So long as any shares of Series N Preferred Stock remain outstanding, the Company will not, without the affirmative vote or consent of the holders of at least two-thirds of the outstanding shares of the Series N Preferred Stock and all other series of voting preferred stock entitled to vote thereon, voting together as a single class, given in person or by proxy, either in writing or at a meeting:

- amend or alter the provisions of the Company's restated certificate of incorporation so as to authorize or create, or increase the authorized amount of, any class or series of stock ranking senior to the Series N Preferred Stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding-up of the Company;
- amend, alter or repeal the provisions of the Company's restated certificate of incorporation so as to materially and adversely affect the special rights, preferences, privileges and voting powers of the Series N Preferred Stock, taken as a whole; or
- consummate a binding share exchange or reclassification involving the Series N Preferred Stock or a merger or consolidation of the Company with another entity, unless in each case (i) the shares of Series N Preferred Stock remain outstanding or, in the case of any such merger or consolidation with respect to which the Company is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (ii) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers of the Series N Preferred Stock, taken as a whole;

provided, *however*, that any increase in the amount of the authorized or issued Series N Preferred Stock or authorized preferred stock or the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock ranking equally with and/or junior to the Series N Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding-up of the Company will not be deemed to adversely affect the rights, preferences, privileges or voting powers of the Series N Preferred Stock.

If an amendment, alteration, repeal, share exchange, reclassification, merger or consolidation described above would adversely affect one or more but not all series of voting preferred stock (including the Series N Preferred Stock for this purpose), then only the series affected and entitled to vote shall vote as a class in lieu of all such series of preferred stock.

Without the consent of the holders of Series N Preferred Stock, so long as such action does not adversely affect the rights, preferences, privileges and voting powers of the Series N Preferred Stock, the Company may amend, alter, supplement or repeal any terms of the Series N Preferred Stock:

- to cure any ambiguity, or to cure, correct or supplement any provision contained in the certificate of designation for the Series N Preferred Stock that may be defective or inconsistent; or
- to make any provision with respect to matters or questions arising with respect to the Series N Preferred Stock that is not inconsistent with the provisions of the certificate of designations.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares of Series N Preferred Stock shall have been

redeemed or called for redemption upon proper notice and sufficient funds shall have been set aside by the Company for the benefit of the holders of Series N Preferred Stock to effect such redemption.

DESCRIPTION OF DEPOSITARY SHARES

Please note that as used in this section, references to "holders" of depositary shares mean those who own depositary shares registered in their own names, on the books that the Company or the depositary maintain for this purpose, and not indirect holders who own beneficial interests in depositary shares registered in street name or issued in book-entry form through The Depository Trust Company.

General

The Company has issued fractional interests in shares of preferred stock in the form of depositary shares, each representing a 1/1,000th ownership interest in a share of Series N Preferred Stock and evidenced by a depositary receipt. The shares of Series N Preferred Stock represented by depositary shares are deposited under a deposit agreement among the Company, the depositary and the holders from time to time of the depositary receipts evidencing the depositary shares. Subject to the terms of the deposit agreement, each holder of a depositary share is entitled, through the depositary, in proportion to the applicable fraction of a share of Series N Preferred Stock represented by such depositary share, to all the rights and preferences of the Series N Preferred Stock represented thereby (including dividend, voting, redemption and liquidation rights).

Dividends and Other Distributions

The depositary will distribute any cash dividends or other cash distributions received in respect of the deposited Series N Preferred Stock to the record holders of depositary shares relating to the underlying Series N Preferred Stock in proportion to the number of depositary shares held by the holders. The depositary will distribute any property received by it other than cash to the record holders of depositary shares entitled to those distributions, unless it determines that the distribution cannot be made proportionally among those holders or that it is not feasible to make a distribution. In that event, the depositary may, with the Company's approval, sell the property and distribute the net proceeds from the sale to the holders of the depositary shares in proportion to the number of depositary shares they hold.

Record dates for the payment of dividends and other matters relating to the depositary shares will be the same as the corresponding record dates for the Series N Preferred Stock.

The amounts distributed to holders of depositary shares will be reduced by any amounts required to be withheld by the depositary or by the Company on account of taxes or other governmental charges.

Redemption of Depositary Shares

If the Company redeems the Series N Preferred Stock represented by the depositary shares, the depositary shares will be redeemed from the proceeds received by the depositary resulting from the redemption of the Series N Preferred Stock held by the depositary. The redemption price per depositary share will be equal to 1/1,000th of the redemption price per share payable with respect to the Series N Preferred Stock (or $25 per depositary share). Whenever the Company redeems shares of Series N Preferred Stock held by the depositary, the depositary will redeem, as of the same redemption date, the number of depositary shares representing shares of Series N Preferred Stock so redeemed.

In case of any redemption of less than all of the outstanding depositary shares, the depositary shares to be redeemed will be selected by the depositary *pro rata* or by lot. In any such case, the Company will redeem depositary shares only in increments of 1,000 shares and any multiple thereof.

Voting the Series N Preferred Stock

When the depositary receives notice of any meeting at which the holders of Series N Preferred Stock are entitled to vote, the depositary will mail the information contained in the notice to the record holders of the depositary shares relating to the Series N Preferred Stock. Each record holder of the depositary shares on the record date, which will be the same date as the record date for the Series N Preferred Stock, may instruct the depositary to vote the amount of Series N Preferred Stock represented by the holder's depositary shares. To the extent possible, the depositary will vote the amount of Series N Preferred Stock represented by depositary shares in accordance with the instructions it

receives. The Company will agree to take all reasonable actions that the depositary determines are necessary to enable the depositary to vote as instructed. If the depositary does not receive specific instructions from the holders of any depositary shares representing the Series N Preferred Stock, it will vote all depositary shares of that series held by it proportionately with instructions received.

Listing

The depositary shares are listed on the New York Stock Exchange under the ticker symbol “GS PrN.”

Form of Preferred Stock and Depositary Shares

The depositary shares are issued in book-entry form through The Depository Trust Company. The Series N Preferred Stock is issued in registered form to the depositary.

DESCRIPTION OF (i) 5.793% FIXED-TO-FLOATING RATE NORMAL AUTOMATIC PREFERRED ENHANCED CAPITAL SECURITIES OF GOLDMAN SACHS CAPITAL II (FULLY AND UNCONDITIONALLY GUARANTEED BY THE GOLDMAN SACHS GROUP, INC.) AND (ii) FLOATING RATE NORMAL AUTOMATIC PREFERRED ENHANCED CAPITAL SECURITIES OF GOLDMAN SACHS CAPITAL III (FULLY AND UNCONDITIONALLY GUARANTEED BY THE GOLDMAN SACHS GROUP, INC.)

The following is a brief description of the terms of the 5.793% Fixed-to-Floating Rate Normal Automatic Preferred Enhanced Capital Securities of Goldman Sachs Capital II and the Floating Rate Normal Automatic Preferred Enhanced Capital Securities of Goldman Sachs Capital III (the "APEX") and of the Trust Agreements (both as defined below) under which they are issued. It does not purport to be complete. Unless the context otherwise provides, all references to the Company in this description refer only to The Goldman Sachs Group, Inc. and does not include its consolidated subsidiaries.

The APEX and the Common Securities of Goldman Sachs Capital II ("Capital II") and Goldman Sachs Capital III ("Capital III"), each a Delaware statutory trust (a "Trust"), represent beneficial interests in the relevant Trust. The Trust in respect of Capital II holds the Company's Perpetual Non-Cumulative Preferred Stock, Series E (the "Series E Preferred Stock"), and the Trust in respect of Capital III holds the Company's Perpetual Non-Cumulative Preferred Stock, Series F (the "Series F Preferred Stock", and collectively with the Series E Preferred Stock, the "Preferred").

Each holder of APEX has a beneficial interest in the relevant Trust but does not own any specific shares of the Preferred held by that Trust. However, the applicable trust agreement among the Company, The Bank of New York Mellon, BNY Mellon Trust of Delaware, the administrative trustees and the several holders of the relevant Trust securities (each, a "Trust Agreement") under which each Trust operates defines the financial entitlements of its APEX in a manner that causes those financial entitlements to correspond to the financial entitlements of that Trust in the Preferred it holds. Accordingly, each APEX of Capital II corresponds to 1/100th of a share of Series E Preferred Stock held by Capital II and each APEX of Capital III corresponds to 1/100th of a share of Series F Preferred Stock held by Capital III.

The Trusts

Each Trust is a statutory trust organized under Delaware law pursuant to a Trust Agreement and the filing of a certificate of trust with the Delaware Secretary of State.

The Trusts are used solely for the following purposes:

- issuing the APEX and the Common Securities;
- holding shares of the Preferred; and
- engaging in other activities that are directly related to the activities described above.

The Company owns all of the Common Securities, either directly or indirectly. The Common Securities rank equally with the APEX and the Trusts make payment on their Trust securities pro rata, except that if the Company pays less than the full dividend on or redemption price of the Preferred, the rights of the holders of the Common Securities to payment in respect of distributions and payments upon liquidation, redemption and otherwise are subordinated to the rights of the holders of the APEX.

Each Trust is perpetual, but may be dissolved earlier as provided in its Trust Agreement.

The Company pays all fees and expenses related to the Trusts.

DESCRIPTION OF THE APEX

General

The APEX are securities of each Trust and are issued pursuant to the applicable Trust Agreement. The Property Trustee, The Bank of New York Mellon, acts as indenture trustee for the APEX under the Trust Agreement for purposes of compliance with the provisions of the Trust Indenture Act. Each APEX has a liquidation amount of $1,000.

The terms of the APEX of each Trust include those stated in the Trust Agreement for such Trust, including any amendments thereto and those made part of the Trust Agreement by the Trust Indenture Act and the Delaware Statutory Trust Act.

In addition to the APEX, each Trust Agreement authorizes the administrative trustees of the Trust to issue the Common Securities on behalf of the Trust. The Company owns, directly or indirectly, all of the Common Securities. The Common Securities rank on a parity, and payments upon redemption, liquidation or otherwise are made on a proportionate basis, with the APEX except as set forth below under "— Ranking of Common Securities." The Trust Agreements do not permit the Trust to issue any securities other than the Common Securities and the APEX or to incur any indebtedness.

Under the Trust Agreement, the Property Trustee on behalf of the relevant Trust holds the Preferred for the benefit of the holders of its APEX and Common Securities.

The payment of distributions out of money held by a Trust, and payments upon redemption of the APEX or liquidation of the Trust, are guaranteed by the Company to the extent described under "Description of the Guarantees." Each Guarantee, when taken together with the Company's obligations under the applicable Trust Agreement, including its obligations to pay costs, expenses, debts and liabilities of the Trust, other than with respect to its Common Securities and APEX, has the effect of providing a full and unconditional guarantee of amounts due on the APEX. The Bank of New York Mellon, as the Guarantee Trustee, holds each Guarantee for the benefit of the holders of the APEX. The Guarantees do not cover payment of distributions when the Trusts do not have sufficient available funds to pay those distributions.

When the term "holder" is used in this description of the APEX with respect to a registered APEX, it means the person in whose name such APEX is registered in the security register. The APEX are currently held in book-entry form only, and are held in the name of DTC or its nominee.

Capital II's APEX are listed on the New York Stock Exchange under the symbol "GS/PE" and Capital III's APEX are listed on the New York Stock Exchange under the symbol "GS/PF".

The financial entitlements as a holder of APEX generally correspond to the applicable Trust's financial entitlements as a holder of the Preferred. The corresponding asset for each APEX is a 1/100th, or $1,000, interest in one share of Preferred held by the Trust. Each Trust will pass through to the holder amounts that it receives on the corresponding assets for the APEX as distributions on, or the liquidation preference of, APEX. Holders of a Trust's APEX are be entitled to receive distributions corresponding to non-cumulative dividends on the Preferred held by the Trust. These cash dividends are payable if, as and when declared by the Company's board of directors, on the Dividend Payment Dates (as defined below), which are: quarterly in arrears on each March 1, June 1, September 1 and December 1 (or if such day is not a business day, the next business day).

Assuming that the Company does not elect to pay partial dividends or to skip dividends on the Preferred, holders of APEX will receive distributions on the $1,000 liquidation amount per APEX at a rate per annum equal to the greater of (x) three-month LIBOR for the related distribution period plus 0.765% (in the case of Capital II's APEX) or 0.77% (in the case of Capital III's APEX) and (y) 4.000%, payable quarterly on each March 1, June 1, September 1 and December 1 (or if any such date is not a business day, on the next business day).

Dividends are calculated on the basis of a 360-day year and the number of days actually elapsed in the dividend period. Distributions on the APEX and dividends on the Preferred are non-cumulative.

The Bank of New York Mellon acts as registrar and transfer agent, or "Transfer Agent," for the APEX. If The Bank of New York Mellon should resign or be removed, the Company or the Trust will designate a successor and the term "Transfer Agent" as used herein will refer to that successor. A "business day" as used in this section means any day other than a Saturday, Sunday or any other day on which banking institutions and trust companies in New York, New York or Wilmington, Delaware are permitted or required by any applicable law to close.

Each Trust must make distributions on its APEX on each distribution date to the extent that it has funds available therefor. A Trust's funds available for distribution to a holder of its APEX will be limited to payments received from the Company on the Preferred held by the Trust. The Company guarantees the payment of distributions on the APEX out of moneys held by each Trust to the extent of available Trust funds, as described under "Description of the Guarantees" below.

Distributions on the APEX are payable to holders as they appear in the security register of the Trust on the relevant record dates. The record dates are the fifteenth calendar day immediately preceding the next succeeding distribution date. Distributions are paid through the Property Trustee or paying agent, who hold amounts received in respect of the Preferred for the benefit of the holders of the APEX.

For more information about dividends on the Preferred, see "Description of the Preferred — Dividends" below.

Agreed Tax Treatment of the APEX

As a beneficial owner of APEX, by acceptance of the beneficial interest therein, the holder will be deemed to have agreed, for all U.S. federal income tax purposes:

- to treat the holder as the owner of a 1/100th interest in a share of the relevant Preferred; and
- to treat the Trust as one or more grantor trusts or agency arrangements.

Mandatory Redemption of APEX upon Redemption of the Preferred

The APEX have no stated maturity but must be redeemed on the date the Company redeems the Preferred, and the Property Trustee or paying agent will apply the proceeds from such repayment or redemption to redeem a like amount, as defined below, of the APEX. The Preferred is perpetual but the Company may redeem it on any Dividend Payment Date, subject to certain limitations. See "Description of the Preferred — Redemption" below. The redemption price per APEX will equal the redemption price of the Preferred. See "Description of the Preferred — Redemption" below. If notice of redemption of any Preferred has been given and if the funds necessary for the redemption have been set aside by the Company for the benefit of the holders of any shares of the Preferred so called for redemption, then, from and after the redemption date, those shares shall no longer be deemed outstanding and all rights of the holders of those shares (including the right to receive any dividends) will terminate, except the right to receive the redemption price.

If less than all of the shares of the Preferred held by the Trust are to be redeemed on a redemption date, then the proceeds from such redemption will be allocated pro rata to the redemption of the APEX and the Common Securities, except as set forth below under "— Ranking of Common Securities."

The term "*like amount*" as used above means APEX having a liquidation amount equal to that portion of the liquidation amount of the Preferred to be contemporaneously redeemed, the proceeds of which will be used to pay the redemption price of such APEX.

Distributions to be paid on or before the redemption date for any APEX called for redemption will be payable to the holders as of the record dates for the related dates of distribution. If the APEX called for redemption are no longer in book-entry form, the Property Trustee, to the extent funds are available, will irrevocably deposit with the paying agent for the APEX funds sufficient to pay the applicable redemption price and will give such paying agent irrevocable instructions and authority to pay the redemption price to the holders thereof upon surrender of their certificates evidencing the APEX.

If notice of redemption shall have been given and funds deposited as required, then upon the date of such deposit:

- all rights of the holders of such APEX called for redemption will cease, except the right of the holders of such APEX to receive the redemption price and any distribution payable in respect of the APEX on or prior to the redemption date, but without interest on such redemption price; and
- the APEX called for redemption will cease to be outstanding. If any redemption date is not a business day, then the redemption amount will be payable on the next business day (and without any interest or other payment in respect of any such delay). However, if payment on the next business day causes payment of the redemption amount to be in the next calendar month, then payment will be on the preceding business day.

If payment of the redemption amount for the Preferred held by a Trust called for redemption is improperly withheld or refused and accordingly the redemption amount of the Trust's APEX is not paid either by the Trust or by the Company under the applicable Guarantee, then dividends on the Preferred called for redemption will continue to accrue and distributions on such series of APEX called for redemption will continue to accumulate at the applicable

rate then borne by such APEX from the original redemption date scheduled to the actual date of payment. In this case, the actual payment date will be considered the redemption date for purposes of calculating the redemption amount.

Redemptions of the APEX will require prior approval of the Federal Reserve Board.

The Company will not exercise its option to redeem any shares of the Preferred without obtaining the approval of the Federal Reserve Board (or any successor appropriate federal banking agency) as required by applicable law. Unless the Federal Reserve Board (or any successor appropriate federal banking agency) authorizes the Company to do otherwise in writing, the Company will redeem the Preferred only if it is replaced with other tier 1 capital that is not a restricted core capital element (e.g., common stock or another series of noncumulative perpetual preferred stock).

If less than all of the outstanding shares of the Preferred held by a Trust are to be redeemed on a redemption date, then the aggregate liquidation amount of APEX and Common Securities of that Trust to be redeemed shall be allocated pro rata to the APEX and Common Securities based upon the relative liquidation amounts of such series, except as set forth below under "— Ranking of Common Securities." The Property Trustee will select the particular APEX to be redeemed on a pro rata basis not more than 60 days before the redemption date from the outstanding APEX not previously called for redemption by any method the Property Trustee deems fair and appropriate, or if the APEX are in book-entry only form, in accordance with the procedures of DTC. The Property Trustee shall promptly notify the Transfer Agent in writing of the APEX selected for redemption and, in the case of any APEX selected for redemption in part, the liquidation amount to be redeemed.

For all purposes of the Trust Agreement, unless the context otherwise requires, all provisions relating to the redemption of APEX shall relate, in the case of any APEX redeemed or to be redeemed only in part, to the portion of the aggregate liquidation amount of APEX that has been or is to be redeemed. If less than all of the APEX, the APEX held through the facilities of DTC will be redeemed pro rata in accordance with DTC's internal procedures.

Liquidation Distribution upon Dissolution

Pursuant to each Trust Agreement, the applicable Trust shall dissolve on the first to occur of:

- certain events of bankruptcy, dissolution or liquidation of the Company;
- redemption of all of its APEX as described above; and
- the entry of an order for the dissolution of the Trust by a court of competent jurisdiction.

Except as set forth in the next paragraph, if an early dissolution occurs as a result of certain events of bankruptcy, dissolution or liquidation of the Company, the Property Trustee and the administrative trustees will liquidate the Trust as expeditiously as they determine possible by distributing, after satisfaction of liabilities to creditors of the Trust as provided by applicable law, to each holder of its APEX a like amount of the Preferred held by the Trust as of the date of such distribution. Except as set forth in the next paragraph, if an early dissolution occurs as a result of the entry of an order for the dissolution of the Trust by a court of competent jurisdiction, the Property Trustee will liquidate the Trust as expeditiously as it determines to be possible by distributing, after satisfaction of liabilities to creditors of the Trust as provided by applicable law, to each holder of its APEX a like amount of the Preferred held by the Trust as of the date of such distribution. The Property Trustee shall give notice of liquidation to each holder of APEX at least 30 days and not more than 60 days before the date of liquidation.

If, whether because of an order for dissolution entered by a court of competent jurisdiction or otherwise, the Property Trustee determines that distribution of the Preferred in the manner provided above is not possible, or if the early dissolution occurs as a result of the redemption of all the APEX, the Property Trustee shall liquidate the property of the Trust and wind up its affairs. In that case, upon the winding up of the Trust, except with respect to an early dissolution that occurs as a result of the redemption of all the APEX, the holders will be entitled to receive out of the assets of the Trust available for distribution to holders and after satisfaction of liabilities to creditors of the Trust as provided by applicable law, an amount equal to the aggregate liquidation amount per Trust security plus accrued and unpaid distributions to the date of payment. If, upon any such winding up, the Trust has insufficient assets available to pay in full such aggregate liquidation distribution, then the amounts payable directly by the Trust on its Trust securities shall be paid on a pro rata basis, except as set forth below under "— Ranking of Common Securities."

The term "like amount" as used above means Preferred having a liquidation preference equal to the liquidation amount of the APEX of the holder to whom such Preferred would be distributed.

Distribution of Trust Assets

Upon liquidation of a Trust other than as a result of an early dissolution upon the redemption of all the APEX and after satisfaction of the liabilities of creditors of the Trust as provided by applicable law, the assets of the Trust will be distributed to the holders of such Trust securities in exchange therefor.

After the liquidation date fixed for any distribution of assets of the Trust:

- the APEX will no longer be deemed to be outstanding;
- DTC or its nominee, as the record holder of the APEX, will receive a registered global certificate or certificates representing the Preferred to be delivered upon such distribution;
- any certificates representing the APEX not held by DTC or its nominee will be deemed to represent shares of the Preferred having a Liquidation Preference equal to the APEX until such certificates are so surrendered for transfer and reissuance; and
- all rights of the holders of the APEX will cease, except the right to receive Preferred upon such surrender.

Since each APEX corresponds to 1/100th of a share of Preferred, holders of APEX may receive fractional shares of the Preferred or depositary shares representing the Preferred upon this distribution.

Ranking of Common Securities

If on any distribution date a Trust does not have funds available from dividends on the Preferred it holds to make full distributions on its APEX and Common Securities, then the available funds from dividends on the Preferred it holds shall be applied first to make distributions then due on its APEX on a pro rata basis on such distribution date up to the amount of such distributions corresponding to dividends on the Preferred (or if less, the amount of the corresponding distributions that would have been made on the APEX had the Company paid a full dividend on the Preferred) before any such amount is applied to make a distribution on the Trust's Common Securities on such distribution date.

If on any date where APEX and Common Securities must be redeemed because the Company is redeeming Preferred and a Trust does not have funds available from the Company's redemption of the Preferred it holds to pay the full redemption price then due on all of its outstanding APEX and Common Securities to be redeemed, then (i) the available funds shall be applied first to pay the redemption price on the APEX to be redeemed on such redemption date and (ii) Common Securities shall be redeemed only to the extent funds are available for such purpose after the payment of the full redemption price on the APEX to be redeemed.

If an early dissolution event occurs in respect of a Trust, no liquidation distributions shall be made on its Common Securities until full liquidation distributions have been made on its APEX.

In the case of any event of default under the Trust Agreement of a Trust resulting from the Company's failure to comply in any material respect with any of its obligations as issuer of the Preferred held by the Trust, including obligations set forth in its restated certificate of incorporation, as amended, or "restated certificate of incorporation," or arising under applicable law, the Company, as holder of its Common Securities, will be deemed to have waived any right to act with respect to any such event of default under the Trust Agreement until the effect of all such events of default with respect to its APEX have been cured, waived or otherwise eliminated. Until all events of default under the Trust Agreement have been so cured, waived or otherwise eliminated, the Property Trustee shall act solely on behalf of the holders of its APEX and not on the Company's behalf, and only the holders of its APEX will have the right to direct the Property Trustee to act on their behalf.

Events of Default; Notice

Any one of the following events constitutes an event of default under a Trust Agreement, or a "Trust Event of Default," regardless of the reason for such event of default and whether it shall be voluntary or involuntary or be effected by

operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body:

- the failure to comply in any material respect with the Company's obligations as issuer of the Preferred, under its restated certificate of incorporation, or those of the Trust, or arising under applicable law;
- the default by the Trust in the payment of any distribution on any Trust security of the Trust when such becomes due and payable, and continuation of such default for a period of 30 days;
- the default by the Trust in the payment of any redemption price of any Trust security of the Trust when such becomes due and payable;
- the failure to perform or the breach, in any material respect, of any other covenant or warranty of the trustees in the Trust Agreement for 90 days after the defaulting trustee or trustees have received written notice of the failure to perform or breach in the manner specified in such Trust Agreement; or
- the occurrence of certain events of bankruptcy or insolvency with respect to the Property Trustee and the Company's failure to appoint a successor Property Trustee within 90 days.

Within 30 days after any Trust Event of Default with respect to a Trust actually known to the Property Trustee occurs, the Property Trustee will transmit notice of such Trust Event of Default to the holders of its APEX and to the administrative trustees, unless such Trust Event of Default shall have been cured or waived. The Company, as sponsor, and the administrative trustees are required to file annually with the Property Trustee a certificate as to whether or not the Company or the administrative trustees are in compliance with all the conditions and covenants applicable to the Company and to the administrative trustees under the Trust Agreement.

Mergers, Consolidations, Amalgamations or Replacements of a Trust

A Trust may not merge with or into, consolidate, amalgamate, or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to the Company or any other person, except as described below or as otherwise described in its Trust Agreement. A Trust may, at the Company's request, with the consent of the administrative trustees but without the consent of the holders of its APEX, the Property Trustee or the Delaware Trustee, merge with or into, consolidate, amalgamate, or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to, a trust organized as such under the laws of any state if:

- such successor entity either:
  - expressly assumes all of the obligations of the Trust with respect to its APEX, or
  - substitutes for its APEX other securities having substantially the same terms as its APEX, or the "Successor Securities," so long as the Successor Securities rank the same as its APEX in priority with respect to distributions and payments upon liquidation, redemption and otherwise;
- a trustee of such successor entity possessing the same powers and duties as the Property Trustee is appointed to hold the Preferred then held by or on behalf of the Property Trustee;
- such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease does not cause its APEX, including any Successor Securities, to be downgraded by any nationally recognized statistical rating organization;
- such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease does not adversely affect the rights, preferences and privileges of the holders of its APEX, including any Successor Securities, in any material respect;
- such successor entity has purposes substantially identical to those of the Trust;

- prior to such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease, the Property Trustee has received an opinion from counsel to the Trust experienced in such matters to the effect that:
    - such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease does not adversely affect the rights, preferences and privileges of the holders of its APEX, including any Successor Securities, in any material respect, and
    - following such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease, neither the Trust nor such successor entity will be required to register as an investment company under the Investment Company Act of 1940, or "Investment Company Act";
- the Trust has received an opinion of counsel experienced in such matters that such merger, consolidation, amalgamation, conveyance, transfer or lease will not cause the Trust or the successor entity to be classified as an association or a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes; and
- the Company or any permitted successor or assignee owns all of the common securities of such successor entity and guarantees the obligations of such successor entity under the Successor Securities at least to the extent provided by the Guarantee.

Notwithstanding the foregoing, a Trust may not, except with the consent of holders of 100% in liquidation amount of its APEX, consolidate, amalgamate, merge with or into, or be replaced by or convey, transfer or lease its properties and assets substantially as an entirety to any other entity or permit any other entity to consolidate, amalgamate, merge with or into, or replace it if such consolidation, amalgamation, merger, replacement, conveyance, transfer or lease would cause the Trust or the successor entity to be classified as other than one or more grantor trusts or agency arrangements or to be classified as an association or a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes.

Voting Rights; Amendment of a Trust Agreement

Except as provided herein and under "Description of the Guarantees — Amendments and Assignment" below and as otherwise required by law and the Trust Agreement, the holders of a Trust's APEX have no voting rights or control over the administration, operation or management of the Trust or the obligations of the parties to its Trust Agreement, including in respect of the Preferred held by the Trust. Under the Trust Agreement, however, the Property Trustee is required to obtain their consent before exercising some of its rights in respect of these securities.

Trust Agreement. The Company and the administrative trustees may amend a Trust's Trust Agreement without the consent of the holders of its APEX, the Property Trustee or the Delaware Trustee, unless in the case of the first two bullets below such amendment will materially and adversely affect the interests of any holder of APEX or the Property Trustee or the Delaware Trustee or impose any additional duty or obligation on the Property Trustee or the Delaware Trustee, to:

- cure any ambiguity, correct or supplement any provisions in the Trust Agreement that may be inconsistent with any other provision, or to make any other provisions with respect to matters or questions arising under the Trust Agreement, which may not be inconsistent with the other provisions of the Trust Agreement;
- modify, eliminate or add to any provisions of the Trust Agreement to such extent as shall be necessary to ensure that the Trust will be classified for U.S. federal income tax purposes as one or more grantor trusts or agency arrangements and not as an association or a publicly traded partnership taxable as a corporation at all times that any Trust securities are outstanding, or to ensure that the Trust will not be required to register as an "investment company" under the Investment Company Act;
- provide that certificates for the APEX may be executed by an administrative trustee by facsimile signature instead of manual signature, in which case such amendment(s) shall also provide for the appointment by the Company of an authentication agent and certain related provisions;

- require that holders that are not U.S. persons for U.S. federal income tax purposes irrevocably appoint a U.S. person to exercise any voting rights to ensure that the Trust will not be treated as a foreign trust for U.S. federal income tax purposes; or
- conform the terms of the Trust Agreement to the description of the Trust Agreement, the APEX and the Common Securities in the prospectus dated December 5, 2006, of the Company and the Trusts, as supplemented by the prospectus supplement, dated May 8, 2007, in the manner provided in the Trust Agreement.

Any such amendment shall become effective when notice thereof is given to the Property Trustee, the Delaware Trustee and the holders of the APEX.

The Company and the administrative trustees may generally amend a Trust's Trust Agreement with:

- the consent of holders representing not less than a majority, based upon liquidation amounts, of its APEX; and
- receipt by the administrative trustees of the Trust of an opinion of counsel to the effect that such amendment or the exercise of any power granted to the administrative trustees of the Trust or the administrative trustees in accordance with such amendment will not affect the Trust's status as one or more grantor trusts or agency arrangements for U.S. federal income tax purposes or affect the Trust's exemption from status as an "investment company" under the Investment Company Act.

However, without the consent of each affected holder of Trust securities, a Trust Agreement may not be amended to:

- change the amount or timing, or otherwise adversely affect the amount, of any distribution required to be made in respect of Trust securities as of a specified date; or
- restrict the right of a holder of Trust securities to institute a suit for the enforcement of any such payment on or after such date.

***Preferred Stock*.** So long as Preferred is held by the Property Trustee on behalf of a Trust, the trustees of the Trust will not waive any rights in respect of the Preferred without obtaining the prior approval of the holders of at least a majority in liquidation amount of its APEX then outstanding. The trustees of the Trust shall also not consent to any amendment to the Trust's or the Company's governing documents that would change the dates on which dividends are payable or the amount of such dividends, without the prior written consent of each holder of APEX. In addition to obtaining the foregoing approvals from holders, the administrative trustees shall obtain, at the Company's expense, an opinion of counsel to the effect that such action shall not cause the Trust to be taxable as a corporation or classified as a partnership for U.S. federal income tax purposes.

General. Any required approval of holders of APEX may be given at a meeting of holders convened for such purpose or pursuant to written consent. The Property Trustee will cause a notice of any meeting at which holders are entitled to vote, or of any matter upon which action by written consent of such holders is to be taken, to be given to each record holder in the manner set forth in the Trust Agreement.

No vote or consent of the holders of APEX will be required for a Trust to redeem and cancel the APEX in accordance with a Trust Agreement.

Notwithstanding that holders of the APEX are entitled to vote or consent under any of the circumstances described above, any of the APEX that are owned by the Company or its affiliates or the trustees shall be deemed not to be outstanding.

Payment and Paying Agent

Payments on the APEX shall be made to DTC, which shall credit the relevant accounts on the applicable distribution dates. If any APEX are not held by DTC, such payments shall be made by check mailed to the address of the holder as such address shall appear on the register.

The paying agent is The Bank of New York Mellon and any co-paying agent chosen by the Property Trustee and acceptable to the Company and to the administrative trustees.

Registrar and Transfer Agent

The Bank of New York Mellon acts as registrar and transfer agent, or "Transfer Agent," for the APEX.

Information Concerning the Property Trustee

Other than during the occurrence and continuance of a Trust Event of Default, the Property Trustee undertakes to perform only the duties that are specifically set forth in the Trust Agreement. After a Trust Event of Default, the Property Trustee must exercise the same degree of care and skill as a prudent individual would exercise or use in the conduct of his or her own affairs. Subject to this provision, the Property Trustee is under no obligation to exercise any of the powers vested in it by the Trust Agreement at the request of any holder of APEX unless it is offered indemnity satisfactory to it by such holder against the costs, expenses and liabilities that might be incurred. If no Trust Event of Default has occurred and is continuing and the Property Trustee is required to decide between alternative courses of action, construe ambiguous provisions in the Trust Agreement or is unsure of the application of any provision of the Trust Agreement, and the matter is not one upon which holders of APEX are entitled under the Trust Agreement to vote, then the Property Trustee will take any action that the Company directs. If the Company does not provide direction, the Property Trustee may take any action that it deems advisable and in the interests of the holders of the Trust securities and will have no liability except for its own bad faith, negligence or willful misconduct.

The Company and its affiliates may maintain certain accounts and other banking relationships with the Property Trustee and its affiliates in the ordinary course of business.

Trust Expenses

Pursuant to each Trust Agreement, the Company, as sponsor, agrees to pay:

- all debts and other obligations of the Trust (other than with respect to its APEX);
- all costs and expenses of the Trust, including costs and expenses relating to the organization of the Trust, the fees, expenses and indemnities of the trustees and the cost and expenses relating to the operation of the Trust; and
- any and all taxes and costs and expenses with respect thereto, other than U.S. withholding taxes, to which the Trust might become subject.

Governing Law

Each Trust Agreement is governed by and construed in accordance with the laws of the State of Delaware.

Miscellaneous

The administrative trustees are authorized and directed to conduct the affairs of and to operate each Trust in such a way that it will not be required to register as an "investment company" under the Investment Company Act or characterized as other than one or more grantor trusts or agency arrangements for U.S. federal income tax purposes.

In this regard, the Company and the administrative trustees are authorized to take any action, not inconsistent with applicable law, the certificate of trust of a Trust or its Trust Agreement, that the Company and the administrative trustees determine to be necessary or desirable to achieve such end, as long as such action does not materially and adversely affect the interests of the holders of the APEX.

Holders of the APEX have no preemptive or similar rights. The APEX are not convertible into or exchangeable for the Company's common stock or preferred stock.

Subject to any applicable rules of the Federal Reserve Board (or any successor appropriate federal banking agency), the Company or its affiliates may from time to time purchase any of the APEX that are then outstanding by tender, in the open market or by private agreement.

The Trust may not borrow money or issue debt or mortgage or pledge any of its assets.

DESCRIPTION OF THE GUARANTEES

The following is a brief description of the terms of the Guarantee (as defined below) pursuant to the Guarantee Agreement for Goldman Sachs Capital II (formerly known as Goldman Sachs Capital IV), dated as of March 23, 2016, and the Guarantee Agreement for Goldman Sachs Capital III (formerly known as Goldman Sachs Capital V), dated as of March 23, 2016 (collectively, the "Guarantee Agreements"). The description does not purport to be complete.

General

The following payments on each Trust's APEX, also referred to as the "guarantee payments," if not fully paid by the Trust, will be paid by the Company under a guarantee, or "Guarantee," that the Company has executed and delivered for the benefit of the holders of such APEX. Pursuant to each Guarantee, the Company irrevocably and unconditionally agrees to pay in full the guarantee payments, without duplication:

- any accumulated and unpaid distributions required to be paid on the APEX, to the extent the Trust has funds available to make the payment;
- the redemption price for any APEX called for redemption, to the extent the Trust has funds available to make the payment; and
- upon a voluntary or involuntary dissolution, winding up or liquidation of the Trust, other than in connection with a distribution of a like amount of corresponding assets to the holders of the APEX, the lesser of:
    - the aggregate of the liquidation amount and all accumulated and unpaid distributions on the APEX to the date of payment, to the extent the Trust has funds available to make the payment; and
    - the amount of assets of the Trust remaining available for distribution to holders of the APEX upon liquidation of the Trust.

The Company's obligation to make a guarantee payment may be satisfied by direct payment of the required amounts by the Company to the holders of the APEX or by causing the Trust to pay the amounts to the holders.

If the Company does not make a regular dividend payment on the Preferred held by a Trust, the Trust will not have sufficient funds to make the related payments on the relevant series of APEX. The Guarantee does not cover payments on the APEX when the Trust does not have sufficient funds to make these payments. Because the Company is a holding company, its rights to participate in the assets of any of its subsidiaries upon the subsidiary's liquidation or reorganization will be subject to the prior claims of the subsidiary's creditors except to the extent that the Company may itself be a creditor with recognized claims against the subsidiary. The Guarantee does not limit the incurrence or issuance by the Company of other secured or unsecured indebtedness.

Each Guarantee is qualified as an indenture under the Trust Indenture Act. The Bank of New York Mellon acts as "Guarantee Trustee" for each Guarantee for purposes of compliance with the provisions of the Trust Indenture Act. The Guarantee Trustee holds each Guarantee for the benefit of the holders of APEX.

Effect of the Guarantees

Each Guarantee, when taken together with the Company's obligations and the Trust's obligations under the Trust Agreement, including the obligations to pay costs, expenses, debts and liabilities of the applicable Trust, other than with respect to its Trust securities, has the effect of providing a full and unconditional guarantee, on a subordinated basis, of payments due on its APEX.

The Company has also agreed separately to irrevocably and unconditionally guarantee the obligations of each Trust with respect to its Common Securities to the same extent as the Guarantee.

Status of the Guarantees

Each Guarantee is unsecured and ranks:

- subordinate and junior in right of payment to all of the Company's senior and subordinated debt; and
- equally with any of the Company's other present or future obligations that by their terms rank pari passu with such Guarantee.

Each Guarantee constitutes a guarantee of payment and not of collection, which means that the guaranteed party may sue the guarantor to enforce its rights under the Guarantee without suing any other person or entity. Each Guarantee is held for the benefit of the holders of APEX. Each Guarantee will be discharged only by payment of the guarantee payments in full to the extent not paid by the applicable Trust.

Amendments and Assignment

A Guarantee may be amended only with the prior approval of the holders of not less than a majority in aggregate liquidation amount of the applicable outstanding APEX. No vote is required, however, for any changes that do not adversely affect the rights of holders of APEX in any material respect. All guarantees and agreements contained in the Guarantee bind the Company's successors, assignees, receivers, trustees and representatives and are for the benefit of the holders of the applicable APEX then outstanding.

Termination of the Guarantees

A Guarantee will terminate:

- upon full payment of the redemption price of all applicable APEX; or
- upon full payment of the amounts payable in accordance with the Trust Agreement upon liquidation of the Trust.

A Guarantee will continue to be effective or will be reinstated, as the case may be, if at any time any holder of APEX must restore payment of any sums paid under the APEX or the Guarantee.

Events of Default

An event of default under a Guarantee will occur if the Company fails to perform any payment obligation or if the Company fails to perform any other obligation under the Guarantee and such default remains unremedied for 30 days.

The holders of a majority in liquidation amount of the applicable APEX have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Guarantee Trustee in respect of a Guarantee or to direct the exercise of any trust or power conferred upon the Guarantee Trustee under the Guarantee. Any holder of APEX may institute a legal proceeding directly against the Company to enforce the Guarantee Trustee's rights and the Company's obligations under a Guarantee, without first instituting a legal proceeding against the Trust, the Guarantee Trustee or any other person or entity.

As guarantor, the Company is required to file annually with the Guarantee Trustee a certificate as to whether or not the Company is in compliance with all applicable conditions and covenants under the Guarantee.

Information Concerning the Guarantee Trustee

Prior to the occurrence of an event of default relating to a Guarantee, the Guarantee Trustee is required to perform only the duties that are specifically set forth in the Guarantees. Following the occurrence of an event of default, the Guarantee Trustee will exercise the same degree of care as a prudent individual would exercise in the conduct of his or her own affairs. Provided that the foregoing requirements have been met, the Guarantee Trustee is under no obligation to exercise any of the powers vested in it by the Guarantees at the request of any holder of APEX, unless offered indemnity satisfactory to it against the costs, expenses and liabilities which might be incurred thereby.

The Company and its affiliates may maintain certain accounts and other banking relationships with the Guarantee Trustee and its affiliates in the ordinary course of business.

Governing Law

The Guarantees are governed by, and construed in accordance with, the laws of the State of New York.

Limited Purpose of Trust

The Trust securities evidence beneficial interests in the Trust. A principal difference between the rights of a holder of a Trust security and a holder of Preferred is that a holder of Preferred would be entitled to receive from the issuer the dividends, redemption payments and payment upon liquidation in respect of Preferred while a holder of Trust securities is entitled to receive distributions from a Trust, or from the Company under a Guarantee, if and to the extent the Trust has funds available for the payment of such distributions.

Rights upon Dissolution

Upon any voluntary or involuntary dissolution of the Trust, holders of each series of APEX will receive the distributions described under "Description of the APEX — Liquidation Distribution upon Dissolution" above. Upon any voluntary or involuntary liquidation or bankruptcy of the Company, the holders of the Preferred would be preferred shareholders of the Company, entitled to the preferences upon liquidation described under "Description of the Preferred" below. Since the Company is the guarantor under the Guarantee and has agreed to pay for all costs, expenses and liabilities of the Trust, other than the Trust's obligations to the holders of the Trust securities, the positions of a holder of APEX relative to other creditors and to the Company's shareholders in the event of liquidation or bankruptcy are expected to be substantially the same as if that holder held the corresponding assets of the Trust directly.

DESCRIPTION OF THE PREFERRED

The following is a brief description of the terms of the Preferred held by the relevant Trust. This summary does not purport to be complete and is subject to and qualified in its entirety by reference to the Company's restated certificate of incorporation, which is an exhibit to the Annual Report of which this exhibit is a part.

General

The Company's authorized capital stock includes 150,000,000 shares of preferred stock, par value $0.01 per share (including the Preferred).

Shares of the Preferred rank senior to the Company's common stock, equally with the Company's outstanding preferred stock outstanding as of December 31, 2019, and at least equally with each other series of preferred stock that the Company may issue (except for any senior series that may be issued with the requisite consent of the holders of the Preferred), with respect to the payment of dividends and distributions upon liquidation, dissolution or winding-up. The Preferred is fully paid and nonassessable, which means that its holders have paid their purchase price in full and that the Company may not ask them to surrender additional funds. Holders of the Preferred do not have preemptive or subscription rights to acquire more preferred stock of the Company. The Preferred is not convertible into, or exchangeable for, shares of any other class or series of stock or other securities of the Company. The Preferred has no stated maturity and is not subject to any sinking fund or other obligation of the Company to redeem or repurchase the Preferred.

The Preferred has a fixed liquidation preference of $100,000 per share. If the Company liquidates, dissolves or winds up its affairs, holders of the Preferred will be entitled to receive, out of the Company's assets that are available for distribution to shareholders, an amount per share equal to the liquidation preference per share, plus any declared and unpaid dividends, without regard to any undeclared dividends.

Unless the Trust is dissolved prior to the redemption of the Preferred, holders of APEX will not receive shares of the Preferred, and their interest in the Preferred will be represented by their APEX. If the Trust is dissolved, the Company may elect to distribute depositary shares representing the Preferred instead of fractional shares. Since the Preferred is held by the Property Trustee, holders of APEX are only able to exercise voting or other rights with respect to the Preferred through the Property Trustee.

Dividends

Dividends on shares of the Preferred are not mandatory. Holders of the Preferred are entitled to receive, when, as and if declared by the Company's board of directors (or a duly authorized committee of the board), out of funds legally available for the payment of dividends under Delaware law, non-cumulative cash dividends from the date of their issuance. These dividends are payable on March 1, June 1, September 1 and December 1 of each year (each, for purposes of this section, a "Dividend Payment Date"), with respect to the Dividend Period, or portion thereof, ending on the day preceding the respective Dividend Payment Date, at a rate per annum equal to the greater of (x) three-month LIBOR for the related distribution period plus 0.765% (in the case of the Series E Preferred Stock) or 0.77% (in the case of the Series F Preferred Stock) and (y) 4.000%.

Dividends are payable to holders of record of the Preferred as they appear on the Company's books on the applicable record date, which shall be the 15th calendar day before that Dividend Payment Date or such other record date fixed by the Company's board of directors (or a duly authorized committee of the board) that is not more than 60 nor less than 10 days prior to such Dividend Payment Date (each, for purposes of this section, a "Dividend Record Date"). These Dividend Record Dates apply regardless of whether a particular Dividend Record Date is a business day.

A "Dividend Period" is the period from and including a Dividend Payment Date to but excluding the next Dividend Payment Date. If any that would otherwise be a Dividend Payment Date is not a business day, then the next business day will be the applicable Dividend Payment Date.

The amount of dividends payable per share of the Preferred on each Dividend Payment Date is calculated by multiplying the per annum Dividend Rate in effect for that Dividend Period by a fraction, the numerator of which is the actual number of days in that Dividend Period and the denominator of which is 360, and multiplying the rate obtained by $100,000.

For any Dividend Period, LIBOR shall be determined by Goldman Sachs & Co. LLC, as calculation agent for the Preferred, on the second London business day immediately preceding the first day of such Dividend Period, as the case may be, in the following manner:

- LIBOR will be the offered rate per annum for three-month deposits in U.S. dollars, beginning on the first day of such period, as that rate appears on Reuters Screen LIBOR01 (or any successor or replacement page) as of 11:00 A.M., London time, on the second London business day immediately preceding the first day of such Dividend Period or Interest Period, as the case may be.
- If the rate described above does not appear on Reuters Screen LIBOR01 (or any successor or replacement page), LIBOR will be determined on the basis of the rates, at approximately 11:00 A.M., London time, on the second London business day immediately preceding the first day of such Dividend Period or Interest Period, as the case may be, at which deposits of the following kind are offered to prime banks in the London interbank market by four major banks in that market selected by the calculation agent: three-month deposits in U.S. dollars, beginning on the first day of such Dividend Period or Interest Period, as the case may be, and in a Representative Amount. The calculation agent will request the principal London office of each of these banks to provide a quotation of its rate. If at least two quotations are provided, LIBOR for the second London business day immediately preceding the first day of such Dividend Period or Interest Period, as the case may be, will be the arithmetic mean of the quotations.
- If fewer than two quotations are provided as described above, LIBOR for the second London business day immediately preceding the first day of such Dividend Period or Interest Period, as the case may be, will be the arithmetic mean of the rates for loans of the following kind to leading European banks quoted, at approximately 11:00 A.M. New York City time on the second London business day immediately preceding the first day of such Dividend Period or Interest Period, as the case may be, by three major banks in New York City selected by the calculation agent: three-month loans of U.S. dollars, beginning on the first day of such Dividend Period, and in a Representative Amount.
- If fewer than three banks selected by the calculation agent are quoting as described above, LIBOR for the new Dividend Period will be LIBOR in effect for the prior Dividend Period or Interest Period, as the case may be.

The calculation agent's determination of any dividend rate, and its calculation of the amount of dividends for any Dividend Period, will be on file at the Company's principal offices, will be made available to any stockholder upon request and will be final and binding in the absence of manifest error.

This subsection uses several terms that have special meanings relevant to calculating LIBOR. Those terms have the following meanings:

The term "Representative Amount" means an amount that, in the calculation agent's judgment, is representative of a single transaction in the relevant market at the relevant time.

"Reuters Screen LIBOR01 Page" means the display designated on the Reuters 3000 Xtra (or such other page as may replace that page on that service or such other service as may be nominated by the British Bankers' Association for the purpose of displaying London interbank offered rates for U.S. Dollar deposits).

The term "business day" means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City generally are authorized or obligated by law or executive order to close.

The term "London business day" means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is a day on which dealings in U.S. dollars are transacted in the London interbank market. If the Company determines not to pay any dividend or a full dividend, the Company will provide prior written notice to the Property Trustee, who will notify holders of APEX, and the administrative trustees.

Dividends on the Preferred are not cumulative. Accordingly, if the board of directors of the Company (or a duly authorized committee of the board) does not declare a dividend on the Preferred payable in respect of any Dividend Period before the related Dividend Payment Date, such dividend will not accrue and the Company will have no obligation to pay a dividend for that Dividend Period on the Dividend Payment Date or at any future time, whether or not dividends on the Preferred are declared for any future Dividend Period.

So long as any share of Preferred remains outstanding, no dividend shall be paid or declared on the Company's common stock or any other shares of the Company's Junior Stock (as defined below) (other than a dividend payable solely in Junior Stock), and no common stock or other Junior Stock shall be purchased, redeemed or otherwise acquired for consideration by the Company, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into other Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock and other than through the use of the proceeds of a substantially contemporaneous sale of Junior Stock), during a Dividend Period, unless the full dividends for the latest completed Dividend Period on all outstanding shares of Preferred have been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside). However, the foregoing provision shall not restrict the ability of Goldman Sachs & Co. LLC, or any of the Company's other affiliates, to engage in any market-making transactions in the Company's Junior Stock in the ordinary course of business.

As used in this description of the Preferred, "Junior Stock" means any class or series of stock of the Company that ranks junior to the Preferred either as to the payment of dividends or as to the distribution of assets upon any liquidation, dissolution or winding up of the Company's Junior Stock includes the Company's common stock.

When dividends are not paid (or declared and a sum sufficient for payment thereof set aside) on any Dividend Payment Date (or, in the case of Parity Stock, as defined below, having Dividend Payment Dates different from the Dividend Payment Dates pertaining to the Preferred, on a Dividend Payment Date falling within the related Dividend Period for the Preferred) in full upon the Preferred and any shares of Parity Stock, all dividends declared upon the Preferred and all such equally ranking securities payable on such Dividend Payment Date (or, in the case of parity stock having dividend payment dates different from the dividend payment dates pertaining to the Preferred, on a dividend payment date falling within the related Dividend Period for the Preferred) shall be declared pro rata so that the respective amounts of such dividends shall bear the same ratio to each other as all accrued but unpaid dividends per share on the Preferred and all Parity Stock payable on such Dividend Payment Date (or, in the case of parity stock having dividend payment dates different from the dividend payment dates pertaining to the Preferred, on a dividend payment date falling within the related Dividend Period for the Preferred) bear to each other.

As used in this description of the Preferred, "Parity Stock" means any other class or series of stock of the Company that ranks equally with the Preferred in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Company.

Subject to the foregoing, such dividends (payable in cash, stock or otherwise) as may be determined by the Company's board of directors (or a duly authorized committee of the board) may be declared and paid on the Company's common stock and any other stock ranking equally with or junior to the Preferred from time to time out of any funds legally available for such payment, and the shares of the Preferred shall not be entitled to participate in any such dividend.

Redemption

The Preferred may be redeemed (but subject to applicable regulatory limits) in whole or in part, at the Company's option. Any such redemption will be at a cash redemption price of $100,000 per share, plus any declared and unpaid dividends including, without regard to any undeclared dividends. Holders of Preferred have no right to require the redemption or repurchase of the Preferred. If notice of redemption of any Preferred has been given and if the funds necessary for the redemption have been set aside by the Company for the benefit of the holders of any shares of the Preferred so called for redemption, then, from and after the redemption date, those shares shall no longer be deemed outstanding and all rights of the holders of those shares (including the right to receive any dividends) will terminate, except the right to receive the redemption price.

If fewer than all of the outstanding shares of the Preferred are to be redeemed, the shares to be redeemed will be selected either pro rata from the holders of record of shares of the Preferred in proportion to the number of shares held by those holders or by lot or in such other manner as the Company's board of directors or a committee thereof may determine to be fair and equitable.

The Company will mail notice of every redemption of Preferred by first class mail, postage prepaid, addressed to the holders of record of the Preferred to be redeemed at their respective last addresses appearing on the Company's books. This mailing will be at least 30 days and not more than 60 days before the date fixed for redemption (provided that if the Preferred is held in book-entry form through DTC, the Company may give this notice in any manner permitted by DTC). Any notice mailed or otherwise given as provided in this paragraph will be conclusively presumed to have been duly given, whether or not the holder receives this notice, and failure duly to give this notice by mail or otherwise, or any defect in this notice or in the mailing or provision of this notice, to any holder of Preferred designated for redemption will not affect the redemption of any other Preferred. If the Company redeems the Preferred, the Trust, as holder of the Preferred, will redeem the corresponding APEX as described under "Description of the APEX — Mandatory Redemption of APEX upon Redemption of Preferred."

Each notice shall state:

- the redemption date;
- the number of shares of the Preferred to be redeemed and, if less than all shares of the Preferred held by the holder are to be redeemed, the number of shares to be redeemed from the holder;
- the redemption price; and
- the place or places where the Preferred is to be redeemed.

The Company's right to redeem the Preferred once issued is subject to prior approval of the Federal Reserve Board (or any successor banking agency).

Liquidation Rights

Upon any voluntary or involuntary liquidation, dissolution or winding up of the Company, holders of the Preferred are entitled to receive out of assets of the Company available for distribution to stockholders, after satisfaction of liabilities to creditors, if any, before any distribution of assets is made to holders of common stock or of any of the Company's other shares of stock ranking junior as to such a distribution to the shares of the Preferred, a liquidating distribution in the amount of $100,000 per share, plus declared and unpaid dividends, without accumulation of any undeclared dividends. Holders of the Preferred are not entitled to any other amounts from the Company after they have received their full liquidation preference.

In any such distribution, if the assets of the Company are not sufficient to pay the liquidation preferences in full to all holders of the Preferred and all holders of any other shares of the Company's stock ranking equally as to such distribution with the Preferred, the amounts paid to the holders of the Preferred and to the holders of all such other

stock will be paid pro rata in accordance with the respective aggregate liquidation preferences of those holders. In any such distribution, the "liquidation preference" of any holder of preferred stock means the amount payable to such holder in such distribution, including any declared but unpaid dividends (and any unpaid, accrued cumulative dividends in the case of any holder of stock on which dividends accrue on a cumulative basis). If the liquidation preference has been paid in full to all holders of Preferred and any other shares of the Company's stock ranking equally as to the liquidation distribution, the holders of the Company's other stock shall be entitled to receive all remaining assets of the Company according to their respective rights and preferences.

For purposes of this description of the Preferred, the merger or consolidation of the Company with any other entity, including a merger or consolidation in which the holders of Preferred receive cash, securities or property for their shares, or the sale, lease or exchange of all or substantially all of the assets of the Company for cash, securities or other property shall not constitute a liquidation, dissolution or winding up of the Company.

Voting Rights

Except as provided below, the holders of the Preferred have no voting rights.

Whenever dividends on any shares of the Preferred shall have not been declared and paid for a period the equivalent of six or more dividend payments, whether or not consecutive, equivalent to at least 18 months Dividend Periods (as used in this section, a "Nonpayment"), the holders of such shares, voting together as a class with holders of any and all other series of voting preferred stock (as defined below) then outstanding, will be entitled to vote for the election of a total of two additional members of the Company's board of directors (as used in this section, the "Preferred Stock Directors"), provided that the election of any such director shall not cause the Company to violate the corporate governance requirement of the New York Stock Exchange (or any other exchange on which the Company's securities may be listed) that listed companies must have a majority of independent directors and provided further that the Company's board of directors shall at no time include more than two Preferred Stock Directors. In that event, the number of directors on the Company's board of directors shall automatically increase by two, and the new directors shall be elected at a special meeting called at the request of the holders of record of at least 20% of the Preferred or of any other series of voting preferred stock (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of stockholders), and at each subsequent annual meeting. These voting rights will continue until dividends on the shares of the Preferred and any such series of voting preferred stock for at least one year four Dividend Periods, whether or not consecutive, following the Nonpayment shall have been fully paid (or declared and a sum sufficient for the payment of such dividends shall have been set aside for payment).

As used in this description of the Preferred, "voting preferred stock" means any other class or series of preferred stock of the Company ranking equally with the Preferred either as to dividends or the distribution of assets upon liquidation, dissolution or winding up and upon which like voting rights have been conferred and are exercisable. Whether a plurality, majority or other portion of the shares of the Preferred and any other voting preferred stock have been voted in favor of any matter shall be determined by reference to the liquidation amounts of the shares voted.

If and when dividends for at least four Dividend Periods, whether or not consecutive, following a Nonpayment have been paid in full (or declared and a sum sufficient for such payment shall have been set aside), the holders of the Preferred shall be divested of the foregoing voting rights (subject to revesting in the event of each subsequent Nonpayment) and, if such voting rights for all other holders of voting preferred stock have terminated, the term of office of each Preferred Stock Director so elected shall terminate and the number of directors on the board of directors shall automatically decrease by two. In determining whether dividends have been paid for at least four Dividend Periods, whether or not consecutive, the Company may take account of any dividend the Company elects to pay for a Dividend Period after the regular dividend date for that period has passed. Any Preferred Stock Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of the Preferred when they have the voting rights described above (voting together as a class with all series of voting preferred stock then outstanding). So long as a Nonpayment shall continue, any vacancy in the office of a Preferred Stock Director (other than prior to the initial election after a Nonpayment) may be filled by the written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of record of a majority of the outstanding shares of the Preferred and all voting preferred stock when they have the voting rights described above (voting together as a class). The Preferred Stock Directors shall each be entitled to one vote per director on any matter.

So long as any shares of the Preferred remain outstanding, the Company will not, without the affirmative vote or consent of the holders of at least two-thirds of the outstanding shares of the Preferred and all other series of voting

preferred stock entitled to vote thereon, voting together as a single class, given in person or by proxy, either in writing or at a meeting:

- authorized amount of, any class or series of stock ranking senior to the Preferred with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up of the Company;
- amend, alter or repeal the provisions of the Company's restated certificate of incorporation so as to materially and adversely affect the special rights, preferences, privileges and voting powers of the Preferred, taken as a whole; or
- consummate a binding share exchange or reclassification involving the Preferred or a merger or consolidation of the Company with another entity, unless in each case (i) the shares of the Preferred remain outstanding or, in the case of any such merger or consolidation with respect to which the Company is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (ii) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers of the Preferred, taken as a whole;

provided, *however*, that any increase in the amount of the authorized or issued Preferred or other authorized preferred stock or the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock ranking equally with and/or junior to the Preferred with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Company will not be deemed to adversely affect the rights, preferences, privileges or voting powers of the Preferred.

If an amendment, alteration, repeal, share exchange, reclassification, merger or consolidation described above would adversely affect one or more but not all series of voting preferred stock (including the Preferred for this purpose), then only the series affected and entitled to vote shall vote as a class in lieu of all such series of preferred stock.

Without the consent of the holders of the Preferred, so long as such action does not adversely affect the rights, preferences, privileges and voting powers of the Preferred, the Company may amend, alter, supplement or repeal any terms of the Preferred:

- to cure any ambiguity, or to cure, correct or supplement any provision contained in the certificate of designations for the Preferred that may be defective or inconsistent; or
- to make any provision with respect to matters or questions arising with respect to the Preferred that is not inconsistent with the provisions of the certificate of designations.

The foregoing voting provisions do not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares of the Preferred shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been set aside by the Company for the benefit of the holders of the Preferred to effect such redemption.

Form

The Preferred are issued only in fully registered form. Other than the fractional shares currently held by each Trust, no fractional shares will be issued unless a Trust is dissolved and the Company delivers the shares, rather than depositary receipts representing the shares, to the registered holders of its APEX. If a Trust is dissolved and depositary receipts or shares of the Preferred held by the Trust are distributed to holders of its APEX, the Company would intend to distribute them in book-entry form only and the procedures governing holding and transferring beneficial interests in the Preferred, and the circumstances in which holders of beneficial interests will be entitled to receive certificates evidencing their shares or depositary receipts. If the Company determines to issue depositary shares representing fractional interests in the Preferred, each depositary share will be represented by a depositary receipt. In such an event, the Preferred represented by the depositary shares will be deposited under a deposit agreement among the Company, a depositary and the holders from time to time of the depositary receipts representing depositary shares. Subject to the terms and conditions of any deposit agreement, each holder of a

depositary share will be entitled, through the depositary, in proportion to the applicable fraction of a share of the Preferred represented by such depositary share, to all the rights applicable fraction of a share of the Preferred represented by such depositary share, to all the rights and preferences of the Preferred represented thereby (including dividends, voting, redemption and liquidation rights).

Title

The Company, the transfer agent and registrar for the Preferred held by a Trust, and any of their agents may treat the registered owner of the Preferred, which shall be the Property Trustee unless and until the Trust is dissolved, as the absolute owner of that stock, whether or not any payment for the Preferred shall be overdue and despite any notice to the contrary, for any purpose.

Transfer Agent and Registrar

If a Trust is dissolved and shares of the Preferred held by the Trust or depositary receipts representing the Preferred are distributed to holders of APEX, the Company may appoint a transfer agent, registrar, calculation agent, redemption agent and dividend disbursement agent for the Preferred. The registrar for the Preferred will send notices to shareholders of any meetings at which holders of the Preferred have the right to vote on any matter.

DESCRIPTION OF MEDIUM-TERM NOTES, SERIES A, INDEX-LINKED NOTES DUE 2037 OF GS FINANCE CORP. (FULLY AND UNCONDITIONALLY GUARANTEED BY THE GOLDMAN SACHS GROUP, INC.)

The following is a brief description of the terms of the Claymore CEF Index Linked GS Connect[SM] ETN Index-Linked Notes due 2037 (Linked to the Claymore CEF Index), an issuance of the Medium-Term Notes, Series A of GS Finance Corp. ("GSFC") (the "Series A Notes"), which are fully and unconditionally guaranteed by the Company. It does not purport to be complete. This description is subject to and qualified in its entirety by reference to the Senior Debt Indenture, dated as of December 4, 2007, among GSFC, the Company, as guarantor, and The Bank of New York Mellon, as trustee, with respect to senior debt securities of GSFC (the "GSFC 2007 Indenture"), which is an exhibit to the Annual Report of which this exhibit is a part. Unless the context otherwise provides, all references to the Company in this description refer only to The Goldman Sachs Group, Inc. and does not include its consolidated subsidiaries.

Terms of the Series A Notes

The Series A Notes were originally issued on December 11, 2007 and have a stated maturity date of December 10, 2037 and are part of a single tranche within, and part of, a series of senior debt securities entitled "Medium-Term Notes, Series A" that GSFC may issue under the GSFC 2007 Indenture from time to time. The Series A Notes are listed on the New York Stock Exchange Arca under the ticker symbol "GCE."

The payment of principal of, and any interest and premium on, the Series A Notes is fully and unconditionally guaranteed by the Company. The guarantee will remain in effect until the entire principal of, and interest and premium, if any, on, the Series A Notes has been paid in full or discharged in accordance with the provisions of the GSFC 2007 Indenture, or otherwise fully defeased by GSFC or by the Company. The guarantee of senior debt securities of GSFC, such as the Series A Notes, will rank equally in right of payment to all senior indebtedness of the Company.

The amount that will be paid on the Series A Notes on the stated maturity date will be based on the performance of the Claymore CEF Index, as measured during the period beginning on the trade date of December 6, 2007, through the determination date (three trading days prior to maturity), less any applicable index adjustment amount shortfall (as defined below).

Unless a holder's notes have been redeemed earlier, on the stated maturity date such holder will be paid an amount in cash calculated as follows:

- First, GSFC will *add* (i) the outstanding face amount of the notes plus (ii) the outstanding face amount *multiplied* by the index return. The "index return" will equal the *quotient* of (i) the final index level *minus* the reference distribution amount as of the determination date *minus* the initial index level *divided* by (ii) the initial index level, expressed as a percentage. If the closing level of the index on the determination date declines from the initial index level, the index return will be negative.
- Second, GSFC will *subtract* from the *result* calculated in the first bullet point any applicable index adjustment amount shortfall calculated on the determination date. The amount payable on the notes at maturity will never be less than zero.

For each note held on the regular record date, the holder will be paid on each quarterly interest payment date an amount equal to the difference between (i) the reference distribution amount minus (ii) the index adjustment amount accrued from the previous interest valuation date to the applicable interest valuation date (and including any index adjustment amount shortfall).

The "index adjustment" amount will be calculated on a daily basis and will equal (i) 0.95% per year times (ii) the outstanding face amount of a holder's notes times (iii) the index factor (as defined below) for the applicable date. The index adjustment amount will accumulate quarterly from the last interest valuation date (the last index business day in March, June, September and December) to the next index valuation date, and will include any accumulated index adjustment amount shortfall. "Interest payment dates" are 10 business days following an interest valuation date and the maturity date.

An "index adjustment amount shortfall" will occur if the index adjustment amount exceeds the reference distribution amount on any interest valuation date and will equal the amount by which the index adjustment amount exceeds the

reference distribution amount. If an index adjustment amount shortfall occurs, holders will not be paid any interest on the corresponding interest payment date and the index adjustment amount shortfall will be added to the index adjustment amount to be deducted from the reference distribution amount in respect of the next interest payment date. Any index adjustment amount shortfall will continue to accumulate until (i) it is satisfied in full or (ii) the determination date (when it will be subtracted from payment at maturity), whichever is earlier.

The "reference distribution amount" will equal the sum of the cash dividends or other distributions paid by the funds underlying the index (the "index funds"), calculated on a quarterly basis (except on the determination date), as described elsewhere in this Description of Series A Notes.

A Holder may elect to redeem his or her notes in whole or in part on any weekly redemption date, but only if such holder elects to redeem a minimum of 100,000 notes and follow the procedures applicable to the Series A Notes. If a holder elects to redeem any notes on the applicable redemption date (and in lieu of any amount payable with respect to such notes on the stated maturity date), such holder will be paid an amount in cash equal to the "early redemption amount", determined as follows:

- First, GSFC will *multiply* (i) the face amount of notes being redeemed by (ii) the index factor for the applicable redemption valuation date. The "index factor" for any day will be the closing level of the index on that day *divided* by the initial index level. If the applicable redemption valuation date falls on an interest valuation date, the index factor used to determine the return on principal only for the early redemption amount will be (i) the closing level of the index on that day *minus* the reference distribution amount on that day *divided* by (ii) the initial index level.
- Second, GSFC will *subtract* from the result calculated in the first bullet point the accrued index adjustment amount from the previous interest valuation date to the applicable redemption valuation date (which will include any index adjustment amount shortfall from the previous interest valuation date). If the applicable redemption valuation date falls on an interest valuation date, the accrued index adjustment amount will be subtracted from the applicable interest payment. If there is an index adjustment amount shortfall, a holder will not receive an interest payment and the shortfall will be subtracted from the return on such holder's principal.

The "initial index level" is 129.48.

A "redemption date" is the third business day following a redemption valuation date.

"Redemption valuation dates" are each Thursday falling within the period from and excluding the original issue date to and including the final redemption valuation date or, if a market disruption event has occurred or is continuing on such date or such date is not a trading day, the first following trading day. In no event, however, will a redemption valuation date be postponed by more than three business days after the originally scheduled redemption valuation date.

The "final redemption valuation date" is November 19, 2037.

Consequences of a Market Disruption Event

Any of the following will be a market disruption event:

- a material limitation, suspension, or disruption of trading in one or more index funds underlying the index which results in a failure by the trading facility on which each index fund is traded to report a settlement price for such index fund on the day on which such event occurs or any succeeding day on which it continues, or
- the settlement price for any index fund underlying the index is a "limit price", which means that the settlement price for such index fund for a day has increased or decreased from the previous day's settlement price by the maximum amount permitted under applicable rules of the trading facility, or
- failure by the applicable trading facility or other price source to announce or publish the settlement price for any index fund underlying the index.

For this purpose, "settlement price" means the official settlement price of an index fund underlying the index as published by the trading facility on which it is traded.

As is the case throughout this description of the Series A Notes, references to the index in this description of market disruption events includes the index and any successor index as it may be modified, replaced or adjusted from time to time.

If a market disruption event occurs or is continuing on a day that would otherwise be the determination date or a redemption valuation date, as the case may be, then the determination date or such redemption valuation date, respectively, will be postponed to the next following trading day on which a market disruption event does not occur and is not continuing. In no event, however, will the determination date or a redemption valuation date be postponed, in the case of the determination date, later than the stated maturity date (or, if the stated maturity date is not a business day, later than the first business day after the stated maturity date) and in the case of a redemption valuation date, by more than three business days.

If the determination date or a redemption valuation date is postponed to the last possible day, but a market disruption event occurs or is continuing on that day, that day will nevertheless be the determination date or such redemption valuation date, respectively. In the event a market disruption event has occurred or is continuing on the determination date or a redemption valuation date, as the case may be, the final index level or the closing level of the index on a redemption valuation date, respectively, will be determined by the calculation agent as follows:

- with respect to each index fund that is not affected by the market disruption event, the final index level or the closing index level on the redemption valuation date, as applicable, will be based on the official settlement price of each such index fund as published by the trading facility on which it is traded (which is referred to as the settlement price in this description of the Series A Notes) on the originally scheduled determination date or the originally scheduled redemption valuation date, respectively,
- with respect to each index fund that is affected by the market disruption event, the final index level or the closing index level on the redemption valuation date, as applicable, will be based on the settlement price of each such index fund on the first trading day immediately following the originally scheduled determination date or the originally scheduled date for the applicable redemption valuation date, respectively, on which no market disruption event has occurred or is occurring with respect to such index fund, unless such market disruption event continues with respect to any such index fund up to and including the determination date or such redemption valuation date, respectively, in which event the price of each such index fund to be used in calculating the final index level or the closing index level on a redemption valuation date, respectively, shall be determined by the calculation agent on the determination date or such redemption valuation date, respectively, and
- the calculation agent shall determine the final index level or the applicable closing index level on the redemption valuation date, as applicable, by reference to the settlement prices or other prices determined in the two preceding bullet points, using the then-current method for calculating the index.

In addition, if the calculation agent determines that the index level or any settlement price that must be used to determine the final index level or index level on the redemption valuation date, as applicable, is not available on the determination date or the applicable redemption valuation date, respectively, for any other reason, then the calculation agent will determine the final index level or such closing index level based on its assessment, made in its sole discretion, of the level of the index or relevant settlement price on such applicable day.

Discontinuance or Modification of the Index

If the index publisher discontinues publication of the index or the index sponsor discontinues the index and the index publisher or anyone else publishes a substitute index that the calculation agent determines is comparable to the index, then the calculation agent will determine the final index level by reference to the substitute index. References to a successor index mean any substitute index approved by the calculation agent.

If the calculation agent determines that the publication of the index is discontinued and there is no successor index, or that the level of the index is not available on the determination date or a redemption valuation date, as applicable,

because of a market disruption event or for any other reason, the calculation agent will determine the final index level or the index level on the applicable redemption valuation date, respectively, based on the procedures described under "— Consequences of a Market Disruption Event" above and/or by a computation methodology that the calculation agent determines will as closely as reasonably possible replicate the index or the relevant settlement prices.

As a general matter, the calculation agent shall not have any discretion to adjust the index level on any given day if the index publisher calculates and publishes the index level in accordance with the established methodology of the index, except as described under "—Consequences of a Market Disruption Event" above. If, however, the calculation agent determines that the index or the index funds are materially changed at any time in any respect because of any change in the method of calculating the index or selecting the index funds — including any material change affecting the addition, deletion or substitution and any reweighting or rebalancing of the index funds, and whether the change is due to any other reason — then, in such case and only in such case, the calculation agent will be permitted (but not required) to make such adjustments in the index or the method of its calculation as it believes are appropriate to ensure that the final index level or the closing index level on the applicable redemption valuation date, as applicable, used to determine the amount payable on the stated maturity date or the applicable redemption date, respectively, is equitable.

If the calculation agent determines that the index is changed such that the index calculation agent calculates the reference distribution amount for any period on any date other than the last trading day in March, June, September and December, the calculation agent may make such adjustments that the calculation agent believes are appropriate with respect to the interest valuation date for that period to ensure that the interest valuation date coincides with the date on which the index calculation agent calculated the reference distribution amount.

All determinations and adjustments to be made by the calculation agent as described in this description of the Series A Notes with respect to the index may be made by the calculation agent in its sole discretion. The calculation agent is not obligated to make any such adjustments.

Default, Remedies and Waiver of Default

Holders will have special rights if an event of default with respect to his or her tranche of debt securities occurs and is continuing, as described in this subsection.

Events of Default

References to an event of default with respect to any tranche of debt securities mean any of the following:

- GSFC or the Company does not pay the principal or any premium on any debt security of that tranche on the due date;
- GSFC or the Company does not pay interest on any debt security of that tranche within 30 days after the due date;
- GSFC or the Company does not deposit a required sinking fund payment with regard to any debt security of that tranche on the due date;
- The Company remains in breach of its covenant described below under "— Restriction on Liens" or GSFC remains in breach of any other covenant it makes in the GSFC 2007 Indenture for the benefit of holders of the relevant tranche, for 60 days after GSFC and the Company receive a notice of default stating that GSFC or the Company is in breach and requiring GSFC to remedy the breach. The notice must be sent by the trustee or the holders of at least 10% in principal amount of the relevant tranche of debt securities then outstanding;
- GSFC or the Company files for bankruptcy or other events of bankruptcy, insolvency or reorganization relating to GSFC or the Company occur. Those events must arise under U.S. federal or state law, unless GSFC or the Company, merges, consolidates or sells their respective assets as described above and the successor firm is a non-U.S. entity. If that happens, then those events must arise under U.S. federal or state law or the law of the jurisdiction in which the successor firm is legally organized; or

- Except as provided by the GSFC 2007 Indenture, the debt security of that tranche and the related guarantee, the guarantee ceases to be effective, or a court finds the guarantee to be unenforceable or invalid, or the Company denies its obligations as the guarantor.

Remedies If an Event of Default Occurs

If an event of default has occurred with respect to any tranche of debt securities and has not been cured or waived, the trustee or the holders of not less than 25% in principal amount of all debt securities of that tranche then outstanding may declare the entire principal amount of the debt securities of that tranche to be due immediately. If the event of default occurs because of events in bankruptcy, insolvency or reorganization relating to GSFC or the Company, the entire principal amount of the debt securities of that tranche will be automatically accelerated, without any action by the trustee or any holder.

Each of the situations described above is called an acceleration of the maturity of the affected tranche of debt securities. If the maturity of any tranche is accelerated and a judgment for payment has not yet been obtained, the holders of a majority in principal amount of the debt securities of that tranche may cancel the acceleration for the entire tranche.

If an event of default occurs, the trustee will have special duties. In that situation, the trustee will be obligated to use those of its rights and powers under the GSFC 2007 Indenture, and to use the same degree of care and skill in doing so, that a prudent person would use in that situation in conducting his or her own affairs.

Except as described in the prior paragraph, the trustee is not required to take any action under the GSFC 2007 Indenture at the request of any holders unless the holders offer the trustee reasonable protection from expenses and liability (i.e., an indemnity). If the trustee is provided with an indemnity reasonably satisfactory to it, the holders of a majority in principal amount of all debt securities of the relevant tranche may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee with respect to that tranche. These majority holders may also direct the trustee in performing any other action under the GSFC 2007 Indenture with respect to the debt securities of that tranche.

Before a holder bypasses the trustee and bring his or her own lawsuit or other formal legal action or take other steps to enforce his or her rights or protect his or her interests relating to any debt security, all of the following must occur:

- The holder must give the trustee written notice that an event of default has occurred, and the event of default must not have been cured or waived;
- The holders of not less than 25% in principal amount of all debt securities of the holder's tranche must make a written request that the trustee take action because of the default, and they or other holders must offer to the trustee indemnity reasonably satisfactory to the trustee against the cost and other liabilities of taking that action;
- The trustee must not have taken action for 60 days after the above steps have been taken; and
- During those 60 days, the holders of a majority in principal amount of the debt securities of the holder's tranche must not have given the trustee directions that are inconsistent with the written request of the holders of not less than 25% in principal amount of the debt securities of the holder's tranche.

A holder is entitled at any time, however, to bring a lawsuit for the payment of money due on his or her debt security on or after its due date.

Waiver of Default

The holders of not less than a majority in principal amount of the debt securities of any tranche may waive a default for all debt securities of that tranche. If this happens, the default will be treated as if it has not occurred. No one can waive a payment default on a holder's notes, however, without the approval of that particular holder.

GSFC and the Company Will Give the Trustee Information About Defaults Annually

GSFC and the Company will furnish to the trustee every year a written statement, respectively, of two of their officers certifying that to their knowledge GSFC or the Company, as the case may be, is in compliance with the GSFC 2007 Indenture and the debt securities issued under it, or else specifying any default under the indenture.

Default Amount on Acceleration

If an event of default occurs and the maturity of the Series A Notes is accelerated, GSFC will pay the default amount in respect of the principal of the Series A Notes at the accelerated maturity instead of the amount payable on the stated maturity date as described earlier. The default amount is described under "— Special Calculation Provisions" below.

For the purpose of determining whether the holders of GSFC's Medium-Term Notes, Series A, which include the Series A Notes, are entitled to take any action under the GSFC 2007 Indenture, GSFC will treat the outstanding face amount of each note as the outstanding principal amount of that note. Although the terms of the Series A Notes will differ from those of other Medium-Term Notes, Series A GSFC may have issued, holders of specified percentages in principal amount of all Medium-Term Notes, Series A, together in some cases with other series of GSFC's debt securities, will be able to take action affecting all the Medium-Term Notes, Series A, including the Series A Notes. This action may involve changing some of the terms that apply to the Medium-Term Notes, Series A, accelerating the maturity of the Medium-Term Notes, Series A after a default or waiving some of GSFC's obligations under the GSFC 2007 Indenture. In addition, certain changes to the GSFC 2007 Indenture and the notes that only affect the debt securities of this tranche may be made with the approval of holders of a majority in principal amount of the securities of this tranche.

Guarantee by the Company

The Company has fully and unconditionally guaranteed the payment of principal of, and any interest and premium on, the Series A Notes, when due and payable, whether at the stated maturity date, by declaration of acceleration, call for redemption or otherwise. The guarantee will remain in effect until the entire principal of, and interest and premium, if any, on, the Series A Notes has been paid in full or discharged in accordance with the provisions of the GSFC 2007 Indenture, or otherwise fully defeased by the Company.

The guarantee by the Company of GSFC's debt securities issued under the GSFC 2007 Indenture rank equally in right of payment with all senior indebtedness of the Company.

Mergers and Similar Transactions

GSFC and the Company are each generally permitted to merge or consolidate with another corporation or other entity. GSFC and the Company are each also permitted to sell their assets substantially as an entirety to another corporation or other entity. With regard to any series and tranches of debt securities, however, GSFC or the Company may not take any of these actions unless all the following conditions are met:

- If the successor entity in the transaction is not GS Finance Corp. or The Goldman Sachs Group, Inc., as the case may be, the successor entity must be organized as a corporation, partnership or trust and must expressly assume the obligations of GSFC or the Company under the debt securities of that series and tranches and the indenture with respect to that series and tranches. The successor entity may be organized under the laws of any jurisdiction, whether in the United States or elsewhere.
- Immediately after the transaction, no default under the debt securities of that series and tranches or the related guarantees has occurred and is continuing. For this purpose, "default under the debt securities of that series and tranches or the related guarantees" means an event of default with respect to that series and tranches or the related guarantees or any event that would be an event of default with respect to that series and the tranches or the related guarantees if the requirements for giving GSFC or the Company default notice and for GSFC's or the Company's default having to continue for a specific period of time were disregarded. These matters are described above under "— Default, Remedies and Waiver of Default".

If the conditions described above are satisfied with respect to the debt securities of any series, neither GSFC nor the Company will need to obtain the approval of the holders of those debt securities in order to merge or consolidate or to sell assets of GSFC or the Company. Also, these conditions will apply only if GSFC or the Company wishes to merge or consolidate with another entity or sell GSFC's or the Company's assets substantially as an entirety to another entity. Neither GSFC nor the Company will need to satisfy these conditions if GSFC or the Company enters into other types of transactions, including any transaction in which GSFC or the Company acquire the stock or assets of another entity, any transaction that involves a change of control of GSFC or the Company but in which GSFC or the Company does not merge or consolidate and any transaction in which GSFC or the Company sells less than substantially all assets of GSFC or the Company. While GSFC is currently a wholly owned subsidiary of the Company, there is no requirement that it remain a subsidiary.

Also, if GSFC or the Company merges, consolidates or sells the assets of GSFC or the Company substantially as an entirety and the successor is a non-U.S. entity, neither GSFC nor the Company nor any successor would have any obligation to compensate a holder for an resulting adverse tax consequences relating to his or her Series A Notes.

Restriction on Liens

In the GSFC 2007 Indenture, the Company promises, with respect to each series and tranche of senior debt securities, not to create, assume, incur or guarantee any debt for borrowed money that is secured by a lien on the voting or profit participating equity ownership interests that the Company or any of its subsidiaries own in Goldman Sachs & Co. LLC, or in any subsidiary of the Company that beneficially owns or holds, directly or indirectly, those interests in Goldman Sachs & Co. LLC, unless the Company also secures the senior debt securities of that series or tranche on an equal or priority basis with the other secured debt. The promise of the Company, however, is subject to an important exception: it may secure debt for borrowed money with liens on those interests without securing the senior debt securities of any series or tranche if its board of directors determines that the liens do not materially detract from or interfere with the value or control of those interests, as of the date of the determination.

Except as noted above, the GSFC 2007 Indenture does not restrict the Company's ability to put liens on its interests in its subsidiaries other than Goldman Sachs & Co. LLC, nor does it restrict the Company's ability to sell or otherwise dispose of its interests in any of its subsidiaries, including Goldman Sachs & Co. LLC. In addition, the restriction on liens in the GSFC 2007 Indenture applies only to liens that secure debt for borrowed money. For example, liens imposed by operation of law, such as liens to secure statutory obligations for taxes or workers' compensation benefits, or liens the Company creates to secure obligations to pay legal judgments or surety bonds, would not be covered by this restriction

Modification of the Debt Indenture and Waiver of Covenants

There are four types of changes GSFC or the Company can make to the GSFC 2007 Indenture and the debt securities of any series or tranche and related guarantee issued under the GSFC 2007 Indenture.

Changes Requiring Each Holder's Approval

First, there are changes that cannot be made without the approval of each holder of a debt security affected by the change under the GSFC 2007 Indenture. Here is a list of those types of changes:

- change the stated maturity for any principal or interest payment on a debt security;
- reduce the principal amount, the amount payable on acceleration of the maturity after a default, the interest rate or the redemption price for a debt security;
- permit redemption of a debt security if not previously permitted;
- impair any right a holder may have to require repayment of its debt security;
- change the currency of any payment on a debt security;
- change the place of payment on a debt security;
- impair a holder's right to sue for payment of any amount due on its debt security;

- reduce the percentage in principal amount of the debt securities of any one or more affected tranches, taken separately or together, as applicable, the approval of whose holders is needed to change the indenture or those debt securities;
- reduce the percentage in principal amount of the debt securities of any one or more affected series or tranches, taken separately or together, as applicable, the consent of whose holders is needed to waive GSFC's compliance with the GSFC 2007 Indenture or to waive defaults; and
- change the provisions of the GSFC 2007 Indenture dealing with modification and waiver in any other respect, except to increase any required percentage referred to above or to add to the provisions that cannot be changed or waived without approval of the holder of each affected debt security.

Changes Not Requiring Approval

The second type of change does not require any approval by holders of the debt securities of an affected series or tranche. These changes are limited to clarifications and changes that would not adversely affect the debt securities of that series or tranche in any material respect. Neither GSFC nor the Company needs any approval to make changes that affect only debt securities to be issued under the GSFC 2007 Indenture after the changes take effect.

GSFC and the Company may also make changes or obtain waivers that do not adversely affect a particular debt security, even if they affect other debt securities. In those cases, neither GSFC nor the Company needs to obtain the approval of the holder of the unaffected debt security; GSFC and the Company need only obtain any required approvals from the holders of the affected debt securities.

Changes Requiring Majority Approval

Any other change to the GSFC 2007 Indenture and the debt securities issued under that indenture would require the following approval:

- If the change affects only the debt securities of a particular tranche, it must be approved by the holders of a majority in principal amount of the debt securities of that tranche.
- If the change affects the debt securities of more than one tranche of debt securities issued under the GSFC 2007 Indenture, it must be approved by the holders of a majority in principal amount of all tranches affected by the change, with the debt securities of all the affected tranches voting together as one class for this purpose (and of any affected tranche that by its terms is entitled to vote separately as a tranche, as described below).

In each case, the required approval must be given by written consent.

The same majority approval would be required for GSFC to obtain a waiver of any of GSFC's covenants in the GSFC 2007 Indenture. GSFC's covenants include the promises GSFC and the Company make about merging and, with respect to the Company, putting liens on GSFC's interests in Goldman Sachs & Co. LLC. If the holders approve a waiver of a covenant, neither GSFC nor the Company will have to comply with it. The holders, however, cannot approve a waiver of any provision in a particular debt security, or in the GSFC 2007 Indenture as it affects that debt security, that neither GSFC nor the Company can change without the approval of the holder of that debt security as described above in "— Changes Requiring Each Holder's Approval", unless that holder approves the waiver.

Special Rules for Action by Holders

When holders take any action under the GSFC 2007 Indenture, such as giving a notice of default, declaring an acceleration, approving any change or waiver or giving the trustee an instruction, GSFC will apply the following rules.

Only Outstanding Debt Securities Are Eligible

Only holders of outstanding debt securities of the applicable series or tranche will be eligible to participate in any action by holders of debt securities of that series or tranche. Also, GSFC will count only outstanding debt securities in

determining whether the various percentage requirements for taking action have been met. For these purposes, a debt security will not be "outstanding":

- if it has been surrendered for cancellation;
- if GSFC has deposited or set aside, in trust for its holder, money for its payment or redemption;
- if GSFC has fully defeased it; or
- if GSFC or one of its affiliates, such as Goldman Sachs & Co. LLC, is the owner.

Determining Record Dates for Action by Holders

GSFC and the Company will generally be entitled to set any day as a record date for the purpose of determining the holders that are entitled to take action under either indenture. In certain limited circumstances, only the trustee will be entitled to set a record date for action by holders. If GSFC, the Company or the trustee set a record date for an approval or other action to be taken by holders, that vote or action may be taken only by persons or entities who are holders on the record date and must be taken during the period that GSFC specifies for this purpose, or that the trustee specifies if it sets the record date. GSFC, the Company or the trustee, as applicable, may shorten or lengthen this period from time to time. This period, however, may not extend beyond the 180th day after the record date for the action. In addition, record dates for any global debt security may be set in accordance with procedures established by the depositary from time to time. Accordingly, record dates for global debt securities may differ from those for other debt securities.

Modified Business Day

Any payment on the notes that would otherwise be due on a day that is not a business day may instead be paid on the next day that is a business day, with the same effect as if paid on the original due date.

Role of Calculation Agent

The calculation agent in its sole discretion will make all determinations regarding market disruption events, business days, trading days, index business days, postponement of the determination date and the stated maturity date or a redemption valuation date, the final index level, the closing index level for a redemption valuation date, the index factor, the index adjustment amounts, the early redemption amount, the default amount and the payment amount on the notes, if any, to be made at maturity or redemption, as applicable. Absent manifest error, all determinations of the calculation agent will be final and binding on holders of the Series A Notes and GSFC, without any liability on the part of the calculation agent.

Special Calculation Provisions

Business Day

References to a business day with respect to the notes mean a day that is a Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions in New York City generally are authorized or obligated by law or executive order to close.

Trading Day

References to a trading day with respect to the notes mean a day on which (1) the index sponsor is open for business, (2) the index publisher is open for business and the index is calculated and published by the index publisher, (3) the calculation agent in New York is open for business, and (4) all trading facilities on which the index funds are traded are open for trading.

Index Business Day

References to an index business day with respect to the notes mean a day on which (1) the index sponsor is open for business, (2) the index publisher is open for business and the index is calculated and published by the index publisher and (3) all trading facilities on which the index funds are traded are open for trading.

Default Amount

The default amount for the notes on any day will be an amount, in the specified currency for the face amount of the notes, equal to the cost of having a qualified financial institution, of the kind and selected as described below, expressly assume all of GSFC's payment and other obligations with respect to the notes as of that day and as if no default or acceleration had occurred, or to undertake other obligations providing substantially equivalent economic value to holders with respect to their notes as if no guarantee were endorsed on the notes. That cost will equal:

- the lowest amount that a qualified financial institution would charge to effect this assumption or undertaking, plus
- the reasonable expenses, including reasonable attorneys' fees, incurred by the holder of such notes in preparing any documentation necessary for this assumption or undertaking.

During the default quotation period for a holder's notes, which is described below, the holder and/or GSFC may request a qualified financial institution to provide a quotation of the amount it would charge to effect this assumption or undertaking. If either party obtains a quotation, it must notify the other party in writing of the quotation. The amount referred to in the first bullet point above will equal the lowest — or, if there is only one, the only — quotation obtained, and as to which notice is so given, during the default quotation period. With respect to any quotation, however, the party not obtaining the quotation may object, on reasonable and significant grounds, to the assumption or undertaking by the qualified financial institution providing the quotation and notify the other party in writing of those grounds within two business days after the last day of the default quotation period, in which case that quotation will be disregarded in determining the default amount.

Default Quotation Period. The default quotation period is the period beginning on the day the default amount first becomes due and ending on the third business day after that day, unless:

- no quotation of the kind referred to above is obtained, or
- every quotation of that kind obtained is objected to within five business days after the day the default amount first becomes due.

If either of these two events occurs, the default quotation period will continue until the third business day after the first business day on which prompt notice of a quotation is given as described above. If that quotation is objected to as described above within five business days after that first business day, however, the default quotation period will continue as described in the prior sentence and this sentence.

In any event, if the default quotation period and the subsequent two business day objection period have not ended before the determination date, then the default amount will equal the principal amount of the notes.

Qualified Financial Institutions. For the purpose of determining the default amount at any time, a qualified financial institution must be a financial institution organized under the laws of any jurisdiction in the United States of America, Europe or Japan, which at that time has outstanding debt obligations with a stated maturity of one year or less from the date of issue and is rated either:

- A-1 or higher by Standard & Poor's Ratings Group or any successor, or any other comparable rating then used by that rating agency, or
- P-1 or higher by Moody's Investors Service, Inc. or any successor, or any other comparable rating then used by that rating agency.

DESCRIPTION OF MEDIUM-TERM NOTES, SERIES B, INDEX-LINKED NOTES DUE 2037

The following is a brief description of the terms of the GS Connect™ GSCI® Enhanced Commodity Total Return Strategy Index ETN, an issuance of the Medium-Term Notes, Series B of the Company (the "Series B Notes"). It does not purport to be complete. This description is subject to and qualified in its entirety by reference to the Indenture, dated as of May 19, 1999 (the "1999 Indenture"), between the Company and The Bank of New York, as trustee, which is an exhibit to the Annual Report of which this exhibit is a part. Unless the context otherwise provides, all references to the Company in this description refer only to The Goldman Sachs Group, Inc. and does not include its consolidated subsidiaries.

The 1999 indenture permits the Company to issue, from time to time, different series of debt securities and, within each different series of debt securities, different debt securities. The Medium-Term Notes, Series B are a single, distinct series of debt securities. The Company may, however, issue notes, including the Series B Notes, in such amounts, at such times and on such terms as the Company wishes. The notes of the Medium-Term Notes, Series B may differ from one another, and from other series, in their terms.

In this description, references to a series of debt securities mean a series issued under the 1999 Indenture, such as the notes issued under the Company's Medium-Term Notes, Series B program.

Terms of the Series B Notes

As noted above, the Series B Notes are part of a series of debt securities, entitled "Medium-Term Notes, Series B", that the Company may issue under the 1999 Indenture from time to time. The Series B Notes are listed on the New York Stock Exchange Arca under the ticker symbol "GSC."

The amount that will be paid on the notes on the stated maturity date will be based on the performance of the S&P GSCI Enhanced Commodity Index Total Return, as measured during the period beginning on the trade date for the original notes (May 3, 2007) through the determination date (May 5, 2037). Unless a holder's notes have been redeemed earlier, on the stated maturity date (May 8, 2037) the holder will be paid an amount in cash based on the performance of the index, minus applicable investor fees, calculated as follows:

- First, the Company will multiply the face amount of the Series B Notes by the index factor (as calculated on the determination date). The index factor is an amount calculated, for any day, by dividing the closing level of the index on that day by the initial index level of 693.3813.
- Second, the Company will take the result from the first bullet and subtract the investor fees (calculated for the period from but excluding the trade date for the original notes to and including the determination date). The investor fees are determined on a daily basis, as described in more detail herein, and will be based on a 1.25% yearly rate times the face amount of the notes times the index factor for the applicable date.

A holder may elect to redeem his or her notes in whole or in part on any weekly redemption date, but only if such holder elects to redeem a minimum of 50,000 notes. The redemption date will be the third business day following the latest weekly valuation date (which will be each Thursday of the week, other than April 30, 2037, which is the final valuation date). If a holder elects to redeem any notes, then on the applicable redemption date (and in lieu of any amounts payable with respect to such notes on the stated maturity date), such holder will be paid an amount in cash equal to the redemption value for the applicable valuation date, which will be determined as follows by multiplying the face amount of the notes being redeemed by the index factor for the applicable valuation date and by then subtracting the applicable investor fees.

Consequences of a Market Disruption Event

If a market disruption event (described under "— Special Calculation Provisions" below) occurs or is continuing on a day that would otherwise be the determination date or a valuation date, as the case may be, then the determination date or such valuation date, respectively, will be postponed to the next following trading day on which a market disruption event does not occur and is not continuing. In no event, however, will the determination date or a valuation date be postponed, in the case of the determination date, later than the originally scheduled stated maturity date (or, if the originally scheduled stated maturity date is not a business day, later than the first business day after the originally scheduled stated maturity date) and in the case of a valuation date, by more than three business days.

If the determination date or a valuation date is postponed to the last possible day, but a market disruption event occurs or is continuing on that day, that day will nevertheless be the determination date or such valuation date, respectively. In the event a market disruption event has occurred or is continuing on the determination date or a valuation date, as the case may be, the final index level or the applicable valuation index level, respectively, will be determined by the calculation agent as follows:

- with respect to each index commodity that is not affected by the market disruption event, the final index level or the applicable valuation index level, as applicable, will be based on the official settlement price of each such index commodity as published by the trading facility on which it is traded (which is referred to as the settlement price in this description of the Series B Notes) on the originally scheduled determination date or the originally scheduled date for the applicable valuation date, respectively,
- with respect to each index commodity that is affected by the market disruption event, the final index level or the applicable valuation index level, as applicable, will be based on the settlement price of each such index commodity on the first trading day immediately following the originally scheduled determination date or the originally scheduled date for the applicable valuation date, respectively, on which no market disruption event has occurred or is occurring with respect to such index commodity, *unless* such market disruption event continues with respect to any such index commodity up to and including the determination date or such valuation date, respectively, in which event the price of each such index commodity to be used in calculating the final index level or the applicable valuation index level, respectively, shall be determined by the calculation agent on the determination date or such valuation date, respectively, and
- the calculation agent shall determine the final index level or the applicable valuation index level, as applicable, by reference to the settlement prices or other prices determined in the two preceding bullet points, using the then-current method for calculating the index.

In addition, if the calculation agent determines that the index level or any settlement price that must be used to determine the final index level or a valuation index level, as applicable, is not available on the determination date or the applicable valuation date, respectively, for any other reason, then the calculation agent will determine the final index level or such valuation index level, respectively, based on its assessment, made in its sole discretion, of the level of the index or relevant settlement price on such applicable day.

Discontinuance or Modification of the Index

If the index sponsor discontinues publication of the index and the index sponsor or anyone else publishes a substitute index that the calculation agent determines is comparable to the index, then the calculation agent will determine the final index level by reference to the substitute index. References to a successor index mean any substitute index approved by the calculation agent.

If the calculation agent determines that the publication of the index is discontinued and there is no successor index, or that the level of the index is not available on the determination date or a valuation date, as applicable, because of a market disruption event or for any other reason, the calculation agent will determine the final index level or the applicable valuation index level, respectively, based on the procedures described under "—Consequences of a Market Disruption Event" above and/or by a computation methodology that the calculation agent determines will as closely as reasonably possible replicate the index or the relevant settlement prices.

As a general matter, the calculation agent shall not have any discretion to adjust the index level on any given day if the index sponsor calculates and publishes the index level in accordance with the established methodology of the index, except as described under "— Consequences of a Market Disruption Event" above. If, however, the calculation agent determines that the index or the index commodities are materially changed at any time in any respect because of any change in the method of calculating the index or the index commodities — including any addition, deletion or substitution and any reweighting or rebalancing of the index commodities, and whether the change is made by Standard & Poor's with respect to the S&P GSCI or by the index sponsor with respect to the index, is due to the publication of a successor index, is due to events affecting one or more of the index commodities or is due to any other reason — then, in such case and only in such case, the calculation agent will be permitted (but not required) to make such adjustments in the index or the method of its calculation as it believes are appropriate to ensure that the final index level or the applicable valuation index level, as applicable, used to determine the amount payable on the stated maturity date or the applicable redemption date, respectively, is equitable.

All determinations and adjustments to be made by the calculation agent as described in this description of Series B Notes with respect to the index may be made by the calculation agent in its sole discretion. The calculation agent is not obligated to make any such adjustments.

Default, Remedies and Waiver of Default

A holder will have special rights if an event of default with respect to a series of debt securities occurs and is continuing, as described in this subsection.

Events of Default

References to an event of default with respect to any series of debt securities mean any of the following:

- The Company does not pay the principal or any premium on any debt security of that series on the due date;
- The Company does not pay interest on any debt security of that series within 30 days after the due date;
- The Company does not deposit a required sinking fund payment with regard to any debt security of that series on the due date;
- The Company remains in breach of its covenant described below under "— Restriction on Liens" or any other covenant it makes in the 1999 Indenture for the benefit of the relevant series, for 60 days after it receives a notice of default stating that it is in breach and requiring it to remedy the breach. The notice must be sent by the trustee or the holders of at least 10% in principal amount of the relevant series of debt securities then outstanding; or
- The Company files for bankruptcy or other events of bankruptcy, insolvency or reorganization relating to the Company occur. Those events must arise under U.S. federal or state law, unless the Company merges, consolidates or sells its assets as described above and the successor firm is a non-U.S. entity. If that happens, then those events must arise under U.S. federal or state law or the law of the jurisdiction in which the successor firm is legally organized.

Remedies If an Event of Default Occurs

If an event of default has occurred with respect to any series of debt securities and has not been cured or waived, the trustee or the holders of not less than 25% in principal amount of all debt securities of that series then outstanding may declare the entire principal amount of the debt securities of that series to be due immediately. If the event of default occurs because of events in bankruptcy, insolvency or reorganization relating to the Company, the entire principal amount of the debt securities of that series will be automatically accelerated, without any action by the trustee or any holder.

Each of the situations described above is called an acceleration of the stated maturity of the affected series of debt securities. If the stated maturity of any series is accelerated and a judgment for payment has not yet been obtained, the holders of a majority in principal amount of the debt securities of that series may cancel the acceleration for the entire series.

If an event of default occurs, the trustee will have special duties. In that situation, the trustee will be obligated to use those of its rights and powers under the 1999 Indenture, and to use the same degree of care and skill in doing so, that a prudent person would use in that situation in conducting his or her own affairs.

Except as described in the prior paragraph, the trustee is not required to take any action under the 1999 Indenture at the request of any holders unless the holders offer the trustee reasonable protection from expenses and liability (i.e., an indemnity). If the trustee is provided with an indemnity reasonably satisfactory to it, the holders of a majority in principal amount of all debt securities of the relevant series may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee with respect to that series. These majority holders may also direct the trustee in performing any other action under the 1999 Indenture with respect to the debt securities of that series.

Before a holder bypasses the trustee and bring his or her own lawsuit or other formal legal action or take other steps to enforce his or her rights or protect his or her interests relating to any debt security, all of the following must occur:

- The holder must give the trustee written notice that an event of default has occurred, and the event of default must not have been cured or waived;
- The holders of not less than 25% in principal amount of all debt securities of a holder's series must make a written request that the trustee take action because of the default, and they or other holders must offer to the trustee indemnity reasonably satisfactory to the trustee against the cost and other liabilities of taking that action;
- The trustee must not have taken action for 60 days after the above steps have been taken; and
- During those 60 days, the holders of a majority in principal amount of the debt securities of a holder's series must not have given the trustee directions that are inconsistent with the written request of the holders of not less than 25% in principal amount of the debt securities of a holder's series.

A holder is entitled at any time, however, to bring a lawsuit for the payment of money due on his or her debt security on or after its stated maturity (or, if the debt security is redeemable, on or after its redemption date).

Waiver of Default

The holders of not less than a majority in principal amount of the debt securities of any series may waive a default for all debt securities of that series. If this happens, the default will be treated as if it has not occurred. No one can waive a payment default on a holder's notes, however, without the approval of that particular holder.

The Company Will Give the Trustee Information About Defaults Annually

The Company will furnish to the trustee every year a written statement of two of its officers certifying that to their knowledge the Company is in compliance with the 1999 Indenture and the debt securities issued under it, or else specifying any default under the relevant debt indenture.

Default Amount on Acceleration

If an event of default occurs and the maturity of the notes is accelerated, the Company will pay the default amount in respect of the principal of the notes at the maturity, instead of the amount payable on the stated maturity date as described earlier. The default amount is described under "— Special Calculation Provisions" below.

For the purpose of determining whether the holders of the Company's Medium-Term Notes, Series B, which include the Series B Notes, are entitled to take any action under the 1999 Indenture, the Company will treat the outstanding face amount of each Series B Note as the outstanding principal amount of that note. Although the terms of the Series B Notes differ from those of the other Medium-Term Notes, Series B, holders of specified percentages in principal amount of all Medium-Term Notes, Series B, together in some cases with other series of the Company's debt securities, will be able to take action affecting all the Medium-Term Notes, Series B, including the Series B Notes. This action may involve changing some of the terms that apply to the Medium-Term Notes, Series B, accelerating the maturity of the Medium-Term Notes, Series B, after a default or waiving some of the Company's obligations under the 1999 Indenture.

Modification of the Debt Indenture and Waiver of Covenants

There are four types of changes the Company can make to its 1999 Indenture and the debt securities or series of debt securities issued under the 1999 Indenture.

Changes Requiring Each Holder's Approval

First, there are changes that cannot be made without the approval of the holder of each debt security affected by the change under the 1999 Indenture. Here is a list of those types of changes:

- change the stated maturity for any principal or interest payment on a debt security;
- reduce the principal amount, the amount payable on acceleration of the stated maturity after a default, the interest rate or the redemption price for a debt security;
- permit redemption of a debt security if not previously permitted;
- impair any right a holder may have to require repayment of its debt security;
- impair any right that a holder of an indexed or any other debt security may have to convert the debt security for or into securities;
- change the currency of any payment on a debt security;
- change the place of payment on a debt security;
- impair a holder's right to sue for payment of any amount due on its debt security;
- reduce the percentage in principal amount of the debt securities of any one or more affected series, taken separately or together, as applicable, and whether comprising the same or different series or less than all of the debt securities of a series, the approval of whose holders is needed to change the debt indenture or those debt securities;
- reduce the percentage in principal amount of the debt securities of any one or more affected series, taken separately or together, as applicable, and whether comprising the same or different series or less than all of the debt securities of a series, the consent of whose holders is needed to waive the Company's compliance with the 1999 Indenture or to waive defaults; and
- change the provisions of the 1999 Indenture dealing with modification and waiver in any other respect, except to increase any required percentage referred to above or to add to the provisions that cannot be changed or waived without approval of the holder of each affected debt security.

Changes Not Requiring Approval

The second type of change does not require any approval by holders of the debt securities affected. These changes are limited to clarifications and changes that would not adversely affect any debt securities of any series in any material respect. Nor does the Company need any approval to make changes that affect only debt securities to be issued under the 1999 Indenture after the changes take effect.

The Company may also make changes or obtain waivers that do not adversely affect a particular debt security, even if they affect other debt securities. In those cases, the Company does not need to obtain the approval of the holder of the unaffected debt security; it need only obtain any required approvals from the holders of the affected debt securities.

Changes Requiring Majority Approval

Any other change to the 1999 Indenture would require the following approval by written consent:

- If the change affects only the debt securities of a particular series it must be approved by the holders of a majority in principal amount of the debt securities of that series.
- If the change affects the debt securities of more than one series of debt securities issued under the 1999 Indenture, it must be approved by the holders of a majority in principal amount of all such series affected by the change, with the debt securities of all the affected series voting together as one class for this purpose (and of any affected series that by its terms is entitled to vote separately as a class).

The same majority approval would be required for the Company to obtain a waiver of any of its covenants in the 1999 Indenture. The Company's covenants include the promises it makes about merging and putting liens on its interests in Goldman Sachs & Co. LLC. If the holders approve a waiver of a covenant, the Company will not have to comply with it. The holders, however, cannot approve a waiver of any provision in a particular debt security, or in the applicable debt indenture as it affects that debt security, that the Company cannot change without the approval of the holder of that debt security as described above in "— Changes Requiring Each Holder's Approval", unless that holder approves the waiver.

Special Rules for Action by Holders

When holders take any action under the 1999 Indenture, such as giving a notice of default, declaring an acceleration, approving any change or waiver or giving the trustee an instruction, the Company will apply the following rules.

Only Outstanding Debt Securities Are Eligible

Only holders of outstanding debt securities or the outstanding debt securities of the applicable series, as applicable, will be eligible to participate in any action by holders of such debt securities or the debt securities of that series. Also, the Company will count only outstanding debt securities in determining whether the various percentage requirements for taking action have been met. For these purposes, a debt security will not be "outstanding" if:

- it has been surrendered for cancellation;
- the Company has deposited or set aside, in trust for its holder, money for its payment or redemption;
- the Company has fully defeased it; or
- The Company or one of its affiliates, such as Goldman Sachs & Co. LLC, is the owner.

Determining Record Dates for Action by Holders

The Company will generally be entitled to set any day as a record date for the purpose of determining the holders that are entitled to take action under a particular debt indenture. In certain limited circumstances, only the trustee will be entitled to set a record date for action by holders. If the Company or the trustee set a record date for an approval or other action to be taken by holders, that vote or action may be taken only by persons or entities who are holders on the record date and must be taken during the period that the Company specifies for this purpose, or that the trustee specifies if it sets the record date. The Company or the trustee, as applicable, may shorten or lengthen this period from time to time. This period, however, may not extend beyond the 180th day after the record date for the action. In addition, record dates for any global debt security may be set in accordance with procedures established by the depositary from time to time. Accordingly, record dates for global debt securities may differ from those for other debt securities.

Mergers and Similar Transactions

The Company is generally permitted to merge or consolidate with another corporation or other entity. The Company is also permitted to sell its assets substantially as an entirety to another corporation or other entity. With regard to any series of debt securities, however, the Company may not take any of these actions unless all the following conditions are met:

- If the successor entity in the transaction is not The Goldman Sachs Group, Inc., the successor entity must be organized as a corporation, partnership or trust and must expressly assume the Company's obligations under the debt securities of that series and the underlying debt indenture with respect to that series. The successor entity may be organized under the laws of any jurisdiction, whether in the United States or elsewhere.
- Immediately after the transaction, no default under the debt securities of that series has occurred and is continuing. For this purpose, "default under the debt securities of that series" means an event of default with respect to that series or any event that would be an event of default with respect to that series if the requirements for giving the Company default notice and for the

Company's default having to continue for a specific period of time were disregarded. These matters are described below under "— Default, Remedies and Waiver of Default".

If the conditions described above are satisfied with respect to the debt securities of any series, the Company will not need to obtain the approval of the holders of those debt securities in order to merge or consolidate or to sell its assets. Also, these conditions will apply only if the Company wishes to merge or consolidate with another entity or sell its assets substantially as an entirety to another entity. The Company will not need to satisfy these conditions if it enters into other types of transactions, including any transaction in which it acquires the stock or assets of another entity, any transaction that involves a change of control of the Company but in which it does not merge or consolidate and any transaction in which the Company sells less than substantially all its assets.

Also, if the Company merges, consolidates or sells its assets substantially as an entirety and the successor is a non-U.S. entity, neither the Company nor any successor would have any obligation to compensate a holder for any resulting adverse tax consequences relating to his or her debt securities.

Restriction on Liens

In the 1999 Indenture, the Company promises, with respect to each series of senior debt securities, not to create, assume, incur or guarantee any debt for borrowed money that is secured by a lien on the voting or profit participating equity ownership interests that it or any of its subsidiaries own in Goldman Sachs & Co. LLC, or in any subsidiary that beneficially owns or holds, directly or indirectly, those interests in Goldman Sachs & Co. LLC, unless the Company also secures the senior debt securities of that series on an equal or priority basis with the other secured debt. The Company's promise, however, is subject to an important exception: it may secure debt for borrowed money with liens on those interests without securing the senior debt securities of any series if its board of directors determines that the liens do not materially detract from or interfere with the value or control of those interests, as of the date of the determination.

Except as noted above, the 1999 Indenture does not restrict the Company's ability to put liens on its interests in its subsidiaries other than Goldman Sachs & Co. LLC, nor does the indenture restrict its ability to sell or otherwise dispose of its interests in any of its subsidiaries, including Goldman Sachs & Co. LLC. In addition, the restriction on liens in the 1999 Indenture applies only to liens that secure debt for borrowed money. For example, liens imposed by operation of law, such as liens to secure statutory obligations for taxes or workers' compensation benefits, or liens the Company creates to secure obligations to pay legal judgments or surety bonds, would not be covered by this restriction.

Modified Business Day

Any payment on the notes that would otherwise be due on a day that is not a business day may instead be paid on the next day that is a business day, with the same effect as if paid on the original due date. For the Series B Notes, however, the term business day may have a different meaning than it does for other Series B medium-term notes. This term is discussed under "— Special Calculation Provisions" below.

Role of Calculation Agent

The calculation agent in its sole discretion will make all determinations regarding the index, market disruption events, business days, trading days, postponement of the determination date and the stated maturity date or a valuation date, the final index level, the applicable valuation index level for a valuation date, the index factor, the investor fees, the redemption value, the default amount and the payment amount on the Series B Notes, if any, to be made at maturity or redemption, as applicable. Absent manifest error, all determinations of the calculation agent will be final and binding on holders of the Series B Notes and the Company, without any liability on the part of the calculation agent.

Special Calculation Provisions

Business Day

References to a business day with respect to the notes mean each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in New York City generally are authorized or obligated by law, regulation or executive order to close.

Trading Day

References to a trading day with respect to the notes mean a day on which (1) the index sponsor is open for business and the index is calculated and published by the index sponsor, (2) the calculation agent in New York is open for business, (3) Goldman Sachs & Co. LLC is open for business in New York and (4) all trading facilities on which the index commodities are traded are open for trading.

Default Amount

The default amount for the notes on any day will be an amount, in the specified currency for the face amount of the notes, equal to the cost of having a qualified financial institution, of the kind and selected as described below, expressly assume all of the Company's payment and other obligations with respect to the notes as of that day and as if no default or acceleration had occurred, or to undertake other obligations providing substantially equivalent economic value to holders with respect to their notes. That cost will equal:

- the lowest amount that a qualified financial institution would charge to effect this assumption or undertaking, *plus*
- the reasonable expenses, including reasonable attorneys' fees, incurred by the holder of such notes in preparing any documentation necessary for this assumption or undertaking.

During the default quotation period for the notes, which is described below, the holder and/or the Company may request a qualified financial institution to provide a quotation of the amount it would charge to effect this assumption or undertaking. If either party obtains a quotation, it must notify the other party in writing of the quotation. The amount referred to in the first bullet point above will equal the lowest — or, if there is only one, the only —quotation obtained, and as to which notice is so given, during the default quotation period. With respect to any quotation, however, the party not obtaining the quotation may object, on reasonable and significant grounds, to the assumption or undertaking by the qualified financial institution providing the quotation and notify the other party in writing of those grounds within two business days after the last day of the default quotation period, in which case that quotation will be disregarded in determining the default amount.

Default Quotation Period

The default quotation period is the period beginning on the day the default amount first becomes due and ending on the third business day after that day, unless:

- no quotation of the kind referred to above is obtained, or
- every quotation of that kind obtained is objected to within five business days after the day the default amount first becomes due.

If either of these two events occurs, the default quotation period will continue until the third business day after the first business day on which prompt notice of a quotation is given as described above. If that quotation is objected to as described above within five business days after that first business day, however, the default quotation period will continue as described in the prior sentence and this sentence.

In any event, if the default quotation period and the subsequent two business day objection period have not ended before the determination date, then the default amount will equal the principal amount of the notes.

Qualified Financial Institutions

For the purpose of determining the default amount at any time, a qualified financial institution must be a financial institution organized under the laws of any jurisdiction in the United States of America, Europe or Japan, which at that time has outstanding debt obligations with a stated maturity of one year or less from the date of issue and is rated either:

- A-1 or higher by Standard & Poor's Ratings Group or any successor, or any other comparable rating then used by that rating agency, or

- P-1 or higher by Moody's Investors Service, Inc. or any successor, or any other comparable rating then used by that rating agency.

Market Disruption Event

Any of the following will be a market disruption event:

- a material limitation, suspension, or disruption of trading in one or more commodity contracts included in the index which results in a failure by the trading facility on which each applicable commodity contact is traded to report a settlement price for such contract on the day on which such event occurs or any succeeding day on which it continues, or
- the settlement price for any commodity contract included in the index is a "limit price", which means that the settlement price for such contract for a day has increased or decreased from the previous day's settlement price by the maximum amount permitted under applicable rules of the trading facility, or
- failure by the applicable trading facility or other price source to announce or publish the settlement price for any commodity contract included in the index.

For this purpose, "settlement price" means the official settlement price of a commodity contract included in the index as published by the trading facility on which it is traded.

As is the case throughout this description of the Series B Notes, references to the index in this description of market disruption events includes the index and any successor index as it may be modified, replaced or adjusted from time to time.

DESCRIPTION OF MEDIUM-TERM NOTES, SERIES E, INDEX-LINKED NOTES DUE 2028 OF GS FINANCE CORP. (FULLY AND UNCONDITIONALLY GUARANTEED BY THE GOLDMAN SACHS GROUP, INC.)

The following is a brief description of the terms of the Large Cap Growth Index-Linked ETNs, an issuance of Medium-Term Notes, Series E of GS Finance Corp. ("GSFC") (the "Series E Notes"), which are fully and unconditionally guaranteed by the Company. It does not purport to be complete. This description is subject to and qualified in its entirety by reference to the Senior Debt Indenture, dated as of October 10, 2008, among GSFC, as issuer, the Company, as guarantor, and The Bank of New York Mellon, as trustee, as supplemented by the First Supplemental Indenture, dated as of February 20, 2015 (collectively, the "GSFC 2008 Indenture"), which are exhibits to the Annual Report of which this exhibit is a part. Unless the context otherwise provides, all references to the Company in this description refer only to The Goldman Sachs Group, Inc. and does not include its consolidated subsidiaries.

The GSFC 2008 indenture permits GSFC to issue, from time to time, different series of debt securities and, within each different series of debt securities, different debt securities. The Medium-Term Notes, Series E are a single, distinct series of debt securities. GSFC may, however, issue notes in such amounts, at such times and on such terms as GSFC wishes. The notes of the Medium-Term Notes, Series E notes may differ from one another, and from other series, in their terms.

In this description, references to a series of debt securities mean a series issued under the GSFC 2008 Indenture, such as the notes issued under GSFC's Medium-Term Notes, Series E program.

Terms of the Series E Notes

As noted above, the Series E Notes are part of a series of debt securities, entitled "Medium-Term Notes, Series E", that GSFC may issue under the GSFC 2008 Indenture from time to time. The Series E Notes are listed on the New York Stock Exchange Arca under the ticker symbol "FRLG."

The payment of principal of, and any interest and premium on, the Series E Notes is fully and unconditionally guaranteed by the Company. The guarantee will remain in effect until the entire principal of, and interest and premium, if any, on, the Series E Notes has been paid in full or discharged in accordance with the provisions of the GSFC 1999 Indenture, or otherwise fully defeased by GSFC or by the Company. The guarantee of senior debt securities of GSFC, such as the Series E Notes, will rank equally in right of payment to all senior indebtedness of the Company.

The notes do not bear interest. The amount that will be paid on the notes at stated maturity (April 3, 2028) or redemption (which could be postponed up to 30 calendar days if a market disruption event occurs) is based on the leveraged performance of the Russell 1000® Growth Total Return Index, less significant applicable fees.

The notes had two times leverage on the inception date (March 29, 2018) and are rebalanced to approximately two times leverage both quarterly and in the event of a decline in the index level of 20% or more since the prior rebalancing date. As a result, the actual leverage may be greater or less than two times between rebalancing dates (which could be postponed up to 5 trading days if a market disruption event occurs, potentially causing leverage to significantly exceed two).

Amount payable on the notes:

The notes do not bear interest.

At maturity:

- if the notes have not been previously redeemed, on the stated maturity date GSFC will pay such holder, for each $100 face amount of his or her notes, an amount in cash equal to (i) the closing indicative note value on the final valuation date minus (ii) the settlement fee on the final valuation date

Upon redemption at the option of the holder:

- if the holder elects to have GSFC redeem at least $500,000 face amount of his or her notes, on the applicable redemption date GSFC will pay such holder, for each $100 face amount of his or her notes so redeemed, an amount in cash equal to (i) the closing indicative note value on the applicable redemption valuation date minus (ii) the settlement fee on such redemption valuation date

Upon redemption at the option of the issuer:

- if GSFC redeems a holder's notes at its option, on the applicable redemption date GSFC will pay such holder, for each $100 face amount of such holder's notes, an amount in cash equal to the closing indicative note value on the applicable redemption valuation date

Upon automatic redemption:

- if a holder's notes are automatically redeemed, on the applicable redemption date GSFC will pay such holder, for each $100 face amount of his or her notes, an amount in cash equal to the automatic redemption note value

Closing indicative note value:

- on the initial valuation date, $100; or
- on any valuation date other than the initial valuation date, (i) the asset position on such valuation date *minus* (ii) the financing level on such valuation date, subject to a minimum of $0

The closing indicative note value is intended to approximate the intrinsic economic value of the notes at a particular point in time and will fluctuate over time based on the changes in the closing level of the index, subject to applicable fees**.**

The closing indicative note value is expected to be published on each valuation date, so long as no market disruption event has occurred or is continuing, under the Bloomberg symbol "FRLGIV Index".

Intraday indicative note value: at any given time on any valuation date after the initial valuation date, before the closing indicative note value for such day is published, (i) the intraday asset position at such time on the current valuation date *minus* (ii) the financing level on the immediately preceding valuation date *minus* (iii) the daily investor fee on the current valuation date, subject to a minimum of $0.

The intraday indicative note value is intended to approximate the intrinsic economic value of the notes during the trading day and will fluctuate within a trading day based on changes in the intraday level of the index, subject to applicable fees.

The intraday indicative note value is expected to be published every 15 seconds on each valuation day during the hours on which trading is generally conducted on NYSE Arca, so long as no market disruption event has occurred or is continuing. The intraday indicative note value is expected to be published under the Bloomberg symbol "FRLGIV Index".

Asset position:

- on the initial valuation date, $200, which is equal to the initial leverage factor times the face amount per note; or
- on any valuation date other than the initial valuation date, the sum of (i) the product of (a) the asset position on the immediately preceding valuation date times (b) the index performance factor on the current valuation date plus (ii) the rebalancing amount (if any) on the current valuation date

The asset position represents a hypothetical leveraged investment in the index and reflects the exposure to the index. The value of the asset position will increase or decrease depending on the performance of the index and, on each rebalancing date, will further increase or decrease to reflect changes to the exposure to the index due to the rebalancing adjustment. The asset position is expected to be published on each valuation date, so long as no market disruption event has occurred or is continuing, under the Bloomberg symbol "FRLGAP Index".

Intraday asset position: at any given time on any valuation date after the initial valuation date, the *product* of (i) the asset position on the immediately preceding valuation date *times* (ii) the intraday index performance factor.

Settlement fee: the settlement fee is a fee imposed upon redemption at the option of the holder and payment on the stated maturity date and is *equal* to the *product* of 0.06% *times* the asset position on the applicable redemption valuation date or the final valuation date, as applicable.

The settlement fee is assessed to account for the brokerage and transaction costs in unwinding any hedge the issuer may have relating to the notes.

Index performance factor:

- on the initial valuation date, 1; or
- on any valuation date other than the initial valuation date, the quotient of (i) the closing level of the index on the current valuation date *divided* by (ii) the closing level of the index on the immediately preceding valuation date

Intraday index performance factor: at any given time on any valuation date after the initial valuation date, the *quotient* of (i) the applicable intraday level of the index at such time *divided by* (ii) the closing level of the index on the immediately preceding valuation date

Initial leverage factor: 2

Leverage factor: on any valuation date, the *quotient* of (i) the asset position on such valuation date *divided by* (ii) the closing indicative note value on such valuation date

The leverage factor reflects the leveraged exposure to the index and will reset to approximately 2 on each rebalancing date.

Financing level:

- on the initial valuation date, $100; or
- on any valuation date other than the initial valuation date, the sum of (i) the financing level on the immediately preceding valuation date plus (ii) the daily investor fee on the current valuation date plus (iii) the rebalancing fee (if any) on the current valuation date plus (iv) the rebalancing amount (if any) on the current valuation date.

The financing level represents a hypothetical loan and the accrual of the daily investor fee and the rebalancing fee (on each rebalancing date). On each rebalancing date, the financing level will increase due to the rebalancing fee and will increase or decrease to reflect changes in the hypothetical loan associated with the rebalanced exposure to the index. The daily investor fee is intended to compensate the issuer for providing investors leveraged participation in the index, including financing fees that investors may have otherwise incurred had they sought to borrow funds at a similar rate from a third party to invest in the index. The financing level is expected to be published on each valuation date, so long as no market disruption event has occurred or is continuing, under the Bloomberg symbol “FRLGFL Index”.

Daily investor fee:

- on the initial valuation date, $0; or
- on any valuation date other than the initial valuation date, the product of (i) the *sum* of (a) the *product* of (1) the financing level on the immediately preceding rebalancing date (or if none, the inception date) *times* (2) the financing fee rate *plus* (b) the *product* of (1) 0.65% per annum *times* (2) 50% times (3) the asset position on the immediately preceding valuation date *times* (ii) the *quotient* of (a) the number of calendar days from, but excluding, the immediately preceding valuation date to, and including, the current valuation date *divided* by (b) 360. In no case will the daily investor fee be negative.

The daily investor fee is assessed daily and is intended to compensate the issuer for providing investors leveraged participation in the index, including financing fees that investors may have otherwise incurred had they sought to borrow funds at a similar rate from a third party to invest in the index.

Financing fee rate:

- on any valuation date prior to and including the first quarterly rebalancing date, 3.12175%; or
- on any valuation date after the first quarterly rebalancing date, the *sum* of (i) 0.81% per annum *plus* (ii) 3-month USD LIBOR calculated on the immediately preceding quarterly rebalancing date.

The financing fee rate is intended to represent a rate for a financing fee that investors may have otherwise incurred had they sought to borrow funds at a similar rate from a third party to invest in the index.

3-month USD LIBOR: on any day, the 3-month London Interbank Offered Rate (LIBOR) for deposits in U.S. dollars as it appears on Reuters screen LIBOR01 page (or any successor or replacement service or page thereof) at 11:00 a.m., London time on such day (or, if such day is not a London business day, the immediately preceding London business day), subject to adjustment as described below.

Discontinuance of 3-month USD LIBOR: if the calculation agent determines, on a day on which 3-month USD LIBOR is scheduled to be determined under the terms of the notes, that 3-month USD LIBOR has been discontinued, then the calculation agent will use a substitute or successor rate that it has determined in its sole discretion is most comparable to the 3-month USD LIBOR rate, provided that if the calculation agent determines there is an industry-accepted successor rate, then the calculation agent shall use such successor rate. If the calculation agent has determined a substitute or successor rate in accordance with the foregoing, the calculation agent in its sole discretion may determine the definition of business day and the valuation dates to be used, and any other relevant methodology for calculating such substitute or successor rate, including any adjustment factor needed to make such substitute or successor rate comparable to the 3-month USD LIBOR rate, in a manner that is consistent with industry-accepted practices for such substitute or successor rate.

Unless the calculation agent uses a substitute or successor rate as so provided, if the 3-month USD LIBOR rate cannot be determined in the manner described above, then:

- If 3-month USD LIBOR does not appear on the Reuters screen LIBOR page on any day, then the calculation agent will determine 3-month USD LIBOR on the basis of the rates at which deposits in U.S. dollars are offered by four major banks in the London interbank market at approximately 11:00 a.m., London time, on such London business day to prime banks in the London interbank market for a period of three months commencing in two London business days and in a representative amount. The calculation agent will request the principal London office of each of the four major banks in the London interbank market to provide a quotation of its rate. If at least two such quotations are provided, 3-month USD LIBOR for such London business day will be the arithmetic mean of the quotations.
- If fewer than two quotations are provided as requested, 3-month USD LIBOR for such London business day will be the arithmetic mean of the rates quoted by major banks in New York City, selected by the calculation agent, at approximately 11:00 a.m., New York City time, on such London business day for loans in U.S. dollars to leading European banks for a period of three months commencing in two London business days and in a representative amount.
- If no quotation is provided, then the calculation agent, after consulting such sources as it deems comparable to any of the foregoing quotations or display page, or any such source as it deems reasonable from which to estimate 3-month USD LIBOR or any of the foregoing lending rates, shall determine 3-month USD LIBOR for the applicable day in its sole discretion.

For the purposes of the previous paragraph, “representative amount” means an amount that is representative for a single transaction in the relevant market at the relevant time.

Closing level of the index: as described below under “- Special Calculation Provisions - Closing Level of the Index”

Intraday level of the index: as described below under “- Special Calculation Provisions - Intraday Level of the Index”

Inception date: March 29, 2018

Initial valuation date: the inception date

Final valuation date: March 29, 2028, unless the calculation agent determines that a market disruption event occurs or is continuing on that day or that day is not otherwise a trading day. In that event, the final valuation date will be the first following trading day on which the calculation agent determines that a market disruption event does not occur and is not continuing. In no event, however, will the final valuation date be postponed by more than thirty calendar days. If the final valuation date is postponed to the last possible day, but a market disruption event occurs or is continuing on that day or that day is not a trading day, that day will nevertheless be the final valuation date.

Valuation dates: each trading day during the period commencing on the initial valuation date and ending on the final valuation date. Notwithstanding the immediately preceding sentence, if the calculation agent determines that a market disruption event occurs or is continuing on a redemption valuation date, the automatic redemption valuation date, a loss rebalancing date, a quarterly rebalancing date or the final valuation date, such redemption valuation date, automatic redemption valuation date, loss rebalancing date, quarterly rebalancing date or final valuation date, as applicable, will be postponed for the purpose of the redemption, rebalancing or maturity valuation, as applicable, as described herein.

Stated maturity date: April 3, 2028, unless that day is not a business day, in which case the stated maturity date will be postponed to the next following business day. If the final valuation date is postponed as described under "- Final Valuation Date" above, the stated maturity date will be postponed by the same number of business day(s) from but excluding the originally scheduled final valuation date to and including the actual final valuation date.

Redemption (three types: at the option of the holder; at the option of the issuer; and automatic):

Redemption at the option of the holder:

A holder may elect to have GSFC redeem his or her notes prior to the stated maturity date, in whole or in part, provided that in each case such holder redeems at least $500,000 face amount of notes.

Redemption at the option of the issuer:

GSFC may redeem the notes at its option prior to the stated maturity date, in whole but not in part.

Automatic redemption:

GSFC will automatically redeem the notes, in whole but not in part, if, at any time on any valuation date prior to the final valuation date, the intraday level of the index is equal to or less than 70% of the closing level of the index on the immediately preceding rebalancing date (or if none, the inception date).

Redemption valuation date (with respect to redemption at the option of the holder): the first valuation date following the date on which the holder delivers notice to GSFC in compliance with the applicable procedures. Notwithstanding the immediately preceding sentence, if a market disruption event occurs or is continuing on a redemption valuation date (with respect to redemption at the option of the holder), such redemption valuation date will be the first following trading day on which the calculation agent determines that a market disruption event does not occur and is not continuing. In no event, however, will a redemption valuation date be postponed by more than 30 calendar days. If such redemption valuation date is postponed to the last possible day, but a market disruption event occurs or is continuing on that day or that day is not a trading day, that day will nevertheless be the redemption valuation date.

Redemption date (with respect to redemption at the option of the holder): the third business day following the applicable redemption valuation date

Redemption valuation date (with respect to redemption at the option of the issuer): the tenth valuation date following the date on which GSFC provides notice to holders of the notes and the trustee. Notwithstanding the immediately preceding sentence, if a market disruption event occurs or is continuing on a redemption valuation date (with respect to redemption at the option of the issuer), such redemption valuation date will be the first following trading day on which the calculation agent determines that a market disruption event does not occur and is not continuing. In no event, however, will a redemption valuation date be postponed by more than 30 calendar days. If such redemption valuation date is postponed to the last possible day, but a market disruption event occurs or is continuing on that day or that day is not a trading day, that day will nevertheless be the redemption valuation date.

Redemption date (with respect to redemption at the option of the issuer): the third business day following the applicable redemption valuation date

Redemption date (with respect to automatic redemption): the fifth business day following the automatic redemption valuation date

Automatic redemption event: GSFC will automatically redeem the notes, in whole but not in part, if, at any time on any valuation date prior to the final valuation date, the intraday level of the index is equal to or less than the automatic redemption trigger

If an automatic redemption event occurs on a rebalancing date, the notes will be automatically redeemed pursuant to the automatic redemption event without giving regard to the rebalancing adjustment. If GSFC provides notice of an issuer redemption of the notes and then an automatic redemption event occurs on or prior to the applicable redemption valuation date, the notice of issuer redemption will be superseded and the notes will be automatically redeemed on the relevant redemption date at an amount equal to the automatic redemption note value. Additionally, if a holder provides notice of a holder redemption but an automatic redemption event occurs on or prior to the applicable redemption valuation date, such notice of holder redemption will be superseded and the notes will be automatically redeemed on the redemption date (for the automatic redemption) at an amount equal to the automatic redemption note value.

Automatic redemption event date: the valuation date on which the automatic redemption event occurs

Automatic redemption valuation date: the automatic redemption event date, provided that if (i) a market disruption event occurs after the occurrence of the automatic redemption event but before the determination of the automatic redemption note value and (ii) such market disruption event is continuing at 3:30 p.m., New York City time, on the automatic redemption event date, the automatic redemption valuation date will be the first following valuation date on which the calculation agent determines that a market disruption event does not occur and is not continuing. In no event, however, will the automatic redemption valuation date be postponed by more than 30 calendar days. If the automatic redemption valuation date is postponed to the last possible day, but a market disruption event occurs or is continuing on that day, that day will nevertheless be the automatic redemption valuation date.

Automatic redemption trigger: at any time on any valuation date, 70% of the closing level of the index on the immediately preceding rebalancing date (or if none, the inception date). The automatic redemption trigger is expected to be published on each valuation date, so long as no market disruption event has occurred or is continuing, under the Bloomberg symbol “FRLGAT Index”.

Automatic redemption note value: upon the occurrence of an automatic redemption event, the *result* of (i) the *product* of (a) the asset position on the valuation date immediately preceding the automatic redemption event date *times* (b) the automatic redemption index performance factor *minus* (ii) the financing level on the automatic redemption event date, subject to a minimum of $0

Automatic redemption index performance factor:

- if an automatic redemption event occurs prior to 2:30 p.m., New York City time, or at or after 3:30 p.m., New York City time, on the automatic redemption event date, the *quotient* of (i) the index VWAP level *divided* by (ii) the closing level of the index on the valuation date immediately preceding the automatic redemption event date; or
- if an automatic redemption event occurs at or after 2:30 p.m., New York City time, but prior to 3:30 p.m., New York City time, on the automatic redemption event date, the *quotient* of (i) the closing level of the index on the automatic redemption event date *divided* by (ii) the closing level of the index on the valuation date immediately preceding the automatic redemption event date

Index VWAP level: on any applicable valuation date, the *sum* of the *products*, as calculated for each index stock, of (i) the VWAP of such index stock *times* (ii) the *quotient* of (a) the available float shares of such index stock on such valuation date *divided* by (b) the index divisor on such valuation date.

The index VWAP level is intended to replicate the proceeds realized from a sale of the index stocks in the quantities that they comprise the index gradually over the relevant VWAP period.

Volume-weighted average price (VWAP): with respect to each index stock, on any applicable valuation date, the *sum* of the *quotients*, calculated for each transaction on such index stock on the primary exchange during the applicable VWAP period, of (i) the *product* of (a) the gross price at which such transaction is executed *times* (b) the relevant number of shares of the index stock referenced in such transaction *divided* by (ii) the total number of shares of the index stock traded on the primary exchange during such VWAP period.

Notwithstanding the above, in the event of a suspension of or limitation of trading in an index stock on its respective primary market during a part or all of the VWAP period where such suspension or limitation does not trigger a market disruption event (such suspension or limitation, an "index stock disruption"), the VWAP will be calculated during the portion of the VWAP period during which there is no such index stock disruption; provided that if the index stock disruption continues for the entire VWAP period, the calculation agent will determine the VWAP for such index stock in its sole discretion and in a commercially reasonable manner.

VWAP period:

- if an automatic redemption event occurs prior to 2:30 p.m., New York City time, on the automatic redemption event date, the one-hour period starting 30 minutes after the automatic redemption event occurs; or
- if an automatic redemption event occurs at or after 3:30 p.m., New York City time, on the automatic redemption event date, the one-hour period starting at 10:00 a.m., New York City time, on the valuation date immediately following such automatic redemption event date.

Available float shares: with respect to each index stock, on any applicable valuation date, the *result*, as published by the index sponsor, of (i) total shares of such index stock outstanding *minus* (ii) the shares of such index stock held by control holders

Index divisor: on any applicable valuation date, a value calculated and published by the index sponsor that is intended to maintain conformity in index values over time

Primary exchange: for each index stock, the exchange on which such index stock has its primary listing, as determined by the calculation agent

Rebalancing: rebalancing can occur on a quarterly rebalancing date or because of a loss rebalancing event

Loss rebalancing event: if, on any valuation date that is not a rebalancing date, the closing level of the index is equal to or less than the loss rebalancing trigger, a loss rebalancing event is deemed to have occurred on such valuation date. A loss rebalancing event will result in the notes being rebalanced on the loss rebalancing date and will have the effect of deleveraging the notes with the aim of resetting the then-current leverage factor back to approximately 2. This means that after the applicable loss rebalancing date, a constant percentage increase in the closing level of the index will have less of a positive effect on the value of the notes relative to before such loss rebalancing date

Loss rebalancing trigger: on any valuation date, 80% of the closing level of the index on the immediately preceding rebalancing date (or if none, the initial valuation date). The loss rebalancing trigger is expected to be published on each valuation date, so long as no market disruption event has occurred or is continuing, under the Bloomberg symbol "FRLGRT Index".

Loss rebalancing date: the first valuation date immediately following any valuation date on which a loss rebalancing event occurs, unless the calculation agent determines that a market disruption event occurs or is continuing on that day or that day is not otherwise a trading day. In that event, the loss rebalancing date will be the first following trading day on which the calculation agent determines that a market disruption event does not occur and is not continuing. In no event, however, will the loss rebalancing date be postponed by more than five trading days. If the loss rebalancing date is postponed to the last possible day, but a market disruption event occurs or is continuing on that day or that day is not a trading day, that day will nevertheless be the loss rebalancing date.

Quarterly rebalancing calculation date: the last valuation date of each March, June, September and December, commencing in June 2018 and ending in December 2027.

Quarterly rebalancing date: the first valuation date immediately following each quarterly rebalancing calculation date, unless the calculation agent determines that a market disruption event occurs or is continuing on that day or that day is not otherwise a trading day. In that event, the quarterly rebalancing date will be the first following trading day on which the calculation agent determines that a market disruption event does not occur and is not continuing. In no event, however, will the quarterly rebalancing date be postponed by more than five trading days. If the quarterly rebalancing date is postponed to the last possible day, but a market disruption event occurs or is continuing on that day or that day is not a trading day, that day will nevertheless be the quarterly rebalancing date.

The rebalancing adjustment on each quarterly rebalancing date will have the effect of re-leveraging the notes with the aim of resetting the then-current leverage factor back to approximately 2. This means that after each quarterly rebalancing date, a constant percentage increase in the closing level of the index may have more or less of a positive effect on the value of the notes relative to before such quarterly rebalancing date.

Rebalancing date: a quarterly rebalancing date or loss rebalancing date

Rebalancing amount:

- on any valuation date that is not a rebalancing date, $0; or
- on any valuation date that is a rebalancing date, the *product* of (i) the *result* of (a) the *product* of (1) 2 *times* (2) the closing indicative note value on the immediately preceding valuation date on which a loss rebalancing event occurs or the immediately preceding quarterly rebalancing calculation date (whichever is more recent) *minus* (b) the asset position on the immediately preceding valuation date on which a loss rebalancing event occurs or the immediately preceding quarterly rebalancing calculation date (whichever is more recent) *times* (ii) the *quotient* of (a) the closing level of the index on the current rebalancing date *divided* by (b) the closing level of the index on the immediately preceding valuation date on which a loss rebalancing event occurs or the immediately preceding quarterly rebalancing calculation date (whichever is more recent).

The rebalancing amount represents the change in the exposure to the index as a result of any rebalancing event. On each rebalancing date, a rebalancing amount is added to or subtracted from the asset position and the financing level depending on the performance of the index since the preceding rebalancing date so that the leverage is reset to approximately 2.

Rebalancing fee:

- on any valuation date that is not a rebalancing date, $0; or
- on any valuation date that is a rebalancing date, the *product* of (i) the rebalancing fee rate *times* (ii) the absolute value of the rebalancing amount on such rebalancing date. In no case will the rebalancing fee be negative.

The rebalancing fee is charged to account for the issuer's brokerage and transaction costs due to the change in the exposure to the index.

Rebalancing fee rate: 0.06%

Consequences of a Market Disruption Event or a Non-Trading Day

If a market disruption event occurs or is continuing on a day that would otherwise be a redemption valuation date, the automatic redemption valuation date, a loss rebalancing date, a quarterly rebalancing date or the final valuation date, as applicable, or such day is not a trading day, then the redemption valuation date, the automatic redemption valuation date, the loss rebalancing date, the quarterly rebalancing date or the final valuation date, as applicable, will be postponed as described above.

If the automatic redemption valuation date is postponed, the calculation agent in its sole discretion will determine the automatic redemption index performance factor based on the index VWAP level over a one-hour period as soon as practicable after the cessation of the market disruption event. If the calculation agent determines that the index VWAP level that must be used to determine the amount payable on the Series E Notes is not available on the automatic redemption valuation date because of a market disruption event, a non-trading day or for any other reason,

then the calculation agent will nevertheless determine the automatic redemption index performance factor in its sole discretion.

If the calculation agent determines that the closing level of the index that must be used to determine the amount payable on the Series E Notes is not available on a redemption valuation date, the automatic redemption valuation date or the final valuation date because of a market disruption event, a non-trading day or for any other reason (other than as described under "- Discontinuance or Modification of the Index" below), then the calculation agent will nevertheless determine the level of the index based on its assessment, and in its sole discretion, of the level of the index on that day.

If the calculation agent determines that the closing level of the index that must be used to determine the rebalancing amount is not available on a loss rebalancing date or quarterly rebalancing date because of a market disruption event, a non-trading day or for any other reason (other than as described under "- Discontinuance or Modification of the Index" below), then the calculation agent will nevertheless determine the rebalancing amount based on its assessment, and in its sole discretion, of the level of the index on that day.

Discontinuance or Modification of the Index

If the index sponsor discontinues publication of the index and the index sponsor or anyone else publishes a substitute index that the calculation agent determines is comparable to the index, or if the calculation agent designates a substitute index, then the calculation agent will determine the amount payable on the Series E Notes by reference to the substitute index. References to a successor index mean any substitute index approved by the calculation agent.

If the calculation agent determines that the publication of the index is discontinued and there is no successor index, the calculation agent will determine the applicable level of the index (and, with respect to the determination of the index VWAP, the index divisor and the available float shares) used to determine the amount payable on the notes by a computation methodology that the calculation agent determines will as closely as reasonably possible replicate the index.

If the calculation agent determines that the index, the stocks comprising the index or the method of calculating the index is changed at any time in any respect – including any split or reverse split and any addition, deletion or substitution and any reweighting or rebalancing of the index or of the index stocks and whether the change is made by the index sponsor under its existing policies or following a modification of those policies, is due to the publication of a successor index, is due to events affecting one or more of the index stocks or their issuers or is due to any other reason – and is not otherwise reflected in the level of the index by the index sponsor pursuant to the then-current index methodology of the index, then the calculation agent will be permitted (but not required) to make such adjustments in the index or the method of its calculation as it believes are appropriate to ensure that the levels of the index used to determine the amount payable on the notes is equitable.

All determinations and adjustments to be made by the calculation agent with respect to the index may be made by the calculation agent in its sole discretion. The calculation agent is not obligated to make any such adjustments.

Default, Remedies and Waiver of Default

A holder will have special rights if an event of default with respect to his or her series of debt securities occurs and is continuing, as described in this subsection.

Events of Default

References to an event of default with respect to any series of debt securities mean any of the following:

- GSFC or the Company does not pay the principal or any premium on any debt security of that series on the due date;
- GSFC or the Company does not pay interest on any debt security of that series within 30 days after the due date;
- GSFC or the Company does not deposit a required sinking fund payment with regard to any debt security of that series on the due date;

- GSFC remains in breach of any other covenant it makes in the GSFC 2008 Indenture for the benefit of the relevant series, for 60 days after GSFC and the Company receive a notice of default stating that GSFC is in breach and requiring GSFC to remedy the breach. The notice must be sent by the trustee or the holders of at least 10% in principal amount of the relevant series of debt securities then outstanding;
- GSFC files for bankruptcy or other events of bankruptcy, insolvency or reorganization relating to GSFC occur. Those events must arise under U.S. federal or state law, unless GSFC merges, consolidates or sells its assets as described above and the successor firm is a non-U.S. entity. If that happens, then those events must arise under U.S. federal or state law or the law of the jurisdiction in which the successor firm is legally organized; or
- Except as provided by the GSFC 2008 Indenture, the debt security of that series and the related guarantee, the guarantee ceases to be effective, or a court finds the guarantee to be unenforceable or invalid, or the Company denies its obligations as the guarantor.

As described below under "Remedies If an Event of Default Occurs", under the GSFC 2008 Indenture, events of bankruptcy, insolvency or reorganization relating to the Company will not cause any of GSFC's debt securities issued under such indenture to be automatically accelerated. In the event that the Company becomes subject to certain events of bankruptcy, insolvency or reorganization (but GSFC does not), any series of debt securities issued under the GSFC 2008 Indenture will not be immediately due and repayable. In addition, under the GSFC 2008 Indenture, a breach of a covenant or warranty by the Company (including, for example, a breach of the Company's covenants and warranties with respect to mergers and similar transactions or restrictions on liens) will not have the potential to cause any of GSFC's debt securities issued under the GSFC 2008 Indenture to be declared due and payable immediately. Instead, under the GSFC 2008 Indenture, the trustee or holder will need to wait until the earlier of the time that (i) GSFC itself becomes subject to certain events of bankruptcy, insolvency or reorganization or otherwise defaults on the terms of the debt securities, (ii) The Company otherwise defaults on the terms of the debt securities and (iii) the final maturity of the debt securities. The return the holder receives on any series of debt securities issued under the GSFC 2008 Indenture may be significantly less than what a holder would have otherwise received had the debt securities been automatically accelerated upon certain events of bankruptcy, insolvency or reorganization relating to the Company or declared due and payable immediately following the breach of a covenant or warranty by the Company.

Remedies If an Event of Default Occurs

If an event of default has occurred with respect to any series of debt securities and has not been cured or waived, the trustee or the holders of not less than 25% in principal amount of all debt securities of that series then outstanding may declare the entire principal amount of the debt securities of that series to be due immediately. If the event of default occurs because of events in bankruptcy, insolvency or reorganization relating to GSFC, the entire principal amount of the debt securities of that series will be automatically accelerated, without any action by the trustee or any holder.

Each of the situations described above is called an acceleration of the stated maturity of the affected series of debt securities. If the stated maturity of any series is accelerated and a judgment for payment has not yet been obtained, the holders of a majority in principal amount of the debt securities of that series may cancel the acceleration for the entire series.

If an event of default occurs, the trustee will have special duties. In that situation, the trustee will be obligated to use those of its rights and powers under the GSFC 2008 Indenture, and to use the same degree of care and skill in doing so, that a prudent person would use in that situation in conducting his or her own affairs.

Except as described in the prior paragraph, the trustee is not required to take any action under the GSFC 2008 Indenture at the request of any holders unless the holders offer the trustee reasonable protection from expenses and liability (i.e., an indemnity). If the trustee is provided with an indemnity reasonably satisfactory to it, the holders of a majority in principal amount of all debt securities of the relevant series may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee with respect to that series. These majority holders may also direct the trustee in performing any other action under the GSFC 2008 Indenture with respect to the debt securities of that series.

Before a holder bypasses the trustee and bring its own lawsuit or other formal legal action or take other steps to enforce its rights or protect its interests relating to any debt security, all of the following must occur:

- The holder must give the trustee written notice that an event of default has occurred, and the event of default must not have been cured or waived;
- The holders of not less than 25% in principal amount of all debt securities of a holder's series must make a written request that the trustee take action because of the default, and they or other holders must offer to the trustee indemnity reasonably satisfactory to the trustee against the cost and other liabilities of taking that action;
- The trustee must not have taken action for 60 days after the above steps have been taken; and
- During those 60 days, the holders of a majority in principal amount of the debt securities of a holder's series must not have given the trustee directions that are inconsistent with the written request of the holders of not less than 25% in principal amount of the debt securities of a holder's series.

A holder is entitled at any time, however, to bring a lawsuit for the payment of money due on his or her debt security on or after its stated maturity (or, if the debt security is redeemable, on or after its redemption date).

Waiver of Default

The holders of not less than a majority in principal amount of the debt securities of any series may waive a default for all debt securities of that series. If this happens, the default will be treated as if it has not occurred. No one can waive a payment default on a holder's debt security, however, without the approval of the particular holder of that debt security.

GSFC and the Company Will Give the Trustee Information About Defaults Annually

GSFC and the Company will furnish to the trustee every year a written statement, respectively, of two of their officers certifying that to their knowledge GSFC or the Company, as the case may be, is in compliance with the GSFC 2008 Indenture and the debt securities issued under it, or else specifying any default under the relevant debt indenture.

Default Amount on Acceleration

If an event of default occurs and the maturity of the notes is accelerated, GSFC will pay the default amount in respect of the principal of the notes at the maturity, instead of the amount payable on the notes as described earlier. The default amount is described under "- Special Calculation Provisions" below.

For the purpose of determining whether the holders of GSFC's Medium-Term Notes Series E, which include the Series E Notes, are entitled to take any action under the GSFC 2008 Indenture, GSFC will treat the outstanding face amount of each Series E Note as the outstanding principal amount of that note. Although the terms of the Series E Notes differ from those of the other Medium-Term Notes Series E, holders of specified percentages in principal amount of all Medium-Term Notes Series E, together in some cases with other series of GSFC's debt securities, will be able to take action affecting all the Medium-Term Notes Series E, including the Series E Notes, except with respect to certain Medium-Term Notes Series E, if the terms of such notes specify that the holders of specified percentages in the principal amount of all such notes must also consent to such action. This action may involve changing some of the terms that apply to the Medium-Term Notes Series E, accelerating the maturity of the Medium-Term Notes Series E, after a default or waiving some of GSFC's obligations under the GSFC 2008 Indenture. In addition, certain changes to the GSFC 2008 Indenture and the notes that only affect certain debt securities may be made with the approval of holders of a majority of the principal amount of such affected debt securities.

Guarantee by the Company.

The Company has fully and unconditionally guaranteed the payment of principal of, and any interest and premium on, the Medium-Term Notes, Series E, which include the Series E Notes, when due and payable, whether at the stated maturity, by declaration of acceleration, call for redemption or otherwise, in accordance with the terms of the security and the GSFC 2008 Indenture. The guarantee will remain in effect until the entire principal of, and interest and premium, if any, on, the debt securities has been paid in full or discharged in accordance with the provisions of the GSFC 2008 Indenture, or otherwise fully defeased by the Company.

The guarantee by the Company of its debt securities issued under the GSFC 2008 Indenture will rank equally in right of payment with all senior indebtedness of the Company.

Mergers and Similar Transactions

GSFC and the Company are generally permitted to merge or consolidate with another corporation or other entity. GSFC and the Company also permitted to sell their assets substantially as an entirety to another corporation or other entity. With regard to any series of debt securities, however, GSFC or the Company may not take any of these actions unless all the following conditions are met:

- If the successor entity in the transaction is not GS Finance Corp. or The Goldman Sachs Group, Inc., as the case may be, the successor entity must be organized as a corporation, partnership or trust and must expressly assume the obligations of GSFC or the Company under the debt securities of that series and the GSFC 2008 Indenture with respect to that series. The successor entity may be organized under the laws of any jurisdiction, whether in the United States or elsewhere.
- Immediately after the transaction, no default under the debt securities of that series or the related guarantees has occurred and is continuing. For this purpose, "default under the debt securities of that series or the related guarantees" means an event of default with respect to that series or the related guarantees or any event that would be an event of default with respect to that series or the related guarantees if the requirements for giving GSFC or the Company default notice and for GSFC's or the Company's default having to continue for a specific period of time were disregarded.

If the conditions described above are satisfied with respect to debt securities of any series, neither GSFC nor the Company will need to obtain the approval of the holders of those debt securities in order to merge or consolidate or to sell assets of GSFC or the Company. Also, these conditions will apply only if GSFC or the Company wishes to merge or consolidate with another entity or sell assets of GSFC or the Company substantially as an entirety to another entity. Neither GSFC nor the Company will need to satisfy these conditions if GSFC or the Company enters into other types of transactions, including any transaction in which GSFC or the Company acquire the stock or assets of another entity, any transaction that involves a change of control of GSFC or the Company but in which GSFC or the Company does not merge or consolidate and any transaction in which GSFC or the Company sells less than substantially all assets of GSFC or the Company. While GSFC is currently a wholly owned subsidiary of the Company, there is no requirement that it remain a subsidiary.

Also, if GSFC or the Company merges, consolidates or sells assets of GSFC or the Company substantially as an entirety and the successor is a non-U.S. entity, neither GSFC nor any successor would have any obligation to compensate a holder for any resulting adverse tax consequences relating to his or her debt securities.

Restriction on Liens

In the GSFC 2008 Indenture, the Company promises, with respect to each series of senior debt securities, not to create, assume, incur or guarantee any debt for borrowed money that is secured by a lien on the voting or profit participating equity ownership interests that the Company or any of its subsidiaries own in Goldman Sachs & Co. LLC, or in any subsidiary of the Company that beneficially owns or holds, directly or indirectly, those interests in Goldman Sachs & Co. LLC, unless the Company also secures the senior debt securities of that series on an equal or priority basis with the other secured debt. The promise of the Company, however, is subject to an important exception: it may secure debt for borrowed money with liens on those interests without securing the senior debt securities of any series if its board of directors determines that the liens do not materially detract from or interfere with the value or control of those interests, as of the date of the determination.

Except as noted above, the GSFC 2008 Indenture does not restrict the Company's ability to put liens on its interests in its subsidiaries other than Goldman Sachs & Co. LLC, nor does the indenture restrict the Company's ability to sell or otherwise dispose of its interests in any of its subsidiaries, including Goldman Sachs & Co. LLC. In addition, the restriction on liens in the GSFC 2008 Indenture applies only to liens that secure debt for borrowed money. For example, liens imposed by operation of law, such as liens to secure statutory obligations for taxes or workers' compensation benefits, or liens the Company creates to secure obligations to pay legal judgments or surety bonds, would not be covered by this restriction.

Modification of the Debt Indenture and Waiver of Covenants

There are four types of changes GSFC and the Company can make to the GSFC 2008 Indenture and the debt securities or series of debt securities and related guarantees issued under the GSFC 2008 Indenture.

Changes Requiring Each Holder's Approval

First, there are changes that cannot be made without the approval of the holder of each debt security affected by the change under the GSFC 2008 Indenture. Here is a list of those types of changes:

- change the stated maturity for any principal or interest payment on a debt security;
- reduce the principal amount, the amount payable on acceleration of the stated maturity after a default, the interest rate or the redemption price for a debt security;
- permit redemption of a debt security if not previously permitted;
- impair any right a holder may have to require repayment of its debt security;
- change the currency of any payment on a debt security;
- change the place of payment on a debt security;
- impair a holder's right to sue for payment of any amount due on its debt security;
- reduce the percentage in principal amount of the debt securities of any one or more affected series, taken
- separately or together, as applicable, and whether comprising the same or different series or less than all of the debt securities of a series, the approval of whose holders is needed to change the applicable debt indenture or those debt securities;
- reduce the percentage in principal amount of the debt securities of any one or more affected series, taken separately or together, as applicable, and whether comprising the same or different series or less than all of the debt securities of a series, the consent of whose holders is needed to waive GSFC's compliance with the applicable debt indenture or to waive defaults; and
- change the provisions of the applicable debt indenture dealing with modification and waiver in any other respect, except to increase any required percentage referred to above or to add to the provisions that cannot be changed or waived without approval of the holder of each affected debt security.

Changes Not Requiring Approval

The second type of change does not require any approval by holders of the debt securities affected. These changes are limited to clarifications and changes that would not adversely affect any debt securities of any series in any material respect. Neither GSFC nor the Company needs any approval to make changes that affect only debt securities to be issued under the applicable indenture after the changes take effect.

GSFC and the Company may also make changes or obtain waivers that do not adversely affect a particular debt security, even if they affect other debt securities. In those cases, neither GSFC nor the Company needs to obtain the approval of the holder of the unaffected debt security; GSFC and the Company need only obtain any required approvals from the holders of the affected debt securities.

Changes Requiring Majority Approval

Any other change to the GSFC 2008 Indenture and the debt securities issued under such debt indenture would require the following approval:

- If the change affects only particular debt securities within a series, it must be approved by the holders of a majority in principal amount of such particular debt securities.
- If the change affects multiple debt securities of one or more series, it must be approved by the holders of a majority in principal amount of all debt securities affected by the change, with all such affected debt securities voting together as one class for this purpose (and by the holders of a majority in principal amount of any affected debt securities that by their terms are entitled to vote separately).

In each case, the required approval must be given by written consent.

This would mean that modification of terms with respect to certain debt securities of a series could be effectuated under the GSFC 2008 Indenture without obtaining the consent of the holders of a majority in principal amount of other securities of such series that are not affected by such modification.

The same majority approval would be required for GSFC to obtain a waiver of any of its covenants in the GSFC 2008 Indenture. GSFC's covenants include the promises GSFC and the Company make about merging and, with respect to the Company, putting liens on GSFC's interests in Goldman Sachs & Co. LLC. If the holders approve a waiver of a covenant, neither GSFC nor the Company will have to comply with it. The holders, however, cannot approve a waiver of any provision in a particular debt security, or in the GSFC 2008 Indenture as it affects that debt security, that neither GSFC nor the Company can change without the approval of the holder of that debt security as described above in "— Changes Requiring Each Holder's Approval", unless that holder approves the waiver.

Special Rules for Action by Holders

When holders take any action under the GSFC 2008 Indenture, such as giving a notice of default, declaring an acceleration, approving any change or waiver or giving the trustee an instruction, GSFC will apply the following rules.

Only Outstanding Debt Securities Are Eligible

Only holders of outstanding debt securities or the outstanding debt securities of the applicable series, as applicable, will be eligible to participate in any action by holders of such debt securities or the debt securities of that series. Also, GSFC will count only outstanding debt securities in determining whether the various percentage requirements for taking action have been met. For these purposes, a debt security will not be "outstanding" if:

- it has been surrendered for cancellation;
- GSFC has deposited or set aside, in trust for its holder, money for its payment or redemption;
- GSFC has fully defeased it; or
- GSFC or one of its affiliates, such as Goldman Sachs & Co. LLC, is the owner.

Determining Record Dates for Action by Holders

GSFC and the Company will generally be entitled to set any day as a record date for the purpose of determining the holders that are entitled to take action under a particular debt indenture. In certain limited circumstances, only the trustee will be entitled to set a record date for action by holders. If GSFC, the Company or the trustee set a record date for an approval or other action to be taken by holders, that vote or action may be taken only by persons or entities who are holders on the record date and must be taken during the period that GSFC specifies for this purpose, or that the trustee specifies if it sets the record date. GSFC, the Company or the trustee, as applicable, may shorten or lengthen this period from time to time.

This period, however, may not extend beyond the 180th day after the record date for the action. In addition, record dates for any global debt security may be set in accordance with procedures established by the depositary from time to time. Accordingly, record dates for global debt securities may differ from those for other debt securities.

Bloomberg symbols:

The Bloomberg symbols under which information relating to the notes can be located are set forth below. The publication of this information may occasionally be subject to delay or postponement.

- Closing level of the index and intraday level of the index: RU10GRTR Index
- Closing indicative note value and intraday indicative note value: FRLGIV Index
- Asset position: FRLGAP Index
- Financing level: FRLGFL Index
- Loss rebalancing trigger: FRLGRT Index
- Automatic redemption trigger: FRLGAT Index

Modified Business Day

Any payment on the notes that would otherwise be due on a day that is not a business day may instead be paid on the next day that is a business day, with the same effect as if paid on the original due date. The business day term is discussed under "- Special Calculation Provisions" below.

Role of Calculation Agent

The calculation agent in its sole discretion will make all determinations regarding the index, market disruption events, business days, trading days, including determining the closing level or intraday level of the index on any valuation date; the 3-month USD LIBOR rate; whether the notes will be redeemed; the valuation dates; the final valuation date; the redemption valuation dates; the automatic redemption valuation date, the redemption dates, the stated maturity date and the amount payable on the notes. Absent manifest error, all determinations of the calculation agent will be final and binding on holders of the Series E Notes and GSFC, without any liability on the part of the calculation agent.

Special Calculation Provisions

Business Day

References to a business day with respect to the notes mean each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in New York City generally are authorized or obligated by law, regulation or executive order to close.

London Business Day

References to a London business day with respect to the notes mean each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in London generally are authorized or obligated by law, regulation or executive order to close and is also a day on which dealings in the applicable index currency are transacted in the London interbank market.

Trading Day

References to a trading day with respect to the notes mean a day on which the respective principal securities markets for all of the index stocks are open for trading, the index sponsor is open for business and the index is calculated and published by the index sponsor.

Closing Level of the Index

References to the closing level of the index on any trading day mean the closing level of the index or any successor index reported by Bloomberg Financial Services, or any successor reporting service GSFC may select, on such trading day for the index. Currently, whereas the index sponsor publishes the official closing level of the index to six decimal places, Bloomberg Financial Services reports the closing level of the index to fewer decimal places. As a

result, the closing level of the index reported by Bloomberg Financial Services generally may be lower or higher than the official closing level of the index published by the index sponsor.

Intraday Level of the Index

References to the intraday level of the index at any time on any trading day mean the level of the index or any successor index reported by Bloomberg Financial Services, or any successor reporting service GSFC may select, at such time on such trading day for the index. Currently, whereas the index sponsor publishes the official level of the index to six decimal places, Bloomberg Financial Services reports the level of the index to fewer decimal places. As a result, the level of the index reported by Bloomberg Financial Services generally may be lower or higher than the official level of the index published by the index sponsor.

Default Amount

The default amount for the notes on any day (except as provided in the last sentence under "- Default Quotation Period" below) will be an amount, in the specified currency for the principal of the notes, equal to the cost of having a qualified financial institution, of the kind and selected as described below, expressly assume all of GSFC's payment and other obligations with respect to the notes as of that day and as if no default or acceleration had occurred, or to undertake other obligations providing substantially equivalent economic value to holders with respect to their notes. That cost will equal:

- the lowest amount that a qualified financial institution would charge to effect this assumption or undertaking, *plus*
- the reasonable expenses, including reasonable attorneys' fees, incurred by the holder of the notes in preparing any documentation necessary for this assumption or undertaking.

During the default quotation period for a holder's notes, which is described below, the holder and/or GSFC may request a qualified financial institution to provide a quotation of the amount it would charge to effect this assumption or undertaking. If either party obtains a quotation, it must notify the other party in writing of the quotation. The amount referred to in the first bullet point above will equal the lowest – or, if there is only one, the only – quotation obtained, and as to which notice is so given, during the default quotation period. With respect to any quotation, however, the party not obtaining the quotation may object, on reasonable and significant grounds, to the assumption or undertaking by the qualified financial institution providing the quotation and notify the other party in writing of those grounds within two business days after the last day of the default quotation period, in which case that quotation will be disregarded in determining the default amount.

Default Quotation Period

The default quotation period is the period beginning on the day the default amount first becomes due and ending on the third business day after that day, unless:

- no quotation of the kind referred to above is obtained, or
- every quotation of that kind obtained is objected to within five business days after the day the default amount first becomes due.

If either of these two events occurs, the default quotation period will continue until the third business day after the first business day on which prompt notice of a quotation is given as described above. If that quotation is objected to as described above within five business days after that first business day, however, the default quotation period will continue as described in the prior sentence and this sentence.

In any event, if the default quotation period and the subsequent two business day objection period have not ended before the final valuation date, then the default amount will equal the principal amount of the notes.

Qualified Financial Institutions

For the purpose of determining the default amount at any time, a qualified financial institution must be a financial institution organized under the laws of any jurisdiction in the United States of America, Europe or Japan, which at that

time has outstanding debt obligations with a stated maturity of one year or less from the date of issue and that is, or whose securities are, rated either:

- A-1 or higher by Standard & Poor's Ratings Services or any successor, or any other comparable rating then used by that rating agency, or
- P-1 or higher by Moody's Investors Service, Inc. or any successor, or any other comparable rating then used by that rating agency.

Market Disruption Event

With respect to any given trading day, any of the following will be a market disruption event:

- a suspension, absence or material limitation of trading in index stocks constituting 20% or more, by weight, of the index on their respective primary markets, in each case for more than two consecutive hours of trading or during the one-half hour before the close of trading in that market, as determined by the calculation agent in its sole discretion, or
- a suspension, absence or material limitation of trading in option or futures contracts relating to the index or to index stocks constituting 20% or more, by weight, of the index in the respective primary markets for those contracts, in each case for more than two consecutive hours of trading or during the one-half hour before the close of trading in that market, as determined by the calculation agent in its sole discretion, or
- index stocks constituting 20% or more, by weight, of the index, or option or futures contracts, if available, relating to the index or to index stocks constituting 20% or more, by weight, of the index are not trading on what were the respective primary markets for those index stocks or contracts or are subject to a material reduction in trading volume, each as determined by the calculation agent in its sole discretion,

and, in the case of any of these events, the calculation agent determines in its sole discretion that the event could materially interfere with the ability of GSFC or any of its affiliates or a similarly situated party to unwind all or a material portion of a hedge that could be effected with respect to the offered notes.

The following events will not be market disruption events:

- a limitation on the hours or numbers of days of trading, but only if the limitation results from an announced change in the regular business hours of the relevant market, and
- a decision to permanently discontinue trading in option or futures contracts relating to the index or to any index stock.

For this purpose, an "absence of trading" in the primary securities market on which an index stock, or on which option or futures contracts relating to the index or an index stock, are traded will not include any time when that market is itself closed for trading under ordinary circumstances. In contrast, a suspension or limitation of trading in an index stock or in option or futures contracts, if available, relating to the index or an index stock in the primary market for that stock or those contracts, by reason of:

- a price change exceeding limits set by that market,
- an imbalance of orders relating to that index stock or those contracts, or
- a disparity in bid and ask quotes relating to that index stock or those contracts,

will constitute a suspension or material limitation of trading in that stock or those contracts in that market.

Further, for this purpose, a "material reduction in trading volume" will be deemed to occur on a trading day at any time that the reported trading volume on that trading day falls below 75% of the trailing 30-trading-day average trading

volume (“30-day ADTV”), where the 30-day ADTV is adjusted by a ratio of the elapsed hours in such trading day divided by the total number of scheduled hours for such trading day.

As is the case throughout this description of the Series E Notes, references to the index in this description of market disruption events includes the index and any successor index as it may be modified, replaced or adjusted from time to time.

Exhibit 10.6

AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT

This Amended and Restated Shareholders' Agreement (this "Agreement"), among The Goldman Sachs Group, Inc., a Delaware corporation ("GS Inc."), and the Covered Persons (hereinafter defined) listed on Appendix A hereto, as such Appendix A may be amended from time to time pursuant to the provisions hereof.

WITNESSETH:

WHEREAS, the Covered Persons are beneficial owners of shares of Common Stock, par value $0.01 per share, of GS Inc. (the "Common Stock").

WHEREAS, GS Inc. entered into the Shareholders' Agreement (hereinafter defined) in connection with the initial public offering of GS Inc. to address certain relationships among the parties thereto with respect to the voting and disposition of shares of Common Stock and various other matters, and to give to the Shareholders' Committee (hereinafter defined) the power to enforce their agreements with respect thereto.

WHEREAS, the GS Inc. Board of Directors has determined that it is in the best interests of GS Inc. to maintain the firm's retention requirement applicable to Management Committee Members through a Board-level policy rather than through this Agreement.

WHEREAS, the Shareholders' Committee and GS Inc. accordingly desire to amend the Shareholders' Agreement to remove the transfer restrictions previously set forth in Section 2.1 thereof and to amend other provisions of the Shareholders' Agreement to reflect such removal, in accordance with Section 7.2(h) thereof.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements, covenants and provisions herein contained, the parties hereto agree to amend and restate the Shareholders' Agreement in its entirety as follows:

ARTICLE I
DEFINITIONS AND OTHER MATTERS

Section 1.1 Definitions. The following words and phrases as used herein shall have the following meanings, except as otherwise expressly provided or unless the context otherwise requires:

(a) This "Agreement" shall have the meaning ascribed to such term in the Recitals.

(b) A "beneficial owner" of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has or shares: (i) voting power, which includes the power to vote, or to direct the voting of, such security and/or (ii) investment power, which includes the power to dispose, or to direct the disposition, of such security, but for purposes of this Agreement a person shall not be deemed a beneficial owner of Common Stock (A)

solely by virtue of the application of Exchange Act Rule 13d-3(d) or Exchange Act Rule 13d-5, (B) solely by virtue of the possession of the legal right to vote securities under applicable state or other law (such as by proxy or power of attorney) or (C) held of record by a "private foundation" subject to the requirements of Section 509 of the Code. "Beneficially own" and "beneficial ownership" shall have correlative meanings.

(c) "Code" shall mean the United States Internal Revenue Code of 1986, as amended from time to time, and the applicable rulings and regulations thereunder.

(d) "Common Stock" shall have the meaning ascribed to such term in the Recitals.

(e) "Company" shall mean GS Inc., together with its Subsidiaries.

(f) "Continuing Provisions" shall have the meaning ascribed to such term in Section 7.1(b).

(g) "Covered Persons" shall mean the Participating Managing Directors, whose names are listed on Appendix A hereto, and all persons who may become Participating Managing Directors, whose names will be added to Appendix A hereto.

(h) "Covered Shares" shall mean the aggregate of any shares of Common Stock, including any shares underlying restricted or performance-based stock units, granted under a Goldman Sachs Compensation Plan as compensation for each year for which they were Covered Persons that are delivered to Covered Persons from time to time, calculated on an after-tax basis using the Specified Tax Rate.

(i) "Effective Date" shall mean the close of business on December 31, 2019.

(j) "Exchange Act" shall mean the United States Securities Exchange Act of 1934, as amended from time to time.

(k) A reference to an "Exchange Act Rule" shall mean such rule or regulation of the SEC under the Exchange Act, as in effect from time to time or as replaced by a successor rule thereto.

(l) "Goldman Sachs 401(k) Plan" shall mean The Goldman Sachs 401(k) Plan, as amended or supplemented from time to time, and any successors to such Plan (previously known as The Goldman Sachs Employees' Profit Sharing Retirement Income Plan). The Plan is intended to be a profit sharing plan for purposes of the qualification requirements for Section 401(a) of the Code.

(m) "Goldman Sachs Compensation Plan" shall mean the Stock Incentive Plan or any other deferred compensation or employee benefit plan of GS Inc. adopted by the Board of Directors of GS Inc. and specified by the Shareholders' Committee as a Goldman Sachs Compensation Plan (other than the Goldman Sachs 401(k) Plan).

(n) "GS Inc." shall have the meaning ascribed to such term in the Recitals.

(o) "Management Committee Members" shall mean the members of the Management Committee of GS Inc.

(p) "Participating Managing Director" shall mean a Managing Director of the Company who at the time in question participates in the Partner Compensation Plan or any other compensation or benefit plan specified by the Shareholders' Committee.

(q) "Partner Compensation Plan" shall mean The Goldman Sachs Partner Compensation Plan adopted by the Board of Directors of GS Inc., and approved by the stockholders of GS Inc., on May 7, 1999, as amended or supplemented from time to time, and any successors to such Plan.

(r) A "person" shall include, as applicable, any individual, estate, trust, corporation, partnership, limited liability company, unlimited liability company, foundation, association or other entity.

(s) "Preliminary Vote" shall have the meaning ascribed to such term in Section 4.1(a) hereof.

(t) "Restricted Person" shall mean any person who is not (i) a Covered Person or (ii) a director, officer or employee of the Company acting in such person's capacity as a director, officer or employee.

(u) "SEC" shall mean the United States Securities and Exchange Commission.

(v) "Shareholders' Agreement" shall mean the Shareholders' Agreement adopted by the Board of Directors of GS Inc. on May 7, 1999, as amended or supplemented from time to time up to but excluding the Effective Date.

(w) "Shareholders' Committee" shall mean the body constituted to administer the terms and provisions of this Agreement pursuant to Article V hereof.

(x) "SIP Committee" shall mean the committee authorized to administer the Stock Incentive Plan.

(y) "Sole Beneficial Owner" shall mean a person who is the beneficial owner of shares of Common Stock, who does not share beneficial ownership of such shares of Common Stock with any other person (other than pursuant to this Agreement or applicable community property laws) and who is the only person (other than pursuant to applicable community property laws) with a direct economic interest in such shares of Common Stock. The interest of a spouse or a domestic partner in a joint account, and an economic interest of the Company as pledgee, shall be disregarded for this purpose.

(z) "Specified Tax Rate" shall mean the rate determined from time to time by the SIP Committee (or any person authorized thereby), in its sole discretion, to be applicable to the calculation of Covered Shares.

(aa) "Stock Incentive Plan" shall mean The Goldman Sachs Amended and Restated Stock Incentive Plan adopted by the Board of Directors of GS Inc. on January 16, 2003 and approved by the stockholders of GS Inc. on April 1, 2003, as amended or supplemented from time to time, and any predecessors or successors to such Plan.

(bb) "Subsidiary" shall mean any person in which GS Inc. owns, directly or indirectly, a majority of the equity economic or voting ownership interest.

(cc) "vote" shall include actions taken or proposed to be taken by written consent.

(dd) "Voting Shares" shall have the meaning ascribed to such term in Section 4.1(a).

Section 1.2 Gender. For the purposes of this Agreement, the words "he," "his" or "himself" shall be interpreted to include the masculine, feminine and corporate, other entity or trust form.

ARTICLE II
LIMITATIONS ON TRANSFER OF SHARES

Section 2.1 Holding of Common Stock in GS Inc. Brokerage Accounts or in Custody and in Nominee Name.

(a) Each Covered Person understands and agrees that all shares of Common Stock beneficially owned by him (other than shares of Common Stock held of record by a trustee in the Goldman Sachs 401(k) Plan or in any plan designated as a Goldman Sachs Compensation Plan) shall, as determined by the Shareholders' Committee from time to time, be held either in a brokerage account with a Subsidiary in his name or in the custody of a custodian (and registered in the name of a nominee for such Covered Person). If shares of Common Stock are required to be held in the custody of a custodian as provided in this Section 2.1(a), each Covered Person agrees (i) to assign, endorse and register for transfer into such nominee name or deliver to such custodian any such shares of Common Stock which are not so registered or so held, as the case may be, and (ii) that the form of the custody agreement and the identity of the custodian and nominee must be satisfactory in form and substance to the Shareholders' Committee and GS Inc.

(b) For such time as shares of Common Stock are required to be held in the custody of a custodian in accordance with Section 2.1(a), whenever the nominee holder shall receive any dividend or other distribution upon any shares of Common Stock other than in shares of Common Stock, the Shareholders' Committee will give

or cause to be given notice or direction to the applicable nominee and/or custodian referred to in paragraph (a) to permit the prompt distribution of such dividend or distribution to the beneficial owner of such shares of Common Stock, net of any tax withholding amounts required to be withheld by the nominee, unless the distribution of such dividend or distribution is restricted by the terms of another agreement between the Covered Person and the Company known to the Shareholders' Committee.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE PARTIES

Section 3.1 Each Covered Person severally represents and warrants for himself that:

(a) Such Covered Person has (and, with respect to shares of Common Stock to be acquired, will have) the right to vote pursuant to Section 4.1 of this Agreement all shares of Common Stock of which the Covered Person is the Sole Beneficial Owner; and

(b) (if the Covered Person is other than a natural person, with respect to subsections (i) through (x), and if the Covered Person is a natural person, with respect to subsections (iv) through (x) only):

(i) such Covered Person is duly organized and validly existing in good standing under the laws of the jurisdiction of such Covered Person's formation;

(ii) such Covered Person has full right, power and authority to enter into and perform this Agreement;

(iii) the execution and delivery of this Agreement and the performance of the transactions contemplated herein have been duly authorized, and no further proceedings on the part of such Covered Person are necessary to authorize the execution, delivery and performance of this Agreement; and this Agreement has been duly executed by such Covered Person;

(iv) the person signing this Agreement on behalf of such Covered Person has been duly authorized by such Covered Person to do so;

(v) this Agreement constitutes the legal, valid and binding obligation of such Covered Person, enforceable against such Covered Person in accordance with its terms (subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles);

(vi) neither the execution and delivery of this Agreement by such Covered Person nor the consummation of the transactions contemplated herein conflicts with or results in a breach of any of the terms, conditions or provisions of any agreement or instrument to which such Covered Person is a party or by which the assets of such Covered Person are bound (including without limitation the organizational documents of such Covered Person, if such Covered Person is other than a natural person), or constitutes a default under any of the foregoing, or violates any law or regulation;

(vii) such Covered Person has obtained all authorizations, consents, approvals and clearances of all courts, governmental agencies and authorities, and any other person, if any (including the spouse of such Covered Person with respect to the interest of such spouse in the shares of Common Stock of such Covered Person if the consent of such spouse is required), required to permit such Covered Person to enter into this Agreement and to consummate the transactions contemplated herein;

(viii) there are no actions, suits or proceedings pending, or, to the knowledge of such Covered Person, threatened against or affecting such Covered Person or such Covered Person's assets in any court or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality which, if adversely determined, would impair the ability of such Covered Person to perform this Agreement;

(ix) the performance of this Agreement will not violate any order, writ, injunction, decree or demand of any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality to which such Covered Person is subject; and

(x) no statement, representation or warranty made by such Covered Person in this Agreement, nor any information provided by such Covered Person for inclusion in a report filed pursuant to Section 6.3 hereof or in a registration statement filed by GS Inc. contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements, representations or warranties contained herein or information provided therein not misleading.

Each Covered Person severally agrees for himself that the foregoing provision of this Article III shall be a continuing representation and covenant by him during the period that he shall be a Covered Person, and he shall take all actions as shall from time to time be necessary to cure any breach or violation and to obtain any authorizations, consents, approvals and clearances in order that such representations shall be true and correct during that period.

ARTICLE IV
VOTING AGREEMENT

Section 4.1 Preliminary Vote of Covered Persons; Voting Procedures.

(a) Prior to any vote of the stockholders of GS Inc., there shall be a separate, preliminary vote, on each matter upon which a stockholder vote is proposed to be taken (each, a "Preliminary Vote"), of all of the shares of Common Stock of which a Covered Person is the Sole Beneficial Owner (excluding shares of Common Stock held by the trust underlying the Goldman Sachs 401(k) Plan) and any shares of Common Stock held by the trust underlying any plan designated as a Goldman Sachs Compensation Plan and allocated to a Covered Person (collectively, the "Voting Shares").

(b) Other than in elections of directors, every Voting Share shall be voted in accordance with the vote of the majority of the votes cast on the matter in question by the Voting Shares in the Preliminary Vote.

(c) In elections of directors, every Voting Share shall be voted in favor of the election of those persons, equal in number to the number of such positions to be filled, receiving the highest numbers of votes cast by the Voting Shares in the Preliminary Vote.

Section 4.2 Irrevocable Proxy and Power of Attorney.

(a) By his signature hereto, each Covered Person hereby gives the Shareholders' Committee, with full power of substitution and resubstitution, an irrevocable proxy to vote or otherwise act with respect to all of the Covered Person's Voting Shares as of the relevant record date or other date used for purposes of determining holders of Common Stock entitled to vote or take any action, as fully, to the same extent and with the same effect as such Covered Person might or could do under any applicable laws or regulations governing the rights and powers of stockholders of a Delaware corporation, as follows:

(i) such proxy shall be voted in connection with such matters as are the subject of a Preliminary Vote as provided in this Agreement in accordance with such Preliminary Vote;

(ii) the holder of such proxy shall be authorized to vote on such other matters as may come before a meeting of stockholders of GS Inc. or any adjournment thereof and as are related, directly or indirectly, to the matter which was the subject of the Preliminary Vote as the holder of such proxy sees fit in his discretion but in a manner consistent with the Preliminary Vote; and

(iii) the holder of such proxy shall be authorized to vote on such other matters as may come before a meeting of stockholders of GS Inc. or any adjournment thereof (including matters related to adjournment thereof) as the holder of such proxy sees fit in his discretion but not

to cast any vote under this clause (iii) which is inconsistent with the Preliminary Vote or which would achieve an outcome that would frustrate the intent of the Preliminary Vote. Each Covered Person hereby affirms that this proxy is given as a term of this Agreement and as such is coupled with an interest and is irrevocable.

It is further understood and agreed by each Covered Person that this proxy may be exercised by the holder of such proxy with respect to all Voting Shares of such Covered Person for the period beginning on the Effective Date and ending on the earlier of (a) the date this Agreement shall have been terminated pursuant to Section 7.1(a) hereof or, (b) in the case of a Covered Person, Section 7.1(b) hereof.

(b) By his signature hereto, each Covered Person appoints the Shareholders' Committee, with full power of substitution and resubstitution, his true and lawful attorney-in-fact to direct, in accordance with the provisions of this Article IV, the voting of any Voting Shares held of record by any other person but beneficially owned by such Covered Person (including any Voting Shares held by the trust underlying any plan designated as a Goldman Sachs Compensation Plan and allocated to such Covered Person), granting to such attorneys, and each of them, full power and authority to do and perform each and every act and thing whatsoever that such attorney or attorneys may deem necessary, advisable or appropriate to carry out fully the intent of Section 4.1 and Section 4.2(a) as such Covered Person might or could do personally, hereby ratifying and confirming all acts and things that such attorney or attorneys may do or cause to be done by virtue of this power of attorney. It is understood and agreed by each Covered Person that this appointment, empowerment and authorization may be exercised by the aforementioned persons with respect to all Voting Shares of such Covered Person, and held of record by another person, for the period beginning on the Effective Date and ending on (a) the earlier of the date this Agreement shall have been terminated pursuant to Section 7.1(a) hereof or, (b) in the case of a Covered Person, Section 7.1(b) hereof.

ARTICLE V
SHAREHOLDERS' COMMITTEE

Section 5.1 Membership. The Shareholders' Committee shall at all times consist of all of those individuals who are both Covered Persons and members of the Board of Directors of GS Inc. and who agree to serve as members of the Shareholders' Committee.

Section 5.2 Additional Members. If there are less than three individuals who are both Covered Persons and members of the Board of Directors of GS Inc. and who agree to serve as members of the Shareholders' Committee, the Shareholders' Committee shall consist of each such individual plus such additional individuals who are Covered Persons and who are selected pursuant to procedures established by the Shareholders' Committee as shall assure a Shareholders' Committee of not less than three members who are Covered Persons.

Section 5.3 Determinations of and Actions by the Shareholders' Committee.

(a) All determinations necessary or advisable under this Agreement (including determinations of beneficial ownership) shall be made by the Shareholders' Committee, whose determinations shall be final and binding. The Shareholders' Committee's determinations under this Agreement and actions (including waivers) hereunder need not be uniform and may be made selectively among Covered Persons (whether or not such Covered Persons are similarly situated).

(b) Each Covered Person recognizes and agrees that the members of the

Shareholders' Committee in acting hereunder shall at all times be acting in their capacities as members of the Shareholders' Committee and not as directors or officers of the Company and in so acting or failing to act shall not have any fiduciary duties to the Covered Persons as a member of the Shareholders' Committee by virtue of the fact that one or more of such members may also be serving as a director or officer of the Company or otherwise.

(c) The Shareholders' Committee shall act through a majority vote of its members and such actions may be taken in person at a meeting (in person or telephonically) or by a written instrument signed by all of the members.

Section 5.4 Certain Obligations of the Shareholders' Committee. The Shareholders' Committee shall be obligated (a) to attend as proxy, or cause a person designated by it and acting as lawful proxy to attend as proxy, each meeting of the stockholders of GS Inc. and to vote or to cause such designee to vote the Voting Shares over which it has the power to vote in accordance with the results of the Preliminary Vote as set forth in Section 4.1, and (b) to develop procedures governing Preliminary Votes and other votes and actions to be taken pursuant to this Agreement.

ARTICLE VI
OTHER AGREEMENTS OF THE PARTIES

Section 6.1 Standstill Provisions. Each Covered Person agrees that such Covered Person shall not, directly or indirectly, alone or in concert with any other person:

(a) make, or in any way participate in, any "solicitation" of "proxies" (as such terms are defined in Exchange Act Rule 14a-1) relating to any securities of the Company to or with any Restricted Person;

(b) deposit any shares of Common Stock in a voting trust or subject any shares of Common Stock to any voting agreement or arrangement that includes as a party any Restricted Person;

(c) form, join or in any way participate in a group (as contemplated by Exchange Act Rule 13d-5(b)) with respect to any securities of the Company (or any securities the ownership of which would make the owner thereof a beneficial owner of securities of the Company (for this purpose as determined by Exchange Act Rule 13d-3 and Exchange Act Rule 13d-5)) that includes as a party any Restricted Person;

(d) make any announcement subject to Exchange Act Rule 14a-1(l)(2)(iv) to any Restricted Person;

(e) initiate or propose any "shareholder proposal" subject to Exchange Act Rule 14a-8;

(f) together with any Restricted Person, make any offer or proposal to acquire any securities or assets of GS Inc. or any of its Subsidiaries or solicit or propose to effect or negotiate any form of business combination, restructuring, recapitalization or other extraordinary transaction involving, or any change in control of, GS Inc., its Subsidiaries or any of their respective securities or assets;

(g) together with any Restricted Person, seek the removal of any directors or a change in the composition or size of the board of directors of GS Inc.;

(h) together with any Restricted Person, in any way participate in a call for any special meeting of the stockholders of GS Inc.; or

(i) assist, advise or encourage any person with respect to, or seek to do, any of the foregoing.

Section 6.2 Expenses.

(a) GS Inc. shall be responsible for all expenses of the members of the Shareholders' Committee incurred in the operation and administration of this Agreement, including expenses of proxy solicitation for and tabulation of the Preliminary Vote, expenses incurred in preparing appropriate filings and correspondence with the SEC, lawyers', accountants', agents', consultants', experts', investment banking and other professionals' fees, expenses incurred in enforcing the provisions of this Agreement, expenses incurred in maintaining any necessary or appropriate books and records relating to this Agreement and expenses incurred in the preparation of amendments to and waivers of provisions of this Agreement.

(b) Each Covered Person shall be responsible for all expenses incurred by him in connection with compliance with his obligations under this Agreement, including expenses incurred by the Shareholders' Committee or GS Inc. in enforcing the provisions of this Agreement relating to such obligations.

Section 6.3 Filing of Schedule 13D or 13G.

(a) In the event that a Covered Person is required to file a report of beneficial ownership on Schedule 13D or 13G with respect to the shares of Common Stock beneficially owned by him (for this purpose as determined by Exchange Act Rule 13d-3 and Exchange Act Rule 13d-5), such Covered Person agrees that, unless otherwise directed by the Shareholders' Committee, he will not file a separate such report, but will file a report together with the other Covered Persons, containing the information required by the Exchange Act, and he understands and agrees that such report shall be filed on his behalf by the Shareholders' Committee, any member

thereof or any person authorized thereby. Such Covered Person shall cooperate fully with the other Covered Persons and the Shareholders' Committee to achieve the timely filing of any such report and any amendments thereto as may be required, and such Covered Person agrees that any information concerning him which he furnishes in connection with the preparation and filing of such report will be complete and accurate.

(b) By his signature hereto, each Covered Person appoints the Shareholders' Committee and each member thereof, with full power of substitution and resubstitution, his true and lawful attorney-in-fact to execute such reports and any and all amendments thereto and to file such reports with all exhibits thereto and other documents in connection therewith with the SEC, granting to such attorneys, and each of them, full power and authority to do and perform each and every act and thing whatsoever that such attorney or attorneys may deem necessary, advisable or appropriate to carry out fully the intent of this Section 6.3 as such Covered Person might or could do personally, hereby ratifying and confirming all acts and things that such attorney or attorneys may do or cause to be done by virtue of this power of attorney. Each Covered Person hereby further designates such attorneys as such Covered Person's agents authorized to receive notices and communications with respect to such reports and any amendments thereto. It is understood and agreed by each Covered Person that this appointment, empowerment and authorization may be exercised by the aforementioned persons for the period beginning on May 7, 1999 and ending on the date such Covered Person is no longer subject to the provisions of this Agreement (and shall extend thereafter for such time as is required to reflect, and only to reflect, that such Covered Person is no longer a party to this Agreement).

Section 6.4 Representatives, Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective legal representatives, successors and assigns of the Covered Persons; *provided, however*, that a Covered Person may not assign this Agreement or any of his rights or obligations hereunder without the prior written consent of GS Inc., and any assignment without such consent by a Covered Person shall be void; and provided further that no assignment of this Agreement by GS Inc. or to a successor of GS Inc. (by operation of law or otherwise) shall be valid unless such assignment is made to a person which succeeds to the business of GS Inc. substantially as an entirety.

Section 6.5 Further Assurances. Each Covered Person agrees to execute such additional documents and take such further action as may be reasonably necessary to effect the provisions of this Agreement.

ARTICLE VII
MISCELLANEOUS

Section 7.1 Term of the Agreement; Termination of Certain Provisions.

(a) The term of this Agreement shall continue until the first to occur of January 1, 2050 and such time as this Agreement is terminated by the affirmative vote of not less than 66 2/3% of the outstanding Covered Shares.

(b) Unless this Agreement is previously terminated pursuant to Section 7.1(a) hereof, any Covered Person who ceases to be a Covered Person for any reason other than death shall no longer be bound by the provisions of this Agreement (other than Sections 5.3, 6.2, 6.3, 6.5, 7.4, 7.5, 7.6, 7.8 and 7.10 (the "Continuing Provisions")), and such Covered Person's name shall be removed from Appendix A to this Agreement.

(c) Unless this Agreement is theretofore terminated pursuant to Section 7.1(a) hereof, the estate of any Covered Person who ceases to be a Covered Person by reason of death shall from and after the date of such death be bound only by the Continuing Provisions, and such Covered Person's name shall be removed from Appendix A to this Agreement.

Section 7.2 Amendments.

(a) Except as provided in this Section 7.2, provisions of this Agreement may be amended only by the affirmative vote of the holders of a majority of the outstanding Covered Shares.

(b) This Section 7.2(b) and Section 7.1(a) may be amended only by the affirmative vote of the holders of 66 2/3% of the outstanding Covered Shares. Any amendment of any other provision of this Agreement that would have the effect, in connection with a tender or exchange offer by any person other than the Company as to which the Board of Directors of GS Inc. is recommending rejection, of permitting transfers which would not be permitted by the terms of this Agreement as then in effect shall also require the affirmative vote of the holders of 66 2/3% of the outstanding Covered Shares.

(c) This Section 7.2(c), Article V and any other provision the amendment (or addition) of which has the effect of materially changing the rights or obligations of the Shareholders' Committee hereunder may be amended (or added) either (i) with the approval of the Shareholders' Committee and the affirmative vote of the holders of a majority of the Covered Shares or (ii) by the affirmative vote of the holders of 66 2/3% of the outstanding Covered Shares.

(d) In addition to any other vote or approval that may be required under this Section 7.2, any amendment of this Agreement that has the effect of changing the obligations of GS Inc. hereunder to make such obligations materially more onerous to GS Inc. shall require the approval of GS Inc.

(e) Each Covered Person understands that it is intended that each Participating Managing Director of the Company will be a Covered Person under this Agreement or will become a Covered Person upon his appointment to such position, and each Covered Person further understands that from time to time certain other persons may

become Covered Persons and certain Covered Persons will cease to be bound by provisions of this Agreement pursuant to the terms hereof when they cease to be Participating Managing Directors. Accordingly, this Agreement may be amended by action of the Shareholders' Committee from time to time and without the approval of any other person, but solely for the purposes of (i) adding to Appendix A such persons as shall be made party to this Agreement pursuant to the terms hereof, such addition to be effective as of the time of such action or appointment, and (ii) removing from Appendix A such persons as shall cease to be bound by the provisions of this Agreement pursuant to Sections 7.1(b) or (c) hereof, which additions and removals shall be given effect from time to time by appropriate changes to Appendix A

Section 7.3 Waivers. The provisions of this Agreement may be waived only as provided in this Section 7.3.

(a) In all circumstances other than those set forth in Section 7.2, the provisions of this Agreement may be waived only by the affirmative vote of the holders of a majority of the outstanding Covered Shares.

(b) In connection with any waiver granted under this Agreement, the Shareholders' Committee or the holders of the percentage of Covered Shares required for the waiver, as the case may be, may impose such conditions as they determine on the granting of such waivers.

(c) The failure of the Company or the Shareholders' Committee at any time or times to require performance of any provision of this Agreement shall in no manner affect the rights at a later time to enforce the same. No waiver by the Company or the Shareholders' Committee of the breach of any term contained in this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such breach or the breach of any other term of this Agreement.

Section 7.4 **GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.**

Section 7.5 Resolution of Disputes.

(a) The Shareholders' Committee shall have the sole and exclusive power to enforce the provisions of this Agreement. The Shareholders' Committee may in its sole discretion request GS Inc. to conduct such enforcement, and GS Inc. agrees to conduct such enforcement as requested and directed by the Shareholders' Committee.

(b) Without diminishing the finality and conclusive effect of any determination by the Shareholders' Committee of any matter under this Agreement (and subject to the provisions of paragraphs (c) and (d) hereof), any dispute, controversy or claim arising out of or relating to or concerning the provisions of this Agreement shall be finally settled by arbitration in New York City before, and in accordance with the rules then obtaining of, the New York Stock Exchange, Inc. ("NYSE"), or if the NYSE declines to arbitrate the matter, the American Arbitration Association ("AAA") in accordance with the commercial arbitration rules of the AAA.

(c) Notwithstanding the provisions of paragraph (b), and in addition to its right to submit any dispute or controversy to arbitration, the Shareholders' Committee may bring, or may cause GS Inc. to bring, on behalf of the Shareholders' Committee or on behalf of one or more Covered Persons, an action or special proceeding in a state or federal court of competent jurisdiction sitting in the State of Delaware, whether or not an arbitration proceeding has theretofore been or is ever initiated, for the purpose of temporarily, preliminarily or permanently enforcing the provisions of this Agreement and, for the purposes of this paragraph (c), each Covered Person (i) expressly consents to the application of paragraph (d) to any such action or proceeding, (ii) agrees that proof shall not be required that monetary damages for breach of the provisions of this Agreement would be difficult to calculate and that remedies at law would be inadequate and (iii) irrevocably appoints each General Counsel of GS Inc., c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801 as such Covered Person's agent for service of process in connection with any such action or proceeding, who shall promptly advise such Covered Person of any such service of process.

(d) Each Covered Person hereby irrevocably submits to the exclusive jurisdiction of any state or federal court located in the State of Delaware over any suit, action or proceeding arising out of or relating to or concerning this Agreement that is not otherwise arbitrated according to the provisions of paragraph (b) hereof. This includes any suit, action or proceeding to compel arbitration or to enforce an arbitration award. The parties acknowledge that the forum designated by this paragraph (d) has a reasonable relation to this Agreement, and to the parties' relationship with one another. Notwithstanding the foregoing, nothing herein shall preclude the Shareholders' Committee or GS Inc. from bringing any action or proceeding in any other court for the purpose of enforcing the provisions of this Section 7.5.

The agreement of the parties as to forum is independent of the law that may be applied in the action, and they each agree to such forum even if the forum may under applicable law choose to apply non-forum law. The parties hereby waive, to the fullest extent permitted by applicable law, any objection which they now or hereafter may have to personal jurisdiction or to the laying of venue of any such suit, action or proceeding brought in any court referred to in paragraph (d). The parties undertake not to commence any action arising out of or relating to or concerning this Agreement in any forum other than a forum described in paragraph (d). The parties agree that, to the fullest extent permitted by applicable law, a final and non-appealable judgment in any such suit, action or proceeding in any such court shall be conclusive and binding upon the parties.

Section 7.6 Relationship of Parties. The terms of this Agreement are intended not to create a separate entity for United States federal income tax purposes, and nothing in this Agreement shall be read to create any partnership, joint venture or separate entity among the parties or to create any trust or other fiduciary relationship between them.

Section 7.7 Notices.

(a) Any communication, demand or notice to be given hereunder will be duly given (and shall be deemed to be received) when delivered in writing by hand or first class mail or by telecopy to a party at its address as indicated below:

If to a Covered Person,

c/o The Goldman Sachs Group, Inc.
200 West Street
15th Floor
New York, New York 10282-2198
Fax: (212) 341-5638
Attention: General Counsel;

If to the Shareholders' Committee, at

Shareholders' Committee under the Shareholders' Agreement,
c/o The Goldman Sachs Group, Inc.
200 West Street
15th Floor
New York, New York 10282-2198
Fax: (212) 341-5638
Attention: General Counsel;

and

If to GS Inc., at

The Goldman Sachs Group, Inc.
200 West Street
15th Floor
New York, New York 10282-2198
Fax: (212) 341-5638
Attention: General Counsel.

GS Inc. shall be responsible for notifying each Covered Person of the receipt of a communication, demand or notice under this Agreement relevant to such Covered Person at the address of such Covered Person then in the records of GS Inc. (and each Covered Person shall notify GS Inc. of any change in such address for communications, demands and notices).

(b) Unless otherwise provided to the contrary herein, any notice which is required to be given in writing pursuant to the terms of this Agreement may be given by telecopy.

Section 7.8 Severability. If any provision of this Agreement is finally held to be invalid, illegal or unenforceable, (a) the remaining terms and provisions hereof shall be unimpaired and (b) the invalid or unenforceable term or provision shall be deemed replaced by a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision.

Section 7.9 Right to Determine Tender Confidentially. In connection with any tender or exchange offer for all or any portion of the outstanding Common Stock, subject to compliance with all applicable restrictions on transfer in this Agreement or any other agreement with GS Inc., each Covered Person will have the right to determine confidentially whether such Covered Person's Covered Shares will be tendered in such tender or exchange offer.

Section 7.10 No Third-Party Rights. Nothing expressed or referred to in this Agreement will be construed to give any person other than the parties to this Agreement any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement. This Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the parties to this Agreement and their successors and assigns.

Section 7.11 Section Headings. The headings of sections in this Agreement are provided for convenience only and will not affect its construction or interpretation.

Section 7.12 Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed or caused to be duly executed this Agreement.

THE GOLDMAN SACHS GROUP, INC.

By: /s/ Karen P. Seymour
Name: Karen P. Seymour
Title: Executive Vice President
and General Counsel

Dated: December 31, 2019

Exhibit 10.42

THE GOLDMAN SACHS GROUP, INC.
OUTSIDE DIRECTOR RSU AWARD

This Award Agreement, together with The Goldman Sachs Amended and Restated Stock Incentive Plan (2018) (the "Plan"), governs your award of RSUs (your "Award"). You should read carefully this entire Award Agreement, which includes the Award Statement and any attached Appendix.

DOCUMENTS THAT GOVERN YOUR AWARD; DEFINITIONS

1. **The Plan.** Your Award is granted under the Plan, and the Plan's terms apply to, and are a part of, this Award Agreement.

2. **Your Award Statement.** The Award Statement delivered to you contains some of your Award's specific terms. For example, it contains the number of RSUs awarded to you.

3. **Definitions.** Unless otherwise defined herein, including in the Definitions Appendix or any other Appendix, capitalized terms have the meanings provided in the Plan.

DELIVERY OF YOUR RSU SHARES

4. **Delivery.** RSU Shares (less applicable withholding) will be delivered in respect of your Outstanding RSUs reasonably promptly (but no more than 30 Business Days) after the Delivery Date, which will be the first Business Day in the third quarter of the Firm's fiscal year that occurs within a Window Period in the year following the year in which you cease to be a director of the Board. Unless otherwise determined by the Committee, delivery of the RSU Shares will be effected by book-entry credit to your Account and no delivery of RSU Shares will be made unless you have timely established your Account. Until such delivery, you have only the rights of a general unsecured creditor, and no rights as a shareholder of GS Inc.

DIVIDEND EQUIVALENT RIGHTS

5. **Dividend Equivalent Rights.** Each RSU includes a Dividend Equivalent Right, which entitles you to receive an amount (less applicable withholding), at or after the time of distribution of any regular cash dividend paid by GS Inc. in respect of a share of Common Stock, equal to any regular cash dividend payment that would have been made in respect of an RSU Share underlying your Outstanding RSUs for any record date that occurs on or after the Date of Grant.

ACCELERATED DELIVERY

6. **Accelerated Delivery in the Event of Conflicted Employment or Death.** In the event of your Conflicted Employment or death, your Outstanding Award will be treated as described in this Paragraph 6, and all other terms of this Award Agreement continue to apply.

(a) You Are Determined to Have Accepted Conflicted Employment.

(i) Generally. Unless prohibited by applicable law or regulation, if you accept Conflicted Employment, as soon as practicable after the Committee has received satisfactory documentation relating to your Conflicted Employment, RSU Shares will be delivered in respect of your Outstanding RSUs (including in the form of cash as described in Paragraph 7(b)).

(ii) You May Have to Take Other Steps to Address Conflicts of Interest. The Committee retains the authority to exercise its rights under the Award Agreement or the Plan (including Section 1.3.2 of the Plan) to take or require you to take other steps it determines in its sole discretion to be necessary or appropriate to cure an actual or perceived conflict of interest (which may include a determination that the accelerated delivery described in Paragraph 6(a)(i) will not apply because such actions are not necessary or appropriate to cure an actual or perceived conflict of interest).

(b) Death. If you die, the RSU Shares underlying your Outstanding RSUs will be delivered to the representative of your estate as soon as practicable after the date of death and after such documentation as may be requested by the Committee is provided to the Committee.

OTHER TERMS, CONDITIONS AND AGREEMENTS

7. **Additional Terms, Conditions and Agreements.**

(a) You Must Satisfy Applicable Tax Withholding Requirements. Delivery of RSU Shares is conditioned on your satisfaction of any applicable withholding taxes in accordance with Section 3.2 of the Plan, provided that the Committee may determine not to apply the withholding rate described in Section 3.2.2 of the Plan.

(b) Firm May Deliver Cash or Other Property Instead of RSU Shares. In accordance with Section 1.3.2(i) of the Plan, in the sole discretion of the Committee, in lieu of all or any portion of the RSU Shares, the Firm may deliver cash, other securities, other awards under the Plan or other property, and all references in this Award Agreement to deliveries of RSU Shares will include such deliveries of cash, other securities, other awards under the Plan or other property.

(c) Firm May Affix Legends and Place Stop Orders on RSU Shares. GS Inc. may affix to Certificates representing RSU Shares any legend that the Committee determines to be necessary or advisable. GS Inc. may advise the transfer agent to place a stop order against any legended RSU Shares.

(d) You Agree to Certain Consents. By accepting this Award, you have expressly consented to all of the items listed in Section 3.3.3(d) of the Plan, including the Firm's supplying to any third-party recordkeeper of the Plan or other person such personal information of yours as the Committee deems advisable to administer the Plan, and you agree to provide any additional consents that the Committee determines to be necessary or advisable.

NON-TRANSFERABILITY

8. **Non-transferability**. Except as otherwise may be provided in this Paragraph 8 or as otherwise may be provided by the Committee, the limitations on transferability set forth in Section 3.5 of the Plan will apply to this Award. Any purported transfer or assignment in violation of the provisions of this Paragraph 8 or Section 3.5 of the Plan will be void. The Committee may adopt procedures pursuant to which you may transfer some or all of your RSUs through a gift for no consideration to any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, including adoptive relationships, any person sharing the recipient's household (other than a tenant or employee), a trust in which these persons have more than 50% of the beneficial interest, and any other entity in which these persons (or the recipient) own more than 50% of the voting interests.

GOVERNING LAW

9. Governing Law. THIS AWARD WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.

CERTAIN TAX PROVISIONS

10. **Compliance of Award Agreement and Plan with Section 409A.** The provisions of this Paragraph 10 apply to you only if you are a U.S. taxpayer.

(a) This Award Agreement and the Plan provisions that apply to this Award are intended and will be construed to comply with Section 409A (including the requirements applicable to, or the conditions for exemption from treatment as, 409A Deferred Compensation), whether by reason of short-term deferral treatment or other exceptions or provisions. The Committee will have full authority to give effect to this intent. To the extent necessary to give effect to this intent, in the case of any conflict or potential inconsistency between the provisions of the Plan (including Sections 1.3.2 and 2.1 thereof) and this Award Agreement, the provisions of this Award Agreement will govern, and in the case of any conflict or potential inconsistency between this Paragraph 10 and the other provisions of this Award Agreement, this Paragraph 10 will govern.

(b) Delivery of RSU Shares will not be delayed beyond the date on which all applicable conditions or restrictions on delivery of RSU Shares required by this Agreement (including those specified in Paragraphs 4, 6(b) and 7 and the consents and other items specified in Section 3.3 of the Plan) are satisfied, and will occur by December 31 of the calendar year in which the Delivery Date occurs unless, in order to permit such conditions or restrictions to be satisfied, the Committee elects, pursuant to Reg. 1.409A-1(b)(4)(i)(D) or otherwise as may be permitted in accordance with Section 409A, to delay delivery of RSU Shares to a later date as may be permitted under Section 409A, including Reg. 1.409A-3(d). For the avoidance of doubt, if the Award includes a "series of installment payments" as described in Reg. 1.409A-2(b)(2)(iii), your right to the series of installment payments will be treated as a right to a series of separate payments and not as a right to a single payment.

(c) Notwithstanding the provisions of Paragraph 7(b) and Section 1.3.2(i) of the Plan, to the extent necessary to comply with Section 409A, any securities, other Awards or other property that the Firm may deliver in respect of your RSUs will not have the effect of deferring delivery or payment, income inclusion, or a substantial risk of forfeiture, beyond the date on which such delivery, payment or inclusion would occur or such risk of forfeiture would lapse, with respect to the RSU Shares that would otherwise have been deliverable (unless the Committee elects a later date for this purpose pursuant to Reg. 1.409A-1(b)(4)(i)(D) or otherwise as may be permitted under Section 409A, including and to the extent applicable, the subsequent election provisions of Section 409A(a)(4)(C) of the Code and Reg. 1.409A-2(b)).

(d) Notwithstanding the timing provisions of Paragraph 6(b), the delivery of RSU Shares referred to therein will be made after the date of death and during the calendar year that includes the date of death (or on such later date as may be permitted under Section 409A).

(e) Notwithstanding any provision of Paragraph 5 or Section 2.8.2 of the Plan to the contrary, the Dividend Equivalent Rights with respect to each of your Outstanding RSUs will be paid to you within the calendar year that includes the date of distribution of any corresponding

regular cash dividends paid by GS Inc. in respect of a share of Common Stock the record date for which occurs on or after the Date of Grant. The payment will be in an amount (less applicable withholding) equal to such regular dividend payment as would have been made in respect of the RSU Shares underlying such Outstanding RSUs.

(f) The timing of delivery or payment referred to in Paragraph 6(a)(i) will be the earlier of (i) the Delivery Date or (ii) within the calendar year in which the Committee receives satisfactory documentation relating to your Conflicted Employment, provided that such delivery or payment will be made, and any Committee action referred to in Paragraph 6(a)(i) will be taken, only at such time as, and if and to the extent that it, as reasonably determined by the Firm, would not result in the imposition of any additional tax to you under Section 409A.

(g) Section 3.4 of the Plan will not apply to Awards that are 409A Deferred Compensation except to the extent permitted under Section 409A.

(h) Delivery of RSU Shares in respect of this Award may be made, if and to the extent elected by the Committee, later than the Delivery Date or other date or period specified hereinabove (but, in the case of any Award that constitutes 409A Deferred Compensation, only to the extent that the later delivery is permitted under Section 409A).

(i) You understand and agree that you are solely responsible for the payment of any taxes and penalties due pursuant to Section 409A, but in no event will you be permitted to designate, directly or indirectly, the taxable year of the delivery.

AMENDMENT, CONSTRUCTION AND REGULATORY REPORTING

11. **Amendment.** The Committee reserves the right at any time to amend the terms of this Award Agreement, and the Board may amend the Plan in any respect; *provided*, that, notwithstanding the foregoing and Sections 1.3.2(f), 1.3.2(h) and 3.1 of the Plan, no such amendment will materially adversely affect your rights and obligations under this Award Agreement without your consent; and *provided further*, that the Committee expressly reserves the right to accelerate the delivery of the RSU Shares and in its discretion to provide that such Shares may not be transferable until the Delivery Date. A modification that impacts the tax consequences of this Award or the timing of delivery of RSU Shares will not be an amendment that materially adversely affects your rights and obligations under this Award Agreement. Any amendment of this Award Agreement will be in writing.

12. **Construction, Headings.** Unless the context requires otherwise, (a) words describing the singular number include the plural and vice versa, (b) words denoting any gender include all genders and (c) the words "include," "includes" and "including" will be deemed to be followed by the words "without limitation." The headings in this Award Agreement are for the purpose of convenience only and are not intended to define or limit the construction of the provisions hereof. References in this Award Agreement to any specific Plan provision will not be construed as limiting the applicability of any other Plan provision.

13. **Providing Information to the Appropriate Authorities.** In accordance with applicable law, nothing in this Award Agreement or the Plan prevents you from providing information you reasonably believe to be true to the appropriate governmental authority, including a regulatory, judicial, administrative, or other governmental entity; reporting possible violations of law or regulation; making other disclosures that are protected under any applicable law or regulation; or filing a charge or participating in any investigation or proceeding conducted by a governmental authority.

IN WITNESS WHEREOF, GS Inc. has caused this Award Agreement to be duly executed and delivered as of the Date of Grant.

THE GOLDMAN SACHS GROUP, INC.

DEFINITIONS APPENDIX

The following capitalized terms are used in this Award Agreement with the following meanings:

(a) "409A Deferred Compensation" means a "deferral of compensation" or "deferred compensation" as those terms are defined in the regulations under Section 409A.

The following capitalized terms are used in this Award Agreement with the meanings that are assigned to them in the Plan.

(a) "Account" means any brokerage account, custody account or similar account, as approved or required by GS Inc. from time to time, into which shares of Common Stock, cash or other property in respect of an Award are delivered.

(b) "Award Agreement" means the written document or documents by which each Award is evidenced, including any related Award Statement and signature card.

(c) "Award Statement" means a written statement that reflects certain Award terms.

(d) "Board" means the Board of Directors of GS Inc.

(e) "Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in New York City are authorized or obligated by Federal law or executive order to be closed.

(f) "Certificate" means a stock certificate (or other appropriate document or evidence of ownership) representing shares of Common Stock.

(g) "Committee" means the committee appointed by the Board to administer the Plan pursuant to Section 1.3, and, to the extent the Board determines it is appropriate for the compensation realized from Awards under the Plan to be considered "performance based" compensation under Section 162(m) of the Code, shall be a committee or subcommittee of the Board composed of two or more members, each of whom is an "outside director" within the meaning of Code Section 162(m), and which, to the extent the Board determines it is appropriate for Awards under the Plan to qualify for the exemption available under Rule 16b-3(d)(1) or Rule 16b-3(e) promulgated under the Exchange Act, shall be a committee or subcommittee of the Board composed of two or more members, each of whom is a "non-employee director" within the meaning of Rule 16b-3. Unless otherwise determined by the Board, the Committee shall be the Compensation Committee of the Board.

(h) "Common Stock" means common stock of GS Inc., par value $0.01 per share.

(i) "Conflicted Employment" means the Grantee's employment at any U.S. Federal, state or local government, any non-U.S. government, any supranational or international organization, any self-regulatory organization, or any agency or instrumentality of any such government or organization, or any other employer determined by the Committee, if, as a result of such employment, the Grantee's continued holding of any Outstanding Award or Shares at Risk would result in an actual or perceived conflict of interest.

(j) "Date of Grant" means the date specified in the Grantee's Award Agreement as the date of grant of the Award.

(k) "Delivery Date" means each date specified in the Grantee's Award Agreement as a delivery date, provided, unless the Committee determines otherwise, such date is during a Window Period or, if such date is not during a Window Period, the first trading day of the first Window Period beginning after such date.

(l) "Dividend Equivalent Right" means a dividend equivalent right granted under the Plan, which represents an unfunded and unsecured promise to pay to the Grantee amounts equal to all or any portion of the regular cash dividends that would be paid on shares of Common Stock covered by an Award if such shares had been delivered pursuant to an Award.

(m) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and the applicable rules and regulations thereunder.

(n) "Firm" means GS Inc. and its subsidiaries and affiliates.

(o) "GS Inc." means The Goldman Sachs Group, Inc., and any successor thereto.

(p) "Outstanding" means any Award to the extent it has not been forfeited, canceled, terminated, exercised or with respect to which the shares of Common Stock underlying the Award have not been previously delivered or other payments made.

(q) "RSU" means a restricted stock unit Award granted under the Plan, which represents an unfunded and unsecured promise to deliver shares of Common Stock in accordance with the terms of the RSU Award Agreement.

(r) "RSU Shares" means shares of Common Stock that underlie an RSU.

(s) "Section 409A" means Section 409A of the Code, including any amendments or successor provisions to that Section and any regulations and other administrative guidance thereunder, in each case as they, from time to time, may be amended or interpreted through further administrative guidance.

(t) "Window Period" means a period designated by the Firm during which all employees of the Firm are permitted to purchase or sell shares of Common Stock (provided that, if the Grantee is a member of a designated group of employees who are subject to different restrictions, the Window Period may be a period designated by the Firm during which an employee of the Firm in such designated group is permitted to purchase or sell shares of Common Stock).

Exhibit 10.43

THE GOLDMAN SACHS GROUP, INC.
ONE-TIME RSU AWARD

This Award Agreement, together with The Goldman Sachs Amended and Restated Stock Incentive Plan (2018) (the "Plan"), governs your special one-time award of RSUs (your "Award"). You should read carefully this entire Award Agreement, which includes the Award Statement, any attached Appendix and the signature card.

ACCEPTANCE

1. **You Must Decide Whether to Accept this Award Agreement. To be eligible to receive your Award, you must by the date specified (a) open and activate an Account and (b) agree to all the terms of your Award by executing the related signature card in accordance with its instructions. By executing the signature card, you confirm your agreement to all of the terms of this Award Agreement, including the arbitration and choice of forum provisions in Paragraph [15][16].**

DOCUMENTS THAT GOVERN YOUR AWARD; DEFINITIONS

2. **The Plan.** Your Award is granted under the Plan, and the Plan's terms apply to, and are a part of, this Award Agreement.

3. **Your Award Statement.** The Award Statement delivered to you contains some of your Award's specific terms. For example, it contains the number of RSUs awarded to you and any applicable Vesting Dates[,] [and] Delivery Dates [and Transferability Dates].

4. **Definitions.** Unless otherwise defined herein, including in the Definitions Appendix or any other Appendix, capitalized terms have the meanings provided in the Plan.

VESTING OF YOUR RSUs

5. **Vesting.** On each Vesting Date listed on your Award Statement, you will become Vested in the amount of Outstanding RSUs listed next to that date. When an RSU becomes Vested, it means **only** that your continued active Employment is not required for delivery of that portion of RSU Shares. **Vesting does not mean you have a non-forfeitable right to the Vested portion of your Award. The terms of this Award Agreement (including conditions to delivery [and any applicable Transfer Restrictions]) continue to apply to Vested RSUs, and you can still forfeit Vested RSUs and any RSU Shares.**

DELIVERY OF YOUR RSU SHARES

6. **Delivery.** Reasonably promptly (but no more than 30 Business Days) after each Delivery Date listed on your Award Statement, RSU Shares (less applicable withholding as described in Paragraph [12][13](a)) will be delivered (by book entry credit to your Account) in respect of the amount of Outstanding RSUs listed next to that date. The Committee or the SIP Committee may select multiple dates within the 30-Business-Day period following the Delivery Date to deliver RSU Shares in respect of all or a portion of the RSUs with the same Delivery Date listed on the Award Statement, and all such dates will be treated as a single Delivery Date for purposes of this Award. Until such delivery, you have only the rights of a general unsecured creditor, and no rights as a shareholder of GS Inc. Without limiting the Committee's authority under Section 1.3.2(h) of the Plan, the Firm may accelerate any Delivery Date by up to 30 days.

[TRANSFER RESTRICTIONS FOLLOWING DELIVERY

7. **Transfer Restrictions and Shares at Risk.** All RSU Shares that are delivered on any date in respect of RSUs after tax withholding will be Shares at Risk subject to Transfer Restrictions until the applicable Transferability Date listed on your Award Statement. Any purported sale, exchange, transfer, assignment, pledge, hypothecation, fractionalization, hedge or other disposition in violation of the Transfer Restrictions on Shares at Risk will be void. Within 30 Business Days after the applicable Transferability Date listed on your Award Statement (or any other date on which the Transfer Restrictions are to be removed), GS Inc. will remove the Transfer Restrictions. The Committee or the SIP Committee may select multiple dates within such 30-Business-Day period on which to remove Transfer Restrictions for all or a portion of the Shares at Risk with the same Transferability Date listed on the Award Statement, and all such dates will be treated as a single Transferability Date for purposes of this Award.]

DIVIDENDS

8. **[Dividend Equivalent Rights and] Dividends.** [Each RSU includes a Dividend Equivalent Right, which entitles you to receive an amount (less applicable withholding), at or after the time of distribution of any regular cash dividend paid by GS Inc. in respect of a share of Common Stock, equal to any regular cash dividend payment that would have been made in respect of an RSU Share underlying your Outstanding RSUs for any record date that occurs on or after the Date of Grant.] [You will be entitled to receive on a current basis any regular cash dividend paid in respect of your Shares at Risk. The RSUs do not include Dividend Equivalent Rights.]

FORFEITURE OF YOUR AWARD

9. **How You May Forfeit Your Award.** This Paragraph [8][9] sets forth the events that result in forfeiture of up to all of your RSUs and [Shares at Risk and] may require repayment to the Firm of up to all other amounts previously delivered or paid to you under your Award in accordance with Paragraph [9][10]. More than one event may apply, and in no case will the occurrence of one event limit the forfeiture and repayment obligations as a result of the occurrence of any other event. In addition, the Firm reserves the right to (a) suspend vesting of Outstanding RSUs, [payments under Dividend Equivalent Rights or] delivery of RSU Shares [or release of Transfer Restrictions], (b) deliver any RSU Shares[,] [or] dividends [or payments under Dividend Equivalent Rights] into an escrow account in accordance with Paragraph [12][13](f)(v) or (c) apply Transfer Restrictions to any RSU Shares in connection with any investigation of whether any of the events that result in forfeiture under the Plan or this Paragraph [8][9] have occurred. Paragraph [10][11] (relating to certain circumstances under which you will not forfeit your unvested RSUs upon Employment termination) and Paragraph [11][12] (relating to certain circumstances under which vesting[, delivery] and/or [delivery] [release of Transfer Restrictions] may be accelerated) provide for exceptions to one or more provisions of this Paragraph [8][9]. [The Material Risk Taker Appendix supplements this Paragraph 9 and sets forth additional events that result in forfeiture of up to all of your RSUs and Shares at Risk and may require repayment to the Firm as described in Paragraph 10 and the Appendix.]

(a) Unvested RSUs Forfeited if Your Employment Terminates. If your Employment terminates for any reason or you are otherwise no longer actively Employed with the Firm (which includes off-premises notice periods, "garden leaves," pay in lieu of notice or any other similar status), your rights to your Outstanding RSUs that are not Vested will terminate, and no RSU Shares will be delivered in respect of such RSUs.

(b) Vested and Unvested RSUs Forfeited [if You Solicit Clients or Employees, Interfere with Client or Employee Relationships or Participate in the Hiring of Employees] [Upon Certain Events]. If any of the following occurs before the applicable Delivery Date, your rights to all of your Outstanding RSUs (whether or not Vested) will terminate, and no RSU Shares will be delivered in respect of such RSUs:

(i) [You Solicit Clients or Employees, Interfere with Client or Employee Relationships or Participate in the Hiring of Employees. Either:]

[(A)] you, in any manner, directly or indirectly, [(A)][(1)] Solicit any Client to transact business with a Covered Enterprise or to reduce or refrain from doing any business with the Firm, [(B)][(2)] interfere with or damage (or attempt to interfere with or damage) any relationship between the Firm and any Client, [(C)][(3)] Solicit any person who is an employee of the Firm to resign from the Firm, [(D)][(4)] Solicit any Selected Firm Personnel to apply for or accept employment (or other association) with any person or entity other than the Firm or [(E)][(5)] hire or participate in the hiring of any Selected Firm Personnel by any person or entity other than the Firm (including, without limitation, participating in the identification of individuals for potential hire, and participating in any hiring decision), whether as an employee or consultant or otherwise, or

(ii) [(B)] Selected Firm Personnel are Solicited, hired or accepted into partnership, membership or similar status by [(A)][(1)] any entity that you form, that bears your name, or in which you possess or control greater than a *de minimis* equity ownership, voting or profit participation or [(B)][(2)] any entity where you have, or will have, direct or indirect managerial responsibility for such Selected Firm Personnel.

(iii) [GS Inc. Fails to Maintain the Minimum Tier 1 Capital Ratio. GS Inc. fails to maintain the required "Minimum Tier 1 Capital Ratio" as defined under Federal Reserve Board Regulations applicable to GS Inc. for a period of 90 consecutive business days.]

(iv) [GS Inc. Is Determined to Be in Default. The Board of Governors of the Federal Reserve or the Federal Deposit Insurance Corporation (the "FDIC") makes a written recommendation under Title II (Orderly Liquidation Authority) of the Dodd-Frank Wall Street Reform and Consumer Protection Act for the appointment of the FDIC as a receiver of GS Inc. based on a determination that GS Inc. is "in default" or "in danger of default."]

(c) Vested and Unvested RSUs [and Shares at Risk] Forfeited upon Certain Events. If any of the following occurs [(i)] your rights to all of your Outstanding RSUs (whether or not Vested) will terminate, and no RSU Shares will be delivered in respect of such RSUs [and (ii) your rights to all of your Shares at Risk will terminate and your Shares at Risk will be cancelled, in each case], as may be further described below:

(i) You Failed to Consider Risk. You Failed to Consider Risk during .

(ii) Your Conduct Constitutes Cause. Any event that constitutes Cause [(including, for the avoidance of doubt, "Serious Misconduct" as defined in the Material Risk Taker Appendix)] has occurred before the applicable Delivery Date [for RSUs or the applicable Transferability Date for Shares at Risk].

(iii) You Do Not Meet Your Obligations to the Firm. The Committee determines that, before the applicable Delivery Date [for RSUs or the applicable Transferability Date for Shares at Risk], you failed to meet, in any respect, any obligation under any agreement with the Firm, or any agreement entered into in connection with your Employment or this Award, including the Firm's notice period requirement applicable to you, any offer letter, employment agreement or any shareholders' agreement relating to the Firm. Your failure to pay or reimburse the Firm, on demand, for any amount you owe to the Firm will constitute (A) failure to meet an obligation you have under an agreement, regardless of whether such obligation arises under a written agreement, and/or (B) a material violation of Firm policy constituting Cause.

(iv) You Do Not Provide Timely Certifications or Comply with Your Certifications. You fail to certify to GS Inc. that you have complied with all of the terms of the Plan and this Award Agreement, or the Committee determines that you have failed to comply with a term of the Plan or this Award Agreement to which you have certified compliance.

(v) You Do Not Follow Dispute Resolution/Arbitration Procedures. You attempt to have any dispute under the Plan or this Award Agreement resolved in any manner that is not provided for by Paragraph [15][16] or Section 3.17 of the Plan, or you attempt to arbitrate a dispute without first having exhausted your internal administrative remedies in accordance with Paragraph [12][13](f)([vii][viii]).

(vi) You Bring an Action that Results in a Determination that Any Award Agreement Term Is Invalid. As a result of any action brought by you, it is determined that any term of this Award Agreement is invalid.

(vii) You Receive Compensation in Respect of Your Award from Another Employer. Your Employment terminates for any reason or you otherwise are no longer actively Employed with the Firm and another entity grants you cash, equity or other property (whether vested or unvested) to replace, substitute for or otherwise in respect of any Outstanding RSUs [or Shares at Risk]; *provided*, *however*, that your rights will only be terminated in respect of the RSUs [and Shares at Risk] that are replaced, substituted for or otherwise considered by such other entity in making its grant.

(viii) [You Receive Compensation that this Award Is Intended to Replace. This Award is intended to replace or substitute for any award or compensation forgone with an entity to which you previously provided services, and such entity nevertheless delivers to you such award or compensation (including any cash, equity or other property (whether vested or unvested)), as determined by the Firm in its sole discretion.]

REPAYMENT OF YOUR AWARD

10. **When You May Be Required to Repay Your Award.** If the Committee determines that any term of this Award was not satisfied, you will be required, immediately upon demand therefor, to repay to the Firm the following:

(a) Any RSU Shares [(which, for the avoidance of doubt, includes Shares at Risk)] for which the terms (including the terms for delivery) of the related RSUs were not satisfied, in accordance with Section 2.6.3 of the Plan.

(b) Any [payments under Dividend Equivalent Rights] [Shares at Risk] for which the terms [(including the terms for release of Transfer Restrictions)] were not satisfied [(including

any such payments made in respect of RSUs that are forfeited or RSU Shares that are cancelled or required to be repaid)], in accordance with Section [2.8.3][2.5.3] of the Plan.

(c) Any dividends paid in respect of any RSU Shares that are cancelled or required to be repaid.

(d) Any amount applied to satisfy tax withholding or other obligations with respect to any RSU, RSU Shares[,][and] dividend payments [and payments under Dividend Equivalent Rights] that are forfeited or required to be repaid.

EXCEPTIONS TO THE VESTING[, DELIVERY] AND/OR [DELIVERY] [TRANSFERABILITY] DATES

11. **Circumstances Under Which You Will Not Forfeit Your Unvested RSUs on Employment Termination (but the Original Delivery Date [and Transferability Date] Continue[s] to Apply).** If your Employment terminates at a time when you meet the requirements for Extended Absence[, Retirement,] ["downsizing" or Approved Termination,] [each] as described below, then Paragraph [8][9](a) will not apply, and your Outstanding RSUs will be treated as described in this Paragraph [10][11]. All other terms of this Award Agreement, including the other forfeiture and repayment events in Paragraphs [8][9] and [9][10], continue to apply.

(a) [Extended Absence [or Retirement] and No Association With a Covered Enterprise.]

(i) Generally. If your Employment terminates by Extended Absence [or Retirement], your Outstanding RSUs that are not Vested will become Vested. **However, your rights to any Outstanding RSU that becomes Vested by this Paragraph [10][11](a)[(i)] will terminate and no RSU Share will be delivered in respect of that RSU if you Associate With a Covered Enterprise on or before the originally scheduled Vesting Date for that RSU.**

(ii) [Special Treatment for Involuntary or Mutual Agreement Termination. The second sentence of Paragraph [10][11](a)[(i)] (relating to forfeiture if you Associate With a Covered Enterprise) will not apply if (A) the Firm characterizes your Employment termination as "involuntary" or by "mutual agreement" (and, in each case, you have not engaged in conduct constituting Cause) and (B) you execute a general waiver and release of claims and an agreement to pay any associated tax liability, in each case, in the form the Firm prescribes. No Employment termination that you initiate, including any purported "constructive termination," a "termination for good reason" or similar concepts, can be "involuntary" or by "mutual agreement."]

(b) [Downsizing. If (i) the Firm terminates your Employment solely by reason of a "downsizing" (and you have not engaged in conduct constituting Cause) and (ii) you execute a general waiver and release of claims and an agreement to pay any associated tax liability, in each case, in the form the Firm prescribes, your Outstanding RSUs that are not yet Vested will become Vested. Whether or not your Employment is terminated solely by reason of a "downsizing" will be determined by the Firm in its sole discretion.]

(c) [Approved Terminations of Program Analysts and Fixed-Term Employees. If the Firm classifies you as a "program analyst" or a "fixed-term" employee and your Employment terminates solely by reason of an Approved Termination (and you have not engaged in conduct constituting Cause), your Outstanding RSUs that are not yet Vested will become Vested.]

12. **Accelerated Vesting[,] [and/or] Delivery [and/or Release of Transfer Restrictions] in the Event of a Qualifying Termination After a Change in Control[, Conflicted Employment] or Death.** In the event of your Qualifying Termination After a Change in Control[, Conflicted Employment] or death, each as described below, then Paragraph [8][9](a) will not apply, your Outstanding RSUs [and Shares at Risk] will be treated as described in this Paragraph [11][12], and, except as set forth in Paragraph [11][12](a), all other terms of this Award Agreement, including the other forfeiture and repayment events in Paragraphs [8][9] and [9][10], continue to apply.

(a) You Have a Qualifying Termination After a Change in Control. If your Employment terminates when you meet the requirements of a Qualifying Termination After a Change in Control, the RSU Shares underlying your Outstanding RSUs (whether or not Vested) will be delivered [, and any Transfer Restrictions will cease to apply]. In addition, the forfeiture events in Paragraph 8 will not apply to your Award.

(b) [You Are Determined to Have Accepted Conflicted Employment.

(i) Generally. Notwithstanding anything to the contrary in the Plan or otherwise, for purposes of this Award Agreement, "Conflicted Employment" means your employment at any U.S. Federal, state or local government, any non-U.S. government, any supranational or international organization, any self-regulatory organization, or any agency or instrumentality of any such government or organization, or any other employer (other than an "Accounting Firm" within the meaning of SEC Rule 2-01(f)(2) of Regulation S-X or any successor thereto) determined by the Committee, if, as a result of such employment, your continued holding of any Outstanding RSUs would result in an actual or perceived conflict of interest. Unless prohibited by applicable law or regulation, the following will apply as soon as practicable after the Committee has received satisfactory documentation relating to your Conflicted Employment.

(A) Vesting. If your Employment terminates solely because you resign to accept Conflicted Employment and you have completed at least three years of continuous service with the Firm, your Outstanding RSUs will Vest; otherwise, you will forfeit any Outstanding RSUs that are not Vested in accordance with Paragraph 8(a).

(B) Delivery. If your Employment terminates solely because you resign to accept Conflicted Employment or if, following your termination of Employment, you notify the Firm that you are accepting Conflicted Employment, RSU Shares will be delivered in respect of your Outstanding Vested RSUs (including in the form of cash as described in Paragraph 12(b)).

(ii) You May Have to Take Other Steps to Address Conflicts of Interest. The Committee retains the authority to exercise its rights under the Award Agreement or the Plan (including Section 1.3.2 of the Plan) to take or require you to take other steps it determines in its sole discretion to be necessary or appropriate to cure an actual or perceived conflict of interest (which may include a determination that the accelerated vesting and/or delivery described in Paragraph 11(b)(i) will not apply because such actions are not necessary or appropriate to cure an actual or perceived conflict of interest).]

(c) Death. If you die, the RSU Shares underlying your Outstanding RSUs (whether or not Vested) will be delivered to the representative of your estate [and any Transfer Restrictions will cease to apply] as soon as practicable after the date of death and after such documentation as may be requested by the Committee is provided to the Committee.

OTHER TERMS, CONDITIONS AND AGREEMENTS

13. **Additional Terms, Conditions and Agreements.**

(a) You Must Satisfy Applicable Tax Withholding Requirements. Delivery of RSU Shares is conditioned on your satisfaction of any applicable withholding taxes in accordance with Section 3.2 of the Plan, which includes the Firm deducting or withholding amounts from any payment or distribution to you. In addition, to the extent permitted by applicable law, the Firm, in its sole discretion, may require you to provide amounts equal to all or a portion of any Federal, state, local, foreign or other tax obligations imposed on you or the Firm in connection with the grant, Vesting or delivery of this Award by requiring you to choose between remitting the amount (i) in cash (or through payroll deduction or otherwise) or (ii) in the form of proceeds from the Firm's executing a sale of RSU Shares delivered to you under this Award. In no event, however, does this Paragraph [12][13](a) give you any discretion to determine or affect the timing of the delivery of RSU Shares or the timing of payment of tax obligations.

(b) Firm May Deliver Cash or Other Property Instead of RSU Shares. In accordance with Section 1.3.2(i) of the Plan, in the sole discretion of the Committee, in lieu of all or any portion of the RSU Shares, the Firm may deliver cash, other securities, other awards under the Plan or other property, and all references in this Award Agreement to deliveries of RSU Shares will include such deliveries of cash, other securities, other awards under the Plan or other property.

(c) Amounts May Be Rounded to Avoid Fractional Shares. RSUs that become Vested on a Vesting Date[,] [and] RSU Shares that become deliverable on a Delivery Date [and RSU Shares subject to Transfer Restrictions] may, in each case, be rounded to avoid fractional Shares.

(d) You May Be Required to Become a Party to the Shareholders' Agreement. Your rights to your RSUs are conditioned on your becoming a party to any shareholders' agreement to which other similarly situated employees (*e.g.*, employees with a similar title or position) of the Firm are required to be a party.

(e) Firm May Affix Legends and Place Stop Orders on Restricted RSU Shares. GS Inc. may affix to Certificates representing RSU Shares any legend that the Committee determines to be necessary or advisable (including to reflect any restrictions to which you may be subject under a separate agreement). GS Inc. may advise the transfer agent to place a stop order against any legended RSU Shares.

(f) You Agree to Certain Consents, Terms and Conditions. By accepting this Award you understand and agree that:

(i) You Agree to Certain Consents as a Condition to the Award. You have expressly consented to all of the items listed in Section 3.3.3(d) of the Plan, including the Firm's supplying to any third-party recordkeeper of the Plan or other person such personal information of yours as the Committee deems advisable to administer the Plan, and you agree to provide any additional consents that the Committee determines to be necessary or advisable;

(ii) You Are Subject to the Firm's Policies, Rules and Procedures. You are subject to the Firm's policies in effect from time to time concerning trading in RSU Shares and hedging or pledging RSU Shares and equity-based compensation or other awards (including,

without limitation, the "Firmwide Policy with Respect to Personal Transactions Involving GS Securities and GS Equity Awards" or any successor policies), and confidential or proprietary information, and you will effect sales of RSU Shares in accordance with such rules and procedures as may be adopted from time to time (which may include, without limitation, restrictions relating to the timing of sale requests, the manner in which sales are executed, pricing method, consolidation or aggregation of orders and volume limits determined by the Firm);

(iii) You Are Responsible for Costs Associated with Your Award. You will be responsible for all brokerage costs and other fees or expenses associated with your RSUs, including those related to the sale of RSU Shares;

(iv) You Will Be Deemed to Represent Your Compliance with All the Terms of Your Award if You Accept Delivery of, or Sell, RSU Shares. You will be deemed to have represented and certified that you have complied with all of the terms of the Plan and this Award Agreement when RSU Shares are delivered to you and [you receive payment in respect of Dividend Equivalent Rights] [when you request the sale of RSU Shares following the release of Transfer Restrictions];

(v) Firm May Deliver Your Award into an Escrow Account. The Firm may establish and maintain an escrow account on such terms (which may include your executing any documents related to, and your paying for any costs associated with, such account) as it may deem necessary or appropriate, and the delivery of RSU Shares [(including Shares at Risk)]or the payment of cash (including dividends [and payments under Dividend Equivalent Rights]) or other property may initially be made into and held in that escrow account until such time as the Committee has received such documentation as it may have requested or until the Committee has determined that any other conditions or restrictions on delivery of RSU Shares, cash or other property required by this Award Agreement have been satisfied;

(vi) You May Be Required to Certify Compliance with Award Terms; You Are Responsible for Providing the Firm with Updated Address and Contact Information After Your Departure from the Firm. If your Employment terminates while you continue to hold RSUs [or Shares at Risk], from time to time, you may be required to provide certifications of your compliance with all of the terms of the Plan and this Award Agreement as described in Paragraph [8][9](c)(iv). You understand and agree that (A) your address on file with the Firm at the time any certification is required will be deemed to be your current address, (B) it is your responsibility to inform the Firm of any changes to your address to ensure timely receipt of the certification materials, (C) you are responsible for contacting the Firm to obtain such certification materials if not received and (D) your failure to return properly completed certification materials by the specified deadline (which includes your failure to timely return the completed certification because you did not provide the Firm with updated contact information) will result in the forfeiture of all of your RSUs [and Shares at Risk] and subject previously delivered amounts to repayment under Paragraph [8][9](c)(iv);

(vii) [You Authorize the Firm to Register, in Its or Its Designee's Name, Any Shares at Risk and Sell, Assign or Transfer Any Forfeited Shares at Risk. You are granting to the Firm the full power and authority to register any Shares at Risk in its or its designee's name and authorizing the Firm or its designee to sell, assign or transfer any Shares at Risk if you forfeit your Shares at Risk;]

(viii) You Must Comply with Applicable Deadlines and Procedures to Appeal Determinations Made by the Committee, the SIP Committee or SIP Administrators. If you

disagree with a determination made by the Committee, the SIP Committee, the SIP Administrators, or any of their delegates or designees and you wish to appeal such determination, you must submit a written request to the SIP Committee for review within 180 days after the determination at issue. You must exhaust your internal administrative remedies (*i.e.*, submit your appeal and wait for resolution of that appeal) before seeking to resolve a dispute through arbitration pursuant to Paragraph [15][16] and Section 3.17 of the Plan; and

(ix) You Agree that Covered Persons Will Not Have Liability. In addition to and without limiting the generality of the provisions of Section 1.3.5 of the Plan, neither the Firm nor any Covered Person will have any liability to you or any other person for any action taken or omitted in respect of this or any other Award.

14. **Non-transferability.** Except as otherwise may be provided in this Paragraph [13][14] or as otherwise may be provided by the Committee, the limitations on transferability set forth in Section 3.5 of the Plan will apply to this Award. Any purported transfer or assignment in violation of the provisions of this Paragraph [13][14] or Section 3.5 of the Plan will be void. The Committee may adopt procedures pursuant to which some or all recipients of RSUs may transfer some or all of their RSUs [and/or Shares at Risk (which will continue to be subject to Transfer Restrictions until the applicable Transferability Date)] through a gift for no consideration to any immediate family member, a trust or other estate planning vehicle approved by the Committee or SIP Committee in which the recipient and/or the recipient's immediate family members in the aggregate have 100% of the beneficial interest.

15. **Right of Offset.** Except as provided in Paragraph [17(h)][18(f)], the obligation to deliver RSU Shares [or to make payments under Dividend Equivalent Rights] [to pay dividends or to remove Transfer Restrictions] under this Award Agreement is subject to Section 3.4 of the Plan, which provides for the Firm's right to offset against such obligation any outstanding amounts you owe to the Firm and any amounts the Committee deems appropriate pursuant to any tax equalization policy or agreement.

ARBITRATION, CHOICE OF FORUM AND GOVERNING LAW

16. **Arbitration; Choice of Forum.**

(A) BY ACCEPTING THIS AWARD, YOU ARE INDICATING THAT YOU UNDERSTAND AND AGREE THAT THE ARBITRATION AND CHOICE OF FORUM PROVISIONS SET FORTH IN SECTION 3.17 OF THE PLAN WILL APPLY TO THIS AWARD. THESE PROVISIONS, WHICH ARE EXPRESSLY INCORPORATED HEREIN BY REFERENCE, PROVIDE AMONG OTHER THINGS THAT ANY DISPUTE, CONTROVERSY OR CLAIM BETWEEN THE FIRM AND YOU ARISING OUT OF OR RELATING TO OR CONCERNING THE PLAN OR THIS AWARD AGREEMENT WILL BE FINALLY SETTLED BY ARBITRATION IN NEW YORK CITY, PURSUANT TO THE TERMS MORE FULLY SET FORTH IN SECTION 3.17 OF THE PLAN; PROVIDED THAT NOTHING HEREIN SHALL PRECLUDE YOU FROM FILING A CHARGE WITH OR PARTICIPATING IN ANY INVESTIGATION OR PROCEEDING CONDUCTED BY ANY GOVERNMENTAL AUTHORITY, INCLUDING BUT NOT LIMITED TO THE SEC AND THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION.

(b) To the fullest extent permitted by applicable law, no arbitrator will have the authority to consider class, collective or representative claims, to order consolidation or to join different claimants or grant relief other than on an individual basis to the individual claimant involved.

(c) Notwithstanding any applicable forum rules to the contrary, to the extent there is a question of enforceability of this Award Agreement arising from a challenge to the arbitrator's jurisdiction or to the arbitrability of a claim, it will be decided by a court and not an arbitrator.

(d) The Federal Arbitration Act governs interpretation and enforcement of all arbitration provisions under the Plan and this Award Agreement, and all arbitration proceedings thereunder.

(e) Nothing in this Award Agreement creates a substantive right to bring a claim under U.S. Federal, state, or local employment laws.

(f) By accepting your Award, you irrevocably appoint each General Counsel of GS Inc., or any person whom the General Counsel of GS Inc. designates, as your agent for service of process in connection with any suit, action or proceeding arising out of or relating to or concerning the Plan or any Award which is not arbitrated pursuant to the provisions of Section 3.17.1 of the Plan, who shall promptly advise you of any such service of process.

(g) To the fullest extent permitted by applicable law, no arbitrator will have the authority to consider any claim as to which you have not first exhausted your internal administrative remedies in accordance with Paragraph [12][13](f)([vii][viii]).

17. **Governing Law. THIS AWARD WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.**

CERTAIN TAX PROVISIONS

18. **Compliance of Award Agreement and Plan with Section 409A.** The provisions of this Paragraph [17][18] apply to you only if you are a U.S. taxpayer.

(a) This Award Agreement and the Plan provisions that apply to this Award are intended and will be construed to comply with Section 409A (including the requirements applicable to, or the conditions for exemption from treatment as, 409A Deferred Compensation), whether by reason of short-term deferral treatment or other exceptions or provisions. The Committee will have full authority to give effect to this intent. To the extent necessary to give effect to this intent, in the case of any conflict or potential inconsistency between the provisions of the Plan (including Sections 1.3.2 and 2.1 thereof) and this Award Agreement, the provisions of this Award Agreement will govern, and in the case of any conflict or potential inconsistency between this Paragraph [17][18] and the other provisions of this Award Agreement, this Paragraph [17][18] will govern.

(b) Delivery of RSU Shares will not be delayed beyond the date on which all applicable conditions or restrictions on delivery of RSU Shares required by this Agreement (including those specified in Paragraphs 6, [7,] 10[(a)(ii), 10](b), 11([b][c])[, 12(b)] and [12][13] and the consents and other items specified in Section 3.3 of the Plan) are satisfied. To the extent that any portion of this Award is intended to satisfy the requirements for short-term deferral treatment under Section 409A, delivery for such portion will occur by the March 15 coinciding with the last day of the applicable "short-term deferral" period described in Reg. 1.409A-1(b)(4) in order for the delivery of RSU Shares to be within the short-term deferral exception unless, in order to permit all applicable conditions or restrictions on delivery to be satisfied, the Committee elects, pursuant to Reg. 1.409A-1(b)(4)(i)(D) or otherwise as may be permitted in accordance

with Section 409A, to delay delivery of RSU Shares to a later date within the same calendar year or to such later date as may be permitted under Section 409A, including Reg. 1.409A-3(d). For the avoidance of doubt, if the Award includes a "series of installment payments" as described in Reg. 1.409A-2(b)(2)(iii), your right to the series of installment payments will be treated as a right to a series of separate payments and not as a right to a single payment.

(c) Notwithstanding the provisions of Paragraph [12][13](b) and Section 1.3.2(i) of the Plan, to the extent necessary to comply with Section 409A, any securities, other Awards or other property that the Firm may deliver in respect of your RSUs will not have the effect of deferring delivery or payment, income inclusion, or a substantial risk of forfeiture, beyond the date on which such delivery, payment or inclusion would occur or such risk of forfeiture would lapse, with respect to the RSU Shares that would otherwise have been deliverable (unless the Committee elects a later date for this purpose pursuant to Reg. 1.409A-1(b)(4)(i)(D) or otherwise as may be permitted under Section 409A, including and to the extent applicable, the subsequent election provisions of Section 409A(a)(4)(C) of the Code and Reg. 1.409A-2(b)).

(d) Notwithstanding the timing provisions of Paragraph [11][12]([b][c]), the delivery of RSU Shares referred to therein will be made after the date of death and during the calendar year that includes the date of death (or on such later date as may be permitted under Section 409A).

(e) The timing of delivery or payment pursuant to Paragraph [11][12](a) will occur on the earlier of (i) the Delivery Date or (ii) a date that is within the calendar year in which the termination of Employment occurs; *provided*, *however*, that, if you are a "specified employee" (as defined by the Firm in accordance with Section 409A(a)(2)(i)(B) of the Code), delivery will occur on the earlier of the Delivery Date or (to the extent required to avoid the imposition of additional tax under Section 409A) the date that is six months after your termination of Employment (or, if the latter date is not during a Window Period, the first trading day of the next Window Period). For purposes of Paragraph [11][12](a), references in this Award Agreement to termination of Employment mean a termination of Employment from the Firm (as defined by the Firm) which is also a separation from service (as defined by the Firm in accordance with Section 409A).

(f) [Notwithstanding any provision of Paragraph 7 or Section 2.8.2 of the Plan to the contrary, the Dividend Equivalent Rights with respect to each of your Outstanding RSUs will be paid to you within the calendar year that includes the date of distribution of any corresponding regular cash dividends paid by GS Inc. in respect of a share of Common Stock the record date for which occurs on or after the Date of Grant. The payment will be in an amount (less applicable withholding) equal to such regular dividend payment as would have been made in respect of the RSU Shares underlying such Outstanding RSUs.]

(g) [The timing of delivery or payment referred to in Paragraph 11(b)(i) will be the earlier of (i) the Delivery Date or (ii) a date that is within the calendar year in which the Committee receives satisfactory documentation relating to your Conflicted Employment, *provided* that such delivery or payment will be made, and any Committee action referred to in Paragraph 11(b)(ii) will be taken, only at such time as, and if and to the extent that it, as reasonably determined by the Firm, would not result in the imposition of any additional tax to you under Section 409A.]

(h) Paragraph [14][15] and Section 3.4 of the Plan will not apply to Awards that are 409A Deferred Compensation except to the extent permitted under Section 409A.

(i) Delivery of RSU Shares in respect of any Award may be made, if and to the extent elected by the Committee, later than the Delivery Date or other date or period specified hereinabove (but, in the case of any Award that constitutes 409A Deferred Compensation, only to the extent that the later delivery is permitted under Section 409A).

(j) You understand and agree that you are solely responsible for the payment of any taxes and penalties due pursuant to Section 409A, but in no event will you be permitted to designate, directly or indirectly, the taxable year of the delivery.

COMMITTEE AUTHORITY, AMENDMENT, CONSTRUCTION AND REGULATORY REPORTING

19. **Committee Authority.** The Committee has the authority to determine, in its sole discretion, that any event triggering forfeiture or repayment of your Award will not apply[,] [and] to limit the forfeitures and repayments that result under Paragraphs [8 and 9] [9 and 10 and to remove Transfer Restrictions before the applicable Transferability Date]. In addition, the Committee, in its sole discretion, may determine whether Paragraph[s] [10(a)(ii)] [and] [10][11](b) will apply upon a termination of Employment[and whether a termination of Employment constitutes an Approved Termination under Paragraph 10(c)].

20. **Amendment.** The Committee reserves the right at any time to amend the terms of this Award Agreement, and the Board may amend the Plan in any respect; *provided* that, notwithstanding the foregoing and Sections 1.3.2(f), 1.3.2(h) and 3.1 of the Plan, no such amendment will materially adversely affect your rights and obligations under this Award Agreement without your consent; and *provided further* that the Committee expressly reserves its rights to amend the Award Agreement and the Plan as described in Sections 1.3.2(h)(1), (2) and (4) of the Plan. A modification that impacts the tax consequences of this Award or the timing of delivery of RSU Shares will not be an amendment that materially adversely affects your rights and obligations under this Award Agreement. Any amendment of this Award Agreement will be in writing.

21. **Construction, Headings.** Unless the context requires otherwise, (a) words describing the singular number include the plural and vice versa, (b) words denoting any gender include all genders and (c) the words "include," "includes" and "including" will be deemed to be followed by the words "without limitation." The headings in this Award Agreement are for the purpose of convenience only and are not intended to define or limit the construction of the provisions hereof. References in this Award Agreement to any specific Plan provision will not be construed as limiting the applicability of any other Plan provision.

22. **Providing Information to the Appropriate Authorities.** In accordance with applicable law, nothing in this Award Agreement (including the forfeiture and repayment provisions in Paragraphs 8 and 9) or the Plan prevents you from providing information you reasonably believe to be true to the appropriate governmental authority, including a regulatory, judicial, administrative, or other governmental entity; reporting possible violations of law or regulation; making other disclosures that are protected under any applicable law or regulation; or filing a charge or participating in any investigation or proceeding conducted by a governmental authority.

IN WITNESS WHEREOF, GS Inc. has caused this Award Agreement to be duly executed and delivered as of the Date of Grant.

THE GOLDMAN SACHS GROUP, INC.

[MATERIAL RISK TAKER APPENDIX

This Material Risk Taker Appendix supplements Paragraph 9 and sets forth additional events that result in forfeiture of up to all of your RSUs and Shares at Risk and may require repayment to the Firm of up to all other amounts previously delivered or paid to you under your Award in accordance with Paragraph 10. As with the events described in Paragraph 9, more than one event may apply, in no case will the occurrence of one event limit the forfeiture and repayment obligations as a result of the occurrence of any other event and the Firm reserves the right to (a) suspend vesting of Outstanding RSUs, delivery of RSU Shares or release of Transfer Restrictions, (b) deliver any RSU Shares or dividends into an escrow account in accordance with Paragraph 13(f)(v) or (c) apply Transfer Restrictions to any RSU Shares in connection with any investigation of whether any of the events that result in forfeiture under this Material Risk Taker Appendix have occurred.

With respect to the events described in Paragraphs (a) through (d) of this Appendix, the Committee will consider certain factors to determine whether and what portion of your Award will terminate, including the reason for the "Loss Event" (as defined below) or "Risk Event" (as defined below) and the extent to which: (1) you participated in the Loss Event or Risk Event, (2) your compensation for [ ] may or may not have been adjusted to take into account the risk associated with the Loss Event, Risk Event, your "Serious Misconduct" (as defined below) or the Serious Misconduct of a "Supervised Employee" (as defined below) and (3) your compensation may be adjusted for the year in which the Loss Event, Risk Event, your Serious Misconduct or a Supervised Employee's Serious Misconduct is discovered.

(a) A Loss Event Occurs Prior to Delivery. If a Loss Event occurs prior to the delivery of RSU Shares, your rights in respect of all or a portion of your RSUs (whether or not Vested) which are scheduled to deliver on the next Delivery Date immediately following the date that the Loss Event is identified (or, if not practicable, then the next following Delivery Date) will terminate, and no RSU Shares will be delivered in respect of such RSUs.

(i) A "**Loss Event**" means (A) an annual pre-tax loss at GS Inc. or (B) annual negative revenues in one or more reporting segments as disclosed in the Firm's Form 10-K other than the Asset Management segment, or annual negative revenues in the Asset Management segment of $5 billion or more, provided in either case that you are employed in a business within such reporting segment.

(b) A Risk Event Occurs [ ]. If a Risk Event occurs [ ], (i) your rights in respect of all or a portion of your RSUs (whether or not Vested) will terminate and no RSU Shares will be delivered in respect of such RSUs, (ii) your rights to all or a portion of any Shares at Risk will terminate and such Shares at Risk will be cancelled and (iii) you will be obligated immediately upon demand therefor to pay the Firm an amount not in excess of the greater of the Fair Market Value of the RSU Shares (plus any dividend payments) delivered in respect of the Award (without reduction for any amount applied to satisfy tax withholding or other obligations) determined as of (A) the date the Risk Event occurred and (B) the date that the repayment request is made.

(i) A "**Risk Event**" means there occurs a loss of 5% or more of firmwide total capital from a reportable operational risk event determined in accordance with the firmwide Reporting Operational Risk Events Policy.

(c) You Engage in Serious Misconduct [ ]. If you engage in Serious Misconduct during [ ], you will be

obligated immediately upon demand therefor to pay the Firm an amount not in excess of the greater of the Fair Market Value of the RSU Shares (plus any dividend payments) delivered in respect of the Award (without reduction for any amount applied to satisfy tax withholding or other obligations) determined as of (i) the date the Serious Misconduct occurred and (ii) the date that the repayment request is made.

(i) "**Serious Misconduct**" means that you engage in conduct that the Firm reasonably considers, in its sole discretion, to be misconduct sufficient to justify summary termination of employment under English law.

(d) A Supervised Employee Engages in Serious Misconduct. If the Committee determines that it is appropriate to hold you accountable in whole or in part for Serious Misconduct related to compliance, control or risk that occurred during [ ] by a Supervised Employee, your rights in respect of all or a portion of your RSUs (whether or not Vested) will terminate and no RSU Shares will be delivered in respect of such RSUs and your rights to all or a portion of any Shares at Risk will terminate and such Shares at Risk will be cancelled.

(i) "**Supervised Employee**" means an individual with respect to whom the Committee determines you had supervisory responsibility as a result of direct or indirect reporting lines or your management responsibility for an office, division or business.

Notwithstanding any provision in the Plan, this Award Agreement or any other agreement or arrangement you may have with the Firm, the parties agree that to the extent that there is any dispute arising out of or relating to the payment required by Paragraphs (b) and (c) of this Appendix (including your refusal to remit payment) the parties will submit to arbitration in accordance with Paragraph 16 of this Award Agreement and Section 3.17 of the Plan as the sole means of resolution of such dispute (including the recovery by the Firm of the payment amount).]

DEFINITIONS APPENDIX

The following capitalized terms are used in this Award Agreement with the following meanings:

(a) "409A Deferred Compensation" means a "deferral of compensation" or "deferred compensation" as those terms are defined in the regulations under Section 409A.

(b) ["Approved Termination" means that you are classified by the Firm as a "program analyst" or "fixed-term employee" and you (i) successfully complete the analyst program or fixed-term engagement, as applicable and determined by the Firm in its sole discretion, including remaining Employed through the completion date specified by the Firm, and (ii) terminate Employment immediately after the completion date without any "stay-on" or other agreement or understanding to continue Employment with the Firm. If you agree to stay with the Firm as an employee after your analyst program or fixed-term engagement ends and then later terminate Employment, you will not have an Approved Termination.]

(c) "Associate With a Covered Enterprise" means that you (i) form, or acquire a 5% or greater equity ownership, voting or profit participation interest in, any Covered Enterprise or (ii) associate in any capacity (including association as an officer, employee, partner, director, consultant, agent or advisor) with any Covered Enterprise. Associate With a Covered Enterprise may include, as determined in the discretion of either the Committee or the SIP Committee, (i) becoming the subject of any publicly available announcement or report of a pending or future association with a Covered Enterprise and (ii) unpaid associations, including an association in contemplation of future employment. "Association With a Covered Enterprise" will have its correlative meaning.

(d) ["Conflicted Employment" means your employment at any U.S. Federal, state or local government, any non-U.S. government, any supranational or international organization, any self-regulatory organization, or any agency or instrumentality of any such government or organization, or any other employer (other than an "Accounting Firm" within the meaning of SEC Rule 2-01(f)(2) of Regulation S-X or any successor thereto) determined by the Committee, if, as a result of such employment, your continued holding of any Outstanding RSUs would result in an actual or perceived conflict of interest.]

(e) "Covered Enterprise" means a Competitive Enterprise and any other existing or planned business enterprise that: (i) offers, holds itself out as offering or reasonably may be expected to offer products or services that are the same as or similar to those offered by the Firm or that the Firm reasonably expects to offer ("Firm Products or Services") or (ii) engages in, holds itself out as engaging in or reasonably may be expected to engage in any other activity that is the same as or similar to any financial activity engaged in by the Firm or in which the Firm reasonably expects to engage ("Firm Activities"). For the avoidance of doubt, Firm Activities include any activity that requires the same or similar skills as any financial activity engaged in by the Firm or in which the Firm reasonably expects to engage, irrespective of whether any such financial activity is in furtherance of an advisory, agency, proprietary or fiduciary undertaking.

The enterprises covered by this definition include enterprises that offer, hold themselves out as offering or reasonably may be expected to offer Firm Products or Services, or engage in, hold themselves out as engaging in or reasonably may be expected to engage in Firm Activities directly, as well as those that do so indirectly by ownership or control (*e.g.*, by owning, being owned by or by being under common ownership with an enterprise that offers, holds itself out as offering or reasonably may be expected to offer Firm Products or Services or that engages in, holds itself out as engaging in or reasonably may be expected to engage in Firm Activities). The definition of Covered Enterprise includes,

solely by way of example, any enterprise that offers, holds itself out as offering or reasonably may be expected to offer any product or service, or engages in, holds itself out as engaging in or reasonably may be expected to engage in any activity, in any case, associated with investment banking; public or private finance; lending; financial advisory services; private investing for anyone other than you or your family members (including, for the avoidance of doubt, any type of proprietary investing or trading); private wealth management; private banking; consumer or commercial cash management; consumer, digital or commercial banking; merchant banking; asset, portfolio or hedge fund management; insurance or reinsurance underwriting or brokerage; property management; or securities, futures, commodities, energy, derivatives, currency or digital asset brokerage, sales, lending, custody, clearance, settlement or trading. An enterprise that offers, holds itself out as offering or reasonably may be expected to offer Firm Products or Services, or engages in, holds itself out as engaging in or reasonably may be expected to engage in Firm Activities is a Covered Enterprise**, irrespective of whether the enterprise is a customer, client or counterparty of the Firm or is otherwise associated with the Firm and, because the Firm is a global enterprise, irrespective of where the Covered Enterprise is physically located.**

(f) "Failed to Consider Risk" means that you participated (or otherwise oversaw or were responsible for, depending on the circumstances, another individual's participation) in the structuring or marketing of any product or service, or participated on behalf of the Firm or any of its clients in the purchase or sale of any security or other property, in any case without appropriate consideration of the risk to the Firm or the broader financial system as a whole (for example, where you have improperly analyzed such risk or where you have failed sufficiently to raise concerns about such risk) and, as a result of such action or omission, the Committee determines there has been, or reasonably could be expected to be, a material adverse impact on the Firm, your business unit or the broader financial system.

(g) "Qualifying Termination After a Change in Control" means that the Firm terminates your Employment other than for Cause or you terminate your Employment for Good Reason, in each case, within 18 months following a Change in Control.

(h) "SEC" means the U.S. Securities and Exchange Commission.

(i) "Selected Firm Personnel" means any individual who is or in the three months preceding the conduct prohibited by Paragraph [8][9](b)[(i)] was (i) a Firm employee or consultant with whom you personally worked while employed by the Firm, (ii) a Firm employee or consultant who, at any time during the year preceding the date of the termination of your Employment, worked in the same division in which you worked or (iii) an Advisory Director, a Managing Director or a Senior Advisor of the Firm.

(j) ["Shares at Risk" means RSU Shares subject to Transfer Restrictions.]

The following capitalized terms are used in this Award Agreement with the meanings that are assigned to them in the Plan.

(a) "Account" means any brokerage account, custody account or similar account, as approved or required by GS Inc. from time to time, into which shares of Common Stock, cash or other property in respect of an Award are delivered.

(b) "Award Agreement" means the written document or documents by which each Award is evidenced, including any related Award Statement and signature card.

(c) "Award Statement" means a written statement that reflects certain Award terms.

(d) "Board" means the Board of Directors of GS Inc.

(e) "Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in New York City are authorized or obligated by Federal law or executive order to be closed.

(f) "Cause" means (i) the Grantee's conviction, whether following trial or by plea of guilty or *nolo contendere* (or similar plea), in a criminal proceeding (A) on a misdemeanor charge involving fraud, false statements or misleading omissions, wrongful taking, embezzlement, bribery, forgery, counterfeiting or extortion, or (B) on a felony charge, or (C) on an equivalent charge to those in clauses (A) and (B) in jurisdictions which do not use those designations, (ii) the Grantee's engaging in any conduct which constitutes an employment disqualification under applicable law (including statutory disqualification as defined under the Exchange Act), (iii) the Grantee's willful failure to perform the Grantee's duties to the Firm, (iv) the Grantee's violation of any securities or commodities laws, any rules or regulations issued pursuant to such laws, or the rules and regulations of any securities or commodities exchange or association of which the Firm is a member, (v) the Grantee's violation of any Firm policy concerning hedging or pledging or confidential or proprietary information, or the Grantee's material violation of any other Firm policy as in effect from time to time, (vi) the Grantee's engaging in any act or making any statement which impairs, impugns, denigrates, disparages or negatively reflects upon the name, reputation or business interests of the Firm or (vii) the Grantee's engaging in any conduct detrimental to the Firm. The determination as to whether Cause has occurred shall be made by the Committee in its sole discretion and, in such case, the Committee also may, but shall not be required to, specify the date such Cause occurred (including by determining that a prior termination of Employment was for Cause). Any rights the Firm may have hereunder and in any Award Agreement in respect of the events giving rise to Cause shall be in addition to the rights the Firm may have under any other agreement with a Grantee or at law or in equity.

(g) "Certificate" means a stock certificate (or other appropriate document or evidence of ownership) representing shares of Common Stock.

(h) "Change in Control" means the consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving GS Inc. (a "Reorganization") or sale or other disposition of all or substantially all of GS Inc.'s assets to an entity that is not an affiliate of GS Inc. (a "Sale"), that in each case requires the approval of GS Inc.'s shareholders under the law of GS Inc.'s jurisdiction of organization, whether for such Reorganization or Sale (or the issuance of securities of GS Inc. in such Reorganization or Sale), unless immediately following such Reorganization or Sale, either: (i) at least 50% of the total voting power (in respect of the election of directors, or similar officials in the case of an entity other than a corporation) of (A) the entity resulting from such Reorganization, or the entity which has acquired all or substantially all of the assets of GS Inc. in a Sale (in either case, the "Surviving Entity"), or (B) if applicable, the ultimate parent entity that directly or indirectly has beneficial

ownership (within the meaning of Rule 13d-3 under the Exchange Act, as such Rule is in effect on the date of the adoption of the 1999 SIP) of 50% or more of the total voting power (in respect of the election of directors, or similar officials in the case of an entity other than a corporation) of the Surviving Entity (the "Parent Entity") is represented by GS Inc.'s securities (the "GS Inc. Securities") that were outstanding immediately prior to such Reorganization or Sale (or, if applicable, is represented by shares into which such GS Inc. Securities were converted pursuant to such Reorganization or Sale) or (ii) at least 50% of the members of the board of directors (or similar officials in the case of an entity other than a corporation) of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) following the consummation of the Reorganization or Sale were, at the time of the Board's approval of the execution of the initial agreement providing for such Reorganization or Sale, individuals (the "Incumbent Directors") who either (A) were members of the Board on the Effective Date or (B) became directors subsequent to the Effective Date and whose election or nomination for election was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of GS Inc.'s proxy statement in which such persons are named as nominees for director).

(i) "Client" means any client or prospective client of the Firm to whom the Grantee provided services, or for whom the Grantee transacted business, or whose identity became known to the Grantee in connection with the Grantee's relationship with or employment by the Firm.

(j) "Code" means the Internal Revenue Code of 1986, as amended from time to time, and the applicable rulings and regulations thereunder.

(k) "Committee" means the committee appointed by the Board to administer the Plan pursuant to Section 1.3, and, to the extent the Board determines it is appropriate for the compensation realized from Awards under the Plan to be considered "performance based" compensation under Section 162(m) of the Code, shall be a committee or subcommittee of the Board composed of two or more members, each of whom is an "outside director" within the meaning of Code Section 162(m), and which, to the extent the Board determines it is appropriate for Awards under the Plan to qualify for the exemption available under Rule 16b-3(d)(1) or Rule 16b-3(e) promulgated under the Exchange Act, shall be a committee or subcommittee of the Board composed of two or more members, each of whom is a "non-employee director" within the meaning of Rule 16b-3. Unless otherwise determined by the Board, the Committee shall be the Compensation Committee of the Board.

(l) "Common Stock" means common stock of GS Inc., par value $0.01 per share.

(m) "Competitive Enterprise" means an existing or planned business enterprise that (i) engages, or may reasonably be expected to engage, in any activity; (ii) owns or controls, or may reasonably be expected to own or control, a significant interest in any entity that engages in any activity or (iii) is, or may reasonably be expected to be, owned by, or a significant interest in which is, or may reasonably be expected to be, owned or controlled by, any entity that engages in any activity that, in any case, competes or will compete anywhere with any activity in which the Firm is engaged. The activities covered by this definition include, without limitation: financial services such as investment banking; public or private finance; lending; financial advisory services; private investing for anyone other than the Grantee and members of the Grantee's family (including for the avoidance of doubt, any type of proprietary investing or trading); private wealth management; private banking; consumer or commercial cash management; consumer, digital or commercial banking; merchant banking; asset, portfolio or hedge fund management; insurance or reinsurance underwriting or brokerage; property management; or securities, futures, commodities, energy, derivatives, currency or digital asset brokerage, sales, lending, custody, clearance, settlement or trading.

(n) "Covered Person" means a member of the Board or the Committee or any employee of the Firm.

(o) "Date of Grant" means the date specified in the Grantee's Award Agreement as the date of grant of the Award.

(p) "Delivery Date" means each date specified in the Grantee's Award Agreement as a delivery date, *provided*, unless the Committee determines otherwise, such date is during a Window Period or, if such date is not during a Window Period, the first trading day of the first Window Period beginning after such date.

(q) "Dividend Equivalent Right" means a dividend equivalent right granted under the Plan, which represents an unfunded and unsecured promise to pay to the Grantee amounts equal to all or any portion of the regular cash dividends that would be paid on shares of Common Stock covered by an Award if such shares had been delivered pursuant to an Award.

(r) "Effective Date" means the date this Plan is approved by the shareholders of GS Inc. pursuant to Section 3.15 of the Plan.

(s) "Employment" means the Grantee's performance of services for the Firm, as determined by the Committee. The terms "employ" and "employed" shall have their correlative meanings. The Committee in its sole discretion may determine (i) whether and when a Grantee's leave of absence results in a termination of Employment (for this purpose, unless the Committee determines otherwise, a Grantee shall be treated as terminating Employment with the Firm upon the occurrence of an Extended Absence), (ii) whether and when a change in a Grantee's association with the Firm results in a termination of Employment and (iii) the impact, if any, of any such leave of absence or change in association on Awards theretofore made. Unless expressly provided otherwise, any references in the Plan or any Award Agreement to a Grantee's Employment being terminated shall include both voluntary and involuntary terminations.

(t) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and the applicable rules and regulations thereunder.

(u) "Extended Absence" means the Grantee's inability to perform for six (6) continuous months, due to illness, injury or pregnancy-related complications, substantially all the essential duties of the Grantee's occupation, as determined by the Committee.

(v) "Firm" means GS Inc. and its subsidiaries and affiliates.

(w) "Good Reason" means, in connection with a termination of employment by a Grantee following a Change in Control, (a) as determined by the Committee, a materially adverse alteration in the Grantee's position or in the nature or status of the Grantee's responsibilities from those in effect immediately prior to the Change in Control or (b) the Firm's requiring the Grantee's principal place of Employment to be located more than seventy-five (75) miles from the location where the Grantee is principally Employed at the time of the Change in Control (except for required travel on the Firm's business to an extent substantially consistent with the Grantee's customary business travel obligations in the ordinary course of business prior to the Change in Control).

(x) "Grantee" means a person who receives an Award.

(y) "GS Inc." means The Goldman Sachs Group, Inc., and any successor thereto.

(z) "1999 SIP" means The Goldman Sachs 1999 Stock Incentive Plan, as in effect prior to the effective date of the 2003 SIP.

(aa) "Outstanding" means any Award to the extent it has not been forfeited, cancelled, terminated, exercised or with respect to which the shares of Common Stock underlying the Award have not been previously delivered or other payments made.

(bb) ["Restricted Share" means a share of Common Stock delivered under the Plan that is subject to Transfer Restrictions, forfeiture provisions and/or other terms and conditions specified herein and in the Restricted Share Award Agreement or other applicable Award Agreement. All references to Restricted Shares include "Shares at Risk."]

(cc) ["Retirement" means termination of the Grantee's Employment (other than for Cause) on or after the Date of Grant at a time when (i) (A) the sum of the Grantee's age plus years of service with the Firm (as determined by the Committee in its sole discretion) equals or exceeds 60 and (B) the Grantee has completed at least 10 years of service with the Firm (as determined by the Committee in its sole discretion) or, if earlier, (ii) (A) the Grantee has attained age 50 and (B) the Grantee has completed at least five years of service with the Firm (as determined by the Committee in its sole discretion).]

(dd) "RSU" means a restricted stock unit granted under the Plan, which represents an unfunded and unsecured promise to deliver shares of Common Stock in accordance with the terms of the RSU Award Agreement.

(ee) "RSU Shares" means shares of Common Stock that underlie an RSU.

(ff) "Section 409A" means Section 409A of the Code, including any amendments or successor provisions to that Section and any regulations and other administrative guidance thereunder, in each case as they, from time to time, may be amended or interpreted through further administrative guidance.

(gg) "SIP Administrator" means each person designated by the Committee as a "SIP Administrator" with the authority to perform day-to-day administrative functions for the Plan.

(hh) "SIP Committee" means the persons who have been delegated certain authority under the Plan by the Committee.

(ii) "Solicit" means any direct or indirect communication of any kind whatsoever, regardless of by whom initiated, inviting, advising, suggesting, encouraging or requesting any person or entity, in any manner, to take or refrain from taking any action.

(jj) "Transfer Restrictions" means restrictions that prohibit the sale, exchange, transfer, assignment, pledge, hypothecation, fractionalization, hedge or other disposal (including through the use of any cash-settled instrument), whether voluntarily or involuntarily by the Grantee, of an Award or any shares of Common Stock, cash or other property delivered in respect of an Award.

(kk) ["Transferability Date" means the date Transfer Restrictions on a Restricted Share will be released. Within 30 Business Days after the applicable Transferability Date, GS Inc. shall take, or shall cause to be taken, such steps as may be necessary to remove the Transfer Restrictions.]

(ll) "Vested" means, with respect to an Award, the portion of the Award that is not subject to a condition that the Grantee remain actively employed by the Firm in order for the Award to remain Outstanding. The fact that an Award becomes Vested shall not mean or otherwise indicate that the

Grantee has an unconditional or nonforfeitable right to such Award, and such Award shall remain subject to such terms, conditions and forfeiture provisions as may be provided for in the Plan or in the Award Agreement.

(mm) "Vesting Date" means each date specified in the Grantee's Award Agreement as a date on which part or all of an Award becomes Vested.

(nn) "Window Period" means a period designated by the Firm during which all employees of the Firm are permitted to purchase or sell shares of Common Stock (*provided* that, if the Grantee is a member of a designated group of employees who are subject to different restrictions, the Window Period may be a period designated by the Firm during which an employee of the Firm in such designated group is permitted to purchase or sell shares of Common Stock).

Exhibit 10.44

THE GOLDMAN SACHS GROUP, INC.
YEAR-END RSU AWARD

This Award Agreement, together with The Goldman Sachs Amended and Restated Stock Incentive Plan (2018) (the "Plan"), governs your year-end award of RSUs (your "Award"). You should read carefully this entire Award Agreement, which includes the Award Statement, any attached Appendix and the signature card.

ACCEPTANCE

1. **You Must Decide Whether to Accept this Award Agreement. To be eligible to receive your Award, you must by the date specified (a) open and activate an Account and (b) agree to all the terms of your Award by executing the related signature card in accordance with its instructions. By executing the signature card, you confirm your agreement to all of the terms of this Award Agreement, including the arbitration and choice of forum provisions in Paragraph 16.**

DOCUMENTS THAT GOVERN YOUR AWARD; DEFINITIONS

2. **The Plan.** Your Award is granted under the Plan, and the Plan's terms apply to, and are a part of, this Award Agreement.

3. **Your Award Statement.** The Award Statement delivered to you contains some of your Award's specific terms. For example, it contains the number of RSUs awarded to you and any applicable Vesting Dates, Delivery Dates and Transferability Dates.

4. **Definitions.** Unless otherwise defined herein, including in the Definitions Appendix or any other Appendix, capitalized terms have the meanings provided in the Plan.

VESTING OF YOUR RSUS

5. **Vesting.** On each Vesting Date listed on your Award Statement, you will become Vested in the amount of Outstanding RSUs listed next to that date. When an RSU becomes Vested, it means **only** that your continued active Employment is not required for delivery of that portion of RSU Shares. **Vesting does not mean you have a non-forfeitable right to the Vested portion of your Award. The terms of this Award Agreement (including conditions to delivery and any applicable Transfer Restrictions) continue to apply to Vested RSUs, and you can still forfeit Vested RSUs and any RSU Shares.**

DELIVERY OF YOUR RSU SHARES

6. **Delivery.** Reasonably promptly (but no more than 30 Business Days) after each Delivery Date listed on your Award Statement, RSU Shares (less applicable withholding as described in Paragraph 13(a)) will be delivered (by book entry credit to your Account) in respect of the amount of Outstanding RSUs listed next to that date. The Committee or the SIP Committee may select multiple dates within the 30-Business-Day period following the Delivery Date to deliver RSU Shares in respect of all or a portion of the RSUs with the same Delivery Date listed on the Award Statement, and all such dates will be treated as a single Delivery Date for purposes of this Award. Until such delivery, you have only the rights of a general unsecured creditor, and no rights as a shareholder of GS Inc. Without limiting the Committee's authority under Section 1.3.2(h) of the Plan, the Firm may accelerate any Delivery Date by up to 30 days.

TRANSFER RESTRICTIONS FOLLOWING DELIVERY

7. **Transfer Restrictions and Shares at Risk.** Fifty percent of the RSU Shares that are delivered on any date, **before** tax withholding (or, if the applicable tax withholding rate is greater than 50%, all RSU Shares delivered after tax withholding), will be Shares at Risk. This means that if, for example, on a Delivery Date, you are scheduled to receive delivery of 1,000 RSU Shares, and you are subject to a 40% withholding rate, then (a) 400 RSU Shares will be withheld for taxes, (b) 500 RSU Shares delivered to you will be Shares at Risk and (c) 100 RSU Shares delivered to you will not be subject to Transfer Restrictions. Any purported sale, exchange, transfer, assignment, pledge, hypothecation, fractionalization, hedge or other disposition in violation of the Transfer Restrictions on Shares at Risk will be void. Within 30 Business Days after the Transferability Date listed on your Award Statement (or any other date on which the Transfer Restrictions are to be removed), GS Inc. will remove the Transfer Restrictions. The Committee or the SIP Committee may select multiple dates within such 30-Business-Day period on which to remove Transfer Restrictions for all or a portion of the Shares at Risk with the same Transferability Date listed on the Award Statement, and all such dates will be treated as a single Transferability Date for purposes of this Award.

DIVIDENDS

8. **Dividend Equivalent Rights and Dividends.** Each RSU includes a Dividend Equivalent Right, which entitles you to receive an amount (less applicable withholding), at or after the time of distribution of any regular cash dividend paid by GS Inc. in respect of a share of Common Stock, equal to any regular cash dividend payment that would have been made in respect of an RSU Share underlying your Outstanding RSUs for any record date that occurs on or after the Date of Grant. In addition, you will be entitled to receive on a current basis any regular cash dividend paid in respect of your Shares at Risk.

FORFEITURE OF YOUR AWARD

9. **How You May Forfeit Your Award.** This Paragraph 9 sets forth the events that result in forfeiture of up to all of your RSUs and Shares at Risk and may require repayment to the Firm of up to all other amounts previously delivered or paid to you under your Award in accordance with Paragraph 10. More than one event may apply, and in no case will the occurrence of one event limit the forfeiture and repayment obligations as a result of the occurrence of any other event. In addition, the Firm reserves the right to (a) suspend vesting of Outstanding RSUs, payments under Dividend Equivalent Rights, delivery of RSU Shares or release of Transfer Restrictions, (b) deliver any RSU Shares, dividends or payments under Dividend Equivalent Rights into an escrow account in accordance with Paragraph 13(f)(v) or (c) apply Transfer Restrictions to any RSU Shares in connection with any investigation of whether any of the events that result in forfeiture under the Plan or this Paragraph 9 have occurred. Paragraph 11 (relating to certain circumstances under which you will not forfeit your unvested RSUs upon Employment termination) and Paragraph 12 (relating to certain circumstances under which vesting, delivery and/or release of Transfer Restrictions may be accelerated) provide for exceptions to one or more provisions of this Paragraph 9.

(a) Unvested RSUs Forfeited if Your Employment Terminates. If your Employment terminates for any reason or you are otherwise no longer actively Employed with the Firm (which includes off-premises notice periods, "garden leaves," pay in lieu of notice or any other similar status), your rights to your Outstanding RSUs that are not Vested will terminate, and no RSU Shares will be delivered in respect of such RSUs.

(b) Vested and Unvested RSUs Forfeited Upon Certain Events. If any of the following occurs before the applicable Delivery Date, your rights to all of your Outstanding RSUs (whether or not Vested) will terminate, and no RSU Shares will be delivered in respect of such RSUs:

(i) You Solicit Clients or Employees, Interfere with Client or Employee Relationships or Participate in the Hiring of Employees:

(A) you, in any manner, directly or indirectly, (1) Solicit any Client to transact business with a Covered Enterprise or to reduce or refrain from doing any business with the Firm, (2) interfere with or damage (or attempt to interfere with or damage) any relationship between the Firm and any Client, (3) Solicit any person who is an employee of the Firm to resign from the Firm, (4) Solicit any Selected Firm Personnel to apply for or accept employment (or other association) with any person or entity other than the Firm or (5) hire or participate in the hiring of any Selected Firm Personnel by any person or entity other than the Firm (including, without limitation, participating in the identification of individuals for potential hire, and participating in any hiring decision), whether as an employee or consultant or otherwise, or

(B) Selected Firm Personnel are Solicited, hired or accepted into partnership, membership or similar status by (1) any entity that you form, that bears your name, or in which you possess or control greater than a *de minimis* equity ownership, voting or profit participation or (2) any entity where you have, or will have, direct or indirect managerial responsibility for such Selected Firm Personnel.

(ii) [GS Inc. Fails to Maintain the Minimum Tier 1 Capital Ratio. GS Inc. fails to maintain the required "Minimum Tier 1 Capital Ratio" as defined under Federal Reserve Board Regulations applicable to GS Inc. for a period of 90 consecutive business days.]

(iii) [GS Inc. Is Determined to Be in Default. The Board of Governors of the Federal Reserve or the Federal Deposit Insurance Corporation (the "FDIC") makes a written recommendation under Title II (Orderly Liquidation Authority) of the Dodd-Frank Wall Street Reform and Consumer Protection Act for the appointment of the FDIC as a receiver of GS Inc. based on a determination that GS Inc. is "in default" or "in danger of default."]

(c) Vested and Unvested RSUs and Shares at Risk Forfeited upon Certain Events. If any of the following occurs (i) your rights to all of your Outstanding RSUs (whether or not Vested) will terminate, and no RSU Shares will be delivered in respect of such RSUs and (ii) your rights to all of your Shares at Risk will terminate and your Shares at Risk will be cancelled, in each case, as may be further described below:

(i) You Failed to Consider Risk. You Failed to Consider Risk during .

(ii) Your Conduct Constitutes Cause. Any event that constitutes Cause has occurred before the applicable Delivery Date for RSUs or the Transferability Date for Shares at Risk.

(iii) You Do Not Meet Your Obligations to the Firm. The Committee determines that, before the applicable Delivery Date for RSUs or the Transferability Date for Shares at Risk, you failed to meet, in any respect, any obligation under any agreement with the Firm, or any agreement entered into in connection with your Employment or this Award, including the Firm's notice period requirement applicable to you, any offer letter, employment agreement or any shareholders' agreement relating to the Firm. Your failure to pay or reimburse the Firm, on demand, for any amount you owe to the Firm will constitute (A) failure to meet an obligation you have under an agreement, regardless of whether such obligation arises under a written agreement, and/or (B) a material violation of Firm policy constituting Cause.

(iv) You Do Not Provide Timely Certifications or Comply with Your Certifications. You fail to certify to GS Inc. that you have complied with all of the terms of the Plan and this Award Agreement, or the Committee determines that you have failed to comply with a term of the Plan or this Award Agreement to which you have certified compliance.

(v) You Do Not Follow Dispute Resolution/Arbitration Procedures. You attempt to have any dispute under the Plan or this Award Agreement resolved in any manner that is not provided for by Paragraph 16 or Section 3.17 of the Plan, or you attempt to arbitrate a dispute without first having exhausted your internal administrative remedies in accordance with Paragraph 13(f)(viii).

(vi) You Bring an Action that Results in a Determination that Any Award Agreement Term Is Invalid. As a result of any action brought by you, it is determined that any term of this Award Agreement is invalid.

(vii) You Receive Compensation in Respect of Your Award from Another Employer. Your Employment terminates for any reason or you otherwise are no longer actively Employed with the Firm and another entity grants you cash, equity or other property (whether vested or unvested) to replace, substitute for or otherwise in respect of any Outstanding RSUs or Shares at Risk; *provided*, *however*, that your rights will only be terminated in respect of the RSUs and Shares at Risk that are replaced, substituted for or otherwise considered by such other entity in making its grant.

REPAYMENT OF YOUR AWARD

10. **When You May Be Required to Repay Your Award.** If the Committee determines that any term of this Award was not satisfied, you will be required, immediately upon demand therefor, to repay to the Firm the following:

(a) Any RSU Shares (which, for the avoidance of doubt, includes any Shares at Risk) for which the terms (including the terms for delivery) of the related RSUs were not satisfied, in accordance with Section 2.6.3 of the Plan.

(b) Any Shares at Risk for which the terms (including the terms for the release of Transfer Restrictions) were not satisfied, in accordance with Section 2.5.3 of the Plan.

(c) Any RSU Shares that were delivered (but not subject to Transfer Restrictions) at the same time any Shares at Risk that are cancelled or required to be repaid were delivered.

(d) Any payments under Dividend Equivalent Rights for which the terms were not satisfied (including any such payments made in respect of RSUs that are forfeited or RSU Shares that are cancelled or required to be repaid), in accordance with Section 2.8.3 of the Plan.

(e) Any dividends paid in respect of any RSU Shares that are cancelled or required to be repaid.

(f) Any amount applied to satisfy tax withholding or other obligations with respect to any RSU, RSU Shares, dividend payments and payments under Dividend Equivalent Rights that are forfeited or required to be repaid.

EXCEPTIONS TO THE VESTING, DELIVERY AND/OR TRANSFERABILITY DATES

11. **Circumstances Under Which You Will Not Forfeit Your Unvested RSUs on Employment Termination (but the Original Delivery Date and Transferability Date Continue to Apply).** If your Employment terminates at a time when you meet the requirements for Extended Absence, Retirement[,][or] "downsizing" [or Approved Termination], each as described below, then Paragraph 9(a) will not apply, and your Outstanding RSUs will be treated as described in this Paragraph 11. All other terms of this Award Agreement, including the other forfeiture and repayment events in Paragraphs 9 and 10, continue to apply.

(a) Extended Absence or Retirement and No Association With a Covered Enterprise.

(i) Generally. If your Employment terminates by Extended Absence or Retirement, your Outstanding RSUs that are not Vested will become Vested. **However, your rights to any Outstanding RSU that becomes Vested by this Paragraph 11(a)(i) will terminate and no RSU Share will be delivered in respect of that RSU if you Associate With a Covered Enterprise on or before the originally scheduled Vesting Date for that RSU**.

(ii) Special Treatment for Involuntary or Mutual Agreement Termination. The second sentence of Paragraph 11(a)(i) (relating to forfeiture if you Associate With a Covered Enterprise) will not apply if (A) the Firm characterizes your Employment termination as "involuntary" or by "mutual agreement" (and, in each case, you have not engaged in conduct constituting Cause) and (B) you execute a general waiver and release of claims and an agreement to pay any associated tax liability, in each case, in the form the Firm prescribes. No Employment termination that you initiate, including any purported "constructive termination," a "termination for good reason" or similar concepts, can be "involuntary" or by "mutual agreement."

(b) Downsizing. If (i) the Firm terminates your Employment solely by reason of a "downsizing" (and you have not engaged in conduct constituting Cause) and (ii) you execute a general waiver and release of claims and an agreement to pay any associated tax liability, in each case, in the form the Firm prescribes, your Outstanding RSUs that are not yet Vested will become Vested. Whether or not your Employment is terminated solely by reason of a "downsizing" will be determined by the Firm in its sole discretion.

(c) [Approved Terminations of Program Analysts and Fixed-Term Employees. If the Firm classifies you as a "program analyst" or a "fixed-term" employee and your Employment terminates solely by reason of an Approved Termination (and you have not engaged in conduct constituting Cause), your Outstanding RSUs that are not yet Vested will become Vested.]

12. **Accelerated Vesting, Delivery and/or Release of Transfer Restrictions in the Event of a Qualifying Termination After a Change in Control, Conflicted Employment or Death.** In the event of your Qualifying Termination After a Change in Control, Conflicted Employment or death, each as described below, then Paragraph 9(a) will not apply, your Outstanding RSUs and Shares at Risk will be treated as described in this Paragraph 12, and, except as set forth in Paragraph 12(a), all other terms of this Award Agreement, including the other forfeiture and repayment events in Paragraphs 9 and 10, continue to apply.

(a) You Have a Qualifying Termination After a Change in Control. If your Employment terminates when you meet the requirements of a Qualifying Termination After a Change in Control, the RSU Shares underlying your Outstanding RSUs (whether or not Vested)

will be delivered, and any Transfer Restrictions will cease to apply. In addition, the forfeiture events in Paragraph 9 will not apply to your Award.

(b) You Are Determined to Have Accepted Conflicted Employment.

(i) Generally. Notwithstanding anything to the contrary in the Plan or otherwise, for purposes of this Award Agreement, "Conflicted Employment" means your employment at any U.S. Federal, state or local government, any non-U.S. government, any supranational or international organization, any self-regulatory organization, or any agency or instrumentality of any such government or organization, or any other employer (other than an "Accounting Firm" within the meaning of SEC Rule 2-01(f)(2) of Regulation S-X or any successor thereto) determined by the Committee, if, as a result of such employment, your continued holding of any Outstanding RSUs and Shares at Risk would result in an actual or perceived conflict of interest. Unless prohibited by applicable law or regulation, the following will apply as soon as practicable after the Committee has received satisfactory documentation relating to your Conflicted Employment.

(A) Vesting. If your Employment terminates solely because you resign to accept Conflicted Employment and you have completed at least three years of continuous service with the Firm, your Outstanding RSUs will Vest; otherwise, you will forfeit any Outstanding RSUs that are not Vested in accordance with Paragraph 9(a).

(B) Delivery and Release of Transfer Restrictions. If your Employment terminates solely because you resign to accept Conflicted Employment or if, following your termination of Employment, you notify the Firm that you are accepting Conflicted Employment, RSU Shares will be delivered in respect of your Outstanding Vested RSUs (including in the form of cash as described in Paragraph 13(b)) and any Transfer Restrictions will cease to apply.

(ii) You May Have to Take Other Steps to Address Conflicts of Interest. The Committee retains the authority to exercise its rights under the Award Agreement or the Plan (including Section 1.3.2 of the Plan) to take or require you to take other steps it determines in its sole discretion to be necessary or appropriate to cure an actual or perceived conflict of interest (which may include a determination that the accelerated vesting, delivery and/or release of Transfer Restrictions described in Paragraph 12(b)(i) will not apply because such actions are not necessary or appropriate to cure an actual or perceived conflict of interest).

(c) Death. If you die, the RSU Shares underlying your Outstanding RSUs (whether or not Vested) will be delivered to the representative of your estate and any Transfer Restrictions will cease to apply as soon as practicable after the date of death and after such documentation as may be requested by the Committee is provided to the Committee.

OTHER TERMS, CONDITIONS AND AGREEMENTS

13. **Additional Terms, Conditions and Agreements.**

(a) You Must Satisfy Applicable Tax Withholding Requirements. Delivery of RSU Shares is conditioned on your satisfaction of any applicable withholding taxes in accordance with Section 3.2 of the Plan, which includes the Firm deducting or withholding amounts from any payment or distribution to you. In addition, to the extent permitted by applicable law, the Firm, in its sole discretion, may require you to provide amounts equal to all or a portion of any Federal, state, local, foreign or other tax obligations imposed on you or the Firm in connection with the

grant, Vesting or delivery of this Award by requiring you to choose between remitting the amount (i) in cash (or through payroll deduction or otherwise) or (ii) in the form of proceeds from the Firm's executing a sale of RSU Shares delivered to you under this Award. In no event, however, does this Paragraph 13(a) give you any discretion to determine or affect the timing of the delivery of RSU Shares or the timing of payment of tax obligations.

(b) Firm May Deliver Cash or Other Property Instead of RSU Shares. In accordance with Section 1.3.2(i) of the Plan, in the sole discretion of the Committee, in lieu of all or any portion of the RSU Shares, the Firm may deliver cash, other securities, other awards under the Plan or other property, and all references in this Award Agreement to deliveries of RSU Shares will include such deliveries of cash, other securities, other awards under the Plan or other property.

(c) Amounts May Be Rounded to Avoid Fractional Shares. RSUs that become Vested on a Vesting Date, RSU Shares that become deliverable on a Delivery Date and RSU Shares subject to Transfer Restrictions may, in each case, be rounded to avoid fractional Shares.

(d) You May Be Required to Become a Party to the Shareholders' Agreement. Your rights to your RSUs are conditioned on your becoming a party to any shareholders' agreement to which other similarly situated employees (*e.g.*, employees with a similar title or position) of the Firm are required to be a party.

(e) Firm May Affix Legends and Place Stop Orders on Restricted RSU Shares. GS Inc. may affix to Certificates representing RSU Shares any legend that the Committee determines to be necessary or advisable (including to reflect any restrictions to which you may be subject under a separate agreement). GS Inc. may advise the transfer agent to place a stop order against any legended RSU Shares.

(f) You Agree to Certain Consents, Terms and Conditions. By accepting this Award you understand and agree that:

(i) You Agree to Certain Consents as a Condition to the Award. You have expressly consented to all of the items listed in Section 3.3.3(d) of the Plan, including the Firm's supplying to any third-party recordkeeper of the Plan or other person such personal information of yours as the Committee deems advisable to administer the Plan, and you agree to provide any additional consents that the Committee determines to be necessary or advisable;

(ii) You Are Subject to the Firm's Policies, Rules and Procedures. You are subject to the Firm's policies in effect from time to time concerning trading in RSU Shares and hedging or pledging RSU Shares and equity-based compensation or other awards (including, without limitation, the "Firmwide Policy with Respect to Personal Transactions Involving GS Securities and GS Equity Awards" or any successor policies), and confidential or proprietary information, and you will effect sales of RSU Shares in accordance with such rules and procedures as may be adopted from time to time (which may include, without limitation, restrictions relating to the timing of sale requests, the manner in which sales are executed, pricing method, consolidation or aggregation of orders and volume limits determined by the Firm);

(iii) You Are Responsible for Costs Associated with Your Award. You will be responsible for all brokerage costs and other fees or expenses associated with your RSUs, including those related to the sale of RSU Shares;

(iv) You Will Be Deemed to Represent Your Compliance with All the Terms of Your Award if You Accept Delivery of, or Sell, RSU Shares. You will be deemed to have represented and certified that you have complied with all of the terms of the Plan and this Award Agreement when RSU Shares are delivered to you, you receive payment in respect of Dividend Equivalent Rights and you request the sale of RSU Shares following the release of Transfer Restrictions;

(v) Firm May Deliver Your Award into an Escrow Account. The Firm may establish and maintain an escrow account on such terms (which may include your executing any documents related to, and your paying for any costs associated with, such account) as it may deem necessary or appropriate, and the delivery of RSU Shares (including Shares at Risk) or the payment of cash (including dividends and payments under Dividend Equivalent Rights) or other property may initially be made into and held in that escrow account until such time as the Committee has received such documentation as it may have requested or until the Committee has determined that any other conditions or restrictions on delivery of RSU Shares, cash or other property required by this Award Agreement have been satisfied;

(vi) You May Be Required to Certify Compliance with Award Terms; You Are Responsible for Providing the Firm with Updated Address and Contact Information After Your Departure from the Firm. If your Employment terminates while you continue to hold RSUs or Shares at Risk, from time to time, you may be required to provide certifications of your compliance with all of the terms of the Plan and this Award Agreement as described in Paragraph 9(c)(iv). You understand and agree that (A) your address on file with the Firm at the time any certification is required will be deemed to be your current address, (B) it is your responsibility to inform the Firm of any changes to your address to ensure timely receipt of the certification materials, (C) you are responsible for contacting the Firm to obtain such certification materials if not received and (D) your failure to return properly completed certification materials by the specified deadline (which includes your failure to timely return the completed certification because you did not provide the Firm with updated contact information) will result in the forfeiture of all of your RSUs and Shares at Risk and subject previously delivered amounts to repayment under Paragraph 9(c)(iv);

(vii) You Authorize the Firm to Register, in Its or Its Designee's Name, Any Shares at Risk and Sell, Assign or Transfer Any Forfeited Shares at Risk. You are granting to the Firm the full power and authority to register any Shares at Risk in its or its designee's name and authorizing the Firm or its designee to sell, assign or transfer any Shares at Risk if you forfeit your Shares at Risk;

(viii) You Must Comply with Applicable Deadlines and Procedures to Appeal Determinations Made by the Committee, the SIP Committee or SIP Administrators. If you disagree with a determination made by the Committee, the SIP Committee, the SIP Administrators, or any of their delegates or designees and you wish to appeal such determination, you must submit a written request to the SIP Committee for review within 180 days after the determination at issue. You must exhaust your internal administrative remedies (*i.e.*, submit your appeal and wait for resolution of that appeal) before seeking to resolve a dispute through arbitration pursuant to Paragraph 16 and Section 3.17 of the Plan; and

(ix) You Agree that Covered Persons Will Not Have Liability. In addition to and without limiting the generality of the provisions of Section 1.3.5 of the Plan, neither the Firm nor any Covered Person will have any liability to you or any other person for any action taken or omitted in respect of this or any other Award.

14. **Non-transferability.** Except as otherwise may be provided in this Paragraph 14 or as otherwise may be provided by the Committee, the limitations on transferability set forth in Section 3.5 of the Plan will apply to this Award. Any purported transfer or assignment in violation of the provisions of this Paragraph 14 or Section 3.5 of the Plan will be void. The Committee may adopt procedures pursuant to which some or all recipients of RSUs may transfer some or all of their RSUs and/or Shares at Risk (which will continue to be subject to Transfer Restrictions until the Transferability Date) through a gift for no consideration to any immediate family member, a trust or other estate planning vehicle approved by the Committee or SIP Committee in which the recipient and/or the recipient's immediate family members in the aggregate have 100% of the beneficial interest.

15. **Right of Offset.** Except as provided in Paragraph 18(h), the obligation to deliver RSU Shares, to pay dividends or payments under Dividend Equivalent Rights or to remove the Transfer Restrictions under this Award Agreement is subject to Section 3.4 of the Plan, which provides for the Firm's right to offset against such obligation any outstanding amounts you owe to the Firm and any amounts the Committee deems appropriate pursuant to any tax equalization policy or agreement.

ARBITRATION, CHOICE OF FORUM AND GOVERNING LAW

16. **Arbitration; Choice of Forum.**

(a) By accepting this award, you are indicating that you understand and agree that the arbitration and choice of forum provisions set forth in Section 3.17 of the Plan will apply to this Award. These provisions, which are expressly incorporated herein by reference, provide among other things that any dispute, controversy or claim between the Firm and you arising out of or relating to or concerning the Plan or this Award Agreement will be finally settled by arbitration in New York City, pursuant to the terms more fully set forth in Section 3.17 OF THE PLAN; provided that nothing herein shall preclude you from filing a charge with or participating in any investigation or proceeding conducted by any governmental authority, including but not limited to the SEC and the Equal Employment Opportunity Commission.

(b) To the fullest extent permitted by applicable law, no arbitrator will have the authority to consider class, collective or representative claims, to order consolidation or to join different claimants or grant relief other than on an individual basis to the individual claimant involved.

(c) Notwithstanding any applicable forum rules to the contrary, to the extent there is a question of enforceability of this Award Agreement arising from a challenge to the arbitrator's jurisdiction or to the arbitrability of a claim, it will be decided by a court and not an arbitrator.

(d) The Federal Arbitration Act governs interpretation and enforcement of all arbitration provisions under the Plan and this Award Agreement, and all arbitration proceedings thereunder.

(e) Nothing in this Award Agreement creates a substantive right to bring a claim under U.S. Federal, state, or local employment laws.

(f) By accepting your Award, you irrevocably appoint each General Counsel of GS Inc., or any person whom the General Counsel of GS Inc. designates, as your agent for service of process in connection with any suit, action or proceeding arising out of or relating to or concerning

the Plan or any Award which is not arbitrated pursuant to the provisions of Section 3.17.1 of the Plan, who shall promptly advise you of any such service of process.

(g) To the fullest extent permitted by applicable law, no arbitrator will have the authority to consider any claim as to which you have not first exhausted your internal administrative remedies in accordance with Paragraph 13(f)(viii).

17. **Governing Law. THIS AWARD WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.**

CERTAIN TAX PROVISIONS

18. **Compliance of Award Agreement and Plan with Section 409A.** The provisions of this Paragraph 18 apply to you only if you are a U.S. taxpayer.

(a) This Award Agreement and the Plan provisions that apply to this Award are intended and will be construed to comply with Section 409A (including the requirements applicable to, or the conditions for exemption from treatment as, 409A Deferred Compensation), whether by reason of short-term deferral treatment or other exceptions or provisions. The Committee will have full authority to give effect to this intent. To the extent necessary to give effect to this intent, in the case of any conflict or potential inconsistency between the provisions of the Plan (including Sections 1.3.2 and 2.1 thereof) and this Award Agreement, the provisions of this Award Agreement will govern, and in the case of any conflict or potential inconsistency between this Paragraph 18 and the other provisions of this Award Agreement, this Paragraph 18 will govern.

(b) Delivery of RSU Shares will not be delayed beyond the date on which all applicable conditions or restrictions on delivery of RSU Shares required by this Agreement (including those specified in Paragraphs 6, 7, 11(a)(ii), 11(b), 12(c) and 13 and the consents and other items specified in Section 3.3 of the Plan) are satisfied. To the extent that any portion of this Award is intended to satisfy the requirements for short-term deferral treatment under Section 409A, delivery for such portion will occur by the March 15 coinciding with the last day of the applicable "short-term deferral" period described in Reg. 1.409A-1(b)(4) in order for the delivery of RSU Shares to be within the short-term deferral exception unless, in order to permit all applicable conditions or restrictions on delivery to be satisfied, the Committee elects, pursuant to Reg. 1.409A-1(b)(4)(i)(D) or otherwise as may be permitted in accordance with Section 409A, to delay delivery of RSU Shares to a later date within the same calendar year or to such later date as may be permitted under Section 409A, including Reg. 1.409A-3(d). For the avoidance of doubt, if the Award includes a "series of installment payments" as described in Reg. 1.409A-2(b)(2)(iii), your right to the series of installment payments will be treated as a right to a series of separate payments and not as a right to a single payment.

(c) Notwithstanding the provisions of Paragraph 13(b) and Section 1.3.2(i) of the Plan, to the extent necessary to comply with Section 409A, any securities, other Awards or other property that the Firm may deliver in respect of your RSUs will not have the effect of deferring delivery or payment, income inclusion, or a substantial risk of forfeiture, beyond the date on which such delivery, payment or inclusion would occur or such risk of forfeiture would lapse, with respect to the RSU Shares that would otherwise have been deliverable (unless the Committee elects a later date for this purpose pursuant to Reg. 1.409A-1(b)(4)(i)(D) or otherwise as may be permitted under Section 409A, including and to the extent applicable, the subsequent election provisions of Section 409A(a)(4)(C) of the Code and Reg. 1.409A-2(b)).

(d) Notwithstanding the timing provisions of Paragraph 12(c), the delivery of RSU Shares referred to therein will be made after the date of death and during the calendar year that includes the date of death (or on such later date as may be permitted under Section 409A).

(e) The timing of delivery or payment pursuant to Paragraph 12(a) will occur on the earlier of (i) the Delivery Date or (ii) a date that is within the calendar year in which the termination of Employment occurs; *provided*, *however*, that, if you are a "specified employee" (as defined by the Firm in accordance with Section 409A(a)(2)(i)(B) of the Code), delivery will occur on the earlier of the Delivery Date or (to the extent required to avoid the imposition of additional tax under Section 409A) the date that is six months after your termination of Employment (or, if the latter date is not during a Window Period, the first trading day of the next Window Period). For purposes of Paragraph 12(a), references in this Award Agreement to termination of Employment mean a termination of Employment from the Firm (as defined by the Firm) which is also a separation from service (as defined by the Firm in accordance with Section 409A).

(f) Notwithstanding any provision of Paragraph 8 or Section 2.8.2 of the Plan to the contrary, the Dividend Equivalent Rights with respect to each of your Outstanding RSUs will be paid to you within the calendar year that includes the date of distribution of any corresponding regular cash dividends paid by GS Inc. in respect of a share of Common Stock the record date for which occurs on or after the Date of Grant. The payment will be in an amount (less applicable withholding) equal to such regular dividend payment as would have been made in respect of the RSU Shares underlying such Outstanding RSUs.

(g) The timing of delivery or payment referred to in Paragraph 12(b)(i) will be the earlier of (i) the Delivery Date or (ii) a date that is within the calendar year in which the Committee receives satisfactory documentation relating to your Conflicted Employment, *provided* that such delivery or payment will be made, and any Committee action referred to in Paragraph 12(b)(ii) will be taken, only at such time as, and if and to the extent that it, as reasonably determined by the Firm, would not result in the imposition of any additional tax to you under Section 409A.

(h) Paragraph 15 and Section 3.4 of the Plan will not apply to Awards that are 409A Deferred Compensation except to the extent permitted under Section 409A.

(i) Delivery of RSU Shares in respect of any Award may be made, if and to the extent elected by the Committee, later than the Delivery Date or other date or period specified hereinabove (but, in the case of any Award that constitutes 409A Deferred Compensation, only to the extent that the later delivery is permitted under Section 409A).

(j) You understand and agree that you are solely responsible for the payment of any taxes and penalties due pursuant to Section 409A, but in no event will you be permitted to designate, directly or indirectly, the taxable year of the delivery.

COMMITTEE AUTHORITY, AMENDMENT, CONSTRUCTION AND REGULATORY REPORTING

19. **Committee Authority.** The Committee has the authority to determine, in its sole discretion, that any event triggering forfeiture or repayment of your Award will not apply, to limit the forfeitures and repayments that result under Paragraphs 9 and 10 and to remove Transfer Restrictions before the Transferability Date. In addition, the Committee, in its sole discretion, may determine whether Paragraphs 11(a)(ii) and 11(b) will apply upon a termination of Employment [and whether a termination of Employment constitutes an Approved Termination under Paragraph 11(c)].

20. **Amendment.** The Committee reserves the right at any time to amend the terms of this Award Agreement, and the Board may amend the Plan in any respect; *provided* that, notwithstanding the foregoing and Sections 1.3.2(f), 1.3.2(h) and 3.1 of the Plan, no such amendment will materially adversely affect your rights and obligations under this Award Agreement without your consent; and *provided further* that the Committee expressly reserves its rights to amend the Award Agreement and the Plan as described in Sections 1.3.2(h)(1), (2) and (4) of the Plan. A modification that impacts the tax consequences of this Award or the timing of delivery of RSU Shares will not be an amendment that materially adversely affects your rights and obligations under this Award Agreement. Any amendment of this Award Agreement will be in writing.

21. **Construction, Headings.** Unless the context requires otherwise, (a) words describing the singular number include the plural and vice versa, (b) words denoting any gender include all genders and (c) the words "include," "includes" and "including" will be deemed to be followed by the words "without limitation." The headings in this Award Agreement are for the purpose of convenience only and are not intended to define or limit the construction of the provisions hereof. References in this Award Agreement to any specific Plan provision will not be construed as limiting the applicability of any other Plan provision.

22. **Providing Information to the Appropriate Authorities.** In accordance with applicable law, nothing in this Award Agreement (including the forfeiture and repayment provisions in Paragraphs 9 and 10) or the Plan prevents you from providing information you reasonably believe to be true to the appropriate governmental authority, including a regulatory, judicial, administrative, or other governmental entity; reporting possible violations of law or regulation; making other disclosures that are protected under any applicable law or regulation; or filing a charge or participating in any investigation or proceeding conducted by a governmental authority.

IN WITNESS WHEREOF, GS Inc. has caused this Award Agreement to be duly executed and delivered as of the Date of Grant.

THE GOLDMAN SACHS GROUP, INC.

DEFINITIONS APPENDIX

The following capitalized terms are used in this Award Agreement with the following meanings:

(a) "409A Deferred Compensation" means a "deferral of compensation" or "deferred compensation" as those terms are defined in the regulations under Section 409A.

(b) ["Approved Termination" means that you are classified by the Firm as a "program analyst" or "fixed-term employee" and you (i) successfully complete the analyst program or fixed-term engagement, as applicable and determined by the Firm in its sole discretion, including remaining Employed through the completion date specified by the Firm, and (ii) terminate Employment immediately after the completion date without any "stay-on" or other agreement or understanding to continue Employment with the Firm. If you agree to stay with the Firm as an employee after your analyst program or fixed-term engagement ends and then later terminate Employment, you will not have an Approved Termination.]

(c) "Associate With a Covered Enterprise" means that you (i) form, or acquire a 5% or greater equity ownership, voting or profit participation interest in, any Covered Enterprise or (ii) associate in any capacity (including association as an officer, employee, partner, director, consultant, agent or advisor) with any Covered Enterprise. Associate With a Covered Enterprise may include, as determined in the discretion of either the Committee or the SIP Committee, (i) becoming the subject of any publicly available announcement or report of a pending or future association with a Covered Enterprise and (ii) unpaid associations, including an association in contemplation of future employment. "Association With a Covered Enterprise" will have its correlative meaning.

(d) "Conflicted Employment" means your employment at any U.S. Federal, state or local government, any non-U.S. government, any supranational or international organization, any self-regulatory organization, or any agency or instrumentality of any such government or organization, or any other employer (other than an "Accounting Firm" within the meaning of SEC Rule 2-01(f)(2) of Regulation S-X or any successor thereto) determined by the Committee, if, as a result of such employment, your continued holding of any Outstanding RSUs and Shares at Risk would result in an actual or perceived conflict of interest.

(e) "Covered Enterprise" means a Competitive Enterprise and any other existing or planned business enterprise that: (i) offers, holds itself out as offering or reasonably may be expected to offer products or services that are the same as or similar to those offered by the Firm or that the Firm reasonably expects to offer ("Firm Products or Services") or (ii) engages in, holds itself out as engaging in or reasonably may be expected to engage in any other activity that is the same as or similar to any financial activity engaged in by the Firm or in which the Firm reasonably expects to engage ("Firm Activities"). For the avoidance of doubt, Firm Activities include any activity that requires the same or similar skills as any financial activity engaged in by the Firm or in which the Firm reasonably expects to engage, irrespective of whether any such financial activity is in furtherance of an advisory, agency, proprietary or fiduciary undertaking.

The enterprises covered by this definition include enterprises that offer, hold themselves out as offering or reasonably may be expected to offer Firm Products or Services, or engage in, hold themselves out as engaging in or reasonably may be expected to engage in Firm Activities directly, as well as those that do so indirectly by ownership or control (*e.g.*, by owning, being owned by or by being under common ownership with an enterprise that offers, holds itself out as offering or reasonably may be expected to offer Firm Products or Services or that engages in, holds itself out as engaging in or reasonably may be expected to engage in Firm Activities). The definition of Covered Enterprise includes, solely by way of example, any enterprise that offers, holds itself out as offering or reasonably may be expected to offer any product or

service, or engages in, holds itself out as engaging in or reasonably may be expected to engage in any activity, in any case, associated with investment banking; public or private finance; lending; financial advisory services; private investing for anyone other than you or your family members (including, for the avoidance of doubt, any type of proprietary investing or trading); private wealth management; private banking; consumer or commercial cash management; consumer, digital or commercial banking; merchant banking; asset, portfolio or hedge fund management; insurance or reinsurance underwriting or brokerage; property management; or securities, futures, commodities, energy, derivatives, currency or digital asset brokerage, sales, lending, custody, clearance, settlement or trading. An enterprise that offers, holds itself out as offering or reasonably may be expected to offer Firm Products or Services, or engages in, holds itself out as engaging in or reasonably may be expected to engage in Firm Activities is a Covered Enterprise**, irrespective of whether the enterprise is a customer, client or counterparty of the Firm or is otherwise associated with the Firm and, because the Firm is a global enterprise, irrespective of where the Covered Enterprise is physically located.**

(f) "Failed to Consider Risk" means that you participated (or otherwise oversaw or were responsible for, depending on the circumstances, another individual's participation) in the structuring or marketing of any product or service, or participated on behalf of the Firm or any of its clients in the purchase or sale of any security or other property, in any case without appropriate consideration of the risk to the Firm or the broader financial system as a whole (for example, where you have improperly analyzed such risk or where you have failed sufficiently to raise concerns about such risk) and, as a result of such action or omission, the Committee determines there has been, or reasonably could be expected to be, a material adverse impact on the Firm, your business unit or the broader financial system.

(g) "Qualifying Termination After a Change in Control" means that the Firm terminates your Employment other than for Cause or you terminate your Employment for Good Reason, in each case, within 18 months following a Change in Control.

(h) "SEC" means the U.S. Securities and Exchange Commission.

(i) "Selected Firm Personnel" means any individual who is or in the three months preceding the conduct prohibited by Paragraph 9(b)(i) was (i) a Firm employee or consultant with whom you personally worked while employed by the Firm, (ii) a Firm employee or consultant who, at any time during the year preceding the date of the termination of your Employment, worked in the same division in which you worked or (iii) an Advisory Director, a Managing Director or a Senior Advisor of the Firm.

(j) "Shares at Risk" means RSU Shares subject to Transfer Restrictions.

The following capitalized terms are used in this Award Agreement with the meanings that are assigned to them in the Plan.

(a) "Account" means any brokerage account, custody account or similar account, as approved or required by GS Inc. from time to time, into which shares of Common Stock, cash or other property in respect of an Award are delivered.

(b) "Award Agreement" means the written document or documents by which each Award is evidenced, including any related Award Statement and signature card.

(c) "Award Statement" means a written statement that reflects certain Award terms.

(d) "Board" means the Board of Directors of GS Inc.

(e) "Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in New York City are authorized or obligated by Federal law or executive order to be closed.

(f) "Cause" means (i) the Grantee's conviction, whether following trial or by plea of guilty or *nolo contendere* (or similar plea), in a criminal proceeding (A) on a misdemeanor charge involving fraud, false statements or misleading omissions, wrongful taking, embezzlement, bribery, forgery, counterfeiting or extortion, or (B) on a felony charge, or (C) on an equivalent charge to those in clauses (A) and (B) in jurisdictions which do not use those designations, (ii) the Grantee's engaging in any conduct which constitutes an employment disqualification under applicable law (including statutory disqualification as defined under the Exchange Act), (iii) the Grantee's willful failure to perform the Grantee's duties to the Firm, (iv) the Grantee's violation of any securities or commodities laws, any rules or regulations issued pursuant to such laws, or the rules and regulations of any securities or commodities exchange or association of which the Firm is a member, (v) the Grantee's violation of any Firm policy concerning hedging or pledging or confidential or proprietary information, or the Grantee's material violation of any other Firm policy as in effect from time to time, (vi) the Grantee's engaging in any act or making any statement which impairs, impugns, denigrates, disparages or negatively reflects upon the name, reputation or business interests of the Firm or (vii) the Grantee's engaging in any conduct detrimental to the Firm. The determination as to whether Cause has occurred shall be made by the Committee in its sole discretion and, in such case, the Committee also may, but shall not be required to, specify the date such Cause occurred (including by determining that a prior termination of Employment was for Cause). Any rights the Firm may have hereunder and in any Award Agreement in respect of the events giving rise to Cause shall be in addition to the rights the Firm may have under any other agreement with a Grantee or at law or in equity.

(g) "Certificate" means a stock certificate (or other appropriate document or evidence of ownership) representing shares of Common Stock.

(h) "Change in Control" means the consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving GS Inc. (a "Reorganization") or sale or other disposition of all or substantially all of GS Inc.'s assets to an entity that is not an affiliate of GS Inc. (a "Sale"), that in each case requires the approval of GS Inc.'s shareholders under the law of GS Inc.'s jurisdiction of organization, whether for such Reorganization or Sale (or the issuance of securities of GS Inc. in such Reorganization or Sale), unless immediately following such Reorganization or Sale, either: (i) at least 50% of the total voting power (in respect of the election of directors, or similar officials in the case of an entity other than a corporation) of (A) the entity resulting from such Reorganization, or the entity which has acquired all or substantially all of the assets of GS Inc. in a Sale (in either case, the "Surviving Entity"), or (B) if applicable, the ultimate parent entity that directly or indirectly has beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, as such Rule is in effect on the date of the

adoption of the 1999 SIP) of 50% or more of the total voting power (in respect of the election of directors, or similar officials in the case of an entity other than a corporation) of the Surviving Entity (the "Parent Entity") is represented by GS Inc.'s securities (the "GS Inc. Securities") that were outstanding immediately prior to such Reorganization or Sale (or, if applicable, is represented by shares into which such GS Inc. Securities were converted pursuant to such Reorganization or Sale) or (ii) at least 50% of the members of the board of directors (or similar officials in the case of an entity other than a corporation) of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) following the consummation of the Reorganization or Sale were, at the time of the Board's approval of the execution of the initial agreement providing for such Reorganization or Sale, individuals (the "Incumbent Directors") who either (A) were members of the Board on the Effective Date or (B) became directors subsequent to the Effective Date and whose election or nomination for election was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of GS Inc.'s proxy statement in which such persons are named as nominees for director).

(i) "Client" means any client or prospective client of the Firm to whom the Grantee provided services, or for whom the Grantee transacted business, or whose identity became known to the Grantee in connection with the Grantee's relationship with or employment by the Firm.

(j) "Code" means the Internal Revenue Code of 1986, as amended from time to time, and the applicable rulings and regulations thereunder.

(k) "Committee" means the committee appointed by the Board to administer the Plan pursuant to Section 1.3, and, to the extent the Board determines it is appropriate for the compensation realized from Awards under the Plan to be considered "performance based" compensation under Section 162(m) of the Code, shall be a committee or subcommittee of the Board composed of two or more members, each of whom is an "outside director" within the meaning of Code Section 162(m), and which, to the extent the Board determines it is appropriate for Awards under the Plan to qualify for the exemption available under Rule 16b-3(d)(1) or Rule 16b-3(e) promulgated under the Exchange Act, shall be a committee or subcommittee of the Board composed of two or more members, each of whom is a "non-employee director" within the meaning of Rule 16b-3. Unless otherwise determined by the Board, the Committee shall be the Compensation Committee of the Board.

(l) "Common Stock" means common stock of GS Inc., par value $0.01 per share.

(m) "Competitive Enterprise" means an existing or planned business enterprise that (i) engages, or may reasonably be expected to engage, in any activity; (ii) owns or controls, or may reasonably be expected to own or control, a significant interest in any entity that engages in any activity or (iii) is, or may reasonably be expected to be, owned by, or a significant interest in which is, or may reasonably be expected to be, owned or controlled by, any entity that engages in any activity that, in any case, competes or will compete anywhere with any activity in which the Firm is engaged. The activities covered by this definition include, without limitation: financial services such as investment banking; public or private finance; lending; financial advisory services; private investing for anyone other than the Grantee and members of the Grantee's family (including for the avoidance of doubt, any type of proprietary investing or trading); private wealth management; private banking; consumer or commercial cash management; consumer, digital or commercial banking; merchant banking; asset, portfolio or hedge fund management; insurance or reinsurance underwriting or brokerage; property management; or securities, futures, commodities, energy, derivatives, currency or digital asset brokerage, sales, lending, custody, clearance, settlement or trading.

(n) "Covered Person" means a member of the Board or the Committee or any employee of the Firm.

(o) "Date of Grant" means the date specified in the Grantee's Award Agreement as the date of grant of the Award.

(p) "Delivery Date" means each date specified in the Grantee's Award Agreement as a delivery date, *provided*, unless the Committee determines otherwise, such date is during a Window Period or, if such date is not during a Window Period, the first trading day of the first Window Period beginning after such date.

(q) "Dividend Equivalent Right" means a dividend equivalent right granted under the Plan, which represents an unfunded and unsecured promise to pay to the Grantee amounts equal to all or any portion of the regular cash dividends that would be paid on shares of Common Stock covered by an Award if such shares had been delivered pursuant to an Award.

(r) "Effective Date" means the date this Plan is approved by the shareholders of GS Inc. pursuant to Section 3.15 of the Plan.

(s) "Employment" means the Grantee's performance of services for the Firm, as determined by the Committee. The terms "employ" and "employed" shall have their correlative meanings. The Committee in its sole discretion may determine (i) whether and when a Grantee's leave of absence results in a termination of Employment (for this purpose, unless the Committee determines otherwise, a Grantee shall be treated as terminating Employment with the Firm upon the occurrence of an Extended Absence), (ii) whether and when a change in a Grantee's association with the Firm results in a termination of Employment and (iii) the impact, if any, of any such leave of absence or change in association on Awards theretofore made. Unless expressly provided otherwise, any references in the Plan or any Award Agreement to a Grantee's Employment being terminated shall include both voluntary and involuntary terminations.

(t) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and the applicable rules and regulations thereunder.

(u) "Extended Absence" means the Grantee's inability to perform for six (6) continuous months, due to illness, injury or pregnancy-related complications, substantially all the essential duties of the Grantee's occupation, as determined by the Committee.

(v) "Firm" means GS Inc. and its subsidiaries and affiliates.

(w) "Good Reason" means, in connection with a termination of employment by a Grantee following a Change in Control, (a) as determined by the Committee, a materially adverse alteration in the Grantee's position or in the nature or status of the Grantee's responsibilities from those in effect immediately prior to the Change in Control or (b) the Firm's requiring the Grantee's principal place of Employment to be located more than seventy-five (75) miles from the location where the Grantee is principally Employed at the time of the Change in Control (except for required travel on the Firm's business to an extent substantially consistent with the Grantee's customary business travel obligations in the ordinary course of business prior to the Change in Control).

(x) "Grantee" means a person who receives an Award.

(y) "GS Inc." means The Goldman Sachs Group, Inc., and any successor thereto.

(z) "1999 SIP" means The Goldman Sachs 1999 Stock Incentive Plan, as in effect prior to the effective date of the 2003 SIP.

(aa) "Outstanding" means any Award to the extent it has not been forfeited, cancelled, terminated, exercised or with respect to which the shares of Common Stock underlying the Award have not been previously delivered or other payments made.

(bb) "Restricted Share" means a share of Common Stock delivered under the Plan that is subject to Transfer Restrictions, forfeiture provisions and/or other terms and conditions specified herein and in the Restricted Share Award Agreement or other applicable Award Agreement. All references to Restricted Shares include "Shares at Risk."

(cc) "Retirement" means termination of the Grantee's Employment (other than for Cause) on or after the Date of Grant at a time when (i) (A) the sum of the Grantee's age plus years of service with the Firm (as determined by the Committee in its sole discretion) equals or exceeds 60 and (B) the Grantee has completed at least 10 years of service with the Firm (as determined by the Committee in its sole discretion) or, if earlier, (ii) (A) the Grantee has attained age 50 and (B) the Grantee has completed at least five years of service with the Firm (as determined by the Committee in its sole discretion).

(dd) "RSU" means a restricted stock unit granted under the Plan, which represents an unfunded and unsecured promise to deliver shares of Common Stock in accordance with the terms of the RSU Award Agreement.

(ee) "RSU Shares" means shares of Common Stock that underlie an RSU.

(ff) "Section 409A" means Section 409A of the Code, including any amendments or successor provisions to that Section and any regulations and other administrative guidance thereunder, in each case as they, from time to time, may be amended or interpreted through further administrative guidance.

(gg) "SIP Administrator" means each person designated by the Committee as a "SIP Administrator" with the authority to perform day-to-day administrative functions for the Plan.

(hh) "SIP Committee" means the persons who have been delegated certain authority under the Plan by the Committee.

(ii) "Solicit" means any direct or indirect communication of any kind whatsoever, regardless of by whom initiated, inviting, advising, suggesting, encouraging or requesting any person or entity, in any manner, to take or refrain from taking any action.

(jj) "Transfer Restrictions" means restrictions that prohibit the sale, exchange, transfer, assignment, pledge, hypothecation, fractionalization, hedge or other disposal (including through the use of any cash-settled instrument), whether voluntarily or involuntarily by the Grantee, of an Award or any shares of Common Stock, cash or other property delivered in respect of an Award.

(kk) "Transferability Date" means the date Transfer Restrictions on a Restricted Share will be released. Within 30 Business Days after the applicable Transferability Date, GS Inc. shall take, or shall cause to be taken, such steps as may be necessary to remove Transfer Restrictions.

(ll) "Vested" means, with respect to an Award, the portion of the Award that is not subject to a condition that the Grantee remain actively employed by the Firm in order for the Award to remain Outstanding. The fact that an Award becomes Vested shall not mean or otherwise indicate that the Grantee has an unconditional or nonforfeitable right to such Award, and such Award shall remain subject to such terms, conditions and forfeiture provisions as may be provided for in the Plan or in the Award Agreement.

(mm) "Vesting Date" means each date specified in the Grantee's Award Agreement as a date on which part or all of an Award becomes Vested.

(nn) "Window Period" means a period designated by the Firm during which all employees of the Firm are permitted to purchase or sell shares of Common Stock (*provided* that, if the Grantee is a member of a designated group of employees who are subject to different restrictions, the Window Period may be a period designated by the Firm during which an employee of the Firm in such designated group is permitted to purchase or sell shares of Common Stock).

Exhibit 10.45

THE GOLDMAN SACHS GROUP, INC.
YEAR-END RSU AWARD

This Award Agreement, together with The Goldman Sachs Amended and Restated Stock Incentive Plan (2018) (the "Plan"), governs your year-end award of RSUs (your "Award"). You should read carefully this entire Award Agreement, which includes the Award Statement, any attached Appendix and the signature card.

ACCEPTANCE

1. **You Must Decide Whether to Accept this Award Agreement. To be eligible to receive your Award, you must by the date specified (a) open and activate an Account and (b) agree to all the terms of your Award by executing the related signature card in accordance with its instructions. By executing the signature card, you confirm your agreement to all of the terms of this Award Agreement, including the arbitration and choice of forum provisions in Paragraph 16.**

DOCUMENTS THAT GOVERN YOUR AWARD; DEFINITIONS

2. **The Plan.** Your Award is granted under the Plan, and the Plan's terms apply to, and are a part of, this Award Agreement.

3. **Your Award Statement.** The Award Statement delivered to you contains some of your Award's specific terms. For example, it contains the number of RSUs awarded to you and any applicable Delivery Dates and Transferability Dates. [The portion of your RSUs that are designated on the Award Statement as " Year-End Base RSUs" are referred to in this Award Agreement as "Base RSUs." The portion of your RSUs that are designated on the Award Statement as " Year-End Additional Base RSUs" are referred to in this Award Agreement as "Additional Base RSUs." All references to RSUs in this Award Agreement include both the Base RSUs and the Additional Base RSUs.]

4. **Definitions.** Unless otherwise defined herein, including in the Definitions Appendix or any other Appendix, capitalized terms have the meanings provided in the Plan.

VESTING OF YOUR RSUS

5. **Vesting.** All of your RSUs are Vested. When an RSU is Vested, it means **only** that your continued active Employment is not required for delivery of that portion of RSU Shares. **Vesting does not mean you have a non-forfeitable right to the Vested portion of your Award. The terms of this Award Agreement (including conditions to delivery and any applicable Transfer Restrictions) continue to apply to Vested RSUs, and you can still forfeit Vested RSUs and any RSU Shares**.

DELIVERY OF YOUR RSU SHARES

6. **Delivery.** Reasonably promptly (but no more than 30 Business Days) after each Delivery Date listed on your Award Statement, RSU Shares (less applicable withholding as described in Paragraph 13(a)) will be delivered (by book entry credit to your Account) in respect of the amount of Outstanding RSUs listed next to that date. The Committee or the SIP Committee may select multiple dates within the 30-Business-Day period following the Delivery Date to deliver RSU Shares in respect of all or a portion of the RSUs with the same Delivery Date listed on the Award Statement, and all such dates will be treated as a single Delivery Date for purposes of this Award. Until such delivery, you have only the rights of a general unsecured creditor, and no rights as a shareholder of GS Inc. Without limiting the Committee's authority under Section 1.3.2(h) of the Plan, the Firm may accelerate any Delivery Date by up to 30 days.

TRANSFER RESTRICTIONS FOLLOWING DELIVERY

7. **Transfer Restrictions and Shares at Risk.**

(a) [percent of the RSU Shares that are delivered on any date, before tax withholding (or, if the applicable tax withholding rate is greater than %, all RSU Shares delivered after tax withholding), will be Shares at Risk. [This means that if, for example, on a Delivery Date, you are scheduled to receive delivery of]. Any purported sale, exchange, transfer, assignment, pledge, hypothecation, fractionalization, hedge or other disposition in violation of the Transfer Restrictions on Shares at Risk will be void. Within 30 Business Days after the Transferability Date listed on your Award Statement (or any other date on which the Transfer Restrictions are to be removed), GS Inc. will remove the Transfer Restrictions. The Committee or the SIP Committee may select multiple dates within such 30-Business-Day period on which to remove Transfer Restrictions for all or a portion of the Shares at Risk with the same Transferability Date listed on the Award Statement, and all such dates will be treated as a single Transferability Date for purposes of this Award.]

(b) [[Base RSUs with a Delivery Date on or before . For Base RSUs with a Delivery Date on or before , 50% of the RSU Shares that are delivered on any date in respect of Base RSUs, **before** tax withholding (or, if the applicable tax withholding rate is greater than 50%, all RSU Shares delivered after tax withholding), will be Shares at Risk that are subject to Transfer Restrictions until the January Transferability Date, as set forth on your Award Statement. If the tax withholding rate is less than 50%, then any remaining RSU Shares that are delivered after tax withholding will be Shares at Risk subject to Transfer Restrictions until the -Month Transferability Date.]

(c) [Base RSUs with a Delivery Date in [or after] For Base RSUs with a Delivery Date in [or after] , all RSU Shares delivered after tax withholding will be Shares at Risk subject to Transfer Restrictions until the -Month Transferability Date.]

(d) [Additional Base RSUs. For Additional Base RSUs, all RSU Shares delivered after tax withholding will be Shares at Risk subject to Transfer Restrictions until the -Month Transferability Date.]]

(e) [Purported Transactions that Violate the Transfer Restrictions Are Void.] Any purported sale, exchange, transfer, assignment, pledge, hypothecation, fractionalization, hedge or other disposition in violation of the Transfer Restrictions on Shares at Risk will be void.

(f) [Removal of Transfer Restrictions.] Within 30 Business Days after the [applicable] Transferability Date [listed on your Award Statement] (or any other date on which the Transfer Restrictions are to be removed), GS Inc. will remove the Transfer Restrictions. The Committee or the SIP Committee may select multiple dates within such 30-Business-Day period on which to remove Transfer Restrictions for all or a portion of the Shares at Risk with the same Transferability Date [listed on your Award Statement], and all such dates will be treated as a single Transferability Date for purposes of this Award.]

DIVIDENDS

8. **[Dividend Equivalent Rights and] Dividends.** [Each RSU includes a Dividend Equivalent Right, which entitles you to receive an amount (less applicable withholding), at or after the time of distribution of any regular cash dividend paid by GS Inc. in respect of a share of Common Stock,

equal to any regular cash dividend payment that would have been made in respect of an RSU Share underlying your Outstanding RSUs for any record date that occurs on or after the Date of Grant. In addition,] [y][Y]ou will be entitled to receive on a current basis any regular cash dividend paid in respect of your Shares at Risk. [The RSUs do **not** include Dividend Equivalent Rights.]

FORFEITURE OF YOUR AWARD

9. **How You May Forfeit Your Award.** This Paragraph 9 sets forth the events that result in forfeiture of up to all of your RSUs and Shares at Risk and may require repayment to the Firm of up to all other amounts previously delivered or paid to you under your Award in accordance with Paragraph 10. More than one event may apply, and in no case will the occurrence of one event limit the forfeiture and repayment obligations as a result of the occurrence of any other event. In addition, the Firm reserves the right to (a) suspend [payments under Dividend Equivalent Rights,] delivery of RSU Shares or release of Transfer Restrictions, (b) deliver any RSU Shares [or][,] dividends [or payments under Dividend Equivalent Rights] into an escrow account in accordance with Paragraph 13(f)(v) or (c) apply Transfer Restrictions to any RSU Shares in connection with any investigation of whether any of the events that result in forfeiture under the Plan or this Paragraph 9 have occurred. Paragraph 11 (relating to certain circumstances under which restrictions on Association With a Covered Enterprise will not apply) and Paragraph 12 (relating to certain circumstances under which delivery and/or release of Transfer Restrictions may be accelerated) provide for exceptions to one or more provisions of this Paragraph 9. [The Material Risk Taker Appendix supplements this Paragraph 9 and sets forth additional events that result in forfeiture of up to all of your RSUs and Shares at Risk and may require repayment to the Firm as described in Paragraph 10 and the Appendix.]

(a) RSUs Forfeited Upon Certain Events. If any of the following occurs, your rights to your Outstanding RSUs will terminate, and no RSU Shares will be delivered in respect of such RSUs, as may be further described below:

(i) You Associate With a Covered Enterprise.

(A) If you Associate With a Covered Enterprise before the earlier of or a Qualifying Termination After a Change in Control, your rights to all your Outstanding RSUs will terminate, and no RSU Shares will be delivered in respect of such RSUs.

(B) [If you Associate With a Covered Enterprise on or after but before the earlier of or a Qualifying Termination After a Change in Control, your rights to your Outstanding RSUs that are scheduled to deliver in [, , and] will terminate, and no RSU Shares will be delivered in respect of such RSUs.]

(ii) You Solicit Clients or Employees, Interfere with Client or Employee Relationships or Participate in the Hiring of Employees. Before the applicable Delivery Date, either:

(A) you, in any manner, directly or indirectly, (1) Solicit any Client to transact business with a Covered Enterprise or to reduce or refrain from doing any business with the Firm, (2) interfere with or damage (or attempt to interfere with or damage) any relationship between the Firm and any Client, (3) Solicit any person who is an employee of the Firm to resign from the Firm, (4) Solicit any Selected Firm Personnel to apply for or accept employment (or other association) with any person or entity other than the Firm or (5) hire or participate in the hiring of any Selected Firm Personnel by any person or entity other than the

Firm (including, without limitation, participating in the identification of individuals for potential hire, and participating in any hiring decision), whether as an employee or consultant or otherwise, or

(B) Selected Firm Personnel are Solicited, hired or accepted into partnership, membership or similar status by (1) any entity that you form, that bears your name, or in which you possess or control greater than a *de minimis* equity ownership, voting or profit participation or (2) any entity where you have, or will have, direct or indirect managerial responsibility for such Selected Firm Personnel.

(iii) [GS Inc. Fails to Maintain the Minimum Tier 1 Capital Ratio. Before the applicable Delivery Date, GS Inc. fails to maintain the required "Minimum Tier 1 Capital Ratio" as defined under Federal Reserve Board Regulations applicable to GS Inc. for a period of 90 consecutive business days.]

(iv) [GS Inc. Is Determined to Be in Default. Before the applicable Delivery Date, the Board of Governors of the Federal Reserve or the Federal Deposit Insurance Corporation (the "FDIC") makes a written recommendation under Title II (Orderly Liquidation Authority) of the Dodd-Frank Wall Street Reform and Consumer Protection Act for the appointment of the FDIC as a receiver of GS Inc. based on a determination that GS Inc. is "in default" or "in danger of default."]

(b) RSUs and Shares at Risk Forfeited upon Certain Events. If any of the following occurs (i) your rights to all of your Outstanding RSUs will terminate, and no RSU Shares will be delivered in respect of such RSUs and (ii) your rights to all of your Shares at Risk will terminate and your Shares at Risk will be cancelled, in each case, as may be further described below:

(i) You Failed to Consider Risk. You Failed to Consider Risk during .

(ii) Your Conduct Constitutes Cause. Any event that constitutes Cause [(including, for the avoidance of doubt, "Serious Misconduct" as defined in the Material Risk Taker Appendix)] has occurred before the applicable Delivery Date for RSUs or the applicable Transferability Date for Shares at Risk.

(iii) You Do Not Meet Your Obligations to the Firm. The Committee determines that, before the applicable Delivery Date for RSUs or the [applicable] Transferability Date for Shares at Risk, you failed to meet, in any respect, any obligation under any agreement with the Firm, or any agreement entered into in connection with your Employment or this Award, including the Firm's notice period requirement applicable to you, any offer letter, employment agreement or any shareholders' agreement relating to the Firm. Your failure to pay or reimburse the Firm, on demand, for any amount you owe to the Firm will constitute (A) failure to meet an obligation you have under an agreement, regardless of whether such obligation arises under a written agreement, and/or (B) a material violation of Firm policy constituting Cause.

(iv) You Do Not Provide Timely Certifications or Comply with Your Certifications. You fail to certify to GS Inc. that you have complied with all of the terms of the Plan and this Award Agreement, or the Committee determines that you have failed to comply with a term of the Plan or this Award Agreement to which you have certified compliance.

(v) You Do Not Follow Dispute Resolution/Arbitration Procedures. You attempt to have any dispute under the Plan or this Award Agreement resolved in any manner that is not provided for by Paragraph 16 or Section 3.17 of the Plan, or you attempt to arbitrate a dispute without first having exhausted your internal administrative remedies in accordance with Paragraph 13(f)(viii).

(vi) You Bring an Action that Results in a Determination that Any Award Agreement Term Is Invalid. As a result of any action brought by you, it is determined that any term of this Award Agreement is invalid.

(vii) You Receive Compensation in Respect of Your Award from Another Employer. Your Employment terminates for any reason or you otherwise are no longer actively Employed with the Firm and another entity grants you cash, equity or other property (whether vested or unvested) to replace, substitute for or otherwise in respect of any Outstanding RSUs or Shares at Risk; *provided*, *however*, that your rights will only be terminated in respect of the RSUs and Shares at Risk that are replaced, substituted for or otherwise considered by such other entity in making its grant.

(viii) [Accounting Restatement Required Under Sarbanes-Oxley. GS Inc. is required to prepare an accounting restatement due to GS Inc.'s material noncompliance, as a result of misconduct, with any financial reporting requirement under the securities laws as described in Section 304(a) of Sarbanes-Oxley; *provided*, *however*, that your rights will only be terminated in respect of the RSUs and Shares at Risk to the same extent that would be required under Section 304(a) of Sarbanes-Oxley had you been a "chief executive officer" or "chief financial officer" of GS Inc. (regardless of whether you actually hold such position at the relevant time).]

REPAYMENT OF YOUR AWARD

10. **When You May Be Required to Repay Your Award.**

(a) [Repayment, Generally]. If the Committee determines that any term of this Award was not satisfied, you will be required, immediately upon demand therefor, to repay to the Firm the following:

(i) Any RSU Shares (which, for the avoidance of doubt, includes any Shares at Risk) for which the terms (including the terms for delivery) of the related RSUs were not satisfied, in accordance with Section 2.6.3 of the Plan.

(ii) Any Shares at Risk for which the terms (including the terms for the release of Transfer Restrictions) were not satisfied, in accordance with Section 2.5.3 of the Plan.

(iii) Any RSU Shares that were delivered (but not subject to Transfer Restrictions) at the same time any Shares at Risk that are cancelled or required to be repaid were delivered.

(iv) [Any payments under Dividend Equivalent Rights for which the terms were not satisfied (including any such payments made in respect of RSUs that are forfeited or RSU Shares that are cancelled or required to be repaid), in accordance with Section 2.8.3 of the Plan.]

(v) Any dividends paid in respect of any RSU Shares that are cancelled or required to be repaid.

(vi) Any amount applied to satisfy tax withholding or other obligations with respect to any RSU, RSU Shares[and][,] dividend payments [and payments under Dividend Equivalent Rights] that are forfeited or required to be repaid.

(b) [Repayment Upon Accounting Restatement Required Under Sarbanes-Oxley. If an event described in Paragraph 9(b)(viii) (relating to a requirement under Sarbanes-Oxley that GS Inc. prepare an accounting restatement) occurs, any RSU Shares, cash or other property delivered, paid or withheld in respect of this Award will be subject to repayment as described in Paragraph 10(a) to the same extent that would be required under Section 304(a) of Sarbanes-Oxley had you been a "chief executive officer" or "chief financial officer" of GS Inc. (regardless of whether you actually hold such position at the relevant time).]

EXCEPTIONS TO ASSOCIATION WITH A COVERED ENTERPRISE, DELIVERY DATES AND/OR TRANSFERABILITY DATES

11. **Restrictions on Association With a Covered Enterprise Cease to Apply After an Involuntary or Mutual Agreement Termination (but the Original Delivery Date and Transferability Date Continue to Apply).** Paragraph 9(a)(i) (relating to forfeiture if you Associate With a Covered Enterprise) will not apply if (a) your Employment terminates and the Firm characterizes your Employment termination as "involuntary" or by "mutual agreement" (and, in each case, you have not engaged in conduct constituting Cause) and (b) you execute a general waiver and release of claims and an agreement to pay any associated tax liability, in each case, in the form the Firm prescribes. No Employment termination that you initiate, including any purported "constructive termination," a "termination for good reason" or similar concepts, can be "involuntary" or by "mutual agreement." All other terms of this Award Agreement, including the other forfeiture and repayment events in Paragraphs 9 and 10, continue to apply.

12. **Accelerated Delivery and/or Release of Transfer Restrictions in the Event of a Qualifying Termination After a Change in Control, Conflicted Employment or Death.** In the event of your Qualifying Termination After a Change in Control, Conflicted Employment or death, each as described below, your Outstanding RSUs and Shares at Risk will be treated as described in this Paragraph 12, and, except as set forth in Paragraph 12 (a), all other terms of this Award Agreement, including the other forfeiture and repayment events in Paragraphs 9 and 10, continue to apply.

(a) You Have a Qualifying Termination After a Change in Control. If your Employment terminates when you meet the requirements of a Qualifying Termination After a Change in Control, the RSU Shares underlying your Outstanding RSUs will be delivered, and any Transfer Restrictions will cease to apply. In addition, the forfeiture events in Paragraph 9 will not apply to your Award.

(b) You Are Determined to Have Accepted Conflicted Employment.

(i) Generally. Notwithstanding anything to the contrary in the Plan or otherwise, for purposes of this Award Agreement, "Conflicted Employment" means your employment at any U.S. Federal, state or local government, any non-U.S. government, any supranational or international organization, any self-regulatory organization, or any agency or instrumentality of any such government or organization, or any other employer (other than an "Accounting Firm" within the meaning of SEC Rule 2-01(f)(2) of Regulation S-X or any

successor thereto) determined by the Committee, if, as a result of such employment, your continued holding of any Outstanding RSUs and Shares at Risk would result in an actual or perceived conflict of interest. Unless prohibited by applicable law or regulation, if your Employment terminates solely because you resign to accept Conflicted Employment or if, following your termination of Employment, you notify the Firm that you are accepting Conflicted Employment, RSU Shares will be delivered in respect of your Outstanding RSUs (including in the form of cash as described in Paragraph 13(b)) and any Transfer Restrictions will cease to apply as soon as practicable after the Committee has received satisfactory documentation relating to your Conflicted Employment.

(ii) You May Have to Take Other Steps to Address Conflicts of Interest. The Committee retains the authority to exercise its rights under the Award Agreement or the Plan (including Section 1.3.2 of the Plan) to take or require you to take other steps it determines in its sole discretion to be necessary or appropriate to cure an actual or perceived conflict of interest (which may include a determination that the accelerated delivery and/or release of Transfer Restrictions described in Paragraph 12(b)(i) will not apply because such actions are not necessary or appropriate to cure an actual or perceived conflict of interest).

(c) Death. If you die, the RSU Shares underlying your Outstanding RSUs will be delivered to the representative of your estate and any Transfer Restrictions will cease to apply as soon as practicable after the date of death and after such documentation as may be requested by the Committee is provided to the Committee.

OTHER TERMS, CONDITIONS AND AGREEMENTS

13. **Additional Terms, Conditions and Agreements.**

(a) You Must Satisfy Applicable Tax Withholding Requirements. Delivery of RSU Shares is conditioned on your satisfaction of any applicable withholding taxes in accordance with Section 3.2 of the Plan, which includes the Firm deducting or withholding amounts from any payment or distribution to you. In addition, to the extent permitted by applicable law, the Firm, in its sole discretion, may require you to provide amounts equal to all or a portion of any Federal, state, local, foreign or other tax obligations imposed on you or the Firm in connection with the grant or delivery of this Award by requiring you to choose between remitting the amount (i) in cash (or through payroll deduction or otherwise) or (ii) in the form of proceeds from the Firm's executing a sale of RSU Shares delivered to you under this Award. In no event, however, does this Paragraph 13(a) give you any discretion to determine or affect the timing of the delivery of RSU Shares or the timing of payment of tax obligations.

(b) Firm May Deliver Cash or Other Property Instead of RSU Shares. In accordance with Section 1.3.2(i) of the Plan, in the sole discretion of the Committee, in lieu of all or any portion of the RSU Shares, the Firm may deliver cash, other securities, other awards under the Plan or other property, and all references in this Award Agreement to deliveries of RSU Shares will include such deliveries of cash, other securities, other awards under the Plan or other property.

(c) Amounts May Be Rounded to Avoid Fractional Shares. RSU Shares that become deliverable on a Delivery Date and RSU Shares subject to Transfer Restrictions may, in each case, be rounded to avoid fractional Shares.

(d) You May Be Required to Become a Party to the Shareholders' Agreement. Your rights to your RSUs are conditioned on your becoming a party to any shareholders' agreement to which other similarly situated employees (*e.g.*, employees with a similar title or position) of the Firm are required to be a party.

(e) Firm May Affix Legends and Place Stop Orders on Restricted RSU Shares. GS Inc. may affix to Certificates representing RSU Shares any legend that the Committee determines to be necessary or advisable (including to reflect any restrictions to which you may be subject under a separate agreement). GS Inc. may advise the transfer agent to place a stop order against any legended RSU Shares.

(f) You Agree to Certain Consents, Terms and Conditions. By accepting this Award you understand and agree that:

(i) You Agree to Certain Consents as a Condition to the Award. You have expressly consented to all of the items listed in Section 3.3.3(d) of the Plan, including the Firm's supplying to any third-party recordkeeper of the Plan or other person such personal information of yours as the Committee deems advisable to administer the Plan, and you agree to provide any additional consents that the Committee determines to be necessary or advisable;

(ii) You Are Subject to the Firm's Policies, Rules and Procedures. You are subject to the Firm's policies in effect from time to time concerning trading in RSU Shares and hedging or pledging RSU Shares and equity-based compensation or other awards (including, without limitation, the "Firmwide Policy with Respect to Personal Transactions Involving GS Securities and GS Equity Awards" or any successor policies), and confidential or proprietary information, and you will effect sales of RSU Shares in accordance with such rules and procedures as may be adopted from time to time (which may include, without limitation, restrictions relating to the timing of sale requests, the manner in which sales are executed, pricing method, consolidation or aggregation of orders and volume limits determined by the Firm);

(iii) You Are Responsible for Costs Associated with Your Award. You will be responsible for all brokerage costs and other fees or expenses associated with your RSUs, including those related to the sale of RSU Shares;

(iv) You Will Be Deemed to Represent Your Compliance with All the Terms of Your Award if You Accept Delivery of, or Sell, RSU Shares. You will be deemed to have represented and certified that you have complied with all of the terms of the Plan and this Award Agreement when RSU Shares are delivered to you[, you receive payment in respect of Dividend Equivalent Rights] and you request the sale of RSU Shares following the release of Transfer Restrictions;

(v) Firm May Deliver Your Award into an Escrow Account. The Firm may establish and maintain an escrow account on such terms (which may include your executing any documents related to, and your paying for any costs associated with, such account) as it may deem necessary or appropriate, and the delivery of RSU Shares (including Shares at Risk) or the payment of cash (including dividends) [and payments under Dividend Equivalent Rights]) or other property may initially be made into and held in that escrow account until such time as the Committee has received such documentation as it may have requested or until the Committee has determined that any other conditions or restrictions on delivery of RSU Shares, cash or other property required by this Award Agreement have been satisfied;

(vi) You May Be Required to Certify Compliance with Award Terms; You Are Responsible for Providing the Firm with Updated Address and Contact Information After Your Departure from the Firm. If your Employment terminates while you continue to hold RSUs or Shares at Risk, from time to time, you may be required to provide certifications of your compliance with all of the terms of the Plan and this Award Agreement as described in Paragraph 9(b)(iv). You understand and agree that (A) your address on file with the Firm at the time any certification is required will be deemed to be your current address, (B) it is your responsibility to inform the Firm of any changes to your address to ensure timely receipt of the certification materials, (C) you are responsible for contacting the Firm to obtain such certification materials if not received and (D) your failure to return properly completed certification materials by the specified deadline (which includes your failure to timely return the completed certification because you did not provide the Firm with updated contact information) will result in the forfeiture of all of your RSUs and Shares at Risk and subject previously delivered amounts to repayment under Paragraph 9(b)(iv);

(vii) You Authorize the Firm to Register, in Its or Its Designee's Name, Any Shares at Risk and Sell, Assign or Transfer Any Forfeited Shares at Risk. You are granting to the Firm the full power and authority to register any Shares at Risk in its or its designee's name and authorizing the Firm or its designee to sell, assign or transfer any Shares at Risk if you forfeit your Shares at Risk;

(viii) You Must Comply with Applicable Deadlines and Procedures to Appeal Determinations Made by the Committee, the SIP Committee or SIP Administrators. If you disagree with a determination made by the Committee, the SIP Committee, the SIP Administrators, or any of their delegates or designees and you wish to appeal such determination, you must submit a written request to the SIP Committee for review within 180 days after the determination at issue. You must exhaust your internal administrative remedies (*i.e.*, submit your appeal and wait for resolution of that appeal) before seeking to resolve a dispute through arbitration pursuant to Paragraph 16 and Section 3.17 of the Plan; and

(ix) You Agree that Covered Persons Will Not Have Liability. In addition to and without limiting the generality of the provisions of Section 1.3.5 of the Plan, neither the Firm nor any Covered Person will have any liability to you or any other person for any action taken or omitted in respect of this or any other Award.

14. **Non-transferability.** Except as otherwise may be provided in this Paragraph 14 or as otherwise may be provided by the Committee, the limitations on transferability set forth in Section 3.5 of the Plan will apply to this Award. Any purported transfer or assignment in violation of the provisions of this Paragraph 14 or Section 3.5 of the Plan will be void. The Committee may adopt procedures pursuant to which some or all recipients of RSUs may transfer some or all of their RSUs and/or Shares at Risk (which will continue to be subject to Transfer Restrictions until the [applicable] Transferability Date) through a gift for no consideration to any immediate family member, a trust or other estate planning vehicle approved by the Committee or SIP Committee in which the recipient and/or the recipient's immediate family members in the aggregate have 100% of the beneficial interest.

15. **Right of Offset.** Except as provided in Paragraph 18[(f)][(g)], the obligation to deliver RSU Shares, to pay dividends [or payments under Dividend Equivalent Rights] or to remove the Transfer Restrictions under this Award Agreement is subject to Section 3.4 of the Plan, which provides for the Firm's right to offset against such obligation any outstanding amounts you owe to the Firm and any amounts the Committee deems appropriate pursuant to any tax equalization policy or agreement.

ARBITRATION, CHOICE OF FORUM AND GOVERNING LAW

16. **Arbitration; Choice of Forum.**

(a) BY ACCEPTING THIS AWARD, YOU ARE INDICATING THAT YOU UNDERSTAND AND AGREE THAT THE ARBITRATION AND CHOICE OF FORUM PROVISIONS SET FORTH IN SECTION 3.17 OF THE PLAN WILL APPLY TO THIS AWARD. THESE PROVISIONS, WHICH ARE EXPRESSLY INCORPORATED HEREIN BY REFERENCE, PROVIDE AMONG OTHER THINGS THAT ANY DISPUTE, CONTROVERSY OR CLAIM BETWEEN THE FIRM AND YOU ARISING OUT OF OR RELATING TO OR CONCERNING THE PLAN OR THIS AWARD AGREEMENT WILL BE FINALLY SETTLED BY ARBITRATION IN NEW YORK CITY, PURSUANT TO THE TERMS MORE FULLY SET FORTH IN SECTION 3.17 OF THE PLAN; PROVIDED THAT NOTHING HEREIN SHALL PRECLUDE YOU FROM FILING A CHARGE WITH OR PARTICIPATING IN ANY INVESTIGATION OR PROCEEDING CONDUCTED BY ANY GOVERNMENTAL AUTHORITY, INCLUDING BUT NOT LIMITED TO THE SEC AND THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION.

(b) To the fullest extent permitted by applicable law, no arbitrator will have the authority to consider class, collective or representative claims, to order consolidation or to join different claimants or grant relief other than on an individual basis to the individual claimant involved.

(c) Notwithstanding any applicable forum rules to the contrary, to the extent there is a question of enforceability of this Award Agreement arising from a challenge to the arbitrator's jurisdiction or to the arbitrability of a claim, it will be decided by a court and not an arbitrator.

(d) The Federal Arbitration Act governs interpretation and enforcement of all arbitration provisions under the Plan and this Award Agreement, and all arbitration proceedings thereunder.

(e) Nothing in this Award Agreement creates a substantive right to bring a claim under U.S. Federal, state, or local employment laws.

(f) By accepting your Award, you irrevocably appoint each General Counsel of GS Inc., or any person whom the General Counsel of GS Inc. designates, as your agent for service of process in connection with any suit, action or proceeding arising out of or relating to or concerning the Plan or any Award which is not arbitrated pursuant to the provisions of Section 3.17.1 of the Plan, who shall promptly advise you of any such service of process.

(g) To the fullest extent permitted by applicable law, no arbitrator will have the authority to consider any claim as to which you have not first exhausted your internal administrative remedies in accordance with Paragraph 13(f)(viii).

17. **Governing Law. THIS AWARD WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.**

CERTAIN TAX PROVISIONS

18. **Compliance of Award Agreement and Plan with Section 409A.** The provisions of this Paragraph 18 apply to you only if you are a U.S. taxpayer.

(a) This Award Agreement and the Plan provisions that apply to this Award are intended and will be construed to comply with Section 409A (including the requirements applicable to, or the conditions for exemption from treatment as, 409A Deferred Compensation), whether by reason of short-term deferral treatment or other exceptions or provisions. The Committee will have full authority to give effect to this intent. To the extent necessary to give effect to this intent, in the case of any conflict or potential inconsistency between the provisions of the Plan (including Sections 1.3.2 and 2.1 thereof) and this Award Agreement, the provisions of this Award Agreement will govern, and in the case of any conflict or potential inconsistency between this Paragraph 18 and the other provisions of this Award Agreement, this Paragraph 18 will govern.

(b) Delivery of RSU Shares will not be delayed beyond the date on which all applicable conditions or restrictions on delivery of RSU Shares required by this Agreement (including those specified in Paragraphs 6, 7, 11, 12(c) and 13 and the consents and other items specified in Section 3.3 of the Plan) are satisfied. To the extent that any portion of this Award is intended to satisfy the requirements for short-term deferral treatment under Section 409A, delivery for such portion will occur by the March 15 coinciding with the last day of the applicable "short-term deferral" period described in Reg. 1.409A-1(b)(4) in order for the delivery of RSU Shares to be within the short-term deferral exception unless, in order to permit all applicable conditions or restrictions on delivery to be satisfied, the Committee elects, pursuant to Reg. 1.409A-1(b)(4)(i)(D) or otherwise as may be permitted in accordance with Section 409A, to delay delivery of RSU Shares to a later date within the same calendar year or to such later date as may be permitted under Section 409A, including Reg. 1.409A-3(d). For the avoidance of doubt, if the Award includes a "series of installment payments" as described in Reg. 1.409A-2(b)(2)(iii), your right to the series of installment payments will be treated as a right to a series of separate payments and not as a right to a single payment.

(c) Notwithstanding the provisions of Paragraph 13(b) and Section 1.3.2(i) of the Plan, to the extent necessary to comply with Section 409A, any securities, other Awards or other property that the Firm may deliver in respect of your RSUs will not have the effect of deferring delivery or payment, income inclusion, or a substantial risk of forfeiture, beyond the date on which such delivery, payment or inclusion would occur or such risk of forfeiture would lapse, with respect to the RSU Shares that would otherwise have been deliverable (unless the Committee elects a later date for this purpose pursuant to Reg. 1.409A-1(b)(4)(i)(D) or otherwise as may be permitted under Section 409A, including and to the extent applicable, the subsequent election provisions of Section 409A(a)(4)(C) of the Code and Reg. 1.409A-2(b)).

(d) Notwithstanding the timing provisions of Paragraph 12(c), the delivery of RSU Shares referred to therein will be made after the date of death and during the calendar year that includes the date of death (or on such later date as may be permitted under Section 409A).

(e) The timing of delivery or payment pursuant to Paragraph 12(a) will occur on the earlier of (i) the Delivery Date or (ii) a date that is within the calendar year in which the termination of Employment occurs; *provided*, *however*, that, if you are a "specified employee" (as defined by the Firm in accordance with Section 409A(a)(2)(i)(B) of the Code), delivery will occur on the earlier of the Delivery Date or (to the extent required to avoid the imposition of additional tax under Section 409A) the date that is six months after your termination of Employment (or, if the latter date is not during a Window Period, the first trading day of the next Window Period). For purposes of Paragraph 12(a), references in this Award Agreement to termination of Employment mean a termination of Employment from the Firm (as defined by the

Firm) which is also a separation from service (as defined by the Firm in accordance with Section 409A).

(f) [Notwithstanding any provision of Paragraph 8 or Section 2.8.2 of the Plan to the contrary, the Dividend Equivalent Rights with respect to each of your Outstanding RSUs will be paid to you within the calendar year that includes the date of distribution of any corresponding regular cash dividends paid by GS Inc. in respect of a share of Common Stock the record date for which occurs on or after the Date of Grant. The payment will be in an amount (less applicable withholding) equal to such regular dividend payment as would have been made in respect of the RSU Shares underlying such Outstanding RSUs.]

(g) The timing of delivery or payment referred to in Paragraph 12(b)(i) will be the earlier of (i) the Delivery Date or (ii) a date that is within the calendar year in which the Committee receives satisfactory documentation relating to your Conflicted Employment, *provided* that such delivery or payment will be made, and any Committee action referred to in Paragraph 12(b)(ii) will be taken, only at such time as, and if and to the extent that it, as reasonably determined by the Firm, would not result in the imposition of any additional tax to you under Section 409A.

(h) Paragraph 15 and Section 3.4 of the Plan will not apply to Awards that are 409A Deferred Compensation except to the extent permitted under Section 409A.

(i) Delivery of RSU Shares in respect of any Award may be made, if and to the extent elected by the Committee, later than the Delivery Date or other date or period specified hereinabove (but, in the case of any Award that constitutes 409A Deferred Compensation, only to the extent that the later delivery is permitted under Section 409A).

(j) You understand and agree that you are solely responsible for the payment of any taxes and penalties due pursuant to Section 409A, but in no event will you be permitted to designate, directly or indirectly, the taxable year of the delivery.

COMMITTEE AUTHORITY, AMENDMENT, CONSTRUCTION AND REGULATORY REPORTING

19. **Committee Authority.** The Committee has the authority to determine, in its sole discretion, that any event triggering forfeiture or repayment of your Award will not apply, to limit the forfeitures and repayments that result under Paragraphs 9 and 10 and to remove Transfer Restrictions before the [applicable] Transferability Date. In addition, the Committee, in its sole discretion, may determine whether Paragraph 11 will apply upon a termination of Employment.

20. **Amendment.** The Committee reserves the right at any time to amend the terms of this Award Agreement, and the Board may amend the Plan in any respect; *provided* that, notwithstanding the foregoing and Sections 1.3.2(f), 1.3.2(h) and 3.1 of the Plan, no such amendment will materially adversely affect your rights and obligations under this Award Agreement without your consent; and *provided further* that the Committee expressly reserves its rights to amend the Award Agreement and the Plan as described in Sections 1.3.2(h)(1), (2) and (4) of the Plan. A modification that impacts the tax consequences of this Award or the timing of delivery of RSU Shares will not be an amendment that materially adversely affects your rights and obligations under this Award Agreement. Any amendment of this Award Agreement will be in writing.

21. **Construction, Headings.** Unless the context requires otherwise, (a) words describing the singular number include the plural and vice versa, (b) words denoting any gender include all genders

and (c) the words “include,” “includes” and “including” will be deemed to be followed by the words “without limitation.” The headings in this Award Agreement are for the purpose of convenience only and are not intended to define or limit the construction of the provisions hereof. References in this Award Agreement to any specific Plan provision will not be construed as limiting the applicability of any other Plan provision.

22. **Providing Information to the Appropriate Authorities.** In accordance with applicable law, nothing in this Award Agreement (including the forfeiture and repayment provisions in Paragraphs 9 and 10) or the Plan prevents you from providing information you reasonably believe to be true to the appropriate governmental authority, including a regulatory, judicial, administrative, or other governmental entity; reporting possible violations of law or regulation; making other disclosures that are protected under any applicable law or regulation; or filing a charge or participating in any investigation or proceeding conducted by a governmental authority.

IN WITNESS WHEREOF, GS Inc. has caused this Award Agreement to be duly executed and delivered as of the Date of Grant.

THE GOLDMAN SACHS GROUP, INC.

[MATERIAL RISK TAKER APPENDIX

This Material Risk Taker Appendix supplements Paragraph 9 and sets forth additional events that result in forfeiture of up to all of your RSUs and Shares at Risk and may require repayment to the Firm of up to all other amounts previously delivered or paid to you under your Award in accordance with Paragraph 10. As with the events described in Paragraph 9, more than one event may apply, in no case will the occurrence of one event limit the forfeiture and repayment obligations as a result of the occurrence of any other event and the Firm reserves the right to (a) suspend delivery of RSU Shares or release of Transfer Restrictions, (b) deliver any RSU Shares or dividends into an escrow account in accordance with Paragraph 13(f)(v) or (c) apply Transfer Restrictions to any RSU Shares in connection with any investigation of whether any of the events that result in forfeiture under this Material Risk Taker Appendix have occurred.

With respect to the events described in Paragraphs (b) through (e) of this Appendix, the Committee will consider certain factors to determine whether and what portion of your Award will terminate, including the reason for the "Loss Event" (as defined below) or "Risk Event" (as defined below) and the extent to which: (1) you participated in the Loss Event or Risk Event, (2) your compensation for may or may not have been adjusted to take into account the risk associated with the Loss Event, Risk Event, your "Serious Misconduct" (as defined below) or the Serious Misconduct of a "Supervised Employee" (as defined below) and (3) your compensation may be adjusted for the year in which the Loss Event, Risk Event, your Serious Misconduct or a Supervised Employee's Serious Misconduct is discovered.

(a) You Associate With a Material Covered Enterprise. If you "Associate With a Material Covered Enterprise" (as defined below) on or after the date the restrictions on Association With a Covered Enterprise lapse (as described in Paragraph 9(a)(i) of the Award Agreement) and before the earlier of or a Qualifying Termination After a Change In Control, your rights to all of your Outstanding RSUs will terminate, and no RSU Shares will be delivered in respect of such RSUs and your rights to all of your Shares at Risk will terminate and your Shares at Risk will be cancelled.

(i) "**Associate With a Material Covered Enterprise**" means that you (A) form, or acquire a 5% or greater equity ownership, voting or profit participation interest in, any "Material Covered Enterprise" (as defined below) or (B) associate in any capacity (including association as an officer, employee, partner, director, consultant, agent or advisor) with any Material Covered Enterprise. Associate With a Material Covered Enterprise may include, as determined in the discretion of either the Committee or the SIP Committee, (A) becoming the subject of any publicly available announcement or report of a pending or future association with a Material Covered Enterprise and (B) unpaid associations, including an association in contemplation of future employment. The term "Association With a Material Covered Enterprise" has its correlative meaning.

(ii) The restriction described above on any Association With a Material Covered Enterprise will not apply if the Firm characterizes your Employment termination as "involuntary" or by "mutual agreement" (and, in each case, you have not engaged in conduct constituting Cause) and you execute a general waiver and release of claims and an agreement to pay any associated tax liability, in each case, in the form the Firm prescribes.

(iii) "**Material Covered Enterprise**" means a Covered Enterprise that the Firm determines, in its sole discretion, to be material.

(b) A Loss Event Occurs Prior to Delivery. If a Loss Event occurs prior to the delivery of RSU Shares, your rights in respect of all or a portion of your RSUs which are scheduled to deliver on the next Delivery Date immediately following the date that the Loss Event is identified (or, if not practicable, then the next following Delivery Date) will terminate, and no RSU Shares will be delivered in respect of such RSUs.

(i) A "**Loss Event**" means (A) an annual pre-tax loss at GS Inc. or (B) annual negative revenues in one or more reporting segments as disclosed in the Firm's Form 10-K other than the Asset Management segment, or annual negative revenues in the Asset Management segment of $5 billion or more, *provided* in either case that you are employed in a business within such reporting segment.

(c) A Risk Event Occurs. If a Risk Event occurs , (i) your rights in respect of all or a portion of your RSUs will terminate and no RSU Shares will be delivered in respect of such RSUs, (ii) your rights to all or a portion of any Shares at Risk will terminate and such Shares at Risk will be cancelled and (iii) you will be obligated immediately upon demand therefor to pay the Firm an amount not in excess of the greater of the Fair Market Value of the RSU Shares (plus any dividend payments) delivered in respect of the Award (without reduction for any amount applied to satisfy tax withholding or other obligations) determined as of (A) the date the Risk Event occurred and (B) the date that the repayment request is made.

(i) A "**Risk Event**" means there occurs a loss of 5% or more of firmwide total capital from a reportable operational risk event determined in accordance with the firmwide Reporting Operational Risk Events Policy.

(d) You Engage in Serious Misconduct. If you engage in Serious Misconduct , you will be obligated immediately upon demand therefor to pay the Firm an amount not in excess of the greater of the Fair Market Value of the RSU Shares (plus any dividend payments) delivered in respect of the Award (without reduction for any amount applied to satisfy tax withholding or other obligations) determined as of (i) the date the Serious Misconduct occurred and (ii) the date that the repayment request is made.

(i) "**Serious Misconduct**" means that you engage in conduct that the Firm reasonably considers, in its sole discretion, to be misconduct sufficient to justify summary termination of employment under English law.

(e) A Supervised Employee Engages in Serious Misconduct. If the Committee determines that it is appropriate to hold you accountable in whole or in part for Serious Misconduct related to compliance, control or risk that occurred during by a Supervised Employee, your rights in respect of all or a portion of your RSUs will terminate and no RSU Shares will be delivered in respect of such RSUs and your rights to all or a portion of any Shares at Risk will terminate and such Shares at Risk will be cancelled.

(i) "**Supervised Employee**" means an individual with respect to whom the Committee determines you had supervisory responsibility as a result of direct or indirect reporting lines or your management responsibility for an office, division or business.

Notwithstanding any provision in the Plan, this Award Agreement or any other agreement or arrangement you may have with the Firm, the parties agree that to the extent that there is any dispute arising out of or relating to the payment required by Paragraphs (c) and (d) of this Appendix (including your refusal to

remit payment) the parties will submit to arbitration in accordance with Paragraph 16 of this Award Agreement and Section 3.17 of the Plan as the sole means of resolution of such dispute (including the recovery by the Firm of the payment amount).]

DEFINITIONS APPENDIX

The following capitalized terms are used in this Award Agreement with the following meanings:

(a) "409A Deferred Compensation" means a "deferral of compensation" or "deferred compensation" as those terms are defined in the regulations under Section 409A.

(b) "Associate With a Covered Enterprise" means that you (i) form, or acquire a 5% or greater equity ownership, voting or profit participation interest in, any Covered Enterprise or (ii) associate in any capacity (including association as an officer, employee, partner, director, consultant, agent or advisor) with any Covered Enterprise. Associate With a Covered Enterprise may include, as determined in the discretion of either the Committee or the SIP Committee, (i) becoming the subject of any publicly available announcement or report of a pending or future association with a Covered Enterprise and (ii) unpaid associations, including an association in contemplation of future employment. "Association With a Covered Enterprise" will have its correlative meaning.

(c) "Conflicted Employment" means your employment at any U.S. Federal, state or local government, any non-U.S. government, any supranational or international organization, any self-regulatory organization, or any agency or instrumentality of any such government or organization, or any other employer (other than an "Accounting Firm" within the meaning of SEC Rule 2-01(f)(2) of Regulation S-X or any successor thereto) determined by the Committee, if, as a result of such employment, your continued holding of any Outstanding RSUs and Shares at Risk would result in an actual or perceived conflict of interest.

(d) "Covered Enterprise" means a Competitive Enterprise and any other existing or planned business enterprise that: (i) offers, holds itself out as offering or reasonably may be expected to offer products or services that are the same as or similar to those offered by the Firm or that the Firm reasonably expects to offer ("Firm Products or Services") or (ii) engages in, holds itself out as engaging in or reasonably may be expected to engage in any other activity that is the same as or similar to any financial activity engaged in by the Firm or in which the Firm reasonably expects to engage ("Firm Activities"). For the avoidance of doubt, Firm Activities include any activity that requires the same or similar skills as any financial activity engaged in by the Firm or in which the Firm reasonably expects to engage, irrespective of whether any such financial activity is in furtherance of an advisory, agency, proprietary or fiduciary undertaking.

The enterprises covered by this definition include enterprises that offer, hold themselves out as offering or reasonably may be expected to offer Firm Products or Services, or engage in, hold themselves out as engaging in or reasonably may be expected to engage in Firm Activities directly, as well as those that do so indirectly by ownership or control (*e.g.*, by owning, being owned by or by being under common ownership with an enterprise that offers, holds itself out as offering or reasonably may be expected to offer Firm Products or Services or that engages in, holds itself out as engaging in or reasonably may be expected to engage in Firm Activities). The definition of Covered Enterprise includes, solely by way of example, any enterprise that offers, holds itself out as offering or reasonably may be expected to offer any product or service, or engages in, holds itself out as engaging in or reasonably may be expected to engage in any activity, in any case, associated with investment banking; public or private finance; lending; financial advisory services; private investing for anyone other than you or your family members (including, for the avoidance of doubt, any type of proprietary investing or trading); private wealth management; private banking; consumer or commercial cash management; consumer, digital or commercial banking; merchant banking; asset, portfolio or hedge fund management; insurance or reinsurance underwriting or brokerage; property management; or securities, futures, commodities, energy, derivatives, currency or digital asset brokerage, sales, lending, custody, clearance, settlement or trading.

An enterprise that offers, holds itself out as offering or reasonably may be expected to offer Firm Products or Services, or engages in, holds itself out as engaging in or reasonably may be expected to engage in Firm Activities is a Covered Enterprise**, irrespective of whether the enterprise is a customer, client or counterparty of the Firm or is otherwise associated with the Firm and, because the Firm is a global enterprise, irrespective of where the Covered Enterprise is physically located.**

(e) "Failed to Consider Risk" means that you participated (or otherwise oversaw or were responsible for, depending on the circumstances, another individual's participation) in the structuring or marketing of any product or service, or participated on behalf of the Firm or any of its clients in the purchase or sale of any security or other property, in any case without appropriate consideration of the risk to the Firm or the broader financial system as a whole (for example, where you have improperly analyzed such risk or where you have failed sufficiently to raise concerns about such risk) and, as a result of such action or omission, the Committee determines there has been, or reasonably could be expected to be, a material adverse impact on the Firm, your business unit or the broader financial system.

(f) ["January Transferability Date" means the first trading day in a Window Period that occurs in January , or if no Window Period occurs in January , the first trading day of the first Window Period following thereafter.]

(g) ["-Month Transferability Date" means the first trading day in a Window Period that occurs on or after the -month anniversary of the Delivery Date.]

(h) "Qualifying Termination After a Change in Control" means that the Firm terminates your Employment other than for Cause or you terminate your Employment for Good Reason, in each case, within 18 months following a Change in Control.

(i) "Sarbanes-Oxley" means the Sarbanes-Oxley Act of 2002, as amended.

(j) "SEC" means the U.S. Securities and Exchange Commission.

(k) "Selected Firm Personnel" means any individual who is or in the three months preceding the conduct prohibited by Paragraph 9(a)(ii) was (i) a Firm employee or consultant with whom you personally worked while employed by the Firm, (ii) a Firm employee or consultant who, at any time during the year preceding the date of the termination of your Employment, worked in the same division in which you worked or (iii) an Advisory Director, a Managing Director or a Senior Advisor of the Firm.

(l) "Shares at Risk" means RSU Shares subject to Transfer Restrictions.

The following capitalized terms are used in this Award Agreement with the meanings that are assigned to them in the Plan.

(a) "Account" means any brokerage account, custody account or similar account, as approved or required by GS Inc. from time to time, into which shares of Common Stock, cash or other property in respect of an Award are delivered.

(b) "Award Agreement" means the written document or documents by which each Award is evidenced, including any related Award Statement and signature card.

(c) "Award Statement" means a written statement that reflects certain Award terms.

(d) "Board" means the Board of Directors of GS Inc.

(e) "Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in New York City are authorized or obligated by Federal law or executive order to be closed.

(f) "Cause" means (i) the Grantee's conviction, whether following trial or by plea of guilty or *nolo contendere* (or similar plea), in a criminal proceeding (A) on a misdemeanor charge involving fraud, false statements or misleading omissions, wrongful taking, embezzlement, bribery, forgery, counterfeiting or extortion, or (B) on a felony charge, or (C) on an equivalent charge to those in clauses (A) and (B) in jurisdictions which do not use those designations, (ii) the Grantee's engaging in any conduct which constitutes an employment disqualification under applicable law (including statutory disqualification as defined under the Exchange Act), (iii) the Grantee's willful failure to perform the Grantee's duties to the Firm, (iv) the Grantee's violation of any securities or commodities laws, any rules or regulations issued pursuant to such laws, or the rules and regulations of any securities or commodities exchange or association of which the Firm is a member, (v) the Grantee's violation of any Firm policy concerning hedging or pledging or confidential or proprietary information, or the Grantee's material violation of any other Firm policy as in effect from time to time, (vi) the Grantee's engaging in any act or making any statement which impairs, impugns, denigrates, disparages or negatively reflects upon the name, reputation or business interests of the Firm or (vii) the Grantee's engaging in any conduct detrimental to the Firm. The determination as to whether Cause has occurred shall be made by the Committee in its sole discretion and, in such case, the Committee also may, but shall not be required to, specify the date such Cause occurred (including by determining that a prior termination of Employment was for Cause). Any rights the Firm may have hereunder and in any Award Agreement in respect of the events giving rise to Cause shall be in addition to the rights the Firm may have under any other agreement with a Grantee or at law or in equity.

(g) "Certificate" means a stock certificate (or other appropriate document or evidence of ownership) representing shares of Common Stock.

(h) "Change in Control" means the consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving GS Inc. (a "Reorganization") or sale or other disposition of all or substantially all of GS Inc.'s assets to an entity that is not an affiliate of GS Inc. (a "Sale"), that in each case requires the approval of GS Inc.'s shareholders under the law of GS Inc.'s jurisdiction of organization, whether for such Reorganization or Sale (or the issuance of securities of GS Inc. in such Reorganization or Sale), unless immediately following such Reorganization or Sale, either: (i) at least 50% of the total voting power (in respect of the election of directors, or similar officials in the case of an entity other than a corporation) of (A) the entity resulting from such Reorganization, or the entity which has acquired all or substantially all of the assets of GS Inc. in a Sale (in either case, the

"Surviving Entity"), or (B) if applicable, the ultimate parent entity that directly or indirectly has beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, as such Rule is in effect on the date of the adoption of the 1999 SIP) of 50% or more of the total voting power (in respect of the election of directors, or similar officials in the case of an entity other than a corporation) of the Surviving Entity (the "Parent Entity") is represented by GS Inc.'s securities (the "GS Inc. Securities") that were outstanding immediately prior to such Reorganization or Sale (or, if applicable, is represented by shares into which such GS Inc. Securities were converted pursuant to such Reorganization or Sale) or (ii) at least 50% of the members of the board of directors (or similar officials in the case of an entity other than a corporation) of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) following the consummation of the Reorganization or Sale were, at the time of the Board's approval of the execution of the initial agreement providing for such Reorganization or Sale, individuals (the "Incumbent Directors") who either (A) were members of the Board on the Effective Date or (B) became directors subsequent to the Effective Date and whose election or nomination for election was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of GS Inc.'s proxy statement in which such persons are named as nominees for director).

(i) "Client" means any client or prospective client of the Firm to whom the Grantee provided services, or for whom the Grantee transacted business, or whose identity became known to the Grantee in connection with the Grantee's relationship with or employment by the Firm.

(j) "Code" means the Internal Revenue Code of 1986, as amended from time to time, and the applicable rulings and regulations thereunder.

(k) "Committee" means the committee appointed by the Board to administer the Plan pursuant to Section 1.3, and, to the extent the Board determines it is appropriate for the compensation realized from Awards under the Plan to be considered "performance based" compensation under Section 162(m) of the Code, shall be a committee or subcommittee of the Board composed of two or more members, each of whom is an "outside director" within the meaning of Code Section 162(m), and which, to the extent the Board determines it is appropriate for Awards under the Plan to qualify for the exemption available under Rule 16b-3(d)(1) or Rule 16b-3(e) promulgated under the Exchange Act, shall be a committee or subcommittee of the Board composed of two or more members, each of whom is a "non-employee director" within the meaning of Rule 16b-3. Unless otherwise determined by the Board, the Committee shall be the Compensation Committee of the Board.

(l) "Common Stock" means common stock of GS Inc., par value $0.01 per share.

(m) "Competitive Enterprise" means an existing or planned business enterprise that (i) engages, or may reasonably be expected to engage, in any activity; (ii) owns or controls, or may reasonably be expected to own or control, a significant interest in any entity that engages in any activity or (iii) is, or may reasonably be expected to be, owned by, or a significant interest in which is, or may reasonably be expected to be, owned or controlled by, any entity that engages in any activity that, in any case, competes or will compete anywhere with any activity in which the Firm is engaged. The activities covered by this definition include, without limitation: financial services such as investment banking; public or private finance; lending; financial advisory services; private investing for anyone other than the Grantee and members of the Grantee's family (including for the avoidance of doubt, any type of proprietary investing or trading); private wealth management; private banking; consumer or commercial cash management; consumer, digital or commercial banking; merchant banking; asset, portfolio or hedge fund management; insurance or reinsurance underwriting or brokerage; property management; or securities, futures, commodities, energy, derivatives, currency or digital asset brokerage, sales, lending, custody, clearance, settlement or trading.

(n) "Covered Person" means a member of the Board or the Committee or any employee of the Firm.

(o) "Date of Grant" means the date specified in the Grantee's Award Agreement as the date of grant of the Award.

(p) "Delivery Date" means each date specified in the Grantee's Award Agreement as a delivery date, *provided*, unless the Committee determines otherwise, such date is during a Window Period or, if such date is not during a Window Period, the first trading day of the first Window Period beginning after such date.

(q) "Dividend Equivalent Right" means a dividend equivalent right granted under the Plan, which represents an unfunded and unsecured promise to pay to the Grantee amounts equal to all or any portion of the regular cash dividends that would be paid on shares of Common Stock covered by an Award if such shares had been delivered pursuant to an Award.

(r) "Effective Date" means the date this Plan is approved by the shareholders of GS Inc. pursuant to Section 3.15 of the Plan.

(s) "Employment" means the Grantee's performance of services for the Firm, as determined by the Committee. The terms "employ" and "employed" shall have their correlative meanings. The Committee in its sole discretion may determine (i) whether and when a Grantee's leave of absence results in a termination of Employment (for this purpose, unless the Committee determines otherwise, a Grantee shall be treated as terminating Employment with the Firm upon the occurrence of an Extended Absence), (ii) whether and when a change in a Grantee's association with the Firm results in a termination of Employment and (iii) the impact, if any, of any such leave of absence or change in association on Awards theretofore made. Unless expressly provided otherwise, any references in the Plan or any Award Agreement to a Grantee's Employment being terminated shall include both voluntary and involuntary terminations.

(t) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and the applicable rules and regulations thereunder.

(u) "Extended Absence" means the Grantee's inability to perform for six (6) continuous months, due to illness, injury or pregnancy-related complications, substantially all the essential duties of the Grantee's occupation, as determined by the Committee.

(v) "Firm" means GS Inc. and its subsidiaries and affiliates.

(w) "Good Reason" means, in connection with a termination of employment by a Grantee following a Change in Control, (a) as determined by the Committee, a materially adverse alteration in the Grantee's position or in the nature or status of the Grantee's responsibilities from those in effect immediately prior to the Change in Control or (b) the Firm's requiring the Grantee's principal place of Employment to be located more than seventy-five (75) miles from the location where the Grantee is principally Employed at the time of the Change in Control (except for required travel on the Firm's business to an extent substantially consistent with the Grantee's customary business travel obligations in the ordinary course of business prior to the Change in Control).

(x) "Grantee" means a person who receives an Award.

(y) "GS Inc." means The Goldman Sachs Group, Inc., and any successor thereto.

(z) "1999 SIP" means The Goldman Sachs 1999 Stock Incentive Plan, as in effect prior to the effective date of the 2003 SIP

(aa) "Outstanding" means any Award to the extent it has not been forfeited, cancelled, terminated, exercised or with respect to which the shares of Common Stock underlying the Award have not been previously delivered or other payments made.

(bb) "Restricted Share" means a share of Common Stock delivered under the Plan that is subject to Transfer Restrictions, forfeiture provisions and/or other terms and conditions specified herein and in the Restricted Share Award Agreement or other applicable Award Agreement. All references to Restricted Shares include "Shares at Risk."

(cc) "RSU" means a restricted stock unit granted under the Plan, which represents an unfunded and unsecured promise to deliver shares of Common Stock in accordance with the terms of the RSU Award Agreement.

(dd) "RSU Shares" means shares of Common Stock that underlie an RSU.

(ee) "Section 409A" means Section 409A of the Code, including any amendments or successor provisions to that Section and any regulations and other administrative guidance thereunder, in each case as they, from time to time, may be amended or interpreted through further administrative guidance.

(ff) "SIP Administrator" means each person designated by the Committee as a "SIP Administrator" with the authority to perform day-to-day administrative functions for the Plan.

(gg) "SIP Committee" means the persons who have been delegated certain authority under the Plan by the Committee.

(hh) "Solicit" means any direct or indirect communication of any kind whatsoever, regardless of by whom initiated, inviting, advising, suggesting, encouraging or requesting any person or entity, in any manner, to take or refrain from taking any action.

(ii) "Transfer Restrictions" means restrictions that prohibit the sale, exchange, transfer, assignment, pledge, hypothecation, fractionalization, hedge or other disposal (including through the use of any cash-settled instrument), whether voluntarily or involuntarily by the Grantee, of an Award or any shares of Common Stock, cash or other property delivered in respect of an Award.

(jj) "Transferability Date" means the date Transfer Restrictions on a Restricted Share will be released. Within 30 Business Days after the applicable Transferability Date, GS Inc. shall take, or shall cause to be taken, such steps as may be necessary to remove Transfer Restrictions.

(kk) "Vested" means, with respect to an Award, the portion of the Award that is not subject to a condition that the Grantee remain actively employed by the Firm in order for the Award to remain Outstanding. The fact that an Award becomes Vested shall not mean or otherwise indicate that the Grantee has an unconditional or nonforfeitable right to such Award, and such Award shall remain subject to such terms, conditions and forfeiture provisions as may be provided for in the Plan or in the Award Agreement.

(ll) "Window Period" means a period designated by the Firm during which all employees of the Firm are permitted to purchase or sell shares of Common Stock (*provided* that, if the Grantee is a

member of a designated group of employees who are subject to different restrictions, the Window Period may be a period designated by the Firm during which an employee of the Firm in such designated group is permitted to purchase or sell shares of Common Stock).

Exhibit 10.46

THE GOLDMAN SACHS GROUP, INC.
YEAR-END RSU AWARD

This Award Agreement, together with The Goldman Sachs Amended and Restated Stock Incentive Plan (2018) (the "Plan"), governs your year-end award of RSUs (your "Award"). You should read carefully this entire Award Agreement, which includes the Award Statement, any attached Appendix and the signature card.

ACCEPTANCE

1. **You Must Decide Whether to Accept this Award Agreement. To be eligible to receive your Award, you must by the date specified (a) open and activate an Account and (b) agree to all the terms of your Award by executing the related signature card in accordance with its instructions. By executing the signature card, you confirm your agreement to all of the terms of this Award Agreement, including the arbitration and choice of forum provisions in Paragraph 16.**

DOCUMENTS THAT GOVERN YOUR AWARD; DEFINITIONS

2. **The Plan.** Your Award is granted under the Plan, and the Plan's terms apply to, and are a part of, this Award Agreement.

3. **Your Award Statement.** The Award Statement delivered to you contains some of your Award's specific terms. For example, it contains the type and number of RSUs awarded to you and any applicable Vesting Dates, Delivery Dates and Transferability Dates. [The portion of your RSUs that are designated on the Award Statement as " Year-End Base RSUs" are referred to in this Award Agreement as "Base RSUs." The portion of your RSUs that are designated on the Award Statement as " Year-End Additional Base RSUs" are referred to in this Award Agreement as "Additional Base RSUs." The portion of your RSUs that are designated on the Award Statement as " Year-End Supplemental RSUs" are referred to in this Award Agreement as "Supplemental RSUs." All references to RSUs in this Award Agreement include the Base RSUs, the Additional Base RSUs and the Supplemental RSUs.] [This Award Agreement does not govern the terms and conditions of any RSUs designated on your Award Statement as "Short-Term RSUs," which, if applicable to you, are addressed in a separate Award Agreement.]

4. **Definitions.** Unless otherwise defined herein, including in the Definitions Appendix or any other Appendix, capitalized terms have the meanings provided in the Plan.

VESTING OF YOUR RSUS

5. **Vesting.**

(a) Base RSUs[and Additional Base RSUs]. On each Vesting Date listed on your Award Statement, you will become Vested in the amount of Outstanding Base RSUs and Outstanding Additional Base RSUs listed next to that date.

(b) [Supplemental RSUs. All of your Supplemental RSUs are Vested.]

(c) What Vesting Means. When an RSU becomes Vested, it means **only** that your continued active Employment is not required for delivery of that portion of RSU Shares. **Vesting does not mean you have a non-forfeitable right to the Vested portion of your Award. The terms of this Award Agreement (including conditions to delivery and any applicable**

Transfer Restrictions) continue to apply to Vested RSUs, and you can still forfeit Vested RSUs and any RSU Shares.

DELIVERY OF YOUR RSU SHARES

6. **Delivery.** Reasonably promptly (but no more than 30 Business Days) after each Delivery Date listed on your Award Statement, RSU Shares (less applicable withholding as described in Paragraph 13(a)) will be delivered (by book entry credit to your Account) in respect of the amount of Outstanding RSUs listed next to that date [*provided* that such delivery applies first to RSU Shares underlying the Supplemental RSUs and then to RSU Shares underlying the Base RSUs]. The Committee or the SIP Committee may select multiple dates within the 30-Business-Day period following the Delivery Date to deliver RSU Shares in respect of all or a portion of the RSUs with the same Delivery Date listed on the Award Statement, and all such dates will be treated as a single Delivery Date for purposes of this Award. Until such delivery, you have only the rights of a general unsecured creditor, and no rights as a shareholder of GS Inc. Without limiting the Committee's authority under Section 1.3.2(h) of the Plan, the Firm may accelerate any Delivery Date by up to 30 days.

TRANSFER RESTRICTIONS FOLLOWING DELIVERY

7. **Transfer Restrictions and Shares at Risk.**

(a) Base and Additional Base RSUs.

(i) Base RSUs [with a Delivery Date in or before]. [For Base RSUs with a Delivery Date in or before ,] fifty percent of the RSU Shares that are delivered on any date in respect of Base RSUs, **before** tax withholding (or, if the applicable tax withholding rate is greater than 50%, all RSU Shares delivered after tax withholding), will be Shares at Risk that are subject to Transfer Restrictions until the January Transferability Date, as set forth on your Award Statement. If the tax withholding rate is less than 50%, then any remaining RSU Shares that are delivered in respect of Base RSUs after tax withholding will be Shares at Risk subject to Transfer Restrictions until the -Month Transferability Date.

(ii) [Base RSUs with a Delivery Date in or after . For Base RSUs with a Delivery Date in , all RSU Shares delivered after tax withholding will be Shares at Risk subject to Transfer Restrictions until the -Month Transferability Date.]

(iii) [Additional Base RSUs. For Additional Base RSUs, all RSU Shares delivered after tax withholding will be Shares at Risk subject to Transfer Restrictions until the -Month Transferability Date.]

(b) [Supplemental RSUs. For Supplemental RSUs, all RSU Shares delivered after tax withholding will be Shares at Risk subject to Transfer Restrictions until the -Month Transferability Date.]

(c) Purported Transactions that Violate the Transfer Restrictions Are Void. Any purported sale, exchange, transfer, assignment, pledge, hypothecation, fractionalization, hedge or other disposition in violation of the Transfer Restrictions on Shares at Risk will be void.

(d) Removal of Transfer Restrictions. Within 30 Business Days after the applicable Transferability Date (or any other date on which the Transfer Restrictions are to be removed), GS

Inc. will remove the Transfer Restrictions. The Committee or the SIP Committee may select multiple dates within such 30-Business-Day period on which to remove Transfer Restrictions for all or a portion of the Shares at Risk with the same Transferability Date, and all such dates will be treated as a single Transferability Date for purposes of this Award.

DIVIDENDS

8. **[Dividend Equivalent Rights and] Dividends.** [Each RSU includes a Dividend Equivalent Right, which entitles you to receive an amount (less applicable withholding), at or after the time of distribution of any regular cash dividend paid by GS Inc. in respect of a share of Common Stock, equal to any regular cash dividend payment that would have been made in respect of an RSU Share underlying your Outstanding RSUs for any record date that occurs on or after the Date of Grant. In addition,] [y][Y]ou will be entitled to receive on a current basis any regular cash dividend paid in respect of your Shares at Risk. [The RSUs do **not** include Dividend Equivalent Rights.]

FORFEITURE OF YOUR AWARD

9. **How You May Forfeit Your Award.** This Paragraph 9 sets forth the events that result in forfeiture of up to all of your RSUs and Shares at Risk and may require repayment to the Firm of up to all other amounts previously delivered or paid to you under your Award in accordance with Paragraph 10. More than one event may apply, and in no case will the occurrence of one event limit the forfeiture and repayment obligations as a result of the occurrence of any other event. In addition, the Firm reserves the right to (a) suspend vesting of Outstanding RSUs, [payments under Dividend Equivalent Rights,] delivery of RSU Shares or release of Transfer Restrictions, (b) deliver any RSU Shares[,] [or] dividends [or payments under Dividend Equivalent Rights] into an escrow account in accordance with Paragraph 13(f)(v) or (c) apply Transfer Restrictions to any RSU Shares in connection with any investigation of whether any of the events that result in forfeiture under the Plan or this Paragraph 9 have occurred. Paragraph 11 (relating to certain circumstances under which you will not forfeit your unvested RSUs upon Employment termination) and Paragraph 12 (relating to certain circumstances under which vesting, delivery and/or release of Transfer Restrictions may be accelerated) provide for exceptions to one or more provisions of this Paragraph 9. [The Material Risk Taker Appendix supplements this Paragraph 9 and sets forth additional events that result in forfeiture of up to all of your RSUs and Shares at Risk and may require repayment to the Firm as described in Paragraph 10 and the Appendix.]

(a) Unvested RSUs Forfeited if Your Employment Terminates. If your Employment terminates for any reason or you are otherwise no longer actively Employed with the Firm (which includes off-premises notice periods, "garden leaves," pay in lieu of notice or any other similar status), your rights to your Outstanding RSUs that are not Vested will terminate, and no RSU Shares will be delivered in respect of such RSUs.

(b) [Supplemental RSUs Forfeited if You Associate With a Covered Enterprise. Your rights to your Outstanding Supplemental RSUs that are scheduled to deliver on an applicable Delivery Date will terminate, and no RSU Shares will be delivered in respect of such Supplemental RSUs if you Associate With a Covered Enterprise before the earlier of the January 1 immediately preceding that Delivery Date or a Qualifying Termination After a Change In Control.]

(c) Vested and Unvested RSUs Forfeited Upon Certain Events. If any of the following occurs before the applicable Delivery Date, your rights to all of your Outstanding

RSUs (whether or not Vested) will terminate, and no RSU Shares will be delivered in respect of such RSUs:

(i) You Solicit Clients or Employees, Interfere with Client or Employee Relationships or Participate in the Hiring of Employees. Either:

(A) you, in any manner, directly or indirectly, (1) Solicit any Client to transact business with a Covered Enterprise or to reduce or refrain from doing any business with the Firm, (2) interfere with or damage (or attempt to interfere with or damage) any relationship between the Firm and any Client, (3) Solicit any person who is an employee of the Firm to resign from the Firm, (4) Solicit any Selected Firm Personnel to apply for or accept employment (or other association) with any person or entity other than the Firm or (5) hire or participate in the hiring of any Selected Firm Personnel by any person or entity other than the Firm (including, without limitation, participating in the identification of individuals for potential hire, and participating in any hiring decision), whether as an employee or consultant or otherwise, or

(B) Selected Firm Personnel are Solicited, hired or accepted into partnership, membership or similar status by (1) any entity that you form, that bears your name, or in which you possess or control greater than a *de minimis* equity ownership, voting or profit participation or (2) any entity where you have, or will have, direct or indirect managerial responsibility for such Selected Firm Personnel.

(ii) [GS Inc. Fails to Maintain the Minimum Tier 1 Capital Ratio. GS Inc. fails to maintain the required "Minimum Tier 1 Capital Ratio" as defined under Federal Reserve Board Regulations applicable to GS Inc. for a period of 90 consecutive business days.]

(iii) [GS Inc. Is Determined to Be in Default. The Board of Governors of the Federal Reserve or the Federal Deposit Insurance Corporation (the "FDIC") makes a written recommendation under Title II (Orderly Liquidation Authority) of the Dodd-Frank Wall Street Reform and Consumer Protection Act for the appointment of the FDIC as a receiver of GS Inc. based on a determination that GS Inc. is "in default" or "in danger of default."]

(d) Vested and Unvested RSUs and Shares at Risk Forfeited upon Certain Events. If any of the following occurs (i) your rights to all of your Outstanding RSUs (whether or not Vested) will terminate, and no RSU Shares will be delivered in respect of such RSUs and (ii) your rights to all of your Shares at Risk will terminate and your Shares at Risk will be cancelled, in each case, as may be further described below:

(i) You Failed to Consider Risk. You Failed to Consider Risk during .

(ii) Your Conduct Constitutes Cause. Any event that constitutes Cause [(including, for the avoidance of doubt, "Serious Misconduct" as defined in the Material Risk Taker Appendix)] has occurred before the applicable Delivery Date for RSUs or the applicable Transferability Date for Shares at Risk.

(iii) You Do Not Meet Your Obligations to the Firm. The Committee determines that, before the applicable Delivery Date for RSUs or the applicable Transferability Date for Shares at Risk, you failed to meet, in any respect, any obligation under any agreement

with the Firm, or any agreement entered into in connection with your Employment or this Award, including the Firm's notice period requirement applicable to you, any offer letter, employment agreement or any shareholders' agreement relating to the Firm. Your failure to pay or reimburse the Firm, on demand, for any amount you owe to the Firm will constitute (A) failure to meet an obligation you have under an agreement, regardless of whether such obligation arises under a written agreement, and/or (B) a material violation of Firm policy constituting Cause.

(iv) You Do Not Provide Timely Certifications or Comply with Your Certifications. You fail to certify to GS Inc. that you have complied with all of the terms of the Plan and this Award Agreement, or the Committee determines that you have failed to comply with a term of the Plan or this Award Agreement to which you have certified compliance.

(v) You Do Not Follow Dispute Resolution/Arbitration Procedures. You attempt to have any dispute under the Plan or this Award Agreement resolved in any manner that is not provided for by Paragraph 16 or Section 3.17 of the Plan, or you attempt to arbitrate a dispute without first having exhausted your internal administrative remedies in accordance with Paragraph 13(f)(viii).

(vi) You Bring an Action that Results in a Determination that Any Award Agreement Term Is Invalid. As a result of any action brought by you, it is determined that any term of this Award Agreement is invalid.

(vii) You Receive Compensation in Respect of Your Award from Another Employer. Your Employment terminates for any reason or you otherwise are no longer actively Employed with the Firm and another entity grants you cash, equity or other property (whether vested or unvested) to replace, substitute for or otherwise in respect of any Outstanding RSUs or Shares at Risk; *provided*, *however*, that your rights will only be terminated in respect of the RSUs and Shares at Risk that are replaced, substituted for or otherwise considered by such other entity in making its grant.

REPAYMENT OF YOUR AWARD

10. **When You May Be Required to Repay Your Award.** If the Committee determines that any term of this Award was not satisfied, you will be required, immediately upon demand therefor, to repay to the Firm the following:

(a) Any RSU Shares (which, for the avoidance of doubt, includes any Shares at Risk) for which the terms (including the terms for delivery) of the related RSUs were not satisfied, in accordance with Section 2.6.3 of the Plan.

(b) Any Shares at Risk for which the terms (including the terms for the release of Transfer Restrictions) were not satisfied, in accordance with Section 2.5.3 of the Plan.

(c) Any RSU Shares that were delivered (but not subject to Transfer Restrictions) at the same time any Shares at Risk that are cancelled or required to be repaid were delivered.

(d) [Any payments under Dividend Equivalent Rights for which the terms were not satisfied (including any such payments made in respect of RSUs that are forfeited or RSU Shares that are cancelled or required to be repaid), in accordance with Section 2.8.3 of the Plan.]

(e) Any dividends paid in respect of any RSU Shares that are cancelled or required to be repaid.

(f) Any amount applied to satisfy tax withholding or other obligations with respect to any RSU, RSU Shares[,] [and] dividend payments [and payments under Dividend Equivalent Rights] that are forfeited or required to be repaid.

EXCEPTIONS TO THE VESTING, DELIVERY AND/OR TRANSFERABILITY DATES

11. **Circumstances Under Which You Will Not Forfeit Your Unvested RSUs on Employment Termination (but the Original Delivery Date and Transferability Date Continue to Apply).** If your Employment terminates at a time when you meet the requirements for Extended Absence, Retirement, "downsizing" or Approved Termination, each as described below, then Paragraph 9(a) will not apply, and your Outstanding RSUs will be treated as described in this Paragraph 11. All other terms of this Award Agreement, including the other forfeiture and repayment events in Paragraphs 9 and 10, continue to apply.

(a) Extended Absence or Retirement and No Association With a Covered Enterprise.

(i) Generally. If your Employment terminates by Extended Absence or Retirement, your Outstanding RSUs that are not Vested will become Vested. **However, your rights to any Outstanding RSU that becomes Vested by this Paragraph 11(a)(i) will terminate and no RSU Share will be delivered in respect of that RSU if you Associate With a Covered Enterprise on or before the originally scheduled Vesting Date for that RSU**.

(ii) Special Treatment for Involuntary or Mutual Agreement Termination. [Paragraph 9(b) and] the second sentence of Paragraph 11(a)(i) (each relating to forfeiture if you Associate With a Covered Enterprise) will not apply if (A) the Firm characterizes your Employment termination as "involuntary" or by "mutual agreement" (and, in each case, you have not engaged in conduct constituting Cause) and (B) you execute a general waiver and release of claims and an agreement to pay any associated tax liability, in each case, in the form the Firm prescribes. No Employment termination that you initiate, including any purported "constructive termination," a "termination for good reason" or similar concepts, can be "involuntary" or by "mutual agreement."

(b) Downsizing. If (i) the Firm terminates your Employment solely by reason of a "downsizing" (and you have not engaged in conduct constituting Cause) and (ii) you execute a general waiver and release of claims and an agreement to pay any associated tax liability, in each case, in the form the Firm prescribes, your Outstanding RSUs that are not yet Vested will become Vested [and Paragraph 9(b)] will not apply. Whether or not your Employment is terminated solely by reason of a "downsizing" will be determined by the Firm in its sole discretion.

(c) Approved Terminations of Program Analysts and Fixed-Term Employees. If the Firm classifies you as a "program analyst" or a "fixed-term" employee and your Employment terminates solely by reason of an Approved Termination (and you have not engaged in conduct constituting Cause), your Outstanding RSUs that are not yet Vested will become Vested [and Paragraph 9(b) will not apply].

12. **Accelerated Vesting, Delivery and/or Release of Transfer Restrictions in the Event of a Qualifying Termination After a Change in Control, Conflicted Employment or Death.** In the

event of your Qualifying Termination After a Change in Control, Conflicted Employment or death, each as described below, then Paragraph 9(a) will not apply, your Outstanding RSUs and Shares at Risk will be treated as described in this Paragraph 12, and, except as set forth in Paragraph 12(a), all other terms of this Award Agreement, including the other forfeiture and repayment events in Paragraphs 9 and 10, continue to apply.

(a) You Have a Qualifying Termination After a Change in Control. If your Employment terminates when you meet the requirements of a Qualifying Termination After a Change in Control, the RSU Shares underlying your Outstanding RSUs (whether or not Vested) will be delivered, and any Transfer Restrictions will cease to apply. In addition, the forfeiture events in Paragraph 9 will not apply to your Award.

(b) You Are Determined to Have Accepted Conflicted Employment.

(i) Generally. Notwithstanding anything to the contrary in the Plan or otherwise, for purposes of this Award Agreement, "Conflicted Employment" means your employment at any U.S. Federal, state or local government, any non-U.S. government, any supranational or international organization, any self-regulatory organization, or any agency or instrumentality of any such government or organization, or any other employer (other than an "Accounting Firm" within the meaning of SEC Rule 2-01(f)(2) of Regulation S-X or any successor thereto) determined by the Committee, if, as a result of such employment, your continued holding of any Outstanding RSUs and Shares at Risk would result in an actual or perceived conflict of interest. Unless prohibited by applicable law or regulation, the following will apply as soon as practicable after the Committee has received satisfactory documentation relating to your Conflicted Employment.

(A) Vesting. If your Employment terminates solely because you resign to accept Conflicted Employment and you have completed at least three years of continuous service with the Firm, your Outstanding RSUs will Vest; otherwise, you will forfeit any Outstanding RSUs that are not Vested in accordance with Paragraph 9(a).

(B) Delivery and Release of Transfer Restrictions. If your Employment terminates solely because you resign to accept Conflicted Employment or if, following your termination of Employment, you notify the Firm that you are accepting Conflicted Employment, RSU Shares will be delivered in respect of your Outstanding Vested RSUs (including in the form of cash as described in Paragraph 13(b)) and any Transfer Restrictions will cease to apply.

(ii) You May Have to Take Other Steps to Address Conflicts of Interest. The Committee retains the authority to exercise its rights under the Award Agreement or the Plan (including Section 1.3.2 of the Plan) to take or require you to take other steps it determines in its sole discretion to be necessary or appropriate to cure an actual or perceived conflict of interest (which may include a determination that the accelerated vesting, delivery and/or release of Transfer Restrictions described in Paragraph 12(b)(i) will not apply because such actions are not necessary or appropriate to cure an actual or perceived conflict of interest).

(c) Death. If you die, the RSU Shares underlying your Outstanding RSUs (whether or not Vested) will be delivered to the representative of your estate and any Transfer Restrictions will cease to apply as soon as practicable after the date of death and after such documentation as may be requested by the Committee is provided to the Committee.

OTHER TERMS, CONDITIONS AND AGREEMENTS

13. **Additional Terms, Conditions and Agreements.**

(a) You Must Satisfy Applicable Tax Withholding Requirements. Delivery of RSU Shares is conditioned on your satisfaction of any applicable withholding taxes in accordance with Section 3.2 of the Plan, which includes the Firm deducting or withholding amounts from any payment or distribution to you. In addition, to the extent permitted by applicable law, the Firm, in its sole discretion, may require you to provide amounts equal to all or a portion of any Federal, state, local, foreign or other tax obligations imposed on you or the Firm in connection with the grant, Vesting or delivery of this Award by requiring you to choose between remitting the amount (i) in cash (or through payroll deduction or otherwise) or (ii) in the form of proceeds from the Firm's executing a sale of RSU Shares delivered to you under this Award. In no event, however, does this Paragraph 13(a) give you any discretion to determine or affect the timing of the delivery of RSU Shares or the timing of payment of tax obligations.

(b) Firm May Deliver Cash or Other Property Instead of RSU Shares. In accordance with Section 1.3.2(i) of the Plan, in the sole discretion of the Committee, in lieu of all or any portion of the RSU Shares, the Firm may deliver cash, other securities, other awards under the Plan or other property, and all references in this Award Agreement to deliveries of RSU Shares will include such deliveries of cash, other securities, other awards under the Plan or other property.

(c) Amounts May Be Rounded to Avoid Fractional Shares. RSUs that become Vested on a Vesting Date, RSU Shares that become deliverable on a Delivery Date and RSU Shares subject to Transfer Restrictions may, in each case, be rounded to avoid fractional Shares.

(d) You May Be Required to Become a Party to the Shareholders' Agreement. Your rights to your RSUs are conditioned on your becoming a party to any shareholders' agreement to which other similarly situated employees (*e.g.*, employees with a similar title or position) of the Firm are required to be a party.

(e) Firm May Affix Legends and Place Stop Orders on Restricted RSU Shares. GS Inc. may affix to Certificates representing RSU Shares any legend that the Committee determines to be necessary or advisable (including to reflect any restrictions to which you may be subject under a separate agreement). GS Inc. may advise the transfer agent to place a stop order against any legended RSU Shares.

(f) You Agree to Certain Consents, Terms and Conditions. By accepting this Award you understand and agree that:

(i) You Agree to Certain Consents as a Condition to the Award. You have expressly consented to all of the items listed in Section 3.3.3(d) of the Plan, including the Firm's supplying to any third-party recordkeeper of the Plan or other person such personal information of yours as the Committee deems advisable to administer the Plan, and you agree to provide any additional consents that the Committee determines to be necessary or advisable;

(ii) You Are Subject to the Firm's Policies, Rules and Procedures. You are subject to the Firm's policies in effect from time to time concerning trading in RSU Shares and hedging or pledging RSU Shares and equity-based compensation or other awards (including,

without limitation, the "Firmwide Policy with Respect to Personal Transactions Involving GS Securities and GS Equity Awards" or any successor policies), and confidential or proprietary information, and you will effect sales of RSU Shares in accordance with such rules and procedures as may be adopted from time to time (which may include, without limitation, restrictions relating to the timing of sale requests, the manner in which sales are executed, pricing method, consolidation or aggregation of orders and volume limits determined by the Firm);

(iii) You Are Responsible for Costs Associated with Your Award. You will be responsible for all brokerage costs and other fees or expenses associated with your RSUs, including those related to the sale of RSU Shares;

(iv) You Will Be Deemed to Represent Your Compliance with All the Terms of Your Award if You Accept Delivery of, or Sell, RSU Shares. You will be deemed to have represented and certified that you have complied with all of the terms of the Plan and this Award Agreement when RSU Shares are delivered to you[, you receive payment in respect of Dividend Equivalent Rights] and you request the sale of RSU Shares following the release of Transfer Restrictions;

(v) Firm May Deliver Your Award into an Escrow Account. The Firm may establish and maintain an escrow account on such terms (which may include your executing any documents related to, and your paying for any costs associated with, such account) as it may deem necessary or appropriate, and the delivery of RSU Shares (including Shares at Risk) or the payment of cash (including dividends [and payments under Dividend Equivalent Rights]) or other property may initially be made into and held in that escrow account until such time as the Committee has received such documentation as it may have requested or until the Committee has determined that any other conditions or restrictions on delivery of RSU Shares, cash or other property required by this Award Agreement have been satisfied;

(vi) You May Be Required to Certify Compliance with Award Terms; You Are Responsible for Providing the Firm with Updated Address and Contact Information After Your Departure from the Firm. If your Employment terminates while you continue to hold RSUs or Shares at Risk, from time to time, you may be required to provide certifications of your compliance with all of the terms of the Plan and this Award Agreement as described in Paragraph 9(d)(iv). You understand and agree that (A) your address on file with the Firm at the time any certification is required will be deemed to be your current address, (B) it is your responsibility to inform the Firm of any changes to your address to ensure timely receipt of the certification materials, (C) you are responsible for contacting the Firm to obtain such certification materials if not received and (D) your failure to return properly completed certification materials by the specified deadline (which includes your failure to timely return the completed certification because you did not provide the Firm with updated contact information) will result in the forfeiture of all of your RSUs and Shares at Risk and subject previously delivered amounts to repayment under Paragraph 9(d)(iv);

(vii) You Authorize the Firm to Register, in Its or Its Designee's Name, Any Shares at Risk and Sell, Assign or Transfer Any Forfeited Shares at Risk. You are granting to the Firm the full power and authority to register any Shares at Risk in its or its designee's name and authorizing the Firm or its designee to sell, assign or transfer any Shares at Risk if you forfeit your Shares at Risk;

(viii) You Must Comply with Applicable Deadlines and Procedures to Appeal Determinations Made by the Committee, the SIP Committee or SIP Administrators. If you disagree with a determination made by the Committee, the SIP Committee, the SIP Administrators, or any of their delegates or designees and you wish to appeal such determination, you must submit a written request to the SIP Committee for review within 180 days after the determination at issue. You must exhaust your internal administrative remedies (*i.e.*, submit your appeal and wait for resolution of that appeal) before seeking to resolve a dispute through arbitration pursuant to Paragraph 16 and Section 3.17 of the Plan; and

(ix) You Agree that Covered Persons Will Not Have Liability. In addition to and without limiting the generality of the provisions of Section 1.3.5 of the Plan, neither the Firm nor any Covered Person will have any liability to you or any other person for any action taken or omitted in respect of this or any other Award.

14. **Non-transferability.** Except as otherwise may be provided in this Paragraph 14 or as otherwise may be provided by the Committee, the limitations on transferability set forth in Section 3.5 of the Plan will apply to this Award. Any purported transfer or assignment in violation of the provisions of this Paragraph 14 or Section 3.5 of the Plan will be void. The Committee may adopt procedures pursuant to which some or all recipients of RSUs may transfer some or all of their RSUs and/or Shares at Risk (which will continue to be subject to Transfer Restrictions until the applicable Transferability Date) through a gift for no consideration to any immediate family member, a trust or other estate planning vehicle approved by the Committee or SIP Committee in which the recipient and/or the recipient's immediate family members in the aggregate have 100% of the beneficial interest.

15. **Right of Offset.** Except as provided in Paragraph 18([g][h]), the obligation to deliver RSU Shares, to pay dividends [or payments under Dividend Equivalent Rights] or to remove the Transfer Restrictions under this Award Agreement is subject to Section 3.4 of the Plan, which provides for the Firm's right to offset against such obligation any outstanding amounts you owe to the Firm and any amounts the Committee deems appropriate pursuant to any tax equalization policy or agreement.

ARBITRATION, CHOICE OF FORUM AND GOVERNING LAW

16. **Arbitration; Choice of Forum.**

(a) BY ACCEPTING THIS AWARD, YOU ARE INDICATING THAT YOU UNDERSTAND AND AGREE THAT THE ARBITRATION AND CHOICE OF FORUM PROVISIONS SET FORTH IN SECTION 3.17 OF THE PLAN WILL APPLY TO THIS AWARD. THESE PROVISIONS, WHICH ARE EXPRESSLY INCORPORATED HEREIN BY REFERENCE, PROVIDE AMONG OTHER THINGS THAT ANY DISPUTE, CONTROVERSY OR CLAIM BETWEEN THE FIRM AND YOU ARISING OUT OF OR RELATING TO OR CONCERNING THE PLAN OR THIS AWARD AGREEMENT WILL BE FINALLY SETTLED BY ARBITRATION IN NEW YORK CITY, PURSUANT TO THE TERMS MORE FULLY SET FORTH IN SECTION 3.17 OF THE PLAN; PROVIDED THAT NOTHING HEREIN SHALL PRECLUDE YOU FROM FILING A CHARGE WITH OR PARTICIPATING IN ANY INVESTIGATION OR PROCEEDING CONDUCTED BY ANY GOVERNMENTAL AUTHORITY, INCLUDING BUT NOT LIMITED TO THE SEC AND THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION.

(b) To the fullest extent permitted by applicable law, no arbitrator will have the authority to consider class, collective or representative claims, to order consolidation or to join different claimants or grant relief other than on an individual basis to the individual claimant involved.

(c) Notwithstanding any applicable forum rules to the contrary, to the extent there is a question of enforceability of this Award Agreement arising from a challenge to the arbitrator's jurisdiction or to the arbitrability of a claim, it will be decided by a court and not an arbitrator.

(d) The Federal Arbitration Act governs interpretation and enforcement of all arbitration provisions under the Plan and this Award Agreement, and all arbitration proceedings thereunder.

(e) Nothing in this Award Agreement creates a substantive right to bring a claim under U.S. Federal, state, or local employment laws.

(f) By accepting your Award, you irrevocably appoint each General Counsel of GS Inc., or any person whom the General Counsel of GS Inc. designates, as your agent for service of process in connection with any suit, action or proceeding arising out of or relating to or concerning the Plan or any Award which is not arbitrated pursuant to the provisions of Section 3.17.1 of the Plan, who shall promptly advise you of any such service of process.

(g) To the fullest extent permitted by applicable law, no arbitrator will have the authority to consider any claim as to which you have not first exhausted your internal administrative remedies in accordance with Paragraph 13(f)(viii).

17. **Governing Law. THIS AWARD WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.**

CERTAIN TAX PROVISIONS

18. **Compliance of Award Agreement and Plan with Section 409A.** The provisions of this Paragraph 18 apply to you only if you are a U.S. taxpayer.

(a) This Award Agreement and the Plan provisions that apply to this Award are intended and will be construed to comply with Section 409A (including the requirements applicable to, or the conditions for exemption from treatment as, 409A Deferred Compensation), whether by reason of short-term deferral treatment or other exceptions or provisions. The Committee will have full authority to give effect to this intent. To the extent necessary to give effect to this intent, in the case of any conflict or potential inconsistency between the provisions of the Plan (including Sections 1.3.2 and 2.1 thereof) and this Award Agreement, the provisions of this Award Agreement will govern, and in the case of any conflict or potential inconsistency between this Paragraph 18 and the other provisions of this Award Agreement, this Paragraph 18 will govern.

(b) Delivery of RSU Shares will not be delayed beyond the date on which all applicable conditions or restrictions on delivery of RSU Shares required by this Agreement (including those specified in Paragraphs 6, 7, 11(a)(ii), 11(b), 12(c) and 13 and the consents and other items specified in Section 3.3 of the Plan) are satisfied. To the extent that any portion of this Award is intended to satisfy the requirements for short-term deferral treatment under Section 409A, delivery for such portion will occur by the March 15 coinciding with the last day of the applicable "short-term deferral" period described in Reg. 1.409A-1(b)(4) in order for the delivery of RSU Shares to be within the short-term deferral exception unless, in order to permit all applicable conditions or restrictions on delivery to be satisfied, the Committee elects, pursuant to

Reg. 1.409A-1(b)(4)(i)(D) or otherwise as may be permitted in accordance with Section 409A, to delay delivery of RSU Shares to a later date within the same calendar year or to such later date as may be permitted under Section 409A, including Reg. 1.409A-3(d). For the avoidance of doubt, if the Award includes a "series of installment payments" as described in Reg. 1.409A-2(b)(2)(iii), your right to the series of installment payments will be treated as a right to a series of separate payments and not as a right to a single payment.

(c) Notwithstanding the provisions of Paragraph 13(b) and Section 1.3.2(i) of the Plan, to the extent necessary to comply with Section 409A, any securities, other Awards or other property that the Firm may deliver in respect of your RSUs will not have the effect of deferring delivery or payment, income inclusion, or a substantial risk of forfeiture, beyond the date on which such delivery, payment or inclusion would occur or such risk of forfeiture would lapse, with respect to the RSU Shares that would otherwise have been deliverable (unless the Committee elects a later date for this purpose pursuant to Reg. 1.409A-1(b)(4)(i)(D) or otherwise as may be permitted under Section 409A, including and to the extent applicable, the subsequent election provisions of Section 409A(a)(4)(C) of the Code and Reg. 1.409A-2(b)).

(d) Notwithstanding the timing provisions of Paragraph 12(c), the delivery of RSU Shares referred to therein will be made after the date of death and during the calendar year that includes the date of death (or on such later date as may be permitted under Section 409A).

(e) The timing of delivery or payment pursuant to Paragraph 12(a) will occur on the earlier of (i) the Delivery Date or (ii) a date that is within the calendar year in which the termination of Employment occurs; *provided*, *however*, that, if you are a "specified employee" (as defined by the Firm in accordance with Section 409A(a)(2)(i)(B) of the Code), delivery will occur on the earlier of the Delivery Date or (to the extent required to avoid the imposition of additional tax under Section 409A) the date that is six months after your termination of Employment (or, if the latter date is not during a Window Period, the first trading day of the next Window Period). For purposes of Paragraph 12(a), references in this Award Agreement to termination of Employment mean a termination of Employment from the Firm (as defined by the Firm) which is also a separation from service (as defined by the Firm in accordance with Section 409A).

(f) [Notwithstanding any provision of Paragraph 8 or Section 2.8.2 of the Plan to the contrary, the Dividend Equivalent Rights with respect to each of your Outstanding RSUs will be paid to you within the calendar year that includes the date of distribution of any corresponding regular cash dividends paid by GS Inc. in respect of a share of Common Stock the record date for which occurs on or after the Date of Grant. The payment will be in an amount (less applicable withholding) equal to such regular dividend payment as would have been made in respect of the RSU Shares underlying such Outstanding RSUs.]

(g) The timing of delivery or payment referred to in Paragraph 12(b)(i) will be the earlier of (i) the Delivery Date or (ii) a date that is within the calendar year in which the Committee receives satisfactory documentation relating to your Conflicted Employment, *provided* that such delivery or payment will be made, and any Committee action referred to in Paragraph 12(b)(ii) will be taken, only at such time as, and if and to the extent that it, as reasonably determined by the Firm, would not result in the imposition of any additional tax to you under Section 409A.

(h) Paragraph 15 and Section 3.4 of the Plan will not apply to Awards that are 409A Deferred Compensation except to the extent permitted under Section 409A.

(i) Delivery of RSU Shares in respect of any Award may be made, if and to the extent elected by the Committee, later than the Delivery Date or other date or period specified hereinabove (but, in the case of any Award that constitutes 409A Deferred Compensation, only to the extent that the later delivery is permitted under Section 409A).

(j) You understand and agree that you are solely responsible for the payment of any taxes and penalties due pursuant to Section 409A, but in no event will you be permitted to designate, directly or indirectly, the taxable year of the delivery.

COMMITTEE AUTHORITY, AMENDMENT, CONSTRUCTION AND REGULATORY REPORTING

19. **Committee Authority.** The Committee has the authority to determine, in its sole discretion, that any event triggering forfeiture or repayment of your Award will not apply, to limit the forfeitures and repayments that result under Paragraphs 9 and 10 and to remove Transfer Restrictions before the applicable Transferability Date. In addition, the Committee, in its sole discretion, may determine whether Paragraphs 11(a)(ii) and 11(b) will apply upon a termination of Employment and whether a termination of Employment constitutes an Approved Termination under Paragraph 11(c).

20. **Amendment.** The Committee reserves the right at any time to amend the terms of this Award Agreement, and the Board may amend the Plan in any respect; *provided* that, notwithstanding the foregoing and Sections 1.3.2(f), 1.3.2(h) and 3.1 of the Plan, no such amendment will materially adversely affect your rights and obligations under this Award Agreement without your consent; and *provided further* that the Committee expressly reserves its rights to amend the Award Agreement and the Plan as described in Sections 1.3.2(h)(1), (2) and (4) of the Plan. A modification that impacts the tax consequences of this Award or the timing of delivery of RSU Shares will not be an amendment that materially adversely affects your rights and obligations under this Award Agreement. Any amendment of this Award Agreement will be in writing.

21. **Construction, Headings.** Unless the context requires otherwise, (a) words describing the singular number include the plural and vice versa, (b) words denoting any gender include all genders and (c) the words "include," "includes" and "including" will be deemed to be followed by the words "without limitation." The headings in this Award Agreement are for the purpose of convenience only and are not intended to define or limit the construction of the provisions hereof. References in this Award Agreement to any specific Plan provision will not be construed as limiting the applicability of any other Plan provision.

22. **Providing Information to the Appropriate Authorities.** In accordance with applicable law, nothing in this Award Agreement (including the forfeiture and repayment provisions in Paragraphs 9 and 10) or the Plan prevents you from providing information you reasonably believe to be true to the appropriate governmental authority, including a regulatory, judicial, administrative, or other governmental entity; reporting possible violations of law or regulation; making other disclosures that are protected under any applicable law or regulation; or filing a charge or participating in any investigation or proceeding conducted by a governmental authority.

IN WITNESS WHEREOF, GS Inc. has caused this Award Agreement to be duly executed and delivered as of the Date of Grant.

[MATERIAL RISK TAKER APPENDIX

This Material Risk Taker Appendix supplements Paragraph 9 and sets forth additional events that result in forfeiture of up to all of your RSUs and Shares at Risk and may require repayment to the Firm of up to all other amounts previously delivered or paid to you under your Award in accordance with Paragraph 10. As with the events described in Paragraph 9, more than one event may apply, in no case will the occurrence of one event limit the forfeiture and repayment obligations as a result of the occurrence of any other event and the Firm reserves the right to (a) suspend vesting of Outstanding RSUs, delivery of RSU Shares or release of Transfer Restrictions, (b) deliver any RSU Shares or dividends into an escrow account in accordance with Paragraph 13(f)(v) or (c) apply Transfer Restrictions to any RSU Shares in connection with any investigation of whether any of the events that result in forfeiture under this Material Risk Taker Appendix have occurred.

With respect to the events described in Paragraphs ([a][b]) through ([d][e]) of this Appendix, the Committee will consider certain factors to determine whether and what portion of your Award will terminate, including the reason for the "Loss Event" (as defined below) or "Risk Event" (as defined below) and the extent to which: (1) you participated in the Loss Event or Risk Event, (2) your compensation for may or may not have been adjusted to take into account the risk associated with the Loss Event, Risk Event, your "Serious Misconduct" (as defined below) or the Serious Misconduct of a "Supervised Employee" (as defined below) and (3) your compensation may be adjusted for the year in which the Loss Event, Risk Event, your Serious Misconduct or a Supervised Employee's Serious Misconduct is discovered.

(a) [You Associate With a Material Covered Enterprise. If you "Associate With a Material Covered Enterprise" (as defined below) before the earlier of or a Qualifying Termination After a Change In Control, your rights to all of your Outstanding RSUs (whether or not Vested) will terminate, and no RSU Shares will be delivered in respect of such RSUs and your rights to all of your Shares at Risk will terminate and your Shares at Risk will be cancelled. For the avoidance of doubt, notwithstanding the foregoing, (i) the restrictions on Association With a Covered Enterprise described in Paragraph 9(b) will supersede the restrictions on Association With a Material Covered Enterprise described in this Appendix until the January 1 immediately preceding the applicable Delivery Date for your Supplemental RSUs and (ii) if your Base RSUs or Additional Base RSUs become Vested by reason of Extended Absence or Retirement and are subject to forfeiture if you Associate With a Covered Enterprise as described in Paragraph 11(a)(i), the restrictions on Association With a Covered Enterprise in Paragraph 11(a)(i) will supersede the restrictions on Association With a Material Covered Enterprise described in this Appendix until the applicable originally scheduled Vesting Date.

(i) "**Associate With a Material Covered Enterprise**" means that you (A) form, or acquire a 5% or greater equity ownership, voting or profit participation interest in, any "Material Covered Enterprise" (as defined below) or (B) associate in any capacity (including association as an officer, employee, partner, director, consultant, agent or advisor) with any Material Covered Enterprise. Associate With a Material Covered Enterprise may include, as determined in the discretion of either the Committee or the SIP Committee, (A) becoming the subject of any publicly available announcement or report of a pending or future association with a Material Covered Enterprise and (B) unpaid associations, including an association in contemplation of future employment. The term "Association With a Material Covered Enterprise" has its correlative meaning.

(ii) The restriction described above on any Association With a Material Covered Enterprise will not apply if (A) the Firm terminates your Employment solely by reason of a "downsizing" or the Firm characterizes your Employment termination as "involuntary" or by "mutual agreement" (and, in each case, you have not engaged in conduct constituting Cause) and (B) you execute a general waiver and release of claims and an agreement to pay any associated tax liability, in each case, in the form the Firm prescribes.

(iii) "**Material Covered Enterprise**" means a Covered Enterprise that the Firm determines, in its sole discretion, to be material.]

(b) A Loss Event Occurs Prior to Delivery. If a Loss Event occurs prior to the delivery of RSU Shares, your rights in respect of all or a portion of your RSUs (whether or not Vested) which are scheduled to deliver on the next Delivery Date immediately following the date that the Loss Event is identified (or, if not practicable, then the next following Delivery Date) will terminate, and no RSU Shares will be delivered in respect of such RSUs.

(i) A "**Loss Event**" means (A) an annual pre-tax loss at GS Inc. or (B) annual negative revenues in one or more reporting segments as disclosed in the Firm's Form 10-K other than the Asset Management segment, or annual negative revenues in the Asset Management segment of $5 billion or more, *provided* in either case that you are employed in a business within such reporting segment.

(c) A Risk Event Occurs. If a Risk Event occurs , (i) your rights in respect of all or a portion of your RSUs (whether or not Vested) will terminate and no RSU Shares will be delivered in respect of such RSUs, (ii) your rights to all or a portion of any Shares at Risk will terminate and such Shares at Risk will be cancelled and (iii) you will be obligated immediately upon demand therefor to pay the Firm an amount not in excess of the greater of the Fair Market Value of the RSU Shares (plus any dividend payments) delivered in respect of the Award (without reduction for any amount applied to satisfy tax withholding or other obligations) determined as of (A) the date the Risk Event occurred and (B) the date that the repayment request is made.

(i) A "**Risk Event**" means there occurs a loss of 5% or more of firmwide total capital from a reportable operational risk event determined in accordance with the firmwide Reporting Operational Risk Events Policy.

(d) You Engage in Serious Misconduct. If you engage in Serious Misconduct , you will be obligated immediately upon demand therefor to pay the Firm an amount not in excess of the greater of the Fair Market Value of the RSU Shares (plus any dividend payments) delivered in respect of the Award (without reduction for any amount applied to satisfy tax withholding or other obligations) determined as of (i) the date the Serious Misconduct occurred and (ii) the date that the repayment request is made.

(i) "**Serious Misconduct**" means that you engage in conduct that the Firm reasonably considers, in its sole discretion, to be misconduct sufficient to justify summary termination of employment under English law.

(e) A Supervised Employee Engages in Serious Misconduct. If the Committee determines that it is appropriate to hold you accountable in whole or in part for Serious Misconduct related to compliance, control or risk that occurred during by a Supervised

Employee, your rights in respect of all or a portion of your RSUs (whether or not Vested) will terminate and no RSU Shares will be delivered in respect of such RSUs and your rights to all or a portion of any Shares at Risk will terminate and such Shares at Risk will be cancelled.

(i) "**Supervised Employee**" means an individual with respect to whom the Committee determines you had supervisory responsibility as a result of direct or indirect reporting lines or your management responsibility for an office, division or business.

Notwithstanding any provision in the Plan, this Award Agreement or any other agreement or arrangement you may have with the Firm, the parties agree that to the extent that there is any dispute arising out of or relating to the payment required by Paragraphs ([b][c]) and ([c][d]) of this Appendix (including your refusal to remit payment) the parties will submit to arbitration in accordance with Paragraph 16 of this Award Agreement and Section 3.17 of the Plan as the sole means of resolution of such dispute (including the recovery by the Firm of the payment amount).]

DEFINITIONS APPENDIX

The following capitalized terms are used in this Award Agreement with the following meanings:

(a) "409A Deferred Compensation" means a "deferral of compensation" or "deferred compensation" as those terms are defined in the regulations under Section 409A.

(b) "Approved Termination" means that you are classified by the Firm as a "program analyst" or "fixed-term employee" and you (i) successfully complete the analyst program or fixed-term engagement, as applicable and determined by the Firm in its sole discretion, including remaining Employed through the completion date specified by the Firm, and (ii) terminate Employment immediately after the completion date without any "stay-on" or other agreement or understanding to continue Employment with the Firm. If you agree to stay with the Firm as an employee after your analyst program or fixed-term engagement ends and then later terminate Employment, you will not have an Approved Termination.

(c) "Associate With a Covered Enterprise" means that you (i) form, or acquire a 5% or greater equity ownership, voting or profit participation interest in, any Covered Enterprise or (ii) associate in any capacity (including association as an officer, employee, partner, director, consultant, agent or advisor) with any Covered Enterprise. Associate With a Covered Enterprise may include, as determined in the discretion of either the Committee or the SIP Committee, (i) becoming the subject of any publicly available announcement or report of a pending or future association with a Covered Enterprise and (ii) unpaid associations, including an association in contemplation of future employment. "Association With a Covered Enterprise" will have its correlative meaning.

(d) "Conflicted Employment" means your employment at any U.S. Federal, state or local government, any non-U.S. government, any supranational or international organization, any self-regulatory organization, or any agency or instrumentality of any such government or organization, or any other employer (other than an "Accounting Firm" within the meaning of SEC Rule 2-01(f)(2) of Regulation S-X or any successor thereto) determined by the Committee, if, as a result of such employment, your continued holding of any Outstanding RSUs and Shares at Risk would result in an actual or perceived conflict of interest.

(e) "Covered Enterprise" means a Competitive Enterprise and any other existing or planned business enterprise that: (i) offers, holds itself out as offering or reasonably may be expected to offer products or services that are the same as or similar to those offered by the Firm or that the Firm reasonably expects to offer ("Firm Products or Services") or (ii) engages in, holds itself out as engaging in or reasonably may be expected to engage in any other activity that is the same as or similar to any financial activity engaged in by the Firm or in which the Firm reasonably expects to engage ("Firm Activities"). For the avoidance of doubt, Firm Activities include any activity that requires the same or similar skills as any financial activity engaged in by the Firm or in which the Firm reasonably expects to engage, irrespective of whether any such financial activity is in furtherance of an advisory, agency, proprietary or fiduciary undertaking.

The enterprises covered by this definition include enterprises that offer, hold themselves out as offering or reasonably may be expected to offer Firm Products or Services, or engage in, hold themselves out as engaging in or reasonably may be expected to engage in Firm Activities directly, as well as those that do so indirectly by ownership or control (*e.g.*, by owning, being owned by or by being under common ownership with an enterprise that offers, holds itself out as offering or reasonably may be expected to offer Firm Products or Services or that engages in, holds itself out as engaging in or

reasonably may be expected to engage in Firm Activities). The definition of Covered Enterprise includes, solely by way of example, any enterprise that offers, holds itself out as offering or reasonably may be expected to offer any product or service, or engages in, holds itself out as engaging in or reasonably may be expected to engage in any activity, in any case, associated with investment banking; public or private finance; lending; financial advisory services; private investing for anyone other than you or your family members (including, for the avoidance of doubt, any type of proprietary investing or trading); private wealth management; private banking; consumer or commercial cash management; consumer, digital or commercial banking; merchant banking; asset, portfolio or hedge fund management; insurance or reinsurance underwriting or brokerage; property management; or securities, futures, commodities, energy, derivatives, currency or digital asset brokerage, sales, lending, custody, clearance, settlement or trading. An enterprise that offers, holds itself out as offering or reasonably may be expected to offer Firm Products or Services, or engages in, holds itself out as engaging in or reasonably may be expected to engage in Firm Activities is a Covered Enterprise**, irrespective of whether the enterprise is a customer, client or counterparty of the Firm or is otherwise associated with the Firm and, because the Firm is a global enterprise, irrespective of where the Covered Enterprise is physically located.**

(f) "Failed to Consider Risk" means that you participated (or otherwise oversaw or were responsible for, depending on the circumstances, another individual's participation) in the structuring or marketing of any product or service, or participated on behalf of the Firm or any of its clients in the purchase or sale of any security or other property, in any case without appropriate consideration of the risk to the Firm or the broader financial system as a whole (for example, where you have improperly analyzed such risk or where you have failed sufficiently to raise concerns about such risk) and, as a result of such action or omission, the Committee determines there has been, or reasonably could be expected to be, a material adverse impact on the Firm, your business unit or the broader financial system.

(g) "January Transferability Date" means the first trading day in a Window Period that occurs in January , or if no Window Period occurs in January , the first trading day of the first Window Period following thereafter.

(h) " -Month Transferability Date" means the first trading day in a Window Period that occurs on or after the -month anniversary of the Delivery Date.

(i) "Qualifying Termination After a Change in Control" means that the Firm terminates your Employment other than for Cause or you terminate your Employment for Good Reason, in each case, within 18 months following a Change in Control.

(j) "SEC" means the U.S. Securities and Exchange Commission.

(k) "Selected Firm Personnel" means any individual who is or in the three months preceding the conduct prohibited by Paragraph 9[(b)][(c)](i) was (i) a Firm employee or consultant with whom you personally worked while employed by the Firm, (ii) a Firm employee or consultant who, at any time during the year preceding the date of the termination of your Employment, worked in the same division in which you worked or (iii) an Advisory Director, a Managing Director or a Senior Advisor of the Firm.

(l) "Shares at Risk" means RSU Shares subject to Transfer Restrictions.

The following capitalized terms are used in this Award Agreement with the meanings that are assigned to them in the Plan.

(a) "Account" means any brokerage account, custody account or similar account, as approved or required by GS Inc. from time to time, into which shares of Common Stock, cash or other property in respect of an Award are delivered.

(b) "Award Agreement" means the written document or documents by which each Award is evidenced, including any related Award Statement and signature card.

(c) "Award Statement" means a written statement that reflects certain Award terms.

(d) "Board" means the Board of Directors of GS Inc.

(e) "Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in New York City are authorized or obligated by Federal law or executive order to be closed.

(f) "Cause" means (i) the Grantee's conviction, whether following trial or by plea of guilty or *nolo contendere* (or similar plea), in a criminal proceeding (A) on a misdemeanor charge involving fraud, false statements or misleading omissions, wrongful taking, embezzlement, bribery, forgery, counterfeiting or extortion, or (B) on a felony charge, or (C) on an equivalent charge to those in clauses (A) and (B) in jurisdictions which do not use those designations, (ii) the Grantee's engaging in any conduct which constitutes an employment disqualification under applicable law (including statutory disqualification as defined under the Exchange Act), (iii) the Grantee's willful failure to perform the Grantee's duties to the Firm, (iv) the Grantee's violation of any securities or commodities laws, any rules or regulations issued pursuant to such laws, or the rules and regulations of any securities or commodities exchange or association of which the Firm is a member, (v) the Grantee's violation of any Firm policy concerning hedging or pledging or confidential or proprietary information, or the Grantee's material violation of any other Firm policy as in effect from time to time, (vi) the Grantee's engaging in any act or making any statement which impairs, impugns, denigrates, disparages or negatively reflects upon the name, reputation or business interests of the Firm or (vii) the Grantee's engaging in any conduct detrimental to the Firm. The determination as to whether Cause has occurred shall be made by the Committee in its sole discretion and, in such case, the Committee also may, but shall not be required to, specify the date such Cause occurred (including by determining that a prior termination of Employment was for Cause). Any rights the Firm may have hereunder and in any Award Agreement in respect of the events giving rise to Cause shall be in addition to the rights the Firm may have under any other agreement with a Grantee or at law or in equity.

(g) "Certificate" means a stock certificate (or other appropriate document or evidence of ownership) representing shares of Common Stock.

(h) "Change in Control" means the consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving GS Inc. (a "Reorganization") or sale or other disposition of all or substantially all of GS Inc.'s assets to an entity that is not an affiliate of GS Inc. (a "Sale"), that in each case requires the approval of GS Inc.'s shareholders under the law of GS Inc.'s jurisdiction of organization, whether for such Reorganization or Sale (or the issuance of securities of GS Inc. in such Reorganization or Sale), unless immediately following such Reorganization or Sale, either: (i) at least 50% of the total voting power (in respect of the election of directors, or similar officials in the case of an entity other than a corporation) of (A) the entity resulting from such Reorganization, or the

entity which has acquired all or substantially all of the assets of GS Inc. in a Sale (in either case, the "Surviving Entity"), or (B) if applicable, the ultimate parent entity that directly or indirectly has beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, as such Rule is in effect on the date of the adoption of the 1999 SIP) of 50% or more of the total voting power (in respect of the election of directors, or similar officials in the case of an entity other than a corporation) of the Surviving Entity (the "Parent Entity") is represented by GS Inc.'s securities (the "GS Inc. Securities") that were outstanding immediately prior to such Reorganization or Sale (or, if applicable, is represented by shares into which such GS Inc. Securities were converted pursuant to such Reorganization or Sale) or (ii) at least 50% of the members of the board of directors (or similar officials in the case of an entity other than a corporation) of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) following the consummation of the Reorganization or Sale were, at the time of the Board's approval of the execution of the initial agreement providing for such Reorganization or Sale, individuals (the "Incumbent Directors") who either (A) were members of the Board on the Effective Date or (B) became directors subsequent to the Effective Date and whose election or nomination for election was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of GS Inc.'s proxy statement in which such persons are named as nominees for director).

(i) "Client" means any client or prospective client of the Firm to whom the Grantee provided services, or for whom the Grantee transacted business, or whose identity became known to the Grantee in connection with the Grantee's relationship with or employment by the Firm.

(j) "Code" means the Internal Revenue Code of 1986, as amended from time to time, and the applicable rulings and regulations thereunder.

(k) "Committee" means the committee appointed by the Board to administer the Plan pursuant to Section 1.3, and, to the extent the Board determines it is appropriate for the compensation realized from Awards under the Plan to be considered "performance based" compensation under Section 162(m) of the Code, shall be a committee or subcommittee of the Board composed of two or more members, each of whom is an "outside director" within the meaning of Code Section 162(m), and which, to the extent the Board determines it is appropriate for Awards under the Plan to qualify for the exemption available under Rule 16b-3(d)(1) or Rule 16b-3(e) promulgated under the Exchange Act, shall be a committee or subcommittee of the Board composed of two or more members, each of whom is a "non-employee director" within the meaning of Rule 16b-3. Unless otherwise determined by the Board, the Committee shall be the Compensation Committee of the Board.

(l) "Common Stock" means common stock of GS Inc., par value $0.01 per share.

(m) "Competitive Enterprise" means an existing or planned business enterprise that (i) engages, or may reasonably be expected to engage, in any activity; (ii) owns or controls, or may reasonably be expected to own or control, a significant interest in any entity that engages in any activity or (iii) is, or may reasonably be expected to be, owned by, or a significant interest in which is, or may reasonably be expected to be, owned or controlled by, any entity that engages in any activity that, in any case, competes or will compete anywhere with any activity in which the Firm is engaged. The activities covered by this definition include, without limitation: financial services such as investment banking; public or private finance; lending; financial advisory services; private investing for anyone other than the Grantee and members of the Grantee's family (including for the avoidance of doubt, any type of proprietary investing or trading); private wealth management; private banking; consumer or commercial cash management; consumer, digital or commercial banking; merchant banking; asset, portfolio or hedge fund management; insurance or reinsurance underwriting or brokerage; property management; or

securities, futures, commodities, energy, derivatives, currency or digital asset brokerage, sales, lending, custody, clearance, settlement or trading.

(n) "Covered Person" means a member of the Board or the Committee or any employee of the Firm.

(o) "Date of Grant" means the date specified in the Grantee's Award Agreement as the date of grant of the Award.

(p) "Delivery Date" means each date specified in the Grantee's Award Agreement as a delivery date, *provided*, unless the Committee determines otherwise, such date is during a Window Period or, if such date is not during a Window Period, the first trading day of the first Window Period beginning after such date.

(q) "Dividend Equivalent Right" means a dividend equivalent right granted under the Plan, which represents an unfunded and unsecured promise to pay to the Grantee amounts equal to all or any portion of the regular cash dividends that would be paid on shares of Common Stock covered by an Award if such shares had been delivered pursuant to an Award.

(r) "Effective Date" means the date this Plan is approved by the shareholders of GS Inc. pursuant to Section 3.15 of the Plan.

(s) "Employment" means the Grantee's performance of services for the Firm, as determined by the Committee. The terms "employ" and "employed" shall have their correlative meanings. The Committee in its sole discretion may determine (i) whether and when a Grantee's leave of absence results in a termination of Employment (for this purpose, unless the Committee determines otherwise, a Grantee shall be treated as terminating Employment with the Firm upon the occurrence of an Extended Absence), (ii) whether and when a change in a Grantee's association with the Firm results in a termination of Employment and (iii) the impact, if any, of any such leave of absence or change in association on Awards theretofore made. Unless expressly provided otherwise, any references in the Plan or any Award Agreement to a Grantee's Employment being terminated shall include both voluntary and involuntary terminations.

(t) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and the applicable rules and regulations thereunder.

(u) "Extended Absence" means the Grantee's inability to perform for six (6) continuous months, due to illness, injury or pregnancy-related complications, substantially all the essential duties of the Grantee's occupation, as determined by the Committee.

(v) "Firm" means GS Inc. and its subsidiaries and affiliates.

(w) "Good Reason" means, in connection with a termination of employment by a Grantee following a Change in Control, (a) as determined by the Committee, a materially adverse alteration in the Grantee's position or in the nature or status of the Grantee's responsibilities from those in effect immediately prior to the Change in Control or (b) the Firm's requiring the Grantee's principal place of Employment to be located more than seventy-five (75) miles from the location where the Grantee is principally Employed at the time of the Change in Control (except for required travel on the Firm's business to an extent substantially consistent with the Grantee's customary business travel obligations in the ordinary course of business prior to the Change in Control).

(x) "Grantee" means a person who receives an Award.

(y) "GS Inc." means The Goldman Sachs Group, Inc., and any successor thereto.

(z) "1999 SIP" means The Goldman Sachs 1999 Stock Incentive Plan, as in effect prior to the effective date of the 2003 SIP.

(aa) "Outstanding" means any Award to the extent it has not been forfeited, cancelled, terminated, exercised or with respect to which the shares of Common Stock underlying the Award have not been previously delivered or other payments made.

(bb) "Restricted Share" means a share of Common Stock delivered under the Plan that is subject to Transfer Restrictions, forfeiture provisions and/or other terms and conditions specified herein and in the Restricted Share Award Agreement or other applicable Award Agreement. All references to Restricted Shares include "Shares at Risk."

(cc) "Retirement" means termination of the Grantee's Employment (other than for Cause) on or after the Date of Grant at a time when (i) (A) the sum of the Grantee's age plus years of service with the Firm (as determined by the Committee in its sole discretion) equals or exceeds 60 and (B) the Grantee has completed at least 10 years of service with the Firm (as determined by the Committee in its sole discretion) or, if earlier, (ii) (A) the Grantee has attained age 50 and (B) the Grantee has completed at least five years of service with the Firm (as determined by the Committee in its sole discretion).

(dd) "RSU" means a restricted stock unit granted under the Plan, which represents an unfunded and unsecured promise to deliver shares of Common Stock in accordance with the terms of the RSU Award Agreement.

(ee) "RSU Shares" means shares of Common Stock that underlie an RSU.

(ff) "Section 409A" means Section 409A of the Code, including any amendments or successor provisions to that Section and any regulations and other administrative guidance thereunder, in each case as they, from time to time, may be amended or interpreted through further administrative guidance.

(gg) "SIP Administrator" means each person designated by the Committee as a "SIP Administrator" with the authority to perform day-to-day administrative functions for the Plan.

(hh) "SIP Committee" means the persons who have been delegated certain authority under the Plan by the Committee.

(ii) "Solicit" means any direct or indirect communication of any kind whatsoever, regardless of by whom initiated, inviting, advising, suggesting, encouraging or requesting any person or entity, in any manner, to take or refrain from taking any action.

(jj) "Transfer Restrictions" means restrictions that prohibit the sale, exchange, transfer, assignment, pledge, hypothecation, fractionalization, hedge or other disposal (including through the use of any cash-settled instrument), whether voluntarily or involuntarily by the Grantee, of an Award or any shares of Common Stock, cash or other property delivered in respect of an Award.

(kk) "Transferability Date" means the date Transfer Restrictions on a Restricted Share will be released. Within 30 Business Days after the applicable Transferability Date, GS Inc. shall take, or shall cause to be taken, such steps as may be necessary to remove Transfer Restrictions.

(ll) "Vested" means, with respect to an Award, the portion of the Award that is not subject to a condition that the Grantee remain actively employed by the Firm in order for the Award to remain Outstanding. The fact that an Award becomes Vested shall not mean or otherwise indicate that the Grantee has an unconditional or nonforfeitable right to such Award, and such Award shall remain subject to such terms, conditions and forfeiture provisions as may be provided for in the Plan or in the Award Agreement.

(mm) "Vesting Date" means each date specified in the Grantee's Award Agreement as a date on which part or all of an Award becomes Vested.

(nn) "Window Period" means a period designated by the Firm during which all employees of the Firm are permitted to purchase or sell shares of Common Stock (*provided* that, if the Grantee is a member of a designated group of employees who are subject to different restrictions, the Window Period may be a period designated by the Firm during which an employee of the Firm in such designated group is permitted to purchase or sell shares of Common Stock).

Exhibit 10.47

THE GOLDMAN SACHS GROUP, INC.
YEAR-END SHORT-TERM RSU AWARD

This Award Agreement, together with The Goldman Sachs Amended and Restated Stock Incentive Plan (2018) (the "Plan"), governs your _____ year-end award of Short-Term RSUs (your "Award"). You should read carefully this entire Award Agreement, which includes the Award Statement, any attached Appendix and the signature card.

ACCEPTANCE

1. **You Must Decide Whether to Accept this Award Agreement. To be eligible to receive your Award, you must by the date specified (a) open and activate an Account and (b) agree to all the terms of your Award by executing the related signature card in accordance with its instructions. By executing the signature card, you confirm your agreement to all of the terms of this Award Agreement, including the arbitration and choice of forum provisions in Paragraph 14.**

DOCUMENTS THAT GOVERN YOUR AWARD; DEFINITIONS

2. **The Plan.** Your Award is granted under the Plan, and the Plan's terms apply to, and are a part of, this Award Agreement.

3. **Your Award Statement.** The Award Statement delivered to you contains some of your Award's specific terms. For example, it contains the number of Short-Term RSUs awarded to you and the Delivery Date.

4. **Definitions.** Unless otherwise defined herein, including in the Definitions Appendix or any other Appendix, capitalized terms have the meanings provided in the Plan.

VESTING OF YOUR RSUS

5. **Vesting.** All of your Short-Term RSUs are Vested. When an RSU is Vested, it means **only** that your continued active Employment is not required for delivery of that portion of RSU Shares. **Vesting does not mean you have a non-forfeitable right to the Vested portion of your Award. The terms of this Award Agreement (including conditions to delivery) continue to apply to Vested Short-Term RSUs, and you can still forfeit Vested Short-Term RSUs and any RSU Shares**.

DELIVERY OF YOUR RSU SHARES

6. **Delivery.** Reasonably promptly (but no more than 30 Business Days) after each Delivery Date listed on your Award Statement, RSU Shares (less applicable withholding as described in Paragraph 11(a)) will be delivered (by book entry credit to your Account) in respect of the amount of Outstanding Short-Term RSUs listed next to that date. The Committee or the SIP Committee may select multiple dates within the 30-Business-Day period following the Delivery Date to deliver RSU Shares in respect of all or a portion of the Short-Term RSUs with the same Delivery Date listed on the Award Statement, and all such dates will be treated as a single Delivery Date for purposes of this Award. Until such delivery, you have only the rights of a general unsecured creditor, and no rights as a shareholder of GS Inc. Without limiting the Committee's authority under Section 1.3.2(h) of the Plan, the Firm may accelerate any Delivery Date by up to 30 days.

DIVIDENDS

7. **Dividend Equivalent Rights and Dividends.** Each Short-Term RSU includes a Dividend Equivalent Right, which entitles you to receive an amount (less applicable withholding), at or after the time of distribution of any regular cash dividend paid by GS Inc. in respect of a share of Common Stock, equal to any regular cash dividend payment that would have been made in respect of an RSU Share underlying your Outstanding Short-Term RSUs for any record date that occurs on or after the Date of Grant.

FORFEITURE OF YOUR AWARD

8. **How You May Forfeit Your Award.** This Paragraph 8 sets forth the events that result in forfeiture of up to all of your Short-Term RSUs and may require repayment to the Firm of up to all other amounts previously delivered or paid to you under your Award in accordance with Paragraph 9. More than one event may apply, and in no case will the occurrence of one event limit the forfeiture and repayment obligations as a result of the occurrence of any other event. In addition, the Firm reserves the right to (a) suspend payments under Dividend Equivalent Rights or delivery of RSU Shares, (b) deliver any RSU Shares, dividends or payments under Dividend Equivalent Rights into an escrow account in accordance with Paragraph 11 (f)(v) or (c) apply Transfer Restrictions to any RSU Shares in connection with any investigation of whether any of the events that result in forfeiture under the Plan or this Paragraph 8 have occurred. Paragraph 10 (relating to certain circumstances under which delivery may be accelerated) provides for exceptions to one or more provisions of this Paragraph 8. [The Material Risk Taker Appendix supplements this Paragraph 8 and sets forth additional events that result in forfeiture of up to all of your Short-Term RSUs and may require repayment to the Firm as described in Paragraph 9 and the Appendix.]

(a) Short-Term RSUs Forfeited Upon Certain Events. If any of the following occurs, your rights to all of your Outstanding Short-Term RSUs will terminate, and no RSU Shares will be delivered in respect of such RSUs, as may be further described below:

(i) You Failed to Consider Risk. You Failed to Consider Risk during _____.

(ii) Your Conduct Constitutes Cause. Any event that constitutes Cause [(including, for the avoidance of doubt, "Serious Misconduct" as defined in the Material Risk Taker Appendix)] has occurred before the Delivery Date.

(iii) You Do Not Meet Your Obligations to the Firm. The Committee determines that, before the Delivery Date, you failed to meet, in any respect, any obligation under any agreement with the Firm, or any agreement entered into in connection with your Employment or this Award, including the Firm's notice period requirement applicable to you, any offer letter, employment agreement or any shareholders' agreement relating to the Firm. Your failure to pay or reimburse the Firm, on demand, for any amount you owe to the Firm will constitute (A) failure to meet an obligation you have under an agreement, regardless of whether such obligation arises under a written agreement, and/or (B) a material violation of Firm policy constituting Cause.

(iv) You Do Not Provide Timely Certifications or Comply with Your Certifications. You fail to certify to GS Inc. that you have complied with all of the terms of the Plan and this Award Agreement, or the Committee determines that you have failed to comply with a term of the Plan or this Award Agreement to which you have certified compliance.

(v) You Do Not Follow Dispute Resolution/Arbitration Procedures. You attempt to have any dispute under the Plan or this Award Agreement resolved in any manner that is not provided for by Paragraph 14 or Section 3.17 of the Plan, or you attempt to arbitrate a dispute without first having exhausted your internal administrative remedies in accordance with Paragraph 11(f)(vii).

(vi) You Bring an Action that Results in a Determination that Any Award Agreement Term Is Invalid. As a result of any action brought by you, it is determined that any term of this Award Agreement is invalid.

(vii) You Receive Compensation in Respect of Your Award from Another Employer. Your Employment terminates for any reason or you otherwise are no longer actively employed with the Firm and another entity grants you cash, equity or other property (whether vested or unvested) to replace, substitute for or otherwise in respect of any Outstanding Short-Term RSUs; *provided*, *however*, that your rights will only be terminated in respect of the Short-Term RSUs that are replaced, substituted for or otherwise considered by such other entity in making its grant.

REPAYMENT OF YOUR AWARD

9. **When You May Be Required to Repay Your Award.** If the Committee determines that any term of this Award was not satisfied, you will be required, immediately upon demand therefor, to repay to the Firm the following:

(a) Any RSU Shares for which the terms (including the terms for delivery) of the related Short-Term RSUs were not satisfied, in accordance with Section 2.6.3 of the Plan.

(b) Any payments under Dividend Equivalent Rights for which the terms were not satisfied (including any such payments made in respect of Short-Term RSUs that are forfeited or RSU Shares that are cancelled or required to be repaid), in accordance with Section 2.8.3 of the Plan.

(c) Any dividends paid in respect of any RSU Shares that are cancelled or required to be repaid.

(d) Any amount applied to satisfy tax withholding or other obligations with respect to any Short-Term RSU, RSU Shares, dividend payments and payments under Dividend Equivalent Rights that are forfeited or required to be repaid.

EXCEPTIONS TO THE DELIVERY DATE

10. **Accelerated Delivery in the Event of a Qualifying Termination After a Change in Control, Conflicted Employment or Death.** In the event of your Qualifying Termination After a Change in Control, Conflicted Employment or death, each as described below, your Outstanding Short-Term RSUs will be treated as described in this Paragraph 10, and, except as set forth in Paragraph 10(a), all other terms of this Award Agreement, including the other forfeiture and repayment events in Paragraphs 8 and 9, continue to apply.

(a) You Have a Qualifying Termination After a Change in Control. If your Employment terminates when you meet the requirements of a Qualifying Termination After a

Change in Control, the RSU Shares underlying your Outstanding Short-Term RSUs will be delivered. In addition, the forfeiture events in Paragraph 8 will not apply to your Award.

(b) You Are Determined to Have Accepted Conflicted Employment.

(i) Generally. Notwithstanding anything to the contrary in the Plan or otherwise, for purposes of this Award Agreement, "Conflicted Employment" means your employment at any U.S. Federal, state or local government, any non-U.S. government, any supranational or international organization, any self-regulatory organization, or any agency or instrumentality of any such government or organization, or any other employer (other than an "Accounting Firm" within the meaning of SEC Rule 2-01(f)(2) of Regulation S-X or any successor thereto) determined by the Committee, if, as a result of such employment, your continued holding of any Outstanding Short-Term RSUs would result in an actual or perceived conflict of interest. Unless prohibited by applicable law or regulation, if your Employment terminates solely because you resign to accept Conflicted Employment or if, following your termination of Employment, you notify the Firm that you are accepting Conflicted Employment, RSU Shares will be delivered in respect of your Outstanding Short-Term RSUs (including in the form of cash as described in Paragraph 11(b)) as soon as practicable after the Committee has received satisfactory documentation relating to your Conflicted Employment.

(ii) You May Have to Take Other Steps to Address Conflicts of Interest. The Committee retains the authority to exercise its rights under the Award Agreement or the Plan (including Section 1.3.2 of the Plan) to take or require you to take other steps it determines in its sole discretion to be necessary or appropriate to cure an actual or perceived conflict of interest (which may include a determination that the accelerated delivery described in Paragraph 10(b)(i) will not apply because such actions are not necessary or appropriate to cure an actual or perceived conflict of interest).

(c) Death. If you die, the RSU Shares underlying your Outstanding Short-Term RSUs will be delivered to the representative of your estate as soon as practicable after the date of death and after such documentation as may be requested by the Committee is provided to the Committee.

OTHER TERMS, CONDITIONS AND AGREEMENTS

11. **Additional Terms, Conditions and Agreements.**

(a) You Must Satisfy Applicable Tax Withholding Requirements. Delivery of RSU Shares is conditioned on your satisfaction of any applicable withholding taxes in accordance with Section 3.2 of the Plan, which includes the Firm deducting or withholding amounts from any payment or distribution to you. In addition, to the extent permitted by applicable law, the Firm, in its sole discretion, may require you to provide amounts equal to all or a portion of any Federal, state, local, foreign or other tax obligations imposed on you or the Firm in connection with the grant or delivery of this Award by requiring you to choose between remitting the amount (i) in cash (or through payroll deduction or otherwise) or (ii) in the form of proceeds from the Firm's executing a sale of RSU Shares delivered to you under this Award. In no event, however, does this Paragraph 11(a) give you any discretion to determine or affect the timing of the delivery of RSU Shares or the timing of payment of tax obligations.

(b) Firm May Deliver Cash or Other Property Instead of RSU Shares. In accordance with Section 1.3.2(i) of the Plan, in the sole discretion of the Committee, in lieu of all or any

portion of the RSU Shares, the Firm may deliver cash, other securities, other awards under the Plan or other property, and all references in this Award Agreement to deliveries of RSU Shares will include such deliveries of cash, other securities, other awards under the Plan or other property.

(c) Amounts May Be Rounded to Avoid Fractional Shares. RSU Shares that become deliverable on a Delivery Date may, in each case, be rounded to avoid fractional Shares.

(d) You May Be Required to Become a Party to the Shareholders' Agreement. Your rights to your Short-Term RSUs are conditioned on your becoming a party to any shareholders' agreement to which other similarly situated employees (*e.g.*, employees with a similar title or position) of the Firm are required to be a party.

(e) Firm May Affix Legends and Place Stop Orders on Restricted RSU Shares. GS Inc. may affix to Certificates representing RSU Shares any legend that the Committee determines to be necessary or advisable (including to reflect any restrictions to which you may be subject under a separate agreement). GS Inc. may advise the transfer agent to place a stop order against any legended RSU Shares.

(f) You Agree to Certain Consents, Terms and Conditions. By accepting this Award you understand and agree that:

(i) You Agree to Certain Consents as a Condition to the Award. You have expressly consented to all of the items listed in Section 3.3.3(d) of the Plan, including the Firm's supplying to any third-party recordkeeper of the Plan or other person such personal information of yours as the Committee deems advisable to administer the Plan, and you agree to provide any additional consents that the Committee determines to be necessary or advisable;

(ii) You Are Subject to the Firm's Policies, Rules and Procedures. You are subject to the Firm's policies in effect from time to time concerning trading in RSU Shares and hedging or pledging RSU Shares and equity-based compensation or other awards (including, without limitation, the "Firmwide Policy with Respect to Personal Transactions Involving GS Securities and GS Equity Awards" or any successor policies), and confidential or proprietary information, and you will effect sales of RSU Shares in accordance with such rules and procedures as may be adopted from time to time (which may include, without limitation, restrictions relating to the timing of sale requests, the manner in which sales are executed, pricing method, consolidation or aggregation of orders and volume limits determined by the Firm);

(iii) You Are Responsible for Costs Associated with Your Award. You will be responsible for all brokerage costs and other fees or expenses associated with your Short-Term RSUs, including those related to the sale of RSU Shares;

(iv) You Will Be Deemed to Represent Your Compliance with All the Terms of Your Award if You Accept Delivery of, or Sell, RSU Shares. You will be deemed to have represented and certified that you have complied with all of the terms of the Plan and this Award Agreement when RSU Shares are delivered to you, and you receive payment in respect of Dividend Equivalent Rights;

(v) Firm May Deliver Your Award into an Escrow Account. The Firm may establish and maintain an escrow account on such terms (which may include your executing any documents related to, and your paying for any costs associated with, such account) as it may deem necessary or appropriate, and the delivery of RSU Shares or the payment of cash (including dividends and payments under Dividend Equivalent Rights) or other property may initially be made into and held in that escrow account until such time as the Committee has received such documentation as it may have requested or until the Committee has determined that any other conditions or restrictions on delivery of RSU Shares, cash or other property required by this Award Agreement have been satisfied;

(vi) You May Be Required to Certify Compliance with Award Terms; You Are Responsible for Providing the Firm with Updated Address and Contact Information After Your Departure from the Firm. If your Employment terminates while you continue to hold Short-Term RSUs, from time to time, you may be required to provide certifications of your compliance with all of the terms of the Plan and this Award Agreement as described in Paragraph 8(a)(iv). You understand and agree that (A) your address on file with the Firm at the time any certification is required will be deemed to be your current address, (B) it is your responsibility to inform the Firm of any changes to your address to ensure timely receipt of the certification materials, (C) you are responsible for contacting the Firm to obtain such certification materials if not received and (D) your failure to return properly completed certification materials by the specified deadline (which includes your failure to timely return the completed certification because you did not provide the Firm with updated contact information) will result in the forfeiture of all of your Short-Term RSUs and subject previously delivered amounts to repayment under Paragraph 8(a)(iv);

(vii) You Must Comply with Applicable Deadlines and Procedures to Appeal Determinations Made by the Committee, the SIP Committee or SIP Administrators. If you disagree with a determination made by the Committee, the SIP Committee, the SIP Administrators, or any of their delegates or designees and you wish to appeal such determination, you must submit a written request to the SIP Committee for review within 180 days after the determination at issue. You must exhaust your internal administrative remedies (*i.e.*, submit your appeal and wait for resolution of that appeal) before seeking to resolve a dispute through arbitration pursuant to Paragraph 14 and Section 3.17 of the Plan; and

(viii) You Agree that Covered Persons Will Not Have Liability. In addition to and without limiting the generality of the provisions of Section 1.3.5 of the Plan, neither the Firm nor any Covered Person will have any liability to you or any other person for any action taken or omitted in respect of this or any other Award.

12. **Non-transferability.** Except as otherwise may be provided in this Paragraph 12 or as otherwise may be provided by the Committee, the limitations on transferability set forth in Section 3.5 of the Plan will apply to this Award. Any purported transfer or assignment in violation of the provisions of this Paragraph 12 or Section 3.5 of the Plan will be void. The Committee may adopt procedures pursuant to which some or all recipients of Short-Term RSUs may transfer some or all of their Short-Term RSUs through a gift for no consideration to any immediate family member, a trust or other estate planning vehicle approved by the Committee or SIP Committee in which the recipient and/or the recipient's immediate family members in the aggregate have 100% of the beneficial interest.

13. **Right of Offset.** Except as provided in Paragraph 16(h), the obligation to deliver RSU Shares or to make payments under Dividend Equivalent Rights under this Award Agreement is subject to Section 3.4 of the Plan, which provides for the Firm's right to offset against such obligation any

outstanding amounts you owe to the Firm and any amounts the Committee deems appropriate pursuant to any tax equalization policy or agreement.

ARBITRATION, CHOICE OF FORUM AND GOVERNING LAW

14. **Arbitration; Choice of Forum.**

(a) BY ACCEPTING THIS AWARD, YOU ARE INDICATING THAT YOU UNDERSTAND AND AGREE THAT THE ARBITRATION AND CHOICE OF FORUM PROVISIONS SET FORTH IN SECTION 3.17 OF THE PLAN WILL APPLY TO THIS AWARD. THESE PROVISIONS, WHICH ARE EXPRESSLY INCORPORATED HEREIN BY REFERENCE, PROVIDE AMONG OTHER THINGS THAT ANY DISPUTE, CONTROVERSY OR CLAIM BETWEEN THE FIRM AND YOU ARISING OUT OF OR RELATING TO OR CONCERNING THE PLAN OR THIS AWARD AGREEMENT WILL BE FINALLY SETTLED BY ARBITRATION IN NEW YORK CITY, PURSUANT TO THE TERMS MORE FULLY SET FORTH IN SECTION 3.17 OF THE PLAN; PROVIDED THAT NOTHING HEREIN SHALL PRECLUDE YOU FROM FILING A CHARGE WITH OR PARTICIPATING IN ANY INVESTIGATION OR PROCEEDING CONDUCTED BY ANY GOVERNMENTAL AUTHORITY, INCLUDING BUT NOT LIMITED TO THE SEC AND THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION.

(b) To the fullest extent permitted by applicable law, no arbitrator will have the authority to consider class, collective or representative claims, to order consolidation or to join different claimants or grant relief other than on an individual basis to the individual claimant involved.

(c) Notwithstanding any applicable forum rules to the contrary, to the extent there is a question of enforceability of this Award Agreement arising from a challenge to the arbitrator's jurisdiction or to the arbitrability of a claim, it will be decided by a court and not an arbitrator.

(d) The Federal Arbitration Act governs interpretation and enforcement of all arbitration provisions under the Plan and this Award Agreement, and all arbitration proceedings thereunder.

(e) Nothing in this Award Agreement creates a substantive right to bring a claim under U.S. Federal, state, or local employment laws.

(f) By accepting your Award, you irrevocably appoint each General Counsel of GS Inc., or any person whom the General Counsel of GS Inc. designates, as your agent for service of process in connection with any suit, action or proceeding arising out of or relating to or concerning the Plan or any Award which is not arbitrated pursuant to the provisions of Section 3.17.1 of the Plan, who shall promptly advise you of any such service of process.

(g) To the fullest extent permitted by applicable law, no arbitrator will have the authority to consider any claim as to which you have not first exhausted your internal administrative remedies in accordance with Paragraph 11(f)(vii).

15. **Governing Law. THIS AWARD WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.**

CERTAIN TAX PROVISIONS

16. **Compliance of Award Agreement and Plan with Section 409A.** The provisions of this Paragraph 16 apply to you only if you are a U.S. taxpayer.

(a) This Award Agreement and the Plan provisions that apply to this Award are intended and will be construed to comply with Section 409A (including the requirements applicable to, or the conditions for exemption from treatment as, 409A Deferred Compensation), whether by reason of short-term deferral treatment or other exceptions or provisions. The Committee will have full authority to give effect to this intent. To the extent necessary to give effect to this intent, in the case of any conflict or potential inconsistency between the provisions of the Plan (including Sections 1.3.2 and 2.1 thereof) and this Award Agreement, the provisions of this Award Agreement will govern, and in the case of any conflict or potential inconsistency between this Paragraph 16 and the other provisions of this Award Agreement, this Paragraph 16 will govern.

(b) Delivery of RSU Shares will not be delayed beyond the date on which all applicable conditions or restrictions on delivery of RSU Shares required by this Agreement (including those specified in Paragraphs 6, 10(c) and 11 and the consents and other items specified in Section 3.3 of the Plan) are satisfied. To the extent that any portion of this Award is intended to satisfy the requirements for short-term deferral treatment under Section 409A, delivery for such portion will occur by the March 15 coinciding with the last day of the applicable "short-term deferral" period described in Reg. 1.409A-1(b)(4) in order for the delivery of RSU Shares to be within the short-term deferral exception unless, in order to permit all applicable conditions or restrictions on delivery to be satisfied, the Committee elects, pursuant to Reg. 1.409A-1(b)(4)(i)(D) or otherwise as may be permitted in accordance with Section 409A, to delay delivery of RSU Shares to a later date within the same calendar year or to such later date as may be permitted under Section 409A, including Reg. 1.409A-3(d). For the avoidance of doubt, if the Award includes a "series of installment payments" as described in Reg. 1.409A-2(b)(2)(iii), your right to the series of installment payments will be treated as a right to a series of separate payments and not as a right to a single payment.

(c) Notwithstanding the provisions of Paragraph 11(b) and Section 1.3.2(i) of the Plan, to the extent necessary to comply with Section 409A, any securities, other Awards or other property that the Firm may deliver in respect of your Short-Term RSUs will not have the effect of deferring delivery or payment, income inclusion, or a substantial risk of forfeiture, beyond the date on which such delivery, payment or inclusion would occur or such risk of forfeiture would lapse, with respect to the RSU Shares that would otherwise have been deliverable (unless the Committee elects a later date for this purpose pursuant to Reg. 1.409A-1(b)(4)(i)(D) or otherwise as may be permitted under Section 409A, including and to the extent applicable, the subsequent election provisions of Section 409A(a)(4)(C) of the Code and Reg. 1.409A-2(b)).

(d) Notwithstanding the timing provisions of Paragraph 10(c), the delivery of RSU Shares referred to therein will be made after the date of death and during the calendar year that includes the date of death (or on such later date as may be permitted under Section 409A).

(e) The timing of delivery or payment pursuant to Paragraph 10(a) will occur on the earlier of (i) the Delivery Date or (ii) a date that is within the calendar year in which the termination of Employment occurs; *provided*, *however*, that, if you are a "specified employee" (as defined by the Firm in accordance with Section 409A(a)(2)(i)(B) of the Code), delivery will occur on the earlier of the Delivery Date or (to the extent required to avoid the imposition of

additional tax under Section 409A) the date that is six months after your termination of Employment (or, if the latter date is not during a Window Period, the first trading day of the next Window Period). For purposes of Paragraph 10(a), references in this Award Agreement to termination of Employment mean a termination of Employment from the Firm (as defined by the Firm) which is also a separation from service (as defined by the Firm in accordance with Section 409A).

(f) Notwithstanding any provision of Paragraph 7 or Section 2.8.2 of the Plan to the contrary, the Dividend Equivalent Rights with respect to each of your Outstanding Short-Term RSUs will be paid to you within the calendar year that includes the date of distribution of any corresponding regular cash dividends paid by GS Inc. in respect of a share of Common Stock the record date for which occurs on or after the Date of Grant. The payment will be in an amount (less applicable withholding) equal to such regular dividend payment as would have been made in respect of the RSU Shares underlying such Outstanding Short-Term RSUs.

(g) The timing of delivery or payment referred to in Paragraph 10(b)(i) will be the earlier of (i) the Delivery Date or (ii) a date that is within the calendar year in which the Committee receives satisfactory documentation relating to your Conflicted Employment, *provided* that such delivery or payment will be made, and any Committee action referred to in Paragraph 10(b)(ii) will be taken, only at such time as, and if and to the extent that it, as reasonably determined by the Firm, would not result in the imposition of any additional tax to you under Section 409A.

(h) Paragraph 13 and Section 3.4 of the Plan will not apply to Awards that are 409A Deferred Compensation except to the extent permitted under Section 409A.

(i) Delivery of RSU Shares in respect of any Award may be made, if and to the extent elected by the Committee, later than the Delivery Date or other date or period specified hereinabove (but, in the case of any Award that constitutes 409A Deferred Compensation, only to the extent that the later delivery is permitted under Section 409A).

(j) You understand and agree that you are solely responsible for the payment of any taxes and penalties due pursuant to Section 409A, but in no event will you be permitted to designate, directly or indirectly, the taxable year of the delivery.

COMMITTEE AUTHORITY, AMENDMENT, CONSTRUCTION AND REGULATORY REPORTING

17. **Committee Authority.** The Committee has the authority to determine, in its sole discretion, that any event triggering forfeiture or repayment of your Award will not apply and to limit the forfeitures and repayments that result under Paragraphs 8 and 9.

18. **Amendment.** The Committee reserves the right at any time to amend the terms of this Award Agreement, and the Board may amend the Plan in any respect; *provided* that, notwithstanding the foregoing and Sections 1.3.2(f), 1.3.2(h) and 3.1 of the Plan, no such amendment will materially adversely affect your rights and obligations under this Award Agreement without your consent; and *provided further* that the Committee expressly reserves its rights to amend the Award Agreement and the Plan as described in Sections 1.3.2(h)(1), (2) and (4) of the Plan. A modification that impacts the tax consequences of this Award or the timing of delivery of RSU Shares will not be an amendment that materially adversely affects your rights and obligations under this Award Agreement. Any amendment of this Award Agreement will be in writing.

19. **Construction, Headings.** Unless the context requires otherwise, (a) words describing the singular number include the plural and vice versa, (b) words denoting any gender include all genders and (c) the words "include," "includes" and "including" will be deemed to be followed by the words "without limitation." The headings in this Award Agreement are for the purpose of convenience only and are not intended to define or limit the construction of the provisions hereof. References in this Award Agreement to any specific Plan provision will not be construed as limiting the applicability of any other Plan provision.

20. **Providing Information to the Appropriate Authorities**. In accordance with applicable law, nothing in this Award Agreement (including the forfeiture and repayment provisions in Paragraphs 8 and 9) or the Plan prevents you from providing information you reasonably believe to be true to the appropriate governmental authority, including a regulatory, judicial, administrative, or other governmental entity; reporting possible violations of law or regulation; making other disclosures that are protected under any applicable law or regulation; or filing a charge or participating in any investigation or proceeding conducted by a governmental authority.

IN WITNESS WHEREOF, GS Inc. has caused this Award Agreement to be duly executed and delivered as of the Date of Grant.

THE GOLDMAN SACHS GROUP, INC.

[MATERIAL RISK TAKER APPENDIX

This Material Risk Taker Appendix supplements Paragraph 8 and sets forth additional events that result in forfeiture of up to all of your Short-Term RSUs and may require repayment to the Firm of up to all other amounts previously delivered or paid to you under your Award in accordance with Paragraph 9. As with the events described in Paragraph 8, more than one event may apply, in no case will the occurrence of one event limit the forfeiture and repayment obligations as a result of the occurrence of any other event and the Firm reserves the right to (a) suspend payments under Dividend Equivalent Rights or delivery of RSU Shares, (b) deliver any RSU Shares, dividends or payments under Dividend Equivalent Rights into an escrow account in accordance with Paragraph 11(f)(v) or (c) apply Transfer Restrictions to any RSU Shares in connection with any investigation of whether any of the events that result in forfeiture under this Material Risk Taker Appendix have occurred.

With respect to the events described in Paragraphs (a) and (b) of this Appendix, the Committee will consider certain factors to determine whether and what portion of your Award will terminate, including the reason for the "Risk Event" (as defined below) and the extent to which: (1) you participated in the Risk Event, (2) your compensation for _____ may or may not have been adjusted to take into account the risk associated with the Risk Event or your "Serious Misconduct" (as defined below) and (3) your compensation may be adjusted for the year in which the Risk Event or your Serious Misconduct is discovered.

(a) A Risk Event Occurs. If a Risk Event occurs _____, (i) your rights in respect of all or a portion of your Short-Term RSUs will terminate and no RSU Shares will be delivered in respect of such Short-Term RSUs and (ii) you will be obligated immediately upon demand therefor to pay the Firm an amount not in excess of the greater of the Fair Market Value of the RSU Shares (plus any dividend payments and payments under Dividend Equivalent Rights) delivered in respect of the Award (without reduction for any amount applied to satisfy tax withholding or other obligations) determined as of (A) the date the Risk Event occurred and (B) the date that the repayment request is made.

(i) A "**Risk Event**" means there occurs a loss of 5% or more of firmwide total capital from a reportable operational risk event determined in accordance with the firmwide Reporting Operational Risk Events Policy.

(b) You Engage in Serious Misconduct. If you engage in Serious Misconduct_____, you will be obligated immediately upon demand therefor to pay the Firm an amount not in excess of the greater of the Fair Market Value of the RSU Shares (plus any dividend payments and payments under Dividend Equivalent Rights) delivered in respect of the Award (without reduction for any amount applied to satisfy tax withholding or other obligations) determined as of (i) the date the Serious Misconduct occurred and (ii) the date that the repayment request is made.

(i) "**Serious Misconduct**" means that you engage in conduct that the Firm reasonably considers, in its sole discretion, to be misconduct sufficient to justify summary termination of employment under English law.

Notwithstanding any provision in the Plan, this Award Agreement or any other agreement or arrangement you may have with the Firm, the parties agree that to the extent that there is any dispute arising out of or relating to the payment required by Paragraphs (a) and (b) of this Appendix (including your refusal to remit payment) the parties will submit to arbitration in accordance with Paragraph 14 of this Award

Agreement and Section 3.17 of the Plan as the sole means of resolution of such dispute (including the recovery by the Firm of the payment amount).]

DEFINITIONS APPENDIX

The following capitalized terms are used in this Award Agreement with the following meanings:

(a) "409A Deferred Compensation" means a "deferral of compensation" or "deferred compensation" as those terms are defined in the regulations under Section 409A.

(b) "Conflicted Employment" means your employment at any U.S. Federal, state or local government, any non-U.S. government, any supranational or international organization, any self-regulatory organization, or any agency or instrumentality of any such government or organization, or any other employer (other than an "Accounting Firm" within the meaning of SEC Rule 2-01(f)(2) of Regulation S-X or any successor thereto) determined by the Committee, if, as a result of such employment, your continued holding of any Outstanding Short-Term RSUs would result in an actual or perceived conflict of interest.

(c) "Failed to Consider Risk" means that you participated (or otherwise oversaw or were responsible for, depending on the circumstances, another individual's participation) in the structuring or marketing of any product or service, or participated on behalf of the Firm or any of its clients in the purchase or sale of any security or other property, in any case without appropriate consideration of the risk to the Firm or the broader financial system as a whole (for example, where you have improperly analyzed such risk or where you have failed sufficiently to raise concerns about such risk) and, as a result of such action or omission, the Committee determines there has been, or reasonably could be expected to be, a material adverse impact on the Firm, your business unit or the broader financial system.

(d) "Qualifying Termination After a Change in Control" means that the Firm terminates your Employment other than for Cause or you terminate your Employment for Good Reason, in each case, within 18 months following a Change in Control.

(e) "SEC" means the U.S. Securities and Exchange Commission.

The following capitalized terms are used in this Award Agreement with the meanings that are assigned to them in the Plan.

(a) "Account" means any brokerage account, custody account or similar account, as approved or required by GS Inc. from time to time, into which shares of Common Stock, cash or other property in respect of an Award are delivered.

(b) "Award Agreement" means the written document or documents by which each Award is evidenced, including any related Award Statement and signature card.

(c) "Award Statement" means a written statement that reflects certain Award terms.

(d) "Board" means the Board of Directors of GS Inc.

(e) "Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in New York City are authorized or obligated by Federal law or executive order to be closed.

(f) "Cause" means (i) the Grantee's conviction, whether following trial or by plea of guilty or *nolo contendere* (or similar plea), in a criminal proceeding (A) on a misdemeanor charge involving fraud, false statements or misleading omissions, wrongful taking, embezzlement, bribery, forgery, counterfeiting or extortion, or (B) on a felony charge, or (C) on an equivalent charge to those in clauses (A) and (B) in jurisdictions which do not use those designations, (ii) the Grantee's engaging in any conduct which constitutes an employment disqualification under applicable law (including statutory disqualification as defined under the Exchange Act), (iii) the Grantee's willful failure to perform the Grantee's duties to the Firm, (iv) the Grantee's violation of any securities or commodities laws, any rules or regulations issued pursuant to such laws, or the rules and regulations of any securities or commodities exchange or association of which the Firm is a member, (v) the Grantee's violation of any Firm policy concerning hedging or pledging or confidential or proprietary information, or the Grantee's material violation of any other Firm policy as in effect from time to time, (vi) the Grantee's engaging in any act or making any statement which impairs, impugns, denigrates, disparages or negatively reflects upon the name, reputation or business interests of the Firm or (vii) the Grantee's engaging in any conduct detrimental to the Firm. The determination as to whether Cause has occurred shall be made by the Committee in its sole discretion and, in such case, the Committee also may, but shall not be required to, specify the date such Cause occurred (including by determining that a prior termination of Employment was for Cause). Any rights the Firm may have hereunder and in any Award Agreement in respect of the events giving rise to Cause shall be in addition to the rights the Firm may have under any other agreement with a Grantee or at law or in equity.

(g) "Certificate" means a stock certificate (or other appropriate document or evidence of ownership) representing shares of Common Stock.

(h) "Change in Control" means the consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving GS Inc. (a "Reorganization") or sale or other disposition of all or substantially all of GS Inc.'s assets to an entity that is not an affiliate of GS Inc. (a "Sale"), that in each case requires the approval of GS Inc.'s shareholders under the law of GS Inc.'s jurisdiction of organization, whether for such Reorganization or Sale (or the issuance of securities of GS Inc. in such Reorganization or Sale), unless immediately following such Reorganization or Sale, either: (i) at least 50% of the total voting power (in respect of the election of directors, or similar officials in the case of an entity other than a corporation) of (A) the entity resulting from such Reorganization, or the entity which has acquired all or substantially all of the assets of GS Inc. in a Sale (in either case, the

"Surviving Entity"), or (B) if applicable, the ultimate parent entity that directly or indirectly has beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, as such Rule is in effect on the date of the adoption of the 1999 SIP) of 50% or more of the total voting power (in respect of the election of directors, or similar officials in the case of an entity other than a corporation) of the Surviving Entity (the "Parent Entity") is represented by GS Inc.'s securities (the "GS Inc. Securities") that were outstanding immediately prior to such Reorganization or Sale (or, if applicable, is represented by shares into which such GS Inc. Securities were converted pursuant to such Reorganization or Sale) or (ii) at least 50% of the members of the board of directors (or similar officials in the case of an entity other than a corporation) of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) following the consummation of the Reorganization or Sale were, at the time of the Board's approval of the execution of the initial agreement providing for such Reorganization or Sale, individuals (the "Incumbent Directors") who either (A) were members of the Board on the Effective Date or (B) became directors subsequent to the Effective Date and whose election or nomination for election was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of GS Inc.'s proxy statement in which such persons are named as nominees for director).

(i) "Client" means any client or prospective client of the Firm to whom the Grantee provided services, or for whom the Grantee transacted business, or whose identity became known to the Grantee in connection with the Grantee's relationship with or employment by the Firm.

(j) "Code" means the Internal Revenue Code of 1986, as amended from time to time, and the applicable rulings and regulations thereunder.

(k) "Committee" means the committee appointed by the Board to administer the Plan pursuant to Section 1.3, and, to the extent the Board determines it is appropriate for the compensation realized from Awards under the Plan to be considered "performance based" compensation under Section 162(m) of the Code, shall be a committee or subcommittee of the Board composed of two or more members, each of whom is an "outside director" within the meaning of Code Section 162(m), and which, to the extent the Board determines it is appropriate for Awards under the Plan to qualify for the exemption available under Rule 16b-3(d)(1) or Rule 16b-3(e) promulgated under the Exchange Act, shall be a committee or subcommittee of the Board composed of two or more members, each of whom is a "non-employee director" within the meaning of Rule 16b-3. Unless otherwise determined by the Board, the Committee shall be the Compensation Committee of the Board.

(l) "Common Stock" means common stock of GS Inc., par value $0.01 per share.

(m) "Covered Person" means a member of the Board or the Committee or any employee of the Firm.

(n) "Date of Grant" means the date specified in the Grantee's Award Agreement as the date of grant of the Award.

(o) "Delivery Date" means each date specified in the Grantee's Award Agreement as a delivery date, *provided*, unless the Committee determines otherwise, such date is during a Window Period or, if such date is not during a Window Period, the first trading day of the first Window Period beginning after such date.

(p) "Dividend Equivalent Right" means a dividend equivalent right granted under the Plan, which represents an unfunded and unsecured promise to pay to the Grantee amounts equal to all or any portion of the regular cash dividends that would be paid on shares of Common Stock covered by an Award if such shares had been delivered pursuant to an Award.

(q) "Effective Date" means the date this Plan is approved by the shareholders of GS Inc. pursuant to Section 3.15 of the Plan.

(r) "Employment" means the Grantee's performance of services for the Firm, as determined by the Committee. The terms "employ" and "employed" shall have their correlative meanings. The Committee in its sole discretion may determine (i) whether and when a Grantee's leave of absence results in a termination of Employment (for this purpose, unless the Committee determines otherwise, a Grantee shall be treated as terminating Employment with the Firm upon the occurrence of an Extended Absence), (ii) whether and when a change in a Grantee's association with the Firm results in a termination of Employment and (iii) the impact, if any, of any such leave of absence or change in association on Awards theretofore made. Unless expressly provided otherwise, any references in the Plan or any Award Agreement to a Grantee's Employment being terminated shall include both voluntary and involuntary terminations.

(s) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and the applicable rules and regulations thereunder.

(t) "Firm" means GS Inc. and its subsidiaries and affiliates.

(u) "Good Reason" means, in connection with a termination of employment by a Grantee following a Change in Control, (a) as determined by the Committee, a materially adverse alteration in the Grantee's position or in the nature or status of the Grantee's responsibilities from those in effect immediately prior to the Change in Control or (b) the Firm's requiring the Grantee's principal place of Employment to be located more than seventy-five (75) miles from the location where the Grantee is principally Employed at the time of the Change in Control (except for required travel on the Firm's business to an extent substantially consistent with the Grantee's customary business travel obligations in the ordinary course of business prior to the Change in Control).

(v) "Grantee" means a person who receives an Award.

(w) "GS Inc." means The Goldman Sachs Group, Inc., and any successor thereto.

(x) "1999 SIP" means The Goldman Sachs 1999 Stock Incentive Plan, as in effect prior to the effective date of the 2003 SIP.

(y) "Outstanding" means any Award to the extent it has not been forfeited, cancelled, terminated, exercised or with respect to which the shares of Common Stock underlying the Award have not been previously delivered or other payments made.

(z) "RSU" means a restricted stock unit granted under the Plan, which represents an unfunded and unsecured promise to deliver shares of Common Stock in accordance with the terms of the RSU Award Agreement.

(aa) "RSU Shares" means shares of Common Stock that underlie an RSU.

(bb) "Section 409A" means Section 409A of the Code, including any amendments or successor provisions to that Section and any regulations and other administrative guidance thereunder, in each case as they, from time to time, may be amended or interpreted through further administrative guidance.

(cc) "SIP Administrator" means each person designated by the Committee as a "SIP Administrator" with the authority to perform day-to-day administrative functions for the Plan.

(dd) "SIP Committee" means the persons who have been delegated certain authority under the Plan by the Committee.

(ee) "Solicit" means any direct or indirect communication of any kind whatsoever, regardless of by whom initiated, inviting, advising, suggesting, encouraging or requesting any person or entity, in any manner, to take or refrain from taking any action.

(ff) "Transfer Restrictions" means restrictions that prohibit the sale, exchange, transfer, assignment, pledge, hypothecation, fractionalization, hedge or other disposal (including through the use of any cash-settled instrument), whether voluntarily or involuntarily by the Grantee, of an Award or any shares of Common Stock, cash or other property delivered in respect of an Award.

(gg) "Vested" means, with respect to an Award, the portion of the Award that is not subject to a condition that the Grantee remain actively employed by the Firm in order for the Award to remain Outstanding. The fact that an Award becomes Vested shall not mean or otherwise indicate that the Grantee has an unconditional or nonforfeitable right to such Award, and such Award shall remain subject to such terms, conditions and forfeiture provisions as may be provided for in the Plan or in the Award Agreement.

(hh) "Window Period" means a period designated by the Firm during which all employees of the Firm are permitted to purchase or sell shares of Common Stock (*provided* that, if the Grantee is a member of a designated group of employees who are subject to different restrictions, the Window Period may be a period designated by the Firm during which an employee of the Firm in such designated group is permitted to purchase or sell shares of Common Stock).

Exhibit 10.48

THE GOLDMAN SACHS GROUP, INC.
YEAR-END RESTRICTED STOCK AWARD

This Award Agreement, together with The Goldman Sachs Amended and Restated Stock Incentive Plan (2018) (the "Plan"), governs your award of _____ year-end Restricted Shares (your "Award"). You should read carefully this entire Award Agreement, which includes the Award Statement, any attached Appendix and the signature card.

ACCEPTANCE

1. **You Must Decide Whether to Accept this Award Agreement**. **To be eligible to receive your Award, you must by the date specified (a) open and activate an Account and (b) agree to all the terms of your Award by executing the related signature card in accordance with its instructions. By executing the signature card, you confirm your agreement to all of the terms of this Award Agreement, including the arbitration and choice of forum provisions in Paragraph 15.**

DOCUMENTS THAT GOVERN YOUR AWARD; DEFINITIONS

2. **The Plan.** Your Award is granted under the Plan, and the Plan's terms apply to, and are a part of, this Award Agreement.

3. **Your Award Statement.** The Award Statement delivered to you contains some of your Award's specific terms. For example, it contains the number of Restricted Shares awarded to you and any applicable Vesting Dates and Transferability Dates.

4. **Definitions.** Unless otherwise defined herein, including in the Definitions Appendix or any other Appendix, capitalized terms have the meanings provided in the Plan.

VESTING OF YOUR RESTRICTED SHARES

5. **Vesting.** On each Vesting Date listed on your Award Statement, you will become Vested in the amount of Outstanding Restricted Shares listed next to that date. When a Restricted Share becomes Vested, it means **only** that your continued active Employment is not required for that portion of Restricted Shares to become fully transferrable without risk of forfeiture. **Vesting does not mean you have a non-forfeitable right to the Vested portion of your Award. The terms of this Award Agreement (including the Transfer Restrictions) continue to apply to Vested Restricted Shares, and you can still forfeit Vested Restricted Shares.**

TRANSFER RESTRICTIONS

6. **Transfer Restrictions.** Restricted Shares will be subject to Transfer Restrictions until the Transferability Date next to such number or percentage of Restricted Shares on your Award Statement. Any purported sale, exchange, transfer, assignment, pledge, hypothecation, fractionalization, hedge or other disposition in violation of the Transfer Restrictions will be void. Within 30 Business Days after the Transferability Date listed on your Award Statement (or any other date on which the Transfer Restrictions are to be removed), GS Inc. will remove the Transfer Restrictions. The Committee or the SIP Committee may select multiple dates within such 30 Business-Day-period on which to remove Transfer Restrictions for all or a portion of the Restricted Shares with the same Transferability Date listed on the Award Statement, and all such dates will be treated as a single Transferability Date for purposes of this Award.

DIVIDENDS

7. **Dividends.** You will be entitled to receive on a current basis any regular cash dividend paid in respect of your Restricted Shares.

FORFEITURE OF YOUR AWARD

8. **How You May Forfeit Your Award.** This Paragraph 8 sets forth the events that result in forfeiture of up to all of your Restricted Shares and may require repayment to the Firm of up to all other amounts previously delivered or paid to you under your Award in accordance with Paragraph 9. More than one event may apply, and in no case will the occurrence of one event limit the forfeiture and repayment obligations as a result of the occurrence of any other event. In addition, the Firm reserves the right to (a) suspend vesting of Restricted Shares or release of Transfer Restrictions, (b) deliver any Restricted Shares or dividends into an escrow account in accordance with Paragraph 12(f)(v) or (c) apply additional Transfer Restrictions to any Restricted Shares in connection with any investigation of whether any of the events that result in forfeiture under the Plan or this Paragraph 8 have occurred. Paragraph 10 (relating to certain circumstances under which you will not forfeit your unvested Restricted Shares upon Employment termination) and Paragraph 11 (relating to certain circumstances under which vesting and/or release of Transfer Restrictions may be accelerated) provide for exceptions to one or more provisions of this Paragraph 8.

(a) Unvested Restricted Shares Forfeited if Your Employment Terminates. If your Employment terminates for any reason or you are otherwise no longer actively Employed with the Firm (which includes off-premises notice periods, "garden leaves," pay in lieu of notice or any other similar status), your rights to your Restricted Shares that are not Vested will terminate and those Restricted Shares will be cancelled.

(b) Vested and Unvested Restricted Shares Forfeited if You Solicit Clients or Employees, Interfere with Client or Employee Relationships or Participate in the Hiring of Employees. If either:

(i) you, in any manner, directly or indirectly, (A) Solicit any Client to transact business with a Covered Enterprise or to reduce or refrain from doing any business with the Firm, (B) interfere with or damage (or attempt to interfere with or damage) any relationship between the Firm and any Client, (C) Solicit any person who is an employee of the Firm to resign from the Firm, (D) Solicit any Selected Firm Personnel to apply for or accept employment (or other association) with any person or entity other than the Firm or (E) hire or participate in the hiring of any Selected Firm Personnel by any person or entity other than the Firm (including, without limitation, participating in the identification of individuals for potential hire, and participating in any hiring decision), whether as an employee or consultant or otherwise, or

(ii) Selected Firm Personnel are Solicited, hired or accepted into partnership, membership or similar status by (A) any entity that you form, that bears your name, or in which you possess or control greater than a *de minimis* equity ownership, voting or profit participation, or (B) any entity where you have, or will have, direct or indirect managerial responsibility for such Selected Firm Personnel,

then your rights to the following Restricted Shares (whether or not Vested) will terminate and those Restricted Shares will be cancelled:

(X) all of the Restricted Shares granted to you if any of the events in this Paragraph 8(b) occurs before the _____ Date,

(Y) the Restricted Shares with a Vesting Date of _____ or _____ if any of the events in this Paragraph 8(b) occurs on or after the _____ Date but before the _____ Date, and

(Z) the Restricted Shares with a Vesting Date of _____ if any of the events in this Paragraph 8(b) occurs on or after the _____ Date but before the _____ Date.

(c) Vested and Unvested Restricted Shares Forfeited upon Certain Events. If any of the following occurs, your rights to all of your Restricted Shares (whether or not Vested) will terminate and those Restricted Shares will be cancelled, in each case, as may be further described below:

(i) You Failed to Consider Risk. You Failed to Consider Risk during _____.

(ii) Your Conduct Constitutes Cause. Any event that constitutes Cause has occurred before the Transferability Date.

(iii) You Do Not Meet Your Obligations to the Firm. The Committee determines that, before the Transferability Date, you failed to meet, in any respect, any obligation under any agreement with the Firm, or any agreement entered into in connection with your Employment or this Award, including the Firm's notice period requirement applicable to you, any offer letter, employment agreement or any shareholders' agreement relating to the Firm. Your failure to pay or reimburse the Firm, on demand, for any amount you owe to the Firm will constitute (A) failure to meet an obligation you have under an agreement, regardless of whether such obligation arises under a written agreement, and/or (B) a material violation of Firm policy constituting Cause.

(iv) You Do Not Provide Timely Certifications or Comply with Your Certifications. You fail to certify to GS Inc. that you have complied with all of the terms of the Plan and this Award Agreement, or the Committee determines that you have failed to comply with a term of the Plan or this Award Agreement to which you have certified compliance.

(v) You Do Not Follow Dispute Resolution/Arbitration Procedures. You attempt to have any dispute under the Plan or this Award Agreement resolved in any manner that is not provided for by Paragraph 15 or Section 3.17 of the Plan, or you attempt to arbitrate a dispute without first having exhausted your internal administrative remedies in accordance with Paragraph 12(f)(viii).

(vi) You Bring an Action that Results in a Determination that Any Award Agreement Term Is Invalid. As a result of any action brought by you, it is determined that any term of this Award Agreement is invalid.

(vii) You Receive Compensation in Respect of Your Award from Another Employer. Your Employment terminates for any reason or you otherwise are no longer actively Employed with the Firm and another entity grants you cash, equity or other property (whether vested or unvested) to replace, substitute for or otherwise in respect of any Restricted Shares;

provided, however, that your rights will only be terminated in respect of the Restricted Shares that are replaced, substituted for or otherwise considered by such other entity in making its grant.

REPAYMENT OF YOUR AWARD

9. **When You May Be Required to Repay Your Award.** If the Committee determines that any term of this Award was not satisfied, you will be required, immediately upon demand therefor, to repay to the Firm, in accordance with Section 2.5.3 of the Plan, the following:

(a) Any Restricted Shares for which the terms (including the terms for the release of Transfer Restrictions) were not satisfied.

(b) Any dividends paid in respect of any Restricted Shares that are cancelled or required to be repaid.

(c) Any amount applied to satisfy tax withholding or other obligations with respect to any Restricted Shares or dividend payments that are forfeited or required to be repaid.

EXCEPTIONS TO THE VESTING AND/OR TRANSFERABILITY DATES

10. **Circumstances Under Which You Will Not Forfeit Your Unvested Restricted Shares on Employment Termination (but the Transferability Date Continues to Apply)**. If your Employment terminates at a time when you meet the requirements for Extended Absence, Retirement or "downsizing," each as described below, then Paragraph 8(a) will not apply, and your Restricted Shares will be treated as described in this Paragraph 10. All other terms of this Award Agreement, including the other forfeiture and repayment events in Paragraphs 8 and 9, continue to apply.

(a) Extended Absence or Retirement and No Association With a Covered Enterprise.

(i) Generally. If your Employment terminates by Extended Absence or Retirement, your Outstanding Restricted Shares that are not Vested will become Vested. **However, your rights to any Restricted Shares that becomes Vested by this Paragraph 10(a)(i) will terminate and those Restricted Shares will be cancelled if you Associate With a Covered Enterprise on or before the originally scheduled Vesting Date for those Restricted Shares.**

(ii) Special Treatment for Involuntary or Mutual Agreement Termination. The second sentence of Paragraph 10(a)(i) (relating to forfeiture if you Associate With a Covered Enterprise) will not apply if (A) the Firm characterizes your Employment termination as "involuntary" or by "mutual agreement" (and, in each case, you have not engaged in conduct constituting Cause) and (B) you execute a general waiver and release of claims and an agreement to pay any associated tax liability, in each case, in the form the Firm prescribes. No Employment termination that you initiate, including any purported "constructive termination," a "termination for good reason" or similar concepts, can be "involuntary" or by "mutual agreement."

(b) Downsizing. If (i) the Firm terminates your Employment solely by reason of a "downsizing" (and you have not engaged in conduct constituting Cause) and (ii) you execute a general waiver and release of claims and an agreement to pay any associated tax liability, in each case, in the form the Firm prescribes, your Outstanding Restricted Shares that are not yet Vested will become Vested. Whether or not your Employment is terminated solely by reason of a "downsizing" will be determined by the Firm in its sole discretion.

11. **Accelerated Vesting and/or Release of Transfer Restrictions in the Event of a Qualifying Termination After a Change in Control, Conflicted Employment or Death**. In the event of your Qualifying Termination After a Change in Control, Conflicted Employment or death, each as described below, then Paragraph 8(a) will not apply, your Restricted Shares will be treated as described in this Paragraph 11, and, except as set forth in Paragraph 11(a), all other terms of this Award Agreement, including the other forfeiture and repayment events in Paragraphs 8 and 9, continue to apply.

(a) You Have a Qualifying Termination After a Change in Control. If your Employment terminates when you meet the requirements of a Qualifying Termination After a Change in Control, your Outstanding Restricted Shares that are not yet Vested will become Vested and any Transfer Restrictions will cease to apply. In addition, the forfeiture events in Paragraph 8 will not apply to your Award.

(b) You Are Determined to Have Accepted Conflicted Employment.

(i) Generally. Notwithstanding anything to the contrary in the Plan or otherwise, for purposes of this Award Agreement, "Conflicted Employment" means your employment at any U.S. Federal, state or local government, any non-U.S. government, any supranational or international organization, any self-regulatory organization, or any agency or instrumentality of any such government or organization, or any other employer (other than an "Accounting Firm" within the meaning of SEC Rule 2-01(f)(2) of Regulation S-X or any successor thereto) determined by the Committee, if, as a result of such employment, your continued holding of any Restricted Shares would result in an actual or perceived conflict of interest. Unless prohibited by applicable law or regulation, the following will apply as soon as practicable after the Committee has received satisfactory documentation relating to your Conflicted Employment.

(A) Vesting. If your Employment terminates solely because you resign to accept Conflicted Employment and you have completed at least three years of continuous service with the Firm, your Outstanding Restricted Shares that are not yet Vested will become Vested; otherwise, you will forfeit any Restricted Shares that are not Vested in accordance with Paragraph 8(a).

(B) Release of Transfer Restrictions. If your Employment terminates solely because you resign to accept Conflicted Employment or if, following your termination of Employment, you notify the Firm that you are accepting Conflicted Employment, any Transfer Restrictions on any Outstanding Vested Restricted Shares will cease to apply.

(ii) You May Have to Take Other Steps to Address Conflicts of Interest. The Committee retains the authority to exercise its rights under the Award Agreement or the Plan (including Section 1.3.2 of the Plan) to take or require you to take other steps it determines in its sole discretion to be necessary or appropriate to cure an actual or perceived conflict of interest (which may include a determination that the accelerated vesting and/or release of Transfer Restrictions described in Paragraph 11(b)(i) will not apply because such actions are not necessary or appropriate to cure an actual or perceived conflict of interest).

(c) Death. If you die, any Transfer Restrictions will cease to apply as soon as practicable after the date of death and after such documentation as may be requested by the Committee is provided to the Committee.

OTHER TERMS, CONDITIONS AND AGREEMENTS

12. **Additional Terms, Conditions and Agreements**.

(a) You Must Satisfy Applicable Tax Withholding Requirements. Vesting of Restricted Shares and removal of the Transfer Restrictions are conditioned on your satisfaction of any applicable withholding taxes in accordance with Section 3.2 of the Plan, which includes the Firm deducting or withholding amounts from any payment or distribution to you. In addition, to the extent permitted by applicable law, the Firm, in its sole discretion, may require you to provide amounts equal to all or a portion of any Federal, state, local, foreign or other tax obligations imposed on you or the Firm in connection with the grant or Vesting of this Award by requiring you to choose between remitting the amount (i) in cash (or through payroll deduction or otherwise), (ii) in the form of proceeds from the Firm's executing a sale of shares of Common Stock delivered to you under this Award or (iii) shares of Common Stock delivered to you pursuant to this Award.

(b) Firm May Deliver Cash or Other Property Instead of Shares. In accordance with Section 1.3.2(i) of the Plan, in the sole discretion of the Committee, in lieu of all or any portion of the shares of Common Stock, the Firm may deliver cash, other securities, other awards under the Plan or other property, and all references in this Award Agreement to deliveries of shares of Common Stock will include such deliveries of cash, other securities, other awards under the Plan or other property.

(c) Amounts May Be Rounded to Avoid Fractional Shares. Restricted Shares that become Vested on a Vesting Date and Restricted Shares subject to Transfer Restrictions may, in each case, be rounded to avoid fractional shares of Common Stock.

(d) You May Be Required to Become a Party to the Shareholders' Agreement. Your rights to your Restricted Shares are conditioned on your becoming a party to any shareholders' agreement to which other similarly situated employees (*e.g.*, employees with a similar title or position) of the Firm are required to be a party.

(e) Firm May Affix Legends and Place Stop Orders on Restricted Shares. GS Inc. may affix to Certificates representing shares of Common Stock any legend that the Committee determines to be necessary or advisable (including to reflect any restrictions to which you may be subject under a separate agreement). GS Inc. may advise the transfer agent to place a stop order against any legended shares of Common Stock.

(f) You Agree to Certain Consents, Terms and Conditions. By accepting this Award you understand and agree that:

(i) You Agree to Certain Consents as a Condition to the Award. You have expressly consented to all of the items listed in Section 3.3.3(d) of the Plan, including the Firm's supplying to any third-party recordkeeper of the Plan or other person such personal information of yours as the Committee deems advisable to administer the Plan, and you agree to provide any additional consents that the Committee determines to be necessary or advisable;

(ii) You Are Subject to the Firm's Policies, Rules and Procedures. You are subject to the Firm's policies in effect from time to time concerning trading in shares of Common Stock and hedging or pledging shares of Common Stock and equity-based compensation or other awards (including, without limitation, the "Firmwide Policy with Respect to Personal Transactions Involving GS Securities and GS Equity Awards." or any successor policies), and confidential or

proprietary information, and you will effect sales of shares of Common Stock in accordance with such rules and procedures as may be adopted from time to time (which may include, without limitation, restrictions relating to the timing of sale requests, the manner in which sales are executed, pricing method, consolidation or aggregation of orders and volume limits determined by the Firm);

(iii) You Are Responsible for Costs Associated with Your Award. You will be responsible for all brokerage costs and other fees or expenses associated with your Restricted Shares, including those related to the sale of shares of Common Stock;

(iv) You Will Be Deemed to Represent Your Compliance with All the Terms of Your Award if You Sell Shares. You will be deemed to have represented and certified that you have complied with all of the terms of the Plan and this Award Agreement when you request the sale of shares of Common Stock following the release of Transfer Restrictions;

(v) Firm May Deliver Your Award into an Escrow Account. The Firm may establish and maintain an escrow account on such terms (which may include your executing any documents related to, and your paying for any costs associated with, such account) as it may deem necessary or appropriate, and the delivery of shares of Common Stock (including Restricted Shares) or the payment of cash (including dividends) or other property may initially be made into and held in that escrow account until such time as the Committee has received such documentation as it may have requested or until the Committee has determined that any other conditions or restrictions on delivery of shares of Common Stock, cash or other property required by this Award Agreement have been satisfied;

(vi) You May Be Required to Certify Compliance with Award Terms; You Are Responsible for Providing the Firm with Updated Address and Contact Information After Your Departure from the Firm. If your Employment terminates while you continue to hold Restricted Shares, from time to time, you may be required to provide certifications of your compliance with all of the terms of the Plan and this Award Agreement as described in Paragraph 8(c)(iv). You understand and agree that (A) your address on file with the Firm at the time any certification is required will be deemed to be your current address, (B) it is your responsibility to inform the Firm of any changes to your address to ensure timely receipt of the certification materials, (C) you are responsible for contacting the Firm to obtain such certification materials if not received and (D) your failure to return properly completed certification materials by the specified deadline (which includes your failure to timely return the completed certification because you did not provide the Firm with updated contact information) will result in the forfeiture of all of your Restricted Shares and subject previously delivered amounts to repayment under Paragraph 8(c)(iv);

(vii) You Authorize the Firm to Register, in Its or Its Designee's Name, Any Restricted Shares and Sell, Assign or Transfer Any Forfeited Restricted Shares. You are granting to the Firm the full power and authority to register any Restricted Shares in its or its designee's name and authorizing the Firm or its designee to sell, assign or transfer any Restricted Shares if forfeited by you. This Award, if held in escrow, will not be delivered to you but will be held by an escrow agent for your benefit. If an escrow agent is used, such escrow agent will also hold the Restricted Shares for the benefit of the Firm for the purpose of perfecting its security interest;

(viii) You Must Comply with Applicable Deadlines and Procedures to Appeal Determinations Made by the Committee, the SIP Committee or SIP Administrators. If you disagree with a determination made by the Committee, the SIP Committee, the SIP Administrators, or any of their delegates or designees and you wish to appeal such determination, you must submit a

written request to the SIP Committee for review within 180 days after the determination at issue. You must exhaust your internal administrative remedies (*i.e.*, submit your appeal and wait for resolution of that appeal) before seeking to resolve a dispute through arbitration pursuant to Paragraph 15 and Section 3.17 of the Plan; and

(ix) You Agree that Covered Persons Will Not Have Liability. In addition to and without limiting the generality of the provisions of Section 1.3.5 of the Plan, neither the Firm nor any Covered Person will have any liability to you or any other person for any action taken or omitted in respect of this or any other Award.

13. **Non-transferability.** Except as otherwise may be provided in this Paragraph 13 or as otherwise may be provided by the Committee, the limitations on transferability set forth in Section 3.5 of the Plan will apply to this Award. Any purported transfer or assignment in violation of the provisions of this Paragraph 13 or Section 3.5 of the Plan will be void. The Committee may adopt procedures pursuant to which some or all recipients of Restricted Shares may transfer some or all of their Restricted Shares (which will continue to be subject to Transfer Restrictions until the Transferability Date) through a gift for no consideration to any immediate family member, a trust or other estate planning vehicle approved by the Committee or SIP Committee in which the recipient and/or the recipient's immediate family members in the aggregate have 100% of the beneficial interest.

14. **Right of Offset.** The obligation to pay dividends or to remove the Transfer Restrictions under this Award Agreement is subject to Section 3.4 of the Plan, which provides for the Firm's right to offset against such obligation any outstanding amounts you owe to the Firm and any amounts the Committee deems appropriate pursuant to any tax equalization policy or agreement.

ARBITRATION, CHOICE OF FORUM AND GOVERNING LAW

15. **Arbitration; Choice of Forum**.

(a) BY ACCEPTING THIS AWARD, YOU ARE INDICATING THAT YOU UNDERSTAND AND AGREE THAT THE ARBITRATION AND CHOICE OF FORUM PROVISIONS SET FORTH IN SECTION 3.17 OF THE PLAN WILL APPLY TO THIS AWARD. THESE PROVISIONS, WHICH ARE EXPRESSLY INCORPORATED HEREIN BY REFERENCE, PROVIDE AMONG OTHER THINGS THAT ANY DISPUTE, CONTROVERSY OR CLAIM BETWEEN THE FIRM AND YOU ARISING OUT OF OR RELATING TO OR CONCERNING THE PLAN OR THIS AWARD AGREEMENT WILL BE FINALLY SETTLED BY ARBITRATION IN NEW YORK CITY, PURSUANT TO THE TERMS MORE FULLY SET FORTH IN SECTION 3.17 OF THE PLAN; PROVIDED THAT NOTHING HEREIN SHALL PRECLUDE YOU FROM FILING A CHARGE WITH OR PARTICIPATING IN ANY INVESTIGATION OR PROCEEDING CONDUCTED BY ANY GOVERNMENTAL AUTHORITY, INCLUDING BUT NOT LIMITED TO THE SEC AND THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION.

(b) To the fullest extent permitted by applicable law, no arbitrator will have the authority to consider class, collective or representative claims, to order consolidation or to join different claimants or grant relief other than on an individual basis to the individual claimant involved.

(c) Notwithstanding any applicable forum rules to the contrary, to the extent there is a question of enforceability of this Award Agreement arising from a challenge to the arbitrator's jurisdiction or to the arbitrability of a claim, it will be decided by a court and not an arbitrator.

(d) The Federal Arbitration Act governs interpretation and enforcement of all arbitration provisions under the Plan and this Award Agreement, and all arbitration proceedings thereunder.

(e) Nothing in this Award Agreement creates a substantive right to bring a claim under U.S. Federal, state, or local employment laws.

(f) By accepting your Award, you irrevocably appoint each General Counsel of GS Inc., or any person whom the General Counsel of GS Inc. designates, as your agent for service of process in connection with any suit, action or proceeding arising out of or relating to or concerning the Plan or any Award which is not arbitrated pursuant to the provisions of Section 3.17.1 of the Plan, who shall promptly advise you of any such service of process.

(g) To the fullest extent permitted by applicable law, no arbitrator will have the authority to consider any claim as to which you have not first exhausted your internal administrative remedies in accordance with Paragraph 12(f)(viii).

16. **Governing Law. THIS AWARD WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.**

COMMITTEE AUTHORITY, AMENDMENT AND CONSTRUCTION

17. **Committee Authority.** The Committee has the authority to determine, in its sole discretion, that any event triggering forfeiture or repayment of your Award will not apply, to limit the forfeitures and repayments that result under Paragraphs 8 and 9 and to remove Transfer Restrictions before the Transferability Date. In addition, the Committee, in its sole discretion, may determine whether Paragraphs 10(a)(ii) and 10(b) will apply upon a termination of Employment.

18. **Amendment.** The Committee reserves the right at any time to amend the terms of this Award Agreement, and the Board may amend the Plan in any respect; *provided* that, notwithstanding the foregoing and Sections 1.3.2(f), 1.3.2(h) and 3.1 of the Plan, no such amendment will materially adversely affect your rights and obligations under this Award Agreement without your consent; and *provided further* that the Committee expressly reserves its rights to amend the Award Agreement and the Plan as described in Sections 1.3.2(h)(1), (2) and (4) of the Plan. A modification that impacts the tax consequences of this Award will not be an amendment that materially adversely affects your rights and obligations under this Award Agreement. Any amendment of this Award Agreement will be in writing.

19. **Construction, Headings.** Unless the context requires otherwise, (a) words describing the singular number include the plural and vice versa, (b) words denoting any gender include all genders and (c) the words "include," "includes" and "including" will be deemed to be followed by the words "without limitation." The headings in this Award Agreement are for the purpose of convenience only and are not intended to define or limit the construction of the provisions hereof. References in this Award Agreement to any specific Plan provision will not be construed as limiting the applicability of any other Plan provision.

20. **Providing Information to the Appropriate Authorities.** In accordance with applicable law, nothing in this Award Agreement (including the forfeiture and repayment provisions in Paragraphs 8 and 9) or the Plan prevents you from providing information you reasonably believe to be true to the appropriate governmental authority, including a regulatory, judicial, administrative, or other governmental entity; reporting possible violations of law or regulation; making other disclosures that are protected under

any applicable law or regulation; or filing a charge or participating in any investigation or proceeding conducted by a governmental authority.

IN WITNESS WHEREOF, GS Inc. has caused this Award Agreement to be duly executed and delivered as of the Date of Grant.

THE GOLDMAN SACHS GROUP, INC.

DEFINITIONS APPENDIX

The following capitalized terms are used in this Award Agreement with the following meanings:

(a) "409A Deferred Compensation" means a "deferral of compensation" or "deferred compensation" as those terms are defined in the regulations under Section 409A.

(b) "Associate With a Covered Enterprise" means that you (i) form, or acquire a 5% or greater equity ownership, voting or profit participation interest in, any Covered Enterprise or (ii) associate in any capacity (including association as an officer, employee, partner, director, consultant, agent or advisor) with any Covered Enterprise. Associate With a Covered Enterprise may include, as determined in the discretion of either the Committee or the SIP Committee, (i) becoming the subject of any publicly available announcement or report of a pending or future association with a Covered Enterprise and (ii) unpaid associations, including an association in contemplation of future employment. "Association With a Covered Enterprise" will have its correlative meaning.

(c) "Conflicted Employment" means your employment at any U.S. Federal, state or local government, any non-U.S. government, any supranational or international organization, any self-regulatory organization, or any agency or instrumentality of any such government or organization, or any other employer (other than an "Accounting Firm" within the meaning of SEC Rule 2-01(f)(2) of Regulation S-X or any successor thereto) determined by the Committee, if, as a result of such employment, your continued holding of any Restricted Shares would result in an actual or perceived conflict of interest.

(d) "Covered Enterprise" means a Competitive Enterprise and any other existing or planned business enterprise that: (i) offers, holds itself out as offering or reasonably may be expected to offer products or services that are the same as or similar to those offered by the Firm or that the Firm reasonably expects to offer ("Firm Products or Services") or (ii) engages in, holds itself out as engaging in or reasonably may be expected to engage in any other activity that is the same as or similar to any financial activity engaged in by the Firm or in which the Firm reasonably expects to engage ("Firm Activities"). For the avoidance of doubt, Firm Activities include any activity that requires the same or similar skills as any financial activity engaged in by the Firm or in which the Firm reasonably expects to engage, irrespective of whether any such financial activity is in furtherance of an advisory, agency, proprietary or fiduciary undertaking.

The enterprises covered by this definition include enterprises that offer, hold themselves out as offering or reasonably may be expected to offer Firm Products or Services, or engage in, hold themselves out as engaging in or reasonably may be expected to engage in Firm Activities directly, as well as those that do so indirectly by ownership or control (*e.g.*, by owning, being owned by or by being under common ownership with an enterprise that offers, holds itself out as offering or reasonably may be expected to offer Firm Products or Services or that engages in, holds itself out as engaging in or reasonably may be expected to engage in Firm Activities). The definition of Covered Enterprise includes, solely by way of example, any enterprise that offers, holds itself out as offering or reasonably may be expected to offer any product or service, or engages in, holds itself out as engaging in or reasonably may be expected to engage in any activity, in any case, associated with investment banking; public or private finance; lending; financial advisory services; private investing for anyone other than you or your family members (including, for the avoidance of doubt, any type of proprietary investing or trading); private wealth management; private banking; consumer or commercial cash management; consumer, digital or commercial banking; merchant banking; asset, portfolio or hedge fund management; insurance or reinsurance underwriting or brokerage; property management; or securities, futures, commodities, energy, derivatives, currency or digital asset

brokerage, sales, lending, custody, clearance, settlement or trading. An enterprise that offers, holds itself out as offering or reasonably may be expected to offer Firm Products or Services, or engages in, holds itself out as engaging in or reasonably may be expected to engage in Firm Activities is a Covered Enterprise**, irrespective of whether the enterprise is a customer, client or counterparty of the Firm or is otherwise associated with the Firm and, because the Firm is a global enterprise, irrespective of where the Covered Enterprise is physically located.**

(e) "Failed to Consider Risk" means that you participated (or otherwise oversaw or were responsible for, depending on the circumstances, another individual's participation) in the structuring or marketing of any product or service, or participated on behalf of the Firm or any of its clients in the purchase or sale of any security or other property, in any case without appropriate consideration of the risk to the Firm or the broader financial system as a whole (for example, where you have improperly analyzed such risk or where you have failed sufficiently to raise concerns about such risk) and, as a result of such action or omission, the Committee determines there has been, or reasonably could be expected to be, a material adverse impact on the Firm, your business unit or the broader financial system.

(f) "_____ Date" means the first trading day in a Window Period in _____ (or if there is no trading day in a Window Period that occurs in _____ on or before _____, another date in _____ that is selected by the Committee or the SIP Committee) and includes the 30 Business Days after such date.

(g) "Qualifying Termination After a Change in Control" means that the Firm terminates your Employment other than for Cause or you terminate your Employment for Good Reason, in each case, within 18 months following a Change in Control.

(h) "SEC" means the U.S. Securities and Exchange Commission.

(i) "Selected Firm Personnel" means any individual who is or in the three months preceding the conduct prohibited by Paragraphs 8(b) was (i) a Firm employee or consultant with whom you personally worked while employed by the Firm, (ii) a Firm employee or consultant who, at any time during the year preceding the date of the termination of your Employment, worked in the same division in which you worked or (iii) an Advisory Director, a Managing Director or a Senior Advisor of the Firm.

The following capitalized terms are used in this Award Agreement with the meanings that are assigned to them in the Plan.

(a) "Account" means any brokerage account, custody account or similar account, as approved or required by GS Inc. from time to time, into which shares of Common Stock, cash or other property in respect of an Award are delivered.

(b) "Award Agreement" means the written document or documents by which each Award is evidenced, including any Award Statement or any related signature card.

(c) "Award Statement" means a written statement that reflects certain Award terms.

(d) "Board" means the Board of Directors of GS Inc.

(e) "Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in New York City are authorized or obligated by Federal law or executive order to be closed.

(f) "Cause" means (i) the Grantee's conviction, whether following trial or by plea of guilty or *nolo contendere* (or similar plea), in a criminal proceeding (A) on a misdemeanor charge involving fraud, false statements or misleading omissions, wrongful taking, embezzlement, bribery, forgery, counterfeiting or extortion, or (B) on a felony charge, or (C) on an equivalent charge to those in clauses (A) and (B) in jurisdictions which do not use those designations, (ii) the Grantee's engaging in any conduct which constitutes an employment disqualification under applicable law (including statutory disqualification as defined under the Exchange Act), (iii) the Grantee's willful failure to perform the Grantee's duties to the Firm, (iv) the Grantee's violation of any securities or commodities laws, any rules or regulations issued pursuant to such laws, or the rules and regulations of any securities or commodities exchange or association of which the Firm is a member, (v) the Grantee's violation of any Firm policy concerning hedging or pledging or confidential or proprietary information, or the Grantee's material violation of any other Firm policy as in effect from time to time, (vi) the Grantee's engaging in any act or making any statement which impairs, impugns, denigrates, disparages or negatively reflects upon the name, reputation or business interests of the Firm or (vii) the Grantee's engaging in any conduct detrimental to the Firm. The determination as to whether Cause has occurred shall be made by the Committee in its sole discretion and, in such case, the Committee also may, but shall not be required to, specify the date such Cause occurred (including by determining that a prior termination of Employment was for Cause). Any rights the Firm may have hereunder and in any Award Agreement in respect of the events giving rise to Cause shall be in addition to the rights the Firm may have under any other agreement with a Grantee or at law or in equity.

(g) "Certificate" means a stock certificate (or other appropriate document or evidence of ownership) representing shares of Common Stock.

(h) "Change in Control" means the consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving GS Inc. (a "Reorganization") or sale or other disposition of all or substantially all of GS Inc.'s assets to an entity that is not an affiliate of GS Inc. (a "Sale"), that in each case requires the approval of GS Inc.'s shareholders under the law of GS Inc.'s jurisdiction of organization, whether for such Reorganization or Sale (or the issuance of securities of GS Inc. in such Reorganization or Sale), unless immediately following such Reorganization or Sale, either: (i) at least 50% of the total voting power (in respect of the election of directors, or similar officials in the case of an entity other than

a corporation) of (A) the entity resulting from such Reorganization, or the entity which has acquired all or substantially all of the assets of GS Inc. in a Sale (in either case, the "Surviving Entity"), or (B) if applicable, the ultimate parent entity that directly or indirectly has beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, as such Rule is in effect on the date of the adoption of the 1999 SIP) of 50% or more of the total voting power (in respect of the election of directors, or similar officials in the case of an entity other than a corporation) of the Surviving Entity (the "Parent Entity") is represented by GS Inc.'s securities (the "GS Inc. Securities") that were outstanding immediately prior to such Reorganization or Sale (or, if applicable, is represented by shares into which such GS Inc. Securities were converted pursuant to such Reorganization or Sale) or (ii) at least 50% of the members of the board of directors (or similar officials in the case of an entity other than a corporation) of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) following the consummation of the Reorganization or Sale were, at the time of the Board's approval of the execution of the initial agreement providing for such Reorganization or Sale, individuals (the "Incumbent Directors") who either (A) were members of the Board on the Effective Date or (B) became directors subsequent to the Effective Date and whose election or nomination for election was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of GS Inc.'s proxy statement in which such persons are named as nominees for director).

(i) "Client" means any client or prospective client of the Firm to whom the Grantee provided services, or for whom the Grantee transacted business, or whose identity became known to the Grantee in connection with the Grantee's relationship with or employment by the Firm.

(j) "Code" means the Internal Revenue Code of 1986, as amended from time to time, and the applicable rulings and regulations thereunder.

(k) "Committee" means the committee appointed by the Board to administer the Plan pursuant to Section 1.3, and, to the extent the Board determines it is appropriate for the compensation realized from Awards under the Plan to be considered "performance based" compensation under Section 162(m) of the Code, shall be a committee or subcommittee of the Board composed of two or more members, each of whom is an "outside director" within the meaning of Code Section 162(m), and which, to the extent the Board determines it is appropriate for Awards under the Plan to qualify for the exemption available under Rule 16b-3(d)(1) or Rule 16b-3(e) promulgated under the Exchange Act, shall be a committee or subcommittee of the Board composed of two or more members, each of whom is a "non-employee director" within the meaning of Rule 16b-3. Unless otherwise determined by the Board, the Committee shall be the Compensation Committee of the Board.

(l) "Common Stock" means common stock of GS Inc., par value $0.01 per share.

(m) "Competitive Enterprise" means an existing or planned business enterprise that (i) engages, or may reasonably be expected to engage, in any activity, (ii) owns or controls, or may reasonably be expected to own or control, a significant interest in any entity that engages in any activity or (iii) is, or may reasonably be expected to be, owned by, or a significant interest in which is, or may reasonably be expected to be, owned or controlled by, any entity that engages in any activity that, in any case, competes or will compete anywhere with any activity in which the Firm is engaged. The activities covered by this definition include, without limitation: financial services such as investment banking; public or private finance; lending; financial advisory services; private investing for anyone other than the Grantee and members of the Grantee's family (including for the avoidance of doubt, any type of proprietary investing or trading); private wealth management; private banking; consumer or commercial cash management; consumer, digital or commercial

banking; merchant banking; asset, portfolio or hedge fund management; insurance or reinsurance underwriting or brokerage; property management; or securities, futures, commodities, energy, derivatives, currency or digital asset brokerage, sales, lending, custody, clearance, settlement or trading.

(n) "Covered Person" means a member of the Board or the Committee or any employee of the Firm.

(o) "Date of Grant" means the date specified in the Grantee's Award Agreement as the date of grant of the Award.

(p) "Dividend Equivalent Right" means a dividend equivalent right granted under the Plan, which represents an unfunded and unsecured promise to pay to the Grantee amounts equal to all or any portion of the regular cash dividends that would be paid on shares of Common Stock covered by an Award if such shares had been delivered pursuant to an Award.

(q) "Effective Date" means the date this Plan is approved by the shareholders of GS Inc. pursuant to Section 3.15 of the Plan.

(r) "Employment" means the Grantee's performance of services for the Firm, as determined by the Committee. The terms "employ" and "employed" shall have their correlative meanings. The Committee in its sole discretion may determine (i) whether and when a Grantee's leave of absence results in a termination of Employment (for this purpose, unless the Committee determines otherwise, a Grantee shall be treated as terminating Employment with the Firm upon the occurrence of an Extended Absence), (ii) whether and when a change in a Grantee's association with the Firm results in a termination of Employment and (iii) the impact, if any, of any such leave of absence or change in association on Awards theretofore made. Unless expressly provided otherwise, any references in the Plan or any Award Agreement to a Grantee's Employment being terminated shall include both voluntary and involuntary terminations.

(s) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and the applicable rules and regulations thereunder.

(t) "Extended Absence" means the Grantee's inability to perform for six (6) continuous months, due to illness, injury or pregnancy-related complications, substantially all the essential duties of the Grantee's occupation, as determined by the Committee.

(u) "Fair Market Value" means, with respect to a share of Common Stock on any day, the fair market value as determined in accordance with a valuation methodology approved by the Committee.

(v) "Firm" means GS Inc. and its subsidiaries and affiliates.

(w) "Good Reason" means, in connection with a termination of employment by a Grantee following a Change in Control, (a) as determined by the Committee, a materially adverse alteration in the Grantee's position or in the nature or status of the Grantee's responsibilities from those in effect immediately prior to the Change in Control or (b) the Firm's requiring the Grantee's principal place of Employment to be located more than seventy-five (75) miles from the location where the Grantee is principally Employed at the time of the Change in Control (except for required travel on the Firm's business to an extent substantially consistent with the Grantee's customary business travel obligations in the ordinary course of business prior to the Change in Control).

(x) "Grantee" means a person who receives an Award.

(y) "GS Inc." means The Goldman Sachs Group, Inc., and any successor thereto.

(z) "1999 SIP" means The Goldman Sachs 1999 Stock Incentive Plan, as in effect prior to the effective date of the 2003 SIP.

(aa) "Outstanding" means any Award to the extent it has not been forfeited, cancelled, terminated, exercised or with respect to which the shares of Common Stock underlying the Award have not been previously delivered or other payments made.

(bb) "Restricted Share" means a share of Common Stock delivered under the Plan that is subject to Transfer Restrictions, forfeiture provisions and/or other terms and conditions specified herein and in the Restricted Share Award Agreement or other applicable Award Agreement. All references to Restricted Shares include "Shares at Risk."

(cc) "Retirement" means termination of the Grantee's Employment (other than for Cause) on or after the Date of Grant at a time when (i) (A) the sum of the Grantee's age plus years of service with the Firm (as determined by the Committee in its sole discretion) equals or exceeds 60 and (B) the Grantee has completed at least 10 years of service with the Firm (as determined by the Committee in its sole discretion) or, if earlier, (ii) (A) the Grantee has attained age 50 and (B) the Grantee has completed at least five years of service with the Firm (as determined by the Committee in its sole discretion).

(dd) "Section 409A" means Section 409A of the Code, including any amendments or successor provisions to that Section and any regulations and other administrative guidance thereunder, in each case as they, from time to time, may be amended or interpreted through further administrative guidance.

(ee) "SIP Administrator" means each person designated by the Committee as a "SIP Administrator" with the authority to perform day-to-day administrative functions for the Plan.

(ff) "SIP Committee" means the persons who have been delegated certain authority under the Plan by the Committee.

(gg) "Solicit" means any direct or indirect communication of any kind whatsoever, regardless of by whom initiated, inviting, advising, suggesting, encouraging or requesting any person or entity, in any manner, to take or refrain from taking any action.

(hh) "Transfer Restrictions" means restrictions that prohibit the sale, exchange, transfer, assignment, pledge, hypothecation, fractionalization, hedge or other disposal (including through the use of any cash-settled instrument), whether voluntarily or involuntarily by the Grantee, of an Award or any shares of Common Stock, cash or other property delivered in respect of an Award.

(ii) "Transferability Date" means the date Transfer Restrictions on a Restricted Share will be released. Within 30 Business Days after the applicable Transferability Date, GS Inc. shall take, or shall cause to be taken, such steps as may be necessary to remove Transfer Restrictions.

(jj) "Vested" means, with respect to an Award, the portion of the Award that is not subject to a condition that the Grantee remain actively employed by the Firm in order for the Award

to remain Outstanding. The fact that an Award becomes Vested shall not mean or otherwise indicate that the Grantee has an unconditional or nonforfeitable right to such Award, and such Award shall remain subject to such terms, conditions and forfeiture provisions as may be provided for in the Plan or in the Award Agreement.

(kk) "Vesting Date" means each date specified in the Grantee's Award Agreement as a date on which part or all of an Award becomes Vested.

(ll) "Window Period" means a period designated by the Firm during which all employees of the Firm are permitted to purchase or sell shares of Common Stock (*provided* that, if the Grantee is a member of a designated group of employees who are subject to different restrictions, the Window Period may be a period designated by the Firm during which an employee of the Firm in such designated group is permitted to purchase or sell shares of Common Stock).

Exhibit 10.51

THE GOLDMAN SACHS GROUP, INC.
FIXED ALLOWANCE RSU AWARD

This Award Agreement, together with The Goldman Sachs Amended and Restated Stock Incentive Plan (2018) (the "Plan"), governs your _____ Fixed Allowance award of RSUs (your "Award"). You should read carefully this entire Award Agreement, which includes the Award Statement, any attached Appendix and the signature card.

ACCEPTANCE

1. **You Must Decide Whether to Accept this Award Agreement. To be eligible to receive your Award, you must by the date specified (a) open and activate an Account and (b) agree to all the terms of your Award by executing the related signature card in accordance with its instructions. By executing the signature card, you confirm your agreement to all of the terms of this Award Agreement, including the arbitration and choice of forum provisions in Paragraph 13.**

DOCUMENTS THAT GOVERN YOUR AWARD; DEFINITIONS

2. **The Plan.** Your Award is granted under the Plan, and the Plan's terms apply to, and are a part of, this Award Agreement.

3. **Your Award Statement.** The Award Statement delivered to you contains some of your Award's specific terms. For example, it contains the number of Fixed Allowance RSUs awarded to you and any applicable Delivery Dates and Transferability Dates.

4. **Definitions.** Unless otherwise defined herein, including in the Definitions Appendix or any other Appendix, capitalized terms have the meanings provided in the Plan.

VESTING OF YOUR FIXED ALLOWANCE RSUS

5. **Vesting.** All of your Fixed Allowance RSUs are Vested. When a Fixed Allowance RSU is Vested, it means that your continued active Employment is not required for delivery of that portion of RSU Shares. **The terms of this Award Agreement (including conditions to delivery and any applicable Transfer Restrictions) continue to apply to Vested Fixed Allowance RSUs.**

DELIVERY OF YOUR RSU SHARES

6. **Delivery.** Reasonably promptly (but no more than 30 Business Days) after each Delivery Date listed on your Award Statement, RSU Shares (less applicable withholding as described in Paragraph 10(a)) will be delivered (by book entry credit to your Account) in respect of the amount of Outstanding Fixed Allowance RSUs listed next to that date. The Committee or the SIP Committee may select multiple dates within the 30-Business-Day period following the Delivery Date to deliver RSU Shares in respect of all or a portion of the Fixed Allowance RSUs with the same Delivery Date listed on the Award Statement, and all such dates will be treated as a single Delivery Date for purposes of this Award. Until such delivery, you have only the rights of a general unsecured creditor, and no rights as a shareholder of GS Inc. Without limiting the Committee's authority under Section 1.3.2(h) of the Plan, the Firm may accelerate any Delivery Date by up to 30 days.

TRANSFER RESTRICTIONS FOLLOWING DELIVERY

7. **Transfer Restrictions and Shares at Risk.** Fifty percent of the RSU Shares that are delivered on any date, **before** tax withholding (or, if the applicable tax withholding rate is greater than 50%, all RSU Shares delivered after tax withholding), will be Shares at Risk. This means that if, for example, on a Delivery Date, you are scheduled to receive delivery of 1,000 RSU Shares, and you are subject to a 40% withholding rate, then (a) 400 RSU Shares will be withheld for taxes, (b) 500 RSU Shares delivered to you will be Shares at Risk and (c) 100 RSU Shares delivered to you will not be subject to Transfer Restrictions. Any purported sale, exchange, transfer, assignment, pledge, hypothecation, fractionalization, hedge or other disposition in violation of the Transfer Restrictions on Shares at Risk will be void. Within 30 Business Days after the Transferability Date listed on your Award Statement (or any other date on which the Transfer Restrictions are to be removed), GS Inc. will remove the Transfer Restrictions. The Committee or the SIP Committee may select multiple dates within such 30-Business-Day period on which to remove Transfer Restrictions for all or a portion of the Shares at Risk with the same Transferability Date listed on the Award Statement, and all such dates will be treated as a single Transferability Date for purposes of this Award.

DIVIDENDS

8. **Dividend Equivalent Rights and Dividends.** Each Fixed Allowance RSU includes a Dividend Equivalent Right, which entitles you to receive an amount (less applicable withholding), at or after the time of distribution of any regular cash dividend paid by GS Inc. in respect of a share of Common Stock, equal to any regular cash dividend payment that would have been made in respect of an RSU Share underlying your Outstanding Fixed Allowance RSUs for any record date that occurs on or after the Date of Grant. In addition, you will be entitled to receive on a current basis any regular cash dividend paid in respect of your Shares at Risk.

EXCEPTIONS TO DELIVERY AND/OR TRANSFERABILITY DATES

9. **Accelerated Delivery and/or Release of Transfer Restrictions in the Event of a Qualifying Termination After a Change in Control, Conflicted Employment or Death.** In the event of your Qualifying Termination After a Change in Control, Conflicted Employment or death, each as described below, your Outstanding RSUs and Shares at Risk will be treated as described in this Paragraph 9.

(a) You Have a Qualifying Termination After a Change in Control. If your Employment terminates when you meet the requirements of a Qualifying Termination After a Change in Control, the RSU Shares underlying your Outstanding Fixed Allowance RSUs will be delivered, and any Transfer Restrictions will cease to apply.

(b) You Are Determined to Have Accepted Conflicted Employment.

(i) Generally. Notwithstanding anything to the contrary in the Plan or otherwise, for purposes of this Award Agreement, "Conflicted Employment" means your employment at any U.S. Federal, state or local government, any non-U.S. government, any supranational or international organization, any self-regulatory organization, or any agency or instrumentality of any such government or organization, or any other employer (other than an "Accounting Firm" within the meaning of SEC Rule 2-01(f)(2) of Regulation S-X or any successor thereto) determined by the Committee, if, as a result of such employment, your continued holding of any Outstanding RSUs and Shares at Risk would result in an actual or perceived conflict of interest. If your Employment terminates solely because you resign to accept

Conflicted Employment or if, following your termination of Employment, you notify the Firm that you are accepting Conflicted Employment, unless prohibited by applicable law or regulation, RSU Shares will be delivered in respect of your Outstanding Fixed Allowance RSUs (including in the form of cash as described in Paragraph 10(b)) and any Transfer Restrictions will cease to apply as soon as practicable after the Committee has received satisfactory documentation relating to your Conflicted Employment.

(ii) You May Have to Take Other Steps to Address Conflicts of Interest. The Committee retains the authority to exercise its rights under the Award Agreement or the Plan (including Section 1.3.2 of the Plan) to take or require you to take other steps it determines in its sole discretion to be necessary or appropriate to cure an actual or perceived conflict of interest (which may include a determination that the accelerated delivery and/or release of Transfer Restrictions described in Paragraph 9(b)(i) will not apply because such actions are not necessary or appropriate to cure an actual or perceived conflict of interest).

(c) Death. If you die, the RSU Shares underlying your Outstanding Fixed Allowance RSUs will be delivered to the representative of your estate and any Transfer Restrictions will cease to apply as soon as practicable after the date of death and after such documentation as may be requested by the Committee is provided to the Committee.

OTHER TERMS, CONDITIONS AND AGREEMENTS

10. **Additional Terms, Conditions and Agreements.**

(a) You Must Satisfy Applicable Tax Withholding Requirements. Delivery of RSU Shares is conditioned on your satisfaction of any applicable withholding taxes in accordance with Section 3.2 of the Plan, which includes the Firm deducting or withholding amounts from any payment or distribution to you. In addition, to the extent permitted by applicable law, the Firm, in its sole discretion, may require you to provide amounts equal to all or a portion of any Federal, state, local, foreign or other tax obligations imposed on you or the Firm in connection with the grant or delivery of this Award by requiring you to choose between remitting the amount (i) in cash (or through payroll deduction or otherwise) or (ii) in the form of proceeds from the Firm's executing a sale of RSU Shares delivered to you under this Award. In no event, however, does this Paragraph 10(a) give you any discretion to determine or affect the timing of the delivery of RSU Shares or the timing of payment of tax obligations.

(b) Firm May Deliver Cash or Other Property Instead of RSU Shares. In accordance with Section 1.3.2(i) of the Plan, in the sole discretion of the Committee, in lieu of all or any portion of the RSU Shares, the Firm may deliver cash, other securities, other awards under the Plan or other property, and all references in this Award Agreement to deliveries of RSU Shares will include such deliveries of cash, other securities, other awards under the Plan or other property.

(c) Amounts May Be Rounded to Avoid Fractional Shares. RSU Shares that become deliverable on a Delivery Date and RSU Shares subject to Transfer Restrictions may, in each case, be rounded to avoid fractional Shares.

(d) You May Be Required to Become a Party to the Shareholders' Agreement. Your rights to your Fixed Allowance RSUs are conditioned on your becoming a party to any shareholders' agreement to which other similarly situated employees (*e.g.*, employees with a similar title or position) of the Firm are required to be a party.

(e) Firm May Affix Legends and Place Stop Orders on Restricted RSU Shares. GS Inc. may affix to Certificates representing RSU Shares any legend that the Committee determines to be necessary or advisable (including to reflect any restrictions to which you may be subject under a separate agreement). GS Inc. may advise the transfer agent to place a stop order against any legended RSU Shares.

(f) You Agree to Certain Consents, Terms and Conditions. By accepting this Award you understand and agree that:

(i) You Agree to Certain Consents as a Condition to the Award. You have expressly consented to all of the items listed in Section 3.3.3(d) of the Plan, including the Firm's supplying to any third-party recordkeeper of the Plan or other person such personal information of yours as the Committee deems advisable to administer the Plan, and you agree to provide any additional consents that the Committee determines to be necessary or advisable;

(ii) You Are Subject to the Firm's Policies, Rules and Procedures. You are subject to the Firm's policies in effect from time to time concerning trading in RSU Shares and hedging or pledging RSU Shares and equity-based compensation or other awards (including, without limitation, the "Firmwide Policy with Respect to Personal Transactions Involving GS Securities and GS Equity Awards" or any successor policies), and confidential or proprietary information, and you will effect sales of RSU Shares in accordance with such rules and procedures as may be adopted from time to time (which may include, without limitation, restrictions relating to the timing of sale requests, the manner in which sales are executed, pricing method, consolidation or aggregation of orders and volume limits determined by the Firm);

(iii) You Are Responsible for Costs Associated with Your Award. You will be responsible for all brokerage costs and other fees or expenses associated with your Fixed Allowance RSUs, including those related to the sale of RSU Shares;

(iv) You Will Be Deemed to Represent Your Compliance with All the Terms of Your Award if You Accept Delivery of, or Sell, RSU Shares. You will be deemed to have represented and certified that you have complied with all of the terms of the Plan and this Award Agreement when RSU Shares are delivered to you, you receive payment in respect of Dividend Equivalent Rights and you request the sale of RSU Shares following the release of Transfer Restrictions;

(v) Firm May Deliver Your Award into an Escrow Account. The Firm may establish and maintain an escrow account on such terms (which may include your executing any documents related to, and your paying for any costs associated with, such account) as it may deem necessary or appropriate, and the delivery of RSU Shares (including Shares at Risk) or the payment of cash (including dividends and payments under Dividend Equivalent Rights) or other property may initially be made into and held in that escrow account until such time as the Committee has received such documentation as it may have requested or until the Committee has determined that any other conditions or restrictions on delivery of RSU Shares, cash or other property required by this Award Agreement have been satisfied;

(vi) You Must Comply with Applicable Deadlines and Procedures to Appeal Determinations Made by the Committee, the SIP Committee or SIP Administrators. If you disagree with a determination made by the Committee, the SIP Committee, the SIP Administrators, or any of their delegates or designees and you wish to appeal such determination, you must submit a written request to the SIP Committee for review within 180 days after the

determination at issue. You must exhaust your internal administrative remedies (*i.e.*, submit your appeal and wait for resolution of that appeal) before seeking to resolve a dispute through arbitration pursuant to Paragraph 13 and Section 3.17 of the Plan; and

(vii) You Agree that Covered Persons Will Not Have Liability. In addition to and without limiting the generality of the provisions of Section 1.3.5 of the Plan, neither the Firm nor any Covered Person will have any liability to you or any other person for any action taken or omitted in respect of this or any other Award.

11. **Non-transferability.** Except as otherwise may be provided in this Paragraph 11 or as otherwise may be provided by the Committee, the limitations on transferability set forth in Section 3.5 of the Plan will apply to this Award. Any purported transfer or assignment in violation of the provisions of this Paragraph 11 or Section 3.5 of the Plan will be void. The Committee may adopt procedures pursuant to which some or all recipients of Fixed Allowance RSUs may transfer some or all of their Fixed Allowance RSUs and/or Shares at Risk (which will continue to be subject to Transfer Restrictions until the Transferability Date) through a gift for no consideration to any immediate family member, a trust or other estate planning vehicle approved by the Committee or SIP Committee in which the recipient and/or the recipient's immediate family members in the aggregate have 100% of the beneficial interest.

12. **Right of Offset.** Except as provided in Paragraph 15(h), the obligation to deliver RSU Shares, to pay dividends or payments under Dividend Equivalent Rights or to remove the Transfer Restrictions under this Award Agreement is subject to Section 3.4 of the Plan, which provides for the Firm's right to offset against such obligation any outstanding amounts you owe to the Firm and any amounts the Committee deems appropriate pursuant to any tax equalization policy or agreement.

ARBITRATION, CHOICE OF FORUM AND GOVERNING LAW

13. **Arbitration; Choice of Forum.**

(a) BY ACCEPTING THIS AWARD, YOU ARE INDICATING THAT YOU UNDERSTAND AND AGREE THAT THE ARBITRATION AND CHOICE OF FORUM PROVISIONS SET FORTH IN SECTION 3.17 OF THE PLAN WILL APPLY TO THIS AWARD. THESE PROVISIONS, WHICH ARE EXPRESSLY INCORPORATED HEREIN BY REFERENCE, PROVIDE AMONG OTHER THINGS THAT ANY DISPUTE, CONTROVERSY OR CLAIM BETWEEN THE FIRM AND YOU ARISING OUT OF OR RELATING TO OR CONCERNING THE PLAN OR THIS AWARD AGREEMENT WILL BE FINALLY SETTLED BY ARBITRATION IN NEW YORK CITY, PURSUANT TO THE TERMS MORE FULLY SET FORTH IN SECTION 3.17 OF THE PLAN; PROVIDED THAT NOTHING HEREIN SHALL PRECLUDE YOU FROM FILING A CHARGE WITH OR PARTICIPATING IN ANY INVESTIGATION OR PROCEEDING CONDUCTED BY ANY GOVERNMENTAL AUTHORITY, INCLUDING BUT NOT LIMITED TO THE SEC AND THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION.

(b) To the fullest extent permitted by applicable law, no arbitrator will have the authority to consider class, collective or representative claims, to order consolidation or to join different claimants or grant relief other than on an individual basis to the individual claimant involved.

(c) Notwithstanding any applicable forum rules to the contrary, to the extent there is a question of enforceability of this Award Agreement arising from a challenge to the arbitrator's jurisdiction or to the arbitrability of a claim, it will be decided by a court and not an arbitrator.

(d) The Federal Arbitration Act governs interpretation and enforcement of all arbitration provisions under the Plan and this Award Agreement, and all arbitration proceedings thereunder.

(e) Nothing in this Award Agreement creates a substantive right to bring a claim under U.S. Federal, state, or local employment laws.

(f) By accepting your Award, you irrevocably appoint each General Counsel of GS Inc., or any person whom the General Counsel of GS Inc. designates, as your agent for service of process in connection with any suit, action or proceeding arising out of or relating to or concerning the Plan or any Award which is not arbitrated pursuant to the provisions of Section 3.17.1 of the Plan, who shall promptly advise you of any such service of process.

(g) To the fullest extent permitted by applicable law, no arbitrator will have the authority to consider any claim as to which you have not first exhausted your internal administrative remedies in accordance with Paragraph 10(f)(vi).

14. **Governing Law. THIS AWARD WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.**

CERTAIN TAX PROVISIONS

15. **Compliance of Award Agreement and Plan with Section 409A.** The provisions of this Paragraph 15 apply to you only if you are a U.S. taxpayer.

(a) This Award Agreement and the Plan provisions that apply to this Award are intended and will be construed to comply with Section 409A (including the requirements applicable to, or the conditions for exemption from treatment as, 409A Deferred Compensation), whether by reason of short-term deferral treatment or other exceptions or provisions. The Committee will have full authority to give effect to this intent. To the extent necessary to give effect to this intent, in the case of any conflict or potential inconsistency between the provisions of the Plan (including Sections 1.3.2 and 2.1 thereof) and this Award Agreement, the provisions of this Award Agreement will govern, and in the case of any conflict or potential inconsistency between this Paragraph 15 and the other provisions of this Award Agreement, this Paragraph 15 will govern.

(b) Delivery of RSU Shares will not be delayed beyond the date on which all applicable conditions or restrictions on delivery of RSU Shares required by this Agreement (including those specified in Paragraphs 6, 7, 9(c) and 10 and the consents and other items specified in Section 3.3 of the Plan) are satisfied. To the extent that any portion of this Award is intended to satisfy the requirements for short-term deferral treatment under Section 409A, delivery for such portion will occur by the March 15 coinciding with the last day of the applicable "short-term deferral" period described in Reg. 1.409A-1(b)(4) in order for the delivery of RSU Shares to be within the short-term deferral exception unless, in order to permit all applicable conditions or restrictions on delivery to be satisfied, the Committee elects, pursuant to Reg. 1.409A-1(b)(4)(i)(D) or otherwise as may be permitted in accordance with Section 409A, to delay delivery of RSU Shares to a later date within the same calendar year or to such later date as may be permitted under Section 409A, including Reg. 1.409A-3(d). For the avoidance of doubt, if the Award includes a "series of installment payments" as described in Reg. 1.409A-2(b)(2)(iii), your

right to the series of installment payments will be treated as a right to a series of separate payments and not as a right to a single payment.

(c) Notwithstanding the provisions of Paragraph 10(b) and Section 1.3.2(i) of the Plan, to the extent necessary to comply with Section 409A, any securities, other Awards or other property that the Firm may deliver in respect of your Fixed Allowance RSUs will not have the effect of deferring delivery or payment, income inclusion, or a substantial risk of forfeiture, beyond the date on which such delivery, payment or inclusion would occur or such risk of forfeiture would lapse, with respect to the RSU Shares that would otherwise have been deliverable (unless the Committee elects a later date for this purpose pursuant to Reg. 1.409A-1(b)(4)(i)(D) or otherwise as may be permitted under Section 409A, including and to the extent applicable, the subsequent election provisions of Section 409A(a)(4)(C) of the Code and Reg. 1.409A-2(b)).

(d) Notwithstanding the timing provisions of Paragraph 9(c), the delivery of RSU Shares referred to therein will be made after the date of death and during the calendar year that includes the date of death (or on such later date as may be permitted under Section 409A).

(e) The timing of delivery or payment pursuant to Paragraph 9(a) will occur on the earlier of (i) the Delivery Date or (ii) a date that is within the calendar year in which the termination of Employment occurs; *provided*, *however*, that, if you are a "specified employee" (as defined by the Firm in accordance with Section 409A(a)(2)(i)(B) of the Code), delivery will occur on the earlier of the Delivery Date or (to the extent required to avoid the imposition of additional tax under Section 409A) the date that is six months after your termination of Employment (or, if the latter date is not during a Window Period, the first trading day of the next Window Period). For purposes of Paragraph 9(a), references in this Award Agreement to termination of Employment mean a termination of Employment from the Firm (as defined by the Firm) which is also a separation from service (as defined by the Firm in accordance with Section 409A).

(f) Notwithstanding any provision of Paragraph 8 or Section 2.8.2 of the Plan to the contrary, the Dividend Equivalent Rights with respect to each of your Outstanding Fixed Allowance RSUs will be paid to you within the calendar year that includes the date of distribution of any corresponding regular cash dividends paid by GS Inc. in respect of a share of Common Stock the record date for which occurs on or after the Date of Grant. The payment will be in an amount (less applicable withholding) equal to such regular dividend payment as would have been made in respect of the RSU Shares underlying such Outstanding Fixed Allowance RSUs.

(g) The timing of delivery or payment referred to in Paragraph 9(b)(i) will be the earlier of (i) the Delivery Date or (ii) a date that is within the calendar year in which the Committee receives satisfactory documentation relating to your Conflicted Employment, *provided* that such delivery or payment will be made, and any Committee action referred to in Paragraph 9(b)(ii) will be taken, only at such time as, and if and to the extent that it, as reasonably determined by the Firm, would not result in the imposition of any additional tax to you under Section 409A.

(h) Paragraph 12 and Section 3.4 of the Plan will not apply to Awards that are 409A Deferred Compensation except to the extent permitted under Section 409A.

(i) Delivery of RSU Shares in respect of any Award may be made, if and to the extent elected by the Committee, later than the Delivery Date or other date or period specified

hereinabove (but, in the case of any Award that constitutes 409A Deferred Compensation, only to the extent that the later delivery is permitted under Section 409A).

(j) You understand and agree that you are solely responsible for the payment of any taxes and penalties due pursuant to Section 409A, but in no event will you be permitted to designate, directly or indirectly, the taxable year of the delivery.

AMENDMENT, CONSTRUCTION AND REGULATORY REPORTING

16. **Amendment.** The Committee reserves the right at any time to amend the terms of this Award Agreement, and the Board may amend the Plan in any respect; *provided* that, notwithstanding the foregoing and Sections 1.3.2(f), 1.3.2(h) and 3.1 of the Plan, no such amendment will materially adversely affect your rights and obligations under this Award Agreement without your consent; and *provided further* that the Committee expressly reserves its rights to amend the Award Agreement and the Plan as described in Sections 1.3.2(h)(1), (2) and (4) of the Plan. A modification that impacts the tax consequences of this Award or the timing of delivery of RSU Shares will not be an amendment that materially adversely affects your rights and obligations under this Award Agreement. Any amendment of this Award Agreement will be in writing.

17. **Construction, Headings.** Unless the context requires otherwise, (a) words describing the singular number include the plural and vice versa, (b) words denoting any gender include all genders and (c) the words "include," "includes" and "including" will be deemed to be followed by the words "without limitation." The headings in this Award Agreement are for the purpose of convenience only and are not intended to define or limit the construction of the provisions hereof. References in this Award Agreement to any specific Plan provision will not be construed as limiting the applicability of any other Plan provision.

18. **Providing Information to the Appropriate Authorities.** In accordance with applicable law, nothing in this Award Agreement or the Plan prevents you from providing information you reasonably believe to be true to the appropriate governmental authority, including a regulatory, judicial, administrative, or other governmental entity; reporting possible violations of law or regulation; making other disclosures that are protected under any applicable law or regulation; or filing a charge or participating in any investigation or proceeding conducted by a governmental authority.

IN WITNESS WHEREOF, GS Inc. has caused this Award Agreement to be duly executed and delivered as of the Date of Grant.

THE GOLDMAN SACHS GROUP, INC.

DEFINITIONS APPENDIX

The following capitalized terms are used in this Award Agreement with the following meanings:

(a) "409A Deferred Compensation" means a "deferral of compensation" or "deferred compensation" as those terms are defined in the regulations under Section 409A.

(b) "Conflicted Employment" means your employment at any U.S. Federal, state or local government, any non-U.S. government, any supranational or international organization, any self-regulatory organization, or any agency or instrumentality of any such government or organization, or any other employer (other than an "Accounting Firm" within the meaning of SEC Rule 2-01(f)(2) of Regulation S-X or any successor thereto) determined by the Committee, if, as a result of such employment, your continued holding of any Outstanding RSUs and Shares at Risk would result in an actual or perceived conflict of interest.

(c) "Qualifying Termination After a Change in Control" means that the Firm terminates your Employment other than for Cause or you terminate your Employment for Good Reason, in each case, within 18 months following a Change in Control.

(d) "SEC" means the U.S. Securities and Exchange Commission.

(e) "Shares at Risk" means RSU Shares subject to Transfer Restrictions.

The following capitalized terms are used in this Award Agreement with the meanings that are assigned to them in the Plan.

(a) "Account" means any brokerage account, custody account or similar account, as approved or required by GS Inc. from time to time, into which shares of Common Stock, cash or other property in respect of an Award are delivered.

(b) "Award Agreement" means the written document or documents by which each Award is evidenced, including any related Award Statement and signature card.

(c) "Award Statement" means a written statement that reflects certain Award terms.

(d) "Board" means the Board of Directors of GS Inc.

(e) "Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in New York City are authorized or obligated by Federal law or executive order to be closed.

(f) "Cause" means (i) the Grantee's conviction, whether following trial or by plea of guilty or *nolo contendere* (or similar plea), in a criminal proceeding (A) on a misdemeanor charge involving fraud, false statements or misleading omissions, wrongful taking, embezzlement, bribery, forgery, counterfeiting or extortion, or (B) on a felony charge, or (C) on an equivalent charge to those in clauses (A) and (B) in jurisdictions which do not use those designations, (ii) the Grantee's engaging in any conduct which constitutes an employment disqualification under applicable law (including statutory disqualification as defined under the Exchange Act), (iii) the Grantee's willful failure to perform the Grantee's duties to the Firm, (iv) the Grantee's violation of any securities or commodities laws, any rules or regulations issued pursuant to such laws, or the rules and regulations of any securities or commodities exchange or association of which the Firm is a member, (v) the Grantee's violation of any Firm policy concerning hedging or pledging or confidential or proprietary information, or the Grantee's material violation of any other Firm policy as in effect from time to time, (vi) the Grantee's engaging in any act or making any statement which impairs, impugns, denigrates, disparages or negatively reflects upon the name, reputation or business interests of the Firm or (vii) the Grantee's engaging in any conduct detrimental to the Firm. The determination as to whether Cause has occurred shall be made by the Committee in its sole discretion and, in such case, the Committee also may, but shall not be required to, specify the date such Cause occurred (including by determining that a prior termination of Employment was for Cause). Any rights the Firm may have hereunder and in any Award Agreement in respect of the events giving rise to Cause shall be in addition to the rights the Firm may have under any other agreement with a Grantee or at law or in equity.

(g) "Certificate" means a stock certificate (or other appropriate document or evidence of ownership) representing shares of Common Stock.

(h) "Change in Control" means the consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving GS Inc. (a "Reorganization") or sale or other disposition of all or substantially all of GS Inc.'s assets to an entity that is not an affiliate of GS Inc. (a "Sale"), that in each case requires the approval of GS Inc.'s shareholders under the law of GS Inc.'s jurisdiction of organization, whether for such Reorganization or Sale (or the issuance of securities of GS Inc. in such Reorganization or Sale), unless immediately following such Reorganization or Sale, either: (i) at least 50% of the total voting power (in respect of the election of directors, or similar officials in the case of an entity other than a corporation) of (A) the entity resulting from such Reorganization, or the entity which has acquired all or substantially all of the assets of GS Inc. in a Sale (in either case, the "Surviving Entity"), or (B) if applicable, the ultimate parent entity that directly or indirectly has beneficial

ownership (within the meaning of Rule 13d-3 under the Exchange Act, as such Rule is in effect on the date of the adoption of the 1999 SIP) of 50% or more of the total voting power (in respect of the election of directors, or similar officials in the case of an entity other than a corporation) of the Surviving Entity (the "Parent Entity") is represented by GS Inc.'s securities (the "GS Inc. Securities") that were outstanding immediately prior to such Reorganization or Sale (or, if applicable, is represented by shares into which such GS Inc. Securities were converted pursuant to such Reorganization or Sale) or (ii) at least 50% of the members of the board of directors (or similar officials in the case of an entity other than a corporation) of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) following the consummation of the Reorganization or Sale were, at the time of the Board's approval of the execution of the initial agreement providing for such Reorganization or Sale, individuals (the "Incumbent Directors") who either (A) were members of the Board on the Effective Date or (B) became directors subsequent to the Effective Date and whose election or nomination for election was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of GS Inc.'s proxy statement in which such persons are named as nominees for director).

(i) "Code" means the Internal Revenue Code of 1986, as amended from time to time, and the applicable rulings and regulations thereunder.

(j) "Committee" means the committee appointed by the Board to administer the Plan pursuant to Section 1.3, and, to the extent the Board determines it is appropriate for the compensation realized from Awards under the Plan to be considered "performance based" compensation under Section 162(m) of the Code, shall be a committee or subcommittee of the Board composed of two or more members, each of whom is an "outside director" within the meaning of Code Section 162(m), and which, to the extent the Board determines it is appropriate for Awards under the Plan to qualify for the exemption available under Rule 16b-3(d)(1) or Rule 16b-3(e) promulgated under the Exchange Act, shall be a committee or subcommittee of the Board composed of two or more members, each of whom is a "non-employee director" within the meaning of Rule 16b-3. Unless otherwise determined by the Board, the Committee shall be the Compensation Committee of the Board.

(k) "Common Stock" means common stock of GS Inc., par value $0.01 per share.

(l) "Covered Person" means a member of the Board or the Committee or any employee of the Firm.

(m) "Date of Grant" means the date specified in the Grantee's Award Agreement as the date of grant of the Award.

(n) "Delivery Date" means each date specified in the Grantee's Award Agreement as a delivery date, provided, unless the Committee determines otherwise, such date is during a Window Period or, if such date is not during a Window Period, the first trading day of the first Window Period beginning after such date.

(o) "Dividend Equivalent Right" means a dividend equivalent right granted under the Plan, which represents an unfunded and unsecured promise to pay to the Grantee amounts equal to all or any portion of the regular cash dividends that would be paid on shares of Common Stock covered by an Award if such shares had been delivered pursuant to an Award.

(p) "Effective Date" means the date this Plan is approved by the shareholders of GS Inc. pursuant to Section 3.15 hereof.

(q) "Employment" means the Grantee's performance of services for the Firm, as determined by the Committee. The terms "employ" and "employed" shall have their correlative meanings. The Committee in its sole discretion may determine (i) whether and when a Grantee's leave of absence results in a termination of Employment (for this purpose, unless the Committee determines otherwise, a Grantee shall be treated as terminating Employment with the Firm upon the occurrence of an Extended Absence), (ii) whether and when a change in a Grantee's association with the Firm results in a termination of Employment and (iii) the impact, if any, of any such leave of absence or change in association on Awards theretofore made. Unless expressly provided otherwise, any references in the Plan or any Award Agreement to a Grantee's Employment being terminated shall include both voluntary and involuntary terminations.

(r) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and the applicable rules and regulations thereunder.

(s) "Extended Absence" means the Grantee's inability to perform for six (6) continuous months, due to illness, injury or pregnancy-related complications, substantially all the essential duties of the Grantee's occupation, as determined by the Committee.

(t) "Firm" means GS Inc. and its subsidiaries and affiliates.

(u) "Good Reason" means, in connection with a termination of employment by a Grantee following a Change in Control, (a) as determined by the Committee, a materially adverse alteration in the Grantee's position or in the nature or status of the Grantee's responsibilities from those in effect immediately prior to the Change in Control or (b) the Firm's requiring the Grantee's principal place of Employment to be located more than seventy-five (75) miles from the location where the Grantee is principally Employed at the time of the Change in Control (except for required travel on the Firm's business to an extent substantially consistent with the Grantee's customary business travel obligations in the ordinary course of business prior to the Change in Control).

(v) "Grantee" means a person who receives an Award.

(w) "GS Inc." means The Goldman Sachs Group, Inc., and any successor thereto.

(x) "1999 SIP" means The Goldman Sachs 1999 Stock Incentive Plan, as in effect prior to the effective date of the 2003 SIP.

(y) "Outstanding" means any Award to the extent it has not been forfeited, cancelled, terminated, exercised or with respect to which the shares of Common Stock underlying the Award have not been previously delivered or other payments made.

(z) "Restricted Share" means a share of Common Stock delivered under the Plan that is subject to Transfer Restrictions, forfeiture provisions and/or other terms and conditions specified herein and in the Restricted Share Award Agreement or other applicable Award Agreement. All references to Restricted Shares include "Shares at Risk."

(aa) "RSU" means a restricted stock unit granted under the Plan, which represents an unfunded and unsecured promise to deliver shares of Common Stock in accordance with the terms of the RSU Award Agreement.

(bb) "RSU Shares" means shares of Common Stock that underlie an RSU.

(cc) "Section 409A" means Section 409A of the Code, including any amendments or successor provisions to that Section and any regulations and other administrative guidance thereunder, in each case as they, from time to time, may be amended or interpreted through further administrative guidance.

(dd) "SIP Administrator" means each person designated by the Committee as a "SIP Administrator" with the authority to perform day-to-day administrative functions for the Plan.

(ee) "SIP Committee" means the persons who have been delegated certain authority under the Plan by the Committee.

(ff) "Transfer Restrictions" means restrictions that prohibit the sale, exchange, transfer, assignment, pledge, hypothecation, fractionalization, hedge or other disposal (including through the use of any cash-settled instrument), whether voluntarily or involuntarily by the Grantee, of an Award or any shares of Common Stock, cash or other property delivered in respect of an Award.

(gg) "Transferability Date" means the date Transfer Restrictions on a Restricted Share will be released. Within 30 Business Days after the applicable Transferability Date, GS Inc. shall take, or shall cause to be taken, such steps as may be necessary to remove Transfer Restrictions.

(hh) "Vested" means, with respect to an Award, the portion of the Award that is not subject to a condition that the Grantee remain actively employed by the Firm in order for the Award to remain Outstanding. The fact that an Award becomes Vested shall not mean or otherwise indicate that the Grantee has an unconditional or nonforfeitable right to such Award, and such Award shall remain subject to such terms, conditions and forfeiture provisions as may be provided for in the Plan or in the Award Agreement.

(ii) "Window Period" means a period designated by the Firm during which all employees of the Firm are permitted to purchase or sell shares of Common Stock (provided that, if the Grantee is a member of a designated group of employees who are subject to different restrictions, the Window Period may be a period designated by the Firm during which an employee of the Firm in such designated group is permitted to purchase or sell shares of Common Stock).

Exhibit 10.52

THE GOLDMAN SACHS GROUP, INC.
FIXED ALLOWANCE RESTRICTED STOCK AWARD

This Award Agreement, together with The Goldman Sachs Amended and Restated Stock Incentive Plan (2018) (the "Plan"), governs your award of _____ Fixed Allowance Restricted Shares (your "Award"). You should read carefully this entire Award Agreement, which includes the Award Statement, any attached Appendix and the signature card.

ACCEPTANCE

1. **You Must Decide Whether to Accept this Award Agreement. To be eligible to receive your Award, you must by the date specified (a) open and activate an Account and (b) agree to all the terms of your Award by executing the related signature card in accordance with its instructions. By executing the signature card, you confirm your agreement to all of the terms of this Award Agreement, including the arbitration and choice of forum provisions in Paragraph 12.**

DOCUMENTS THAT GOVERN YOUR AWARD; DEFINITIONS

2. **The Plan.** Your Award is granted under the Plan, and the Plan's terms apply to, and are a part of, this Award Agreement.

3. **Your Award Statement.** The Award Statement delivered to you contains some of your Award's specific terms. For example, it contains the number of Fixed Allowance Restricted Shares awarded to you and any applicable Transferability Dates.

4. **Definitions.** Unless otherwise defined herein, including in the Definitions Appendix or any other Appendix, capitalized terms have the meanings provided in the Plan.

VESTING OF YOUR FIXED ALLOWANCE RESTRICTED SHARES

5. **Vesting.** All of your Fixed Allowance Restricted Shares are Vested. When a Fixed Allowance Restricted Share is Vested, it means that your continued active Employment is not required for that portion of Restricted Shares to become fully transferable without risk of forfeiture. **The terms of this Award Agreement (including any applicable Transfer Restrictions) continue to apply to Vested Fixed Allowance Restricted Shares.**

TRANSFER RESTRICTIONS

6. **Transfer Restrictions.** Fixed Allowance Restricted Shares will be subject to Transfer Restrictions until the Transferability Date next to such number or percentage of Restricted Shares on your Award Statement. Any purported sale, exchange, transfer, assignment, pledge, hypothecation, fractionalization, hedge or other disposition in violation of the Transfer Restrictions will be void. Within 30 Business Days after the Transferability Date listed on your Award Statement (or any other date on which the Transfer Restrictions are to be removed), GS Inc. will remove the Transfer Restrictions. The Committee or the SIP Committee may select multiple dates within such 30-Business-Day period on which to remove Transfer Restrictions for all or a portion of the Restricted Shares with the same Transferability Date listed on the Award Statement, and all such dates will be treated as a single Transferability Date for purposes of this Award.

DIVIDENDS

7. **Dividends.** You will be entitled to receive on a current basis any regular cash dividend paid in respect of your Fixed Allowance Restricted Shares.

EXCEPTIONS TO TRANSFERABILITY DATES

8. **Accelerated Release of Transfer Restrictions in the Event of a Qualifying Termination After a Change in Control, Conflicted Employment or Death.** In the event of your Qualifying Termination After a Change in Control, Conflicted Employment or death, each as described below, your Outstanding Restricted Shares will be treated as described in this Paragraph 8.

(a) You Have a Qualifying Termination After a Change in Control. If your Employment terminates when you meet the requirements of a Qualifying Termination After a Change in Control, any Transfer Restrictions will cease to apply.

(b) You Are Determined to Have Accepted Conflicted Employment.

(i) Generally. Notwithstanding anything to the contrary in the Plan or otherwise, for purposes of this Award Agreement, "Conflicted Employment" means your employment at any U.S. Federal, state or local government, any non-U.S. government, any supranational or international organization, any self-regulatory organization, or any agency or instrumentality of any such government or organization, or any other employer (other than an "Accounting Firm" within the meaning of SEC Rule 2-01(f)(2) of Regulation S-X or any successor thereto) determined by the Committee, if, as a result of such employment, your continued holding of any Outstanding Restricted Shares would result in an actual or perceived conflict of interest. If your Employment terminates solely because you resign to accept Conflicted Employment or if, following your termination of Employment, you notify the Firm that you are accepting Conflicted Employment, unless prohibited by applicable law or regulation, any Transfer Restrictions will cease to apply as soon as practicable after the Committee has received satisfactory documentation relating to your Conflicted Employment.

(ii) You May Have to Take Other Steps to Address Conflicts of Interest. The Committee retains the authority to exercise its rights under the Award Agreement or the Plan (including Section 1.3.2 of the Plan) to take or require you to take other steps it determines in its sole discretion to be necessary or appropriate to cure an actual or perceived conflict of interest (which may include a determination that the accelerated release of Transfer Restrictions described in Paragraph 8(b)(i) will not apply because such actions are not necessary or appropriate to cure an actual or perceived conflict of interest).

(c) Death. If you die, any Transfer Restrictions will cease to apply as soon as practicable after the date of death and after such documentation as may be requested by the Committee is provided to the Committee.

OTHER TERMS, CONDITIONS AND AGREEMENTS

9. **Additional Terms, Conditions and Agreements.**

(a) You Must Satisfy Applicable Tax Withholding Requirements. Removal of the Transfer Restrictions is conditioned on your satisfaction of any applicable withholding taxes in accordance with Section 3.2 of the Plan, which includes the Firm deducting or withholding

amounts from any payment or distribution to you. In addition, to the extent permitted by applicable law, the Firm, in its sole discretion, may require you to provide amounts equal to all or a portion of any Federal, state, local, foreign or other tax obligations imposed on you or the Firm in connection with the grant of this Award by requiring you to choose between remitting the amount (i) in cash (or through payroll deduction or otherwise), (ii) in the form of proceeds from the Firm's executing a sale of shares of Common Stock delivered to you under this Award or (iii) shares of Common Stock delivered to you pursuant to this Award.

(b) Firm May Deliver Cash or Other Property Instead of Shares. In accordance with Section 1.3.2(i) of the Plan, in the sole discretion of the Committee, in lieu of all or any portion of the shares of Common Stock, the Firm may deliver cash, other securities, other awards under the Plan or other property, and all references in this Award Agreement to deliveries of shares of Common Stock will include such deliveries of cash, other securities, other awards under the Plan or other property.

(c) Amounts May Be Rounded to Avoid Fractional Shares. Restricted Shares subject to Transfer Restrictions may, in each case, be rounded to avoid fractional shares of Common Stock.

(d) You May Be Required to Become a Party to the Shareholders' Agreement. Your rights to your Fixed Allowance Restricted Shares are conditioned on your becoming a party to any shareholders' agreement to which other similarly situated employees (*e.g.*, employees with a similar title or position) of the Firm are required to be a party.

(e) Firm May Affix Legends and Place Stop Orders on Restricted Shares. GS Inc. may affix to Certificates representing shares of Common Stock any legend that the Committee determines to be necessary or advisable (including to reflect any restrictions to which you may be subject under a separate agreement). GS Inc. may advise the transfer agent to place a stop order against any legended shares of Common Stock.

(f) You Agree to Certain Consents, Terms and Conditions. By accepting this Award you understand and agree that:

(i) You Agree to Certain Consents as a Condition to the Award. You have expressly consented to all of the items listed in Section 3.3.3(d) of the Plan, including the Firm's supplying to any third-party recordkeeper of the Plan or other person such personal information of yours as the Committee deems advisable to administer the Plan, and you agree to provide any additional consents that the Committee determines to be necessary or advisable;

(ii) You Are Subject to the Firm's Policies, Rules and Procedures. You are subject to the Firm's policies in effect from time to time concerning trading in shares of Common Stock and hedging or pledging shares of Common Stock and equity-based compensation or other awards (including, without limitation, the "Firmwide Policy with Respect to Personal Transactions Involving GS Securities and GS Equity Awards" or any successor policies), and confidential or proprietary information, and you will effect sales of shares of Common Stock in accordance with such rules and procedures as may be adopted from time to time (which may include, without limitation, restrictions relating to the timing of sale requests, the manner in which sales are executed, pricing method, consolidation or aggregation of orders and volume limits determined by the Firm);

(iii) You Are Responsible for Costs Associated with Your Award. You will be responsible for all brokerage costs and other fees or expenses associated with your Fixed Allowance Restricted Shares, including those related to the sale of shares of Common Stock;

(iv) You Will Be Deemed to Represent Your Compliance with All the Terms of Your Award if You Sell Shares. You will be deemed to have represented and certified that you have complied with all of the terms of the Plan and this Award Agreement when you request the sale of shares of Common Stock following the release of Transfer Restrictions;

(v) Firm May Deliver Your Award into an Escrow Account. The Firm may establish and maintain an escrow account on such terms (which may include your executing any documents related to, and your paying for any costs associated with, such account) as it may deem necessary or appropriate, and the delivery of shares of Common Stock (including Restricted Shares) or the payment of cash (including dividends) or other property may initially be made into and held in that escrow account until such time as the Committee has received such documentation as it may have requested or until the Committee has determined that any other conditions or restrictions on delivery of shares of Common Stock, cash or other property required by this Award Agreement have been satisfied;

(vi) You Must Comply with Applicable Deadlines and Procedures to Appeal Determinations Made by the Committee, the SIP Committee or SIP Administrators. If you disagree with a determination made by the Committee, the SIP Committee, the SIP Administrators, or any of their delegates or designees and you wish to appeal such determination, you must submit a written request to the SIP Committee for review within 180 days after the determination at issue. You must exhaust your internal administrative remedies (*i.e.*, submit your appeal and wait for resolution of that appeal) before seeking to resolve a dispute through arbitration pursuant to Paragraph 12 and Section 3.17 of the Plan; and

(vii) You Agree that Covered Persons Will Not Have Liability. In addition to and without limiting the generality of the provisions of Section 1.3.5 of the Plan, neither the Firm nor any Covered Person will have any liability to you or any other person for any action taken or omitted in respect of this or any other Award.

10. **Non-transferability.** Except as otherwise may be provided in this Paragraph 10 or as otherwise may be provided by the Committee, the limitations on transferability set forth in Section 3.5 of the Plan will apply to this Award. Any purported transfer or assignment in violation of the provisions of this Paragraph 10 or Section 3.5 of the Plan will be void. The Committee may adopt procedures pursuant to which some or all recipients of Fixed Allowance Restricted Shares may transfer some or all of their Fixed Allowance Restricted Shares (which will continue to be subject to Transfer Restrictions until the Transferability Date) through a gift for no consideration to any immediate family member, a trust or other estate planning vehicle approved by the Committee or SIP Committee in which the recipient and/or the recipient's immediate family members in the aggregate have 100% of the beneficial interest.

11. **Right of Offset.** The obligation to pay dividends or to remove the Transfer Restrictions under this Award Agreement is subject to Section 3.4 of the Plan, which provides for the Firm's right to offset against such obligation any outstanding amounts you owe to the Firm and any amounts the Committee deems appropriate pursuant to any tax equalization policy or agreement.

ARBITRATION, CHOICE OF FORUM AND GOVERNING LAW

12. **Arbitration; Choice of Forum.**

(A) **BY ACCEPTING THIS AWARD, YOU ARE INDICATING THAT YOU UNDERSTAND AND AGREE THAT THE ARBITRATION AND CHOICE OF FORUM PROVISIONS SET FORTH IN SECTION 3.17 OF THE PLAN WILL APPLY TO THIS AWARD. THESE PROVISIONS, WHICH ARE EXPRESSLY INCORPORATED HEREIN BY REFERENCE, PROVIDE AMONG OTHER THINGS THAT ANY DISPUTE, CONTROVERSY OR CLAIM BETWEEN THE FIRM AND YOU ARISING OUT OF OR RELATING TO OR CONCERNING THE PLAN OR THIS AWARD AGREEMENT WILL BE FINALLY SETTLED BY ARBITRATION IN NEW YORK CITY, PURSUANT TO THE TERMS MORE FULLY SET FORTH IN SECTION 3.17 OF THE PLAN; PROVIDED THAT NOTHING HEREIN SHALL PRECLUDE YOU FROM FILING A CHARGE WITH OR PARTICIPATING IN ANY INVESTIGATION OR PROCEEDING CONDUCTED BY ANY GOVERNMENTAL AUTHORITY, INCLUDING BUT NOT LIMITED TO THE SEC AND THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION.**

(b) To the fullest extent permitted by applicable law, no arbitrator will have the authority to consider class, collective or representative claims, to order consolidation or to join different claimants or grant relief other than on an individual basis to the individual claimant involved.

(c) Notwithstanding any applicable forum rules to the contrary, to the extent there is a question of enforceability of this Award Agreement arising from a challenge to the arbitrator's jurisdiction or to the arbitrability of a claim, it will be decided by a court and not an arbitrator.

(d) The Federal Arbitration Act governs interpretation and enforcement of all arbitration provisions under the Plan and this Award Agreement, and all arbitration proceedings thereunder.

(e) Nothing in this Award Agreement creates a substantive right to bring a claim under U.S. Federal, state, or local employment laws.

(f) By accepting your Award, you irrevocably appoint each General Counsel of GS Inc., or any person whom the General Counsel of GS Inc. designates, as your agent for service of process in connection with any suit, action or proceeding arising out of or relating to or concerning the Plan or any Award which is not arbitrated pursuant to the provisions of Section 3.17.1 of the Plan, who shall promptly advise you of any such service of process.

(g) To the fullest extent permitted by applicable law, no arbitrator will have the authority to consider any claim as to which you have not first exhausted your internal administrative remedies in accordance with Paragraph 9(f)(vi).

13. **Governing Law. THIS AWARD WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.**

AMENDMENT, CONSTRUCTION AND REGULATORY REPORTING

14. **Amendment.** The Committee reserves the right at any time to amend the terms of this Award Agreement, and the Board may amend the Plan in any respect; *provided* that, notwithstanding the foregoing and Sections 1.3.2(f), 1.3.2(h) and 3.1 of the Plan, no such amendment will materially

adversely affect your rights and obligations under this Award Agreement without your consent; and *provided further* that the Committee expressly reserves its rights to amend the Award Agreement and the Plan as described in Sections 1.3.2(h)(1), (2) and (4) of the Plan. A modification that impacts the tax consequences of this Award will not be an amendment that materially adversely affects your rights and obligations under this Award Agreement. Any amendment of this Award Agreement will be in writing.

15. **Construction, Headings.** Unless the context requires otherwise, (a) words describing the singular number include the plural and vice versa, (b) words denoting any gender include all genders and (c) the words "include," "includes" and "including" will be deemed to be followed by the words "without limitation." The headings in this Award Agreement are for the purpose of convenience only and are not intended to define or limit the construction of the provisions hereof. References in this Award Agreement to any specific Plan provision will not be construed as limiting the applicability of any other Plan provision.

16. **Providing Information to the Appropriate Authorities.** In accordance with applicable law, nothing in this Award Agreement or the Plan prevents you from providing information you reasonably believe to be true to the appropriate governmental authority, including a regulatory, judicial, administrative, or other governmental entity; reporting possible violations of law or regulation; making other disclosures that are protected under any applicable law or regulation; or filing a charge or participating in any investigation or proceeding conducted by a governmental authority.

IN WITNESS WHEREOF, GS Inc. has caused this Award Agreement to be duly executed and delivered as of the Date of Grant.

THE GOLDMAN SACHS GROUP, INC.

DEFINITIONS APPENDIX

The following capitalized terms are used in this Award Agreement with the following meanings:

(a) "Conflicted Employment" means your employment at any U.S. Federal, state or local government, any non-U.S. government, any supranational or international organization, any self-regulatory organization, or any agency or instrumentality of any such government or organization, or any other employer (other than an "Accounting Firm" within the meaning of SEC Rule 2-01(f)(2) of Regulation S-X or any successor thereto) determined by the Committee, if, as a result of such employment, your continued holding of any Outstanding Restricted Shares would result in an actual or perceived conflict of interest.

(b) "Qualifying Termination After a Change in Control" means that the Firm terminates your Employment other than for Cause or you terminate your Employment for Good Reason, in each case, within 18 months following a Change in Control.

(c) "SEC" means the U.S. Securities and Exchange Commission.

The following capitalized terms are used in this Award Agreement with the meanings that are assigned to them in the Plan.

(a) "Account" means any brokerage account, custody account or similar account, as approved or required by GS Inc. from time to time, into which shares of Common Stock, cash or other property in respect of an Award are delivered.

(b) "Award Agreement" means the written document or documents by which each Award is evidenced, including any related Award Statement and signature card.

(c) "Award Statement" means a written statement that reflects certain Award terms.

(d) "Board" means the Board of Directors of GS Inc.

(e) "Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in New York City are authorized or obligated by Federal law or executive order to be closed.

(f) "Cause" means (i) the Grantee's conviction, whether following trial or by plea of guilty or *nolo contendere* (or similar plea), in a criminal proceeding (A) on a misdemeanor charge involving fraud, false statements or misleading omissions, wrongful taking, embezzlement, bribery, forgery, counterfeiting or extortion, or (B) on a felony charge, or (C) on an equivalent charge to those in clauses (A) and (B) in jurisdictions which do not use those designations, (ii) the Grantee's engaging in any conduct which constitutes an employment disqualification under applicable law (including statutory disqualification as defined under the Exchange Act), (iii) the Grantee's willful failure to perform the Grantee's duties to the Firm, (iv) the Grantee's violation of any securities or commodities laws, any rules or regulations issued pursuant to such laws, or the rules and regulations of any securities or commodities exchange or association of which the Firm is a member, (v) the Grantee's violation of any Firm policy concerning hedging or pledging or confidential or proprietary information, or the Grantee's material violation of any other Firm policy as in effect from time to time, (vi) the Grantee's engaging in any act or making any statement which impairs, impugns, denigrates, disparages or negatively reflects upon the name, reputation or business interests of the Firm or (vii) the Grantee's engaging in any conduct detrimental to the Firm. The determination as to whether Cause has occurred shall be made by the Committee in its sole discretion and, in such case, the Committee also may, but shall not be required to, specify the date such Cause occurred (including by determining that a prior termination of Employment was for Cause). Any rights the Firm may have hereunder and in any Award Agreement in respect of the events giving rise to Cause shall be in addition to the rights the Firm may have under any other agreement with a Grantee or at law or in equity.

(g) "Certificate" means a stock certificate (or other appropriate document or evidence of ownership) representing shares of Common Stock.

(h) "Change in Control" means the consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving GS Inc. (a "Reorganization") or sale or other disposition of all or substantially all of GS Inc.'s assets to an entity that is not an affiliate of GS Inc. (a "Sale"), that in each case requires the approval of GS Inc.'s shareholders under the law of GS Inc.'s jurisdiction of organization, whether for such Reorganization or Sale (or the issuance of securities of GS Inc. in such Reorganization or Sale), unless immediately following such Reorganization or Sale, either: (i) at least 50% of the total voting power (in respect of the election of directors, or similar officials in the case of an entity other than a corporation) of (A) the entity resulting from such Reorganization, or the entity which has acquired all or substantially all of the assets of GS Inc. in a Sale (in either case, the "Surviving Entity"), or (B) if applicable, the ultimate parent entity that directly or indirectly has beneficial

ownership (within the meaning of Rule 13d-3 under the Exchange Act, as such Rule is in effect on the date of the adoption of the 1999 SIP) of 50% or more of the total voting power (in respect of the election of directors, or similar officials in the case of an entity other than a corporation) of the Surviving Entity (the "Parent Entity") is represented by GS Inc.'s securities (the "GS Inc. Securities") that were outstanding immediately prior to such Reorganization or Sale (or, if applicable, is represented by shares into which such GS Inc. Securities were converted pursuant to such Reorganization or Sale) or (ii) at least 50% of the members of the board of directors (or similar officials in the case of an entity other than a corporation) of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) following the consummation of the Reorganization or Sale were, at the time of the Board's approval of the execution of the initial agreement providing for such Reorganization or Sale, individuals (the "Incumbent Directors") who either (A) were members of the Board on the Effective Date or (B) became directors subsequent to the Effective Date and whose election or nomination for election was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of GS Inc.'s proxy statement in which such persons are named as nominees for director).

(i) "Code" means the Internal Revenue Code of 1986, as amended from time to time, and the applicable rulings and regulations thereunder.

(j) "Committee" means the committee appointed by the Board to administer the Plan pursuant to Section 1.3, and, to the extent the Board determines it is appropriate for the compensation realized from Awards under the Plan to be considered "performance based" compensation under Section 162(m) of the Code, shall be a committee or subcommittee of the Board composed of two or more members, each of whom is an "outside director" within the meaning of Code Section 162(m), and which, to the extent the Board determines it is appropriate for Awards under the Plan to qualify for the exemption available under Rule 16b-3(d)(1) or Rule 16b-3(e) promulgated under the Exchange Act, shall be a committee or subcommittee of the Board composed of two or more members, each of whom is a "non-employee director" within the meaning of Rule 16b-3. Unless otherwise determined by the Board, the Committee shall be the Compensation Committee of the Board.

(k) "Common Stock" means common stock of GS Inc., par value $0.01 per share.

(l) "Covered Person" means a member of the Board or the Committee or any employee of the Firm.

(m) "Date of Grant" means the date specified in the Grantee's Award Agreement as the date of grant of the Award.

(n) "Effective Date" means the date this Plan is approved by the shareholders of GS Inc. pursuant to Section 3.15 of the Plan.

(o) "Employment" means the Grantee's performance of services for the Firm, as determined by the Committee. The terms "employ" and "employed" shall have their correlative meanings. The Committee in its sole discretion may determine (i) whether and when a Grantee's leave of absence results in a termination of Employment (for this purpose, unless the Committee determines otherwise, a Grantee shall be treated as terminating Employment with the Firm upon the occurrence of an Extended Absence), (ii) whether and when a change in a Grantee's association with the Firm results in a termination of Employment and (iii) the impact, if any, of any such leave of absence or change in association on Awards theretofore made. Unless expressly provided otherwise, any references in the Plan or any Award Agreement to a Grantee's Employment being terminated shall include both voluntary and involuntary terminations.

(p) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and the applicable rules and regulations thereunder.

(q) "Extended Absence" means the Grantee's inability to perform for six (6) continuous months, due to illness, injury or pregnancy-related complications, substantially all the essential duties of the Grantee's occupation, as determined by the Committee.

(r) "Firm" means GS Inc. and its subsidiaries and affiliates.

(s) "Good Reason" means, in connection with a termination of employment by a Grantee following a Change in Control, (a) as determined by the Committee, a materially adverse alteration in the Grantee's position or in the nature or status of the Grantee's responsibilities from those in effect immediately prior to the Change in Control or (b) the Firm's requiring the Grantee's principal place of Employment to be located more than seventy-five (75) miles from the location where the Grantee is principally Employed at the time of the Change in Control (except for required travel on the Firm's business to an extent substantially consistent with the Grantee's customary business travel obligations in the ordinary course of business prior to the Change in Control).

(t) "Grantee" means a person who receives an Award.

(u) "GS Inc." means The Goldman Sachs Group, Inc., and any successor thereto.

(v) "1999 SIP" means The Goldman Sachs 1999 Stock Incentive Plan, as in effect prior to the effective date of the 2003 SIP.

(w) "Outstanding" means any Award to the extent it has not been forfeited, cancelled, terminated, exercised or with respect to which the shares of Common Stock underlying the Award have not been previously delivered or other payments made.

(x) "Restricted Share" means a share of Common Stock delivered under the Plan that is subject to Transfer Restrictions, forfeiture provisions and/or other terms and conditions specified herein and in the Restricted Share Award Agreement or other applicable Award Agreement. All references to Restricted Shares include "Shares at Risk."

(y) "SIP Administrator" means each person designated by the Committee as a "SIP Administrator" with the authority to perform day-to-day administrative functions for the Plan.

(z) "SIP Committee" means the persons who have been delegated certain authority under the Plan by the Committee.

(aa) "Transfer Restrictions" means restrictions that prohibit the sale, exchange, transfer, assignment, pledge, hypothecation, fractionalization, hedge or other disposal (including through the use of any cash-settled instrument), whether voluntarily or involuntarily by the Grantee, of an Award or any shares of Common Stock, cash or other property delivered in respect of an Award.

(bb) "Transferability Date" means the date Transfer Restrictions on a Restricted Share will be released. Within 30 Business Days after the applicable Transferability Date, GS Inc. shall take, or shall cause to be taken, such steps as may be necessary to remove Transfer Restrictions.

(cc) "Vested" means, with respect to an Award, the portion of the Award that is not subject to a condition that the Grantee remain actively employed by the Firm in order for the Award to remain

Outstanding. The fact that an Award becomes Vested shall not mean or otherwise indicate that the Grantee has an unconditional or nonforfeitable right to such Award, and such Award shall remain subject to such terms, conditions and forfeiture provisions as may be provided for in the Plan or in the Award Agreement.

(dd) "Window Period" means a period designated by the Firm during which all employees of the Firm are permitted to purchase or sell shares of Common Stock (provided that, if the Grantee is a member of a designated group of employees who are subject to different restrictions, the Window Period may be a period designated by the Firm during which an employee of the Firm in such designated group is permitted to purchase or sell shares of Common Stock).

Exhibit 10.54

THE GOLDMAN SACHS GROUP, INC.
YEAR-END PERFORMANCE-BASED RSU AWARD

This Award Agreement, together with The Goldman Sachs Amended and Restated Stock Incentive Plan (2018) (the "Plan"), governs your award of performance-based RSUs (your "Award" or "PSUs"). You should read carefully this entire Award Agreement, which includes the Award Statement, any attached Appendix and the signature card.

ACCEPTANCE

1. **You Must Decide Whether to Accept this Award Agreement. To be eligible to receive your Award, you must by the date specified (a) open and activate an Account and (b) agree to all the terms of your Award by executing the related signature card in accordance with its instructions. By executing the signature card, you confirm your agreement to all of the terms of this Award Agreement, including the arbitration and choice of forum provisions in Paragraph 16.**

DOCUMENTS THAT GOVERN YOUR AWARD; DEFINITIONS

2. **The Plan.** Your Award is granted under the Plan, and the Plan's terms apply to, and are a part of, this Award Agreement.

3. **Your Award Statement.** The Award Statement delivered to you contains some of your Award's specific terms. For example, it contains the number of PSUs subject to this Award, the Performance Period and the Performance Goal applicable to your Award. It also contains the Determination Date and [the] [any applicable] Settlement Date[s] for your Award and the [any applicable] Transferability Date[s] for any Shares at Risk that may be delivered to you in respect of any Settlement Amount that you may earn. The number of PSUs on your Award Statement is not necessarily the number of PSUs in respect of which the Settlement Amount will be earned, but is merely the basis for determining the amount (if any) that will be delivered to you.

4. **Definitions.** Unless otherwise defined herein, including in the Definitions Appendix or any other Appendix, capitalized terms have the meanings provided in the Plan.

VESTING OF YOUR PSUS

5. **Vesting.** Your PSUs are Vested. When a PSU is Vested, it means **only** that your continued active Employment is not required to earn delivery in respect of that PSU. **Vesting does not mean you have a non-forfeitable right to the Vested portion of your Award. The terms of this Award Agreement (including conditions to delivery, satisfaction of the Performance Goal and any applicable Transfer Restrictions) continue to apply to your Award, and failure to meet such terms may result in the termination of this Award (as a result of which no delivery in respect of such Vested PSUs would be made) and you can still forfeit Vested PSUs and Shares at Risk.**

PERFORMANCE GOAL

6. **Performance.** The Settlement Amount is dependent, and may vary based, on achievement of the Performance Goal over the Performance Period. On the Determination Date, the Firm will determine whether or not, and to what extent, the Performance Goal for that Performance Period has been satisfied. All your rights with respect to the Settlement Amount [(and any Dividend Equivalent Payments)] are dependent on the extent to which the Performance Goal is achieved, and any rights to delivery in respect of your Outstanding PSUs immediately will terminate and no Settlement Amount will

be delivered in respect of such PSUs upon the Committee's determination, in its sole discretion, that the Performance Goal has not been satisfied to the extent necessary to result in delivery in respect of the PSUs.

SETTLEMENT AMOUNT

7. **Settlement.**

(a) In General. Subject to satisfaction of the terms of this Award, including satisfaction of the Performance Goal, on the Settlement Date, you will receive delivery (less applicable withholding as described in Paragraph 13(a)) of the Settlement Amount [and payment of any Dividend Equivalent Payments] as further described in this Award Agreement and in your Award Statement. Until such delivery [and payment], you have only the rights of a general unsecured creditor and you do not have any rights as a shareholder of GS Inc. with respect to either the PSUs or the Settlement Amount. Without limiting the Committee's authority under Section 1.3.2(h) of the Plan, the Firm may accelerate any Settlement Date by up to 30 days.

(b) Form of Delivery. The Settlement Amount will be delivered on the Settlement Date as follows:

(i) [____% in the form of cash].

(ii) [____% in the form of Shares [at Risk] (by book entry credit to your Account)].

(c) Shares at Risk. [All][____ percent] of the Shares delivered [(after application of tax withholding)] to you in respect of the Settlement Amount [before tax withholding (or, if the applicable tax withholding rate is greater than ___%, all shares delivered after tax withholding)] will be Shares at Risk subject to Transfer Restrictions until the Transferability Date [listed on your Award Statement]. Any purported sale, exchange, transfer, assignment, pledge, hypothecation, fractionalization, hedge or other disposition in violation of the Transfer Restrictions on Shares at Risk will be void. Within 30 Business Days after the Transferability Date listed on your Award Statement (or any other date on which the Transfer Restrictions are to be removed), GS Inc. will remove the Transfer Restrictions. The Committee or the SIP Committee may select multiple dates within such 30-Business-Day period on which to remove Transfer Restrictions for all or a portion of the Shares at Risk with the same Transferability Date [listed on the Award Statement], and all such dates will be treated as a single Transferability Date for purposes of this Award.

[DIVIDEND EQUIVALENT RIGHTS] [DIVIDENDS]

8. **[Dividend Equivalent Rights.] [Dividends].** [To the extent described in your Award Statement, each PSU will include a Dividend Equivalent Right, which will be subject to the provisions of Section 2.8 of the Plan. Accordingly, for each of your Outstanding PSUs with respect to which delivery is made under the Settlement Amount, you will be entitled to payments under Dividend Equivalent Rights equal to any regular cash dividend paid by GS Inc. in respect of a Share the record date for which occurs on or after the Date of Grant. The payment to you of amounts under Dividend Equivalent Rights (less applicable withholding as described in Paragraph 13(a)) is conditioned upon the delivery under the Settlement Amount in respect of the PSUs to which such Dividend Equivalent Rights relate, and you will have no right to receive any Dividend Equivalent Payments relating to PSUs for which you do not receive delivery under the Settlement Amount (including, without limitation, due to a failure to satisfy the Performance Goal). Dividend Equivalent Payments will be paid on the Settlement Date.] [You will be

entitled to receive on a current basis any regular cash dividend paid in respect of your Shares at Risk. The PSUs do not include Dividend Equivalent Rights.]

FORFEITURE OF YOUR AWARD

9. **How You May Forfeit Your Award.** This Paragraph 9 sets forth the events that result in forfeiture of up to all of your PSUs and Shares at Risk and may require repayment to the Firm of up to all amounts previously paid or delivered to you under your PSUs in accordance with Paragraph 10. More than one event may apply, and in no case will the occurrence of one event limit the forfeiture and repayment obligations as a result of the occurrence of any other event. In addition, the Firm reserves the right to (a) suspend delivery of the Settlement Amount [and payment of any Dividend Equivalent Payments] or release Transfer Restrictions on Shares at Risk or (b) [pay cash][deliver the Settlement Amount] (including Dividend Equivalent Payments or dividends) [or deliver Shares at Risk] into an escrow account in accordance with Paragraph 13(f)(v) [or (c) [apply Transfer Restrictions to any Shares] in connection with any investigation of whether any of the events that result in forfeiture under the Plan or this Paragraph 9 have occurred. Paragraph 12] (relating to certain circumstances under which release of Transfer Restrictions may be accelerated) provides for exceptions to one or more provisions of this Paragraph 9. [The Material Risk Taker Appendix supplements this Paragraph 9 and sets forth additional events that result in forfeiture of up to all of your PSUs and Shares at Risk and may require repayment to the Firm as described in Paragraph 10 and the Appendix.]

(a) PSUs Forfeited Upon Certain Events. If any of the following occurs, your rights to all of your Outstanding PSUs will terminate, and no Settlement Amount will be delivered in respect thereof, as may be further described below:

(i) You Associate With a Covered Enterprise. You Associate With a Covered Enterprise during the Performance Period.

(ii) You Solicit Clients or Employees, Interfere with Client or Employee Relationships or Participate in the Hiring of Employees. Before the [applicable] Settlement Date, either:

(A) you, in any manner, directly or indirectly, (1) Solicit any Client to transact business with a Covered Enterprise or to reduce or refrain from doing any business with the Firm, (2) interfere with or damage (or attempt to interfere with or damage) any relationship between the Firm and any Client, (3) Solicit any person who is an employee of the Firm to resign from the Firm, (4) Solicit any Selected Firm Personnel to apply for or accept employment (or other association) with any person or entity other than the Firm or (5) hire or participate in the hiring of any Selected Firm Personnel by any person or entity other than the Firm (including, without limitation, participating in the identification of individuals for potential hire, and participating in any hiring decision), whether as an employee or consultant or otherwise, or

(B) Selected Firm Personnel are Solicited, hired or accepted into partnership, membership or similar status by (1) any entity that you form, that bears your name, or in which you possess or control greater than a *de minimis* equity ownership, voting or profit participation or (2) any entity where you have, or will have, direct or indirect managerial responsibility for such Selected Firm Personnel.

(iii) You Failed to Consider Risk. You Failed to Consider Risk during _____.

(iv) Your Conduct Constitutes Cause. Any event that constitutes Cause [(including, for the avoidance of doubt, "Serious Misconduct" as defined in the Material Risk Taker Appendix)] has occurred before the [applicable] Settlement Date.

(v) You Do Not Meet Your Obligations to the Firm. The Committee determines that, before the Settlement Date, you failed to meet, in any respect, any obligation under any agreement with the Firm, or any agreement entered into in connection with your Employment or this Award, including the Firm's notice period requirement applicable to you, any offer letter, employment agreement or any shareholders' agreement relating to the Firm. Your failure to pay or reimburse the Firm, on demand, for any amount you owe to the Firm will constitute (A) failure to meet an obligation you have under an agreement, regardless of whether such obligation arises under a written agreement, and/or (B) a material violation of Firm policy constituting Cause.

(vi) You Do Not Provide Timely Certifications or Comply with Your Certifications. You fail to certify to GS Inc. that you have complied with all of the terms of the Plan and this Award Agreement, or the Committee determines that you have failed to comply with a term of the Plan or this Award Agreement to which you have certified compliance.

(vii) You Do Not Follow Dispute Resolution/Arbitration Procedures. You attempt to have any dispute under the Plan or this Award Agreement resolved in any manner that is not provided for by Paragraph 16 or Section 3.17 of the Plan, or you attempt to arbitrate a dispute without first having exhausted your internal administrative remedies in accordance with Paragraph 13(f)(viii).

(viii) You Bring an Action that Results in a Determination that Any Award Agreement Term Is Invalid. As a result of any action brought by you, it is determined that any term of this Award Agreement is invalid.

(ix) You Receive Compensation in Respect of Your Award from Another Employer. Your Employment terminates for any reason or you otherwise are no longer actively employed with the Firm and another entity grants you cash, equity or other property (whether vested or unvested) to replace, substitute for or otherwise in respect of your Outstanding PSUs.

(x) GS Inc. Fails to Maintain the Minimum Tier 1 Capital Ratio. Before the Settlement Date, GS Inc. fails to maintain the required "Minimum Tier 1 Capital Ratio" as defined under Federal Reserve Board Regulations applicable to GS Inc. for a period of 90 consecutive business days.

(xi) GS Inc. Is Determined to Be in Default. Before the Settlement Date, the Board of Governors of the Federal Reserve or the FDIC makes a written recommendation under Title II (Orderly Liquidation Authority) of the Dodd-Frank Wall Street Reform and Consumer Protection Act for the appointment of the FDIC as a receiver of GS Inc. based on a determination that GS Inc. is "in default" or "in danger of default."

(xii) [Accounting Restatement Required Under Sarbanes-Oxley. GS Inc. is required to prepare an accounting restatement due to GS Inc.'s material noncompliance, as a result of misconduct, with any financial reporting requirement under the securities laws as described in Section 304 (a) of Sarbanes-Oxley; *provided*, *however*, that your rights with respect to the PSUs will only be terminated to the same extent that would be required under Section 304(a) of Sarbanes-Oxley had you been a "chief executive officer" or "chief financial officer" of GS Inc. (regardless of whether you actually hold such position at the relevant time).]

(b) Shares at Risk Forfeited upon Certain Events. To the extent you receive delivery of Shares at Risk in connection with any Settlement Amount, if any of the following occurs your rights to all of your Shares at Risk will terminate and your Shares at Risk will be cancelled, in each case, as may be further described below:

(i) You Failed to Consider Risk. You Failed to Consider Risk during _____.

(ii) Your Conduct Constitutes Cause. Any event that constitutes Cause [(including, for the avoidance of doubt, "Serious Misconduct" as defined in the Material Risk Taker Appendix)] has occurred before the [applicable] Transferability Date.

(iii) You Do Not Meet Your Obligations to the Firm. The Committee determines that, before the [applicable] Transferability Date, you failed to meet, in any respect, any obligation under any agreement with the Firm, or any agreement entered into in connection with your Employment or this Award, including the Firm's notice period requirement applicable to you, any offer letter, employment agreement or any shareholders' agreement relating to the Firm. Your failure to pay or reimburse the Firm, on demand, for any amount you owe to the Firm will constitute (A) failure to meet an obligation you have under an agreement, regardless of whether such obligation arises under a written agreement and/or (B) a material violation of Firm policy constituting Cause.

(iv) You Do Not Provide Timely Certifications or Comply with Your Certifications. You fail to certify to GS Inc. that you have complied with all of the terms of the Plan and this Award Agreement, or the Committee determines that you have failed to comply with a term of the Plan or this Award Agreement to which you have certified compliance.

(v) You Do Not Follow Dispute Resolution/Arbitration Procedures. You attempt to have any dispute under the Plan or this Award Agreement resolved in any manner that is not provided for by Paragraph 16 or Section 3.17 of the Plan, or you attempt to arbitrate a dispute without first having exhausted your internal administrative remedies in accordance with Paragraph 13(f)(viii).

(vi) You Bring an Action that Results in a Determination that Any Award Agreement Term Is Invalid. As a result of any action brought by you, it is determined that any term of this Award Agreement is invalid.

(vii) You Receive Compensation in Respect of Your Award from Another Employer. Your Employment terminates for any reason or you otherwise are no longer actively Employed with the Firm and another entity grants you cash, equity or other property (whether vested or unvested) to replace, substitute for or otherwise in respect of any Shares at Risk; *provided*, *however*, that your rights will only be terminated in respect of the Shares at Risk that are replaced, substituted for or otherwise considered by such other entity in making its grant.

(viii) [Accounting Restatement Required Under Sarbanes-Oxley. GS Inc. is required to prepare an accounting restatement due to GS Inc.'s material noncompliance, as a result of misconduct, with any financial reporting requirement under the securities laws as described in Section 304 (a) of Sarbanes-Oxley; *provided*, *however*, that your rights will only be terminated in respect of Shares at Risk to the same extent that would be required under Section 304(a) of Sarbanes-Oxley had you been a "chief executive officer" or "chief financial officer" of GS Inc. (regardless of whether you actually hold such position at the relevant time).]

REPAYMENT OF YOUR AWARD

10. **When You May Be Required to Repay Your Award.**

(a) Repayment, Generally. If the Committee determines that any term of this Award was not satisfied, you will be required, immediately upon demand therefor, to repay to the Firm the following:

(i) Any Settlement Amount (including any Shares at Risk) for which the terms (including the terms for delivery) of the related PSUs were not satisfied, in accordance with Section 2.6.3 of the Plan.

(ii) Any Shares at Risk for which the terms (including the terms for the release of Transfer Restrictions) were not satisfied, in accordance with Section 2.5.3 of the Plan.

(iii) [Any Shares that were delivered (but not subject to Transfer Restrictions) at the same time any Shares at Risk that are cancelled or required to be repaid were delivered.]

(iv) [Any Dividend Equivalent Payments for which the terms were not satisfied (including any such payments made in respect of PSUs that are forfeited or any Settlement Amount that is required to be repaid), in accordance with Section 2.8.3 of the Plan.]

(v) Any dividends paid in respect of any [deliveredShares (including] Shares at Risk[)] that are cancelled or required to be repaid.

(vi) Any amount applied to satisfy tax withholding or other obligations with respect to any PSU, Settlement Amount (including Shares at Risk, dividend payments or [Dividend Equivalent Payments] that are forfeited or required to be repaid.

(b) Repayment Upon Materially Inaccurate Financial Statements. If any delivery is made under this Award Agreement based on materially inaccurate financial statements (which includes, but is not limited to, statements of earnings, revenues or gains) or other materially inaccurate performance criteria, you will be obligated to repay to the Firm, immediately upon demand therefor, any excess amount delivered, as determined by the Committee in its sole discretion.

(c) [Repayment Upon Accounting Restatement Required Under Sarbanes-Oxley. If an event described in Paragraphs 9(a)(xii) and 9(b)(viii) (relating to a requirement under Sarbanes-Oxley that GS Inc. prepare an accounting restatement) occurs, any Settlement Amount [(including Shares at Risk)], dividend payments, Dividend Equivalent Payments, cash or other property delivered, paid or withheld in respect of this Award will be subject to repayment as described in Paragraph 10(a) to the same extent that would be required under Section 304(a) of Sarbanes-Oxley had you been a "chief executive officer" or "chief financial officer" of GS Inc. (regardless of whether you actually hold such position at the relevant time).]

TERMINATIONS OF EMPLOYMENT

11. **PSUs and Termination of Employment [or Death].**

(a) Employment Termination Generally. Unless the Committee determines otherwise, if your Employment terminates for any reason or you are otherwise no longer actively Employed with the Firm (which includes off-premises notice periods, "garden leaves," pay in lieu of notice or any other similar status), the Performance Goal applicable to your Outstanding PSUs will continue to apply and the

determination of the Settlement Amount will continue to be subject to whether or not, and to what extent, the Performance Goal has been achieved, in each case, as provided in Paragraph 6. All other terms of this Award Agreement, including the forfeiture and repayment events in Paragraphs 9 and 10 [and the Material Risk Taker Appendix], continue to apply.

(b) Restrictions on Association With a Covered Enterprise Cease to Apply After an Involuntary or Mutual Agreement Termination. Paragraph 9 (a)(i) (relating to forfeiture if you Associate With a Covered Enterprise) will not apply if (i) your Employment terminates and the Firm characterizes your Employment termination as "involuntary" or by "mutual agreement" (and, in each case, you have not engaged in conduct constituting Cause) and (ii) you execute a general waiver and release of claims and an agreement to pay any associated tax liability, in each case, in the form the Firm prescribes. No Employment termination that you initiate, including any purported "constructive termination," a "termination for good reason" or similar concepts, can be "involuntary" or by "mutual agreement." All other terms of this Award Agreement, including the other forfeiture and repayment events in Paragraphs 9 and 10 [and the Material Risk Taker Appendix], continue to apply.

(c) [Death. If you die before the Settlement Date, the representative of your estate will, on the Settlement Date, receive delivery of the Settlement Amount and payment of the Dividend Equivalent Payments that, in each case, would have otherwise been made pursuant to Paragraph 6 and any Transfer Restrictions on Shares at Risk will cease to apply in accordance with Paragraph 12(b), after such documentation as may be requested by the Committee is provided to the Committee. All other terms of this Award Agreement, including the forfeiture and repayment events in Paragraphs 9 and 10 [and the Material Risk Taker Appendix], continue to apply.]

12. [**Accelerated Release of Transfer Restrictions on Shares at Risk in the Event of a]Qualifying Termination After a Change in Control or Death.** [To the extent you receive delivery of Shares at Risk in connection with any Settlement Amount,] [I][i]n the event of your Qualifying Termination After a Change in Control or death, each as described below, your Shares at Risk [(and delivery of your Settlement Amount in the case of death in certain circumstances)] will be treated as described in this Paragraph 12, and, except as set forth in Paragraph 12(a), all other terms of this Award Agreement, including the other forfeiture and repayment events in Paragraphs 9 and 10 [and the Material Risk Taker Appendix], continue to apply. [In each case, the Performance Goal applicable to your Outstanding PSUs will continue to apply and the determination of the Settlement Amount will continue to be subject to whether or not, and to what extent, the Performance Goal has been achieved, in each case, as provided in Paragraph 6.]

(a) You Have a Qualifying Termination After a Change in Control. If your Employment terminates when you meet the requirements of a Qualifying Termination After a Change in Control, any Transfer Restrictions will cease to apply to your Shares at Risk. In addition, the forfeiture events in Paragraph 9 will not apply to your Shares at Risk.

(b) Death. If you die, any Transfer Restrictions will cease to apply as soon as practicable after the date of death and after such documentation as may be requested by the Committee is provided to the Committee[.][, unless prohibited by applicable law or regulation:

(i) If you die prior to the Determination Date or an applicable Settlement Date, the representative of your estate will receive delivery of any undelivered portion of the Settlement Amount that would have otherwise been made pursuant to Paragraph 6 as soon as practicable after the later of the date of death and the Determination Date.

(ii) Any Transfer Restrictions will cease to apply to your Shares at Risk.]

OTHER TERMS, CONDITIONS AND AGREEMENTS

13. **Additional Terms, Conditions and Agreements.**

(a) You Must Satisfy Applicable Tax Withholding Requirements. Delivery of the Settlement Amount is conditioned on your satisfaction of any applicable withholding taxes in accordance with Section 3.2 of the Plan, which includes the Firm deducting or withholding amounts from any payment or distribution to you. In addition, to the extent permitted by applicable law, the Firm, in its sole discretion, may require you to provide amounts equal to all or a portion of any Federal, state, local, foreign or other tax obligations imposed on you or the Firm in connection with the grant or [payment] [delivery] of this Award by requiring you to choose between remitting the amount (i) in cash (or through payroll deduction or otherwise) or (ii) in the form of proceeds from the Firm's executing a sale of Shares delivered to you pursuant to this Award. In no event, however, does this Paragraph 13(a) give you any discretion to determine or affect the timing of delivery of the Settlement Amount or the timing of payment of tax obligations.

(b) Firm May Deliver Cash or Other Property in Respect of the Settlement Amount. In accordance with Section 1.3.2(i) of the Plan, in the sole discretion of the Committee, in lieu of all or any portion of the Settlement Amount, the Firm may deliver cash, other securities, other awards under the Plan or other property, and all references in this Award Agreement to delivery of the Settlement Amount will include such deliveries of cash, other securities, other awards under the Plan or other property.

(c) Amounts May Be Rounded to Avoid Fractional Shares. Any amounts delivered in respect of the Settlement Amount[, including Shares at Risk,] may be rounded to avoid fractional Shares.

(d) You May Be Required to Become a Party to the Shareholders' Agreement. Your rights to your PSUs are conditioned on your becoming a party to any shareholders' agreement to which other similarly situated employees (*e.g.*, employees with a similar title or position) of the Firm are required to be a party.

(e) Firm May Affix Legends and Place Stop Orders on Shares. GS Inc. may affix to Certificates representing Shares any legend that the Committee determines to be necessary or advisable (including to reflect any restrictions to which you may be subject under a separate agreement). GS Inc. may advise the transfer agent to place a stop order against any legended Shares.

(f) You Agree to Certain Consents, Terms and Conditions. By accepting this Award you understand and agree that:

(i) You Agree to Certain Consents as a Condition to the Award. You have expressly consented to all of the items listed in Section 3.3.3 (d) of the Plan, including the Firm's supplying to any third-party recordkeeper of the Plan or other person such personal information of yours as the Committee deems advisable to administer the Plan, and you agree to provide any additional consents that the Committee determines to be necessary or advisable;

(ii) You Are Subject to the Firm's Policies, Rules and Procedures. You are subject to the Firm's policies in effect from time to time concerning trading in Shares and hedging or pledging Shares and equity-based compensation or other awards (including, without limitation, the "Firmwide Policy with Respect to Personal Transactions Involving GS Securities and GS Equity Awards" or any successor policies), and confidential or proprietary information, and you will effect sales of Shares in

accordance with such rules and procedures as may be adopted from time to time (which may include, without limitation, restrictions relating to the timing of sale requests, the manner in which sales are executed, pricing method, consolidation or aggregation of orders and volume limits determined by the Firm);

(iii) You Are Responsible for Costs Associated with Your Award. You will be responsible for all brokerage costs and other fees or expenses associated with your Award, including those related to the sale of Shares;

(iv) You Will Be Deemed to Represent Your Compliance with All the Terms of Your Award if You Accept Delivery. You will be deemed to have represented and certified that you have complied with all of the terms of the Plan and this Award Agreement when any Settlement Amount [and Dividend Equivalent Payments] [is][are] delivered to you, and you request the sale of Shares following the release of Transfer Restrictions on Shares at Risk;

(v) Firm May Deliver Your Award into an Escrow Account. The Firm may establish and maintain an escrow account on such terms (which may include your executing any documents related to, and your paying for any costs associated with, such account) as it may deem necessary or appropriate, and the Settlement Amount may initially be delivered and any [Dividend Equivalent Amounts and] dividends may initially be [paid] [delivered] into and held in that escrow account until such time as the Committee has received such documentation as it may have requested or until the Committee has determined that any other conditions or restrictions on deliveries required by this Award Agreement have been satisfied;

(vi) You May Be Required to Certify Compliance with Award Terms; You Are Responsible for Providing the Firm with Updated Address and Contact Information After Your Departure from the Firm. If your Employment terminates while you continue to hold PSUs [or Shares at Risk], from time to time, you may be required to provide certifications of your compliance with all of the terms of the Plan and this Award Agreement as described in Paragraphs 9(a)(vi) and 9(b)(iv). You understand and agree that (A) your address on file with the Firm at the time any certification is required will be deemed to be your current address, (B) it is your responsibility to inform the Firm of any changes to your address to ensure timely receipt of the certification materials, (C) you are responsible for contacting the Firm to obtain such certification materials if not received and (D) your failure to return properly completed certification materials by the specified deadline (which includes your failure to timely return the completed certification because you did not provide the Firm with updated contact information) will result in the forfeiture of all of your PSUs or Shares at Risk and subject previously delivered amounts to repayment under Paragraphs 9(a)(vi) and 9(b)(iv);

(vii) You Authorize the Firm to Register, in Its or Its Designee's Name, Any Shares at Risk and Sell, Assign or Transfer Any Forfeited Shares at Risk. You are granting to the Firm the full power and authority to register any Shares at Risk in its or its designee's name and authorizing the Firm or its designee to sell, assign or transfer any Shares at Risk if you forfeit your Shares at Risk;

(viii) You Must Comply with Applicable Deadlines and Procedures to Appeal Determinations Made by the Committee. If you disagree with a determination made by the Committee, the SIP Committee, the SIP Administrators, or any of their delegates or designees and you wish to appeal such determination, you must submit a written request to the SIP Committee for review within 180 days after the determination at issue. You must exhaust your internal administrative remedies (*i.e.*, submit your appeal and wait for resolution of that appeal) before seeking to resolve a dispute through arbitration pursuant to Paragraph 16 and Section 3.17 of the Plan; and

(ix) You Agree that Covered Persons Will Not Have Liability. In addition to and without limiting the generality of the provisions of Section 1.3.5 of the Plan, neither the Firm nor any Covered Person will have any liability to you or any other person for any action taken or omitted in respect of this or any other Award.

14. **Non-transferability.** Except as otherwise may be provided in this Paragraph 14 or as otherwise may be provided by the Committee, the limitations on transferability set forth in Section 3.5 of the Plan will apply to this Award. Any purported transfer or assignment in violation of the provisions of this Paragraph 14 or Section 3.5 of the Plan will be void. The Committee may adopt procedures pursuant to which some or all recipients of PSUs and Shares at Risk may transfer some or all of their PSUs or Shares at Risk (which will continue to be subject to Transfer Restrictions until the Transferability Date) through a gift for no consideration to any immediate family member, a trust or other estate planning vehicle approved by the Committee or SIP Committee in which the recipient and/or the recipient's immediate family members in the aggregate have 100% of the beneficial interest.

15. **Right of Offset.** Except as provided in Paragraph 18(d), the obligation to deliver the Settlement Amount, pay dividends [or Dividend Equivalent Payments] or release Transfer Restrictions under this Award Agreement is subject to Section 3.4 of the Plan, which provides for the Firm's right to offset against such obligation any outstanding amounts you owe to the Firm and any amounts the Committee deems appropriate pursuant to any tax equalization policy or agreement.

ARBITRATION, CHOICE OF FORUM AND GOVERNING LAW

16. **Arbitration; Choice of Forum.**

(a) BY ACCEPTING THIS AWARD, YOU ARE INDICATING THAT YOU UNDERSTAND AND AGREE THAT THE ARBITRATION AND CHOICE OF FORUM PROVISIONS SET FORTH IN SECTION 3.17 OF THE PLAN WILL APPLY TO THIS AWARD. THESE PROVISIONS, WHICH ARE EXPRESSLY INCORPORATED HEREIN BY REFERENCE, PROVIDE AMONG OTHER THINGS THAT ANY DISPUTE, CONTROVERSY OR CLAIM BETWEEN THE FIRM AND YOU ARISING OUT OF OR RELATING TO OR CONCERNING THE PLAN OR THIS AWARD AGREEMENT WILL BE FINALLY SETTLED BY ARBITRATION IN NEW YORK CITY, PURSUANT TO THE TERMS MORE FULLY SET FORTH IN SECTION 3.17 OF THE PLAN; PROVIDED THAT NOTHING HEREIN SHALL PRECLUDE YOU FROM FILING A CHARGE WITH OR PARTICIPATING IN ANY INVESTIGATION OR PROCEEDING CONDUCTED BY ANY GOVERNMENTAL AUTHORITY, INCLUDING BUT NOT LIMITED TO THE SEC AND THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION.

(b) To the fullest extent permitted by applicable law, no arbitrator will have the authority to consider class, collective or representative claims, to order consolidation or to join different claimants or grant relief other than on an individual basis to the individual claimant involved.

(c) Notwithstanding any applicable forum rules to the contrary, to the extent there is a question of enforceability of this Award Agreement arising from a challenge to the arbitrator's jurisdiction or to the arbitrability of a claim, it will be decided by a court and not an arbitrator.

(d) The Federal Arbitration Act governs interpretation and enforcement of all arbitration provisions under the Plan and this Award Agreement, and all arbitration proceedings thereunder.

(e) Nothing in this Award Agreement creates a substantive right to bring a claim under U.S. Federal, state, or local employment laws.

(f) By accepting your Award, you irrevocably appoint each General Counsel of GS Inc., or any person whom the General Counsel of GS Inc. designates, as your agent for service of process in connection with any suit, action or proceeding arising out of or relating to or concerning the Plan or any Award which is not arbitrated pursuant to the provisions of Section 3.17.1 of the Plan, who shall promptly advise you of any such service of process.

(g) To the fullest extent permitted by applicable law, no arbitrator will have the authority to consider any claim as to which you have not first exhausted your internal administrative remedies in accordance with Paragraph 13(f)(viii).

17. **Governing Law. THIS AWARD WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.**

CERTAIN TAX PROVISIONS

18. **Compliance of Award Agreement and Plan with Section 409A.** The provisions of this Paragraph 18 apply to you only if you are a U.S. taxpayer.

(a) This Award Agreement and the Plan provisions that apply to this Award are intended and will be construed to comply with Section 409A (including the requirements applicable to, or the conditions for exemption from treatment as, 409A Deferred Compensation), whether by reason of short-term deferral treatment or other exceptions or provisions. The Committee will have full authority to give effect to this intent. To the extent necessary to give effect to this intent, in the case of any conflict or potential inconsistency between the provisions of the Plan (including Sections 1.3.2 and 2.1 thereof) and this Award Agreement, the provisions of this Award Agreement will govern, and in the case of any conflict or potential inconsistency between this Paragraph 18 and the other provisions of this Award Agreement, this Paragraph 18 will govern.

(b) Settlement will not be delayed beyond the date on which all applicable conditions or restrictions on settlement in respect of your PSUs required by this Award Agreement (including those specified in Paragraph 11(b) (execution of waiver and release of claims agreement to pay associated tax liability) and the consents and other items specified in Section 3.3 of the Plan) are satisfied. To the extent that any portion of this Award is intended to satisfy the requirements for short-term deferral treatment under Section 409A, settlement in respect of such portion will occur by the March 15 coinciding with the last day of the applicable "short-term deferral" period described in Reg. § 1.409A-1(b)(4) in order for settlement to be within the short-term deferral exception unless, in order to permit all applicable conditions or restrictions on settlement to be satisfied, the Committee elects, pursuant to Reg. § 1.409A-1(b)(4)(i)(D) or otherwise as may be permitted in accordance with Section 409A, to delay settlement to a later date within the same calendar year or to such later date as may be permitted under Section 409A, including Reg. § 1.409A-3(d). For the avoidance of doubt, if the Award includes a "series of installment payments" as described in Reg. § 1.409A-2(b)(2)(iii), your right to the series of installment payments will be treated as a right to a series of separate payments and not as a right to a single payment.

(c) Notwithstanding the provisions of Paragraph 13(b) and Section 1.3.2(i) of the Plan, to the extent necessary to comply with Section 409A, any delivery or payment [(including in the form of Shares at Risk or other property)] that the Firm may make in respect of your PSUs will not have the effect of deferring payment, delivery, income inclusion, or a substantial risk of forfeiture, beyond the date on which such payment, delivery or inclusion would occur or such risk of forfeiture would lapse, with respect to the payment or delivery that would otherwise have been made (unless the Committee elects a later date for this purpose pursuant to Reg. § 1.409A-1(b)(4)(i)(D) or otherwise as may be permitted

under Section 409A, including and to the extent applicable, the subsequent election provisions of Section 409A(a)(4)(C) of the Code and Reg. § 1.409A-2(b)).

(d) Paragraph 15 and Section 3.4 of the Plan will not apply to Awards that are 409A Deferred Compensation except to the extent permitted under Section 409A.

(e) Settlement in respect of any portion of the Award may be made, if and to the extent elected by the Committee, later than the relevant Settlement Date or other date or period specified hereinabove (but, in the case of any Award that constitutes 409A Deferred Compensation, only to the extent that the later payment or delivery, as applicable, is permitted under Section 409A).

(f) You understand and agree that you are solely responsible for the payment of any taxes and penalties due pursuant to Section 409A, but in no event will you be permitted to designate, directly or indirectly, the taxable year of the delivery.

COMMITTEE AUTHORITY, AMENDMENT, CONSTRUCTION AND REGULATORY REPORTING

19. **Committee Authority.** The Committee has the authority to determine, in its sole discretion, that any event triggering forfeiture or repayment of your Award will not apply, to limit the forfeitures and repayments that result under Paragraphs 9 and 10 and to remove Transfer Restrictions before the [applicable] Transferability Date. In addition, the Committee, in its sole discretion, may determine whether Paragraph 11(b) will apply upon a termination of Employment.

20. **Amendment.** The Committee reserves the right at any time to amend the terms of this Award Agreement, and the Board may amend the Plan in any respect; *provided that*, notwithstanding the foregoing and Sections 1.3.2(f), 1.3.2(h) and 3.1 of the Plan, no such amendment will materially adversely affect your rights and obligations under this Award Agreement without your consent; and *provided further* that the Committee expressly reserves its rights to amend the Award Agreement and the Plan as described in Sections 1.3.2(h)(1), (2) and (4) of the Plan. A modification that impacts the tax consequences of this Award or the timing of delivery will not be an amendment that materially adversely affects your rights and obligations under this Award Agreement. Any amendment of this Award Agreement will be in writing.

21. **Construction, Headings.** Unless the context requires otherwise, (i) words describing the singular number include the plural and vice versa, (ii) words denoting any gender include all genders and (iii) the words "include," "includes" and "including" will be deemed to be followed by the words "without limitation." The headings in this Award Agreement are for the purpose of convenience only and are not intended to define or limit the construction of the provisions hereof. References in this Award Agreement to any specific Plan provision will not be construed as limiting the applicability of any other Plan provision.

22. **Providing Information to the Appropriate Authorities.** In accordance with applicable law, nothing in this Award Agreement (including the forfeiture and repayment provisions in Paragraphs 9 and 10) or the Plan prevents you from providing information you reasonably believe to be true to the appropriate governmental authority, including a regulatory, judicial, administrative, or other governmental entity; reporting possible violations of law or regulation; making other disclosures that are protected under any applicable law or regulation; or filing a charge or participating in any investigation or proceeding conducted by a governmental authority.

IN WITNESS WHEREOF, GS Inc. has caused this Award Agreement to be duly executed and delivered as of the Date of Grant.

THE GOLDMAN SACHS GROUP, INC.

[MATERIAL RISK TAKER APPENDIX

QUALITATIVE OVERLAY REDUCTION

In addition to and without limiting the Firm's rights under the forfeiture and repayment provisions set forth in Paragraphs 9 and 10 or in the "Forfeiture and Repayment" section below, the Committee may determine to reduce the Settlement Amount as described in the section entitled "Qualitative Overlay Reduction" in the Award Statement.

FORFEITURE AND REPAYMENT

This section supplements Paragraph 9 and sets forth additional events that result in forfeiture of up to all of your PSUs and Shares at Risk and may require repayment to the Firm of up to all other amounts previously delivered or paid to you under your Award in accordance with Paragraph 10. As with the events described in Paragraph 9, more than one event may apply, in no case will the occurrence of one event limit the forfeiture and repayment obligations as a result of the occurrence of any other event and the Firm reserves the right to (a) suspend delivery of Shares or release of Transfer Restrictions, (b) deliver any Shares or dividends into an escrow account in accordance with Paragraph 13(f)(v) or (c) apply Transfer Restrictions to any Shares in connection with any investigation of whether any of the events that result in forfeiture under this Material Risk Taker Appendix have occurred.

With respect to the events described in Paragraphs ([a][b]) through ([d][e]) of this Appendix, the Committee will consider certain factors to determine whether and what portion of your Award will terminate, including the reason for the "Loss Event" (as defined below) or "Risk Event" (as defined below) and the extent to which: (1) you participated in the Loss Event or Risk Event, (2) your compensation for _____ may or may not have been adjusted to take into account the risk associated with the Loss Event, Risk Event, your "Serious Misconduct" (as defined below) or the Serious Misconduct of a "Supervised Employee" (as defined below) and (3) your compensation may be adjusted for the year in which the Loss Event, Risk Event, your Serious Misconduct or a Supervised Employee's Serious Misconduct is discovered.

(a) [You Associate With a Material Covered Enterprise_____. If you "Associate With a Material Covered Enterprise" (as defined below) before the earlier of _____ or a Qualifying Termination After a Change In Control, your rights to all of your Outstanding PSUs will terminate, and no Settlement Amount will be delivered in respect of the PSUs and your rights to all of your Shares at Risk will terminate and your Shares at Risk will be cancelled. For the avoidance of doubt, notwithstanding the foregoing, the restrictions on Association With a Covered Enterprise in Paragraph 11(b)(i) will supersede the restrictions on Association With a Material Covered Enterprise described in this Appendix until the end of the Performance Period.

(i) "**Associate With a Material Covered Enterprise**" means that you (A) form, or acquire a 5% or greater equity ownership, voting or profit participation interest in, any "Material Covered Enterprise" (as defined below) or (B) associate in any capacity (including association as an officer, employee, partner, director, consultant, agent or advisor) with any Material Covered Enterprise. Associate With a Material Covered Enterprise may include, as determined in the discretion of either the Committee or the SIP Committee, (A) becoming the subject of any publicly available announcement or report of a pending or future association with a Material Covered Enterprise and (B) unpaid associations, including an association in

contemplation of future employment. The term "Association With a Material Covered Enterprise" has its correlative meaning.

(ii) The restriction described above on any Association With a Material Covered Enterprise will not apply if (A) the Firm terminates your Employment solely by reason of a "downsizing" or the Firm characterizes your Employment termination as "involuntary" or by "mutual agreement" (and, in each case, you have not engaged in conduct constituting Cause) and (B) you execute a general waiver and release of claims and an agreement to pay any associated tax liability, in each case, in the form the Firm prescribes.

(iii) "**Material Covered Enterprise**" means a Covered Enterprise that the Firm determines, in its sole discretion, to be material.]

(b) A Loss Event Occurs Prior to Delivery. If a Loss Event occurs prior to the delivery of any portion of the Settlement Amount, your rights in respect of all or a portion of your PSUs which are scheduled to deliver on the next Settlement Date immediately following the date that the Loss Event is identified (or, if not practicable, then the next following Settlement Date) will terminate, and no Shares will be delivered in respect of such PSUs.

(i) A "**Loss Event**" means (A) an annual pre-tax loss at GS Inc. or (B) annual negative revenues in one or more reporting segments as disclosed in the Firm's Form 10-K other than the Asset Management segment, or annual negative revenues in the Asset Management segment of $5 billion or more, *provided* in either case that you are employed in a business within such reporting segment.

(c) A Risk Event Occurs _____. If a Risk Event occurs _____, (i) your rights in respect of all or a portion of your PSUs will terminate and no Settlement Amount will be delivered in respect of such PSUs, (ii) your rights to all or a portion of any Shares at Risk will terminate and such Shares at Risk will be cancelled and (iii) you will be obligated immediately upon demand therefor to pay the Firm an amount not in excess of the greater of the Fair Market Value of the Shares (plus any dividend payments) delivered in respect of the Award (without reduction for any amount applied to satisfy tax withholding or other obligations) determined as of (A) the date the Risk Event occurred and (B) the date that the repayment request is made.

(i) A "**Risk Event**" means there occurs a loss of 5% or more of firmwide total capital from a reportable operational risk event determined in accordance with the firmwide Reporting Operational Risk Events Policy.

(d) You Engage in Serious Misconduct _____. If you engage in Serious Misconduct _____, you will be obligated immediately upon demand therefor to pay the Firm an amount not in excess of the greater of the Fair Market Value of the Shares (plus any dividend payments) delivered in respect of the Award (without reduction for any amount applied to satisfy tax withholding or other obligations) determined as of (i) the date the Serious Misconduct occurred and (ii) the date that the repayment request is made.

(i) "**Serious Misconduct**" means that you engage in conduct that the Firm reasonably considers, in its sole discretion, to be misconduct sufficient to justify summary termination of employment under English law.

(e) A Supervised Employee Engages in Serious Misconduct. If the Committee determines that it is appropriate to hold you accountable in whole or in part for Serious Misconduct related to compliance, control or risk that occurred during _____ by a Supervised Employee, your rights in respect of all or a portion of your PSUs will terminate and no Settlement Amount will be delivered in respect of such PSUs and your rights to all or a portion of any Shares at Risk will terminate and such Shares at Risk will be cancelled.

(i) "**Supervised Employee**" means an individual with respect to whom the Committee determines you had supervisory responsibility as a result of direct or indirect reporting lines or your management responsibility for an office, division or business.

Notwithstanding any provision in the Plan, this Award Agreement or any other agreement or arrangement you may have with the Firm, the parties agree that to the extent that there is any dispute arising out of or relating to the payment required by Paragraphs ([b][c]) and ([c][d]) of this Appendix (including your refusal to remit payment) the parties will submit to arbitration in accordance with Paragraph 16 of this Award Agreement and Section 3.17 of the Plan as the sole means of resolution of such dispute (including the recovery by the Firm of the payment amount).]

DEFINITIONS APPENDIX

The following capitalized terms are used in this Award Agreement with the following meanings:

(a) "409A Deferred Compensation" means a "deferral of compensation" or "deferred compensation" as those terms are defined in the regulations under Section 409A.

(b) "Associate With a Covered Enterprise" means that you (i) form, or acquire a 5% or greater equity ownership, voting or profit participation interest in, any Covered Enterprise or (ii) associate in any capacity (including association as an officer, employee, partner, director, consultant, agent or advisor) with any Covered Enterprise. Associate With a Covered Enterprise may include, as determined in the discretion of the Committee, (i) becoming the subject of any publicly available announcement or report of a pending or future association with a Covered Enterprise and (ii) unpaid associations, including an association in contemplation of future employment. "Association With a Covered Enterprise" will have its correlative meaning.

(c) "Covered Enterprise" means a Competitive Enterprise and any other existing or planned business enterprise that: (i) offers, holds itself out as offering or reasonably may be expected to offer products or services that are the same as or similar to those offered by the Firm or that the Firm reasonably expects to offer ("Firm Products or Services") or (ii) engages in, holds itself out as engaging in or reasonably may be expected to engage in any other activity that is the same as or similar to any financial activity engaged in by the Firm or in which the Firm reasonably expects to engage ("Firm Activities"). For the avoidance of doubt, Firm Activities include any activity that requires the same or similar skills as any financial activity engaged in by the Firm or in which the Firm reasonably expects to engage, irrespective of whether any such financial activity is in furtherance of an advisory, agency, proprietary or fiduciary undertaking.

The enterprises covered by this definition include enterprises that offer, hold themselves out as offering or reasonably may be expected to offer Firm Products or Services, or engage in, hold themselves out as engaging in or reasonably may be expected to engage in Firm Activities directly, as well as those that do so indirectly by ownership or control (*e.g.*, by owning, being owned by or by being under common ownership with an enterprise that offers, holds itself out as offering or reasonably may be expected to offer Firm Products or Services or that engages in, holds itself out as engaging in or reasonably may be expected to engage in Firm Activities). The definition of Covered Enterprise includes, solely by way of example, any enterprise that offers, holds itself out as offering or reasonably may be expected to offer any product or service, or engages in, holds itself out as engaging in or reasonably may be expected to engage in any activity, in any case, associated with investment banking; public or private finance; lending; financial advisory services; private investing for anyone other than you or your family members (including, for the avoidance of doubt, any type of proprietary investing or trading); private wealth management; private banking; consumer or commercial cash management; consumer, digital or commercial banking; merchant banking; asset, portfolio or hedge fund management; insurance or reinsurance underwriting or brokerage; property management; or securities, futures, commodities, energy, derivatives, currency or digital asset brokerage, sales, lending, custody, clearance, settlement or trading. An enterprise that offers, holds itself out as offering or reasonably may be expected to offer Firm Products or Services, or engages in, holds itself out as engaging in or reasonably may be expected to engage in Firm Activities is a Covered Enterprise**, irrespective of whether the enterprise is a customer, client or counterparty of the Firm or is otherwise associated with the Firm and, because the Firm is a global enterprise, irrespective of where the Covered Enterprise is physically located.**

(d) "Determination Date" means the date specified on your Award Statement as the date on which the Committee will determine whether or not, and to what extent, the Performance Goal was achieved for the Performance Period.

(e) ["Dividend Equivalent Payments" means any payments made in respect of Dividend Equivalent Rights.]

(f) "FDIC" means the Federal Deposit Insurance Corporation or any successor thereto.

(g) "Failed to Consider Risk" means that you participated (or otherwise oversaw or were responsible for, depending on the circumstances, another individual's participation) in the structuring or marketing of any product or service, or participated on behalf of the Firm or any of its clients in the purchase or sale of any security or other property, in any case without appropriate consideration of the risk to the Firm or the broader financial system as a whole (for example, where you have improperly analyzed such risk or where you have failed sufficiently to raise concerns about such risk) and, as a result of such action or omission, the Committee determines there has been, or reasonably could be expected to be, a material adverse impact on the Firm, your business unit or the broader financial system.

(h) "Performance Goal" means the performance goal determined by the Committee that is specified on your Award Statement.

(i) "Performance Period" means the performance period determined by the Committee that is specified on your Award Statement.

(j) "Qualifying Termination After a Change in Control" means that the Firm terminates your Employment other than for Cause or you terminate your Employment for Good Reason, in each case, within 18 months following a Change in Control.

(k) ["Sarbanes-Oxley" means the Sarbanes-Oxley Act of 2002, as amended.]

(l) "SEC" means the U.S. Securities and Exchange Commission.

(m) "Selected Firm Personnel" means any individual who is or in the three months preceding the conduct prohibited by Paragraph 9(a)(ii) was (i) a Firm employee or consultant with whom you personally worked while employed by the Firm, (ii) a Firm employee or consultant who, at any time during the year preceding the date of the termination of your Employment, worked in the same division in which you worked or (iii) an Advisory Director, a Managing Director or a Senior Advisor of the Firm.

(n) "Settlement Amount" means an amount deliverable to you in respect of your PSUs (determined as described in the Award Statement).

(o) "Settlement Date" means the date that is specified on your Award Statement as the date on which the Settlement Amount will be delivered, *provided*, unless the Committee determines otherwise, such date is during a Window Period or, if such date is not during a Window Period, the first trading day of the first Window Period beginning after such date.

(p) "Share" means a share of Common Stock.

(q) "Shares at Risk" means Shares that are subject to Transfer Restrictions.

The following capitalized terms are used in this Award Agreement with the meanings that are assigned to them in the Plan:

(a) "Account" means any brokerage account, custody account or similar account, as approved or required by GS Inc. from time to time, into which shares of Common Stock, cash or other property in respect of an Award are delivered.

(b) "Award Agreement" means the written document or documents by which each Award is evidenced, including any related Award Statement and signature card.

(c) "Award Statement" means a written statement that reflects certain Award terms.

(d) "Board" means the Board of Directors of GS Inc.

(e) "Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in New York City are authorized or obligated by Federal law or executive order to be closed.

(f) "Cause" means (i) the Grantee's conviction, whether following trial or by plea of guilty or *nolo contendere* (or similar plea), in a criminal proceeding (A) on a misdemeanor charge involving fraud, false statements or misleading omissions, wrongful taking, embezzlement, bribery, forgery, counterfeiting or extortion, or (B) on a felony charge, or (C) on an equivalent charge to those in clauses (A) and (B) in jurisdictions which do not use those designations, (ii) the Grantee's engaging in any conduct which constitutes an employment disqualification under applicable law (including statutory disqualification as defined under the Exchange Act), (iii) the Grantee's willful failure to perform the Grantee's duties to the Firm, (iv) the Grantee's violation of any securities or commodities laws, any rules or regulations issued pursuant to such laws, or the rules and regulations of any securities or commodities exchange or association of which the Firm is a member, (v) the Grantee's violation of any Firm policy concerning hedging or pledging or confidential or proprietary information, or the Grantee's material violation of any other Firm policy as in effect from time to time, (vi) the Grantee's engaging in any act or making any statement which impairs, impugns, denigrates, disparages or negatively reflects upon the name, reputation or business interests of the Firm or (vii) the Grantee's engaging in any conduct detrimental to the Firm. The determination as to whether Cause has occurred shall be made by the Committee in its sole discretion and, in such case, the Committee also may, but shall not be required to, specify the date such Cause occurred (including by determining that a prior termination of Employment was for Cause). Any rights the Firm may have hereunder and in any Award Agreement in respect of the events giving rise to Cause shall be in addition to the rights the Firm may have under any other agreement with a Grantee or at law or in equity.

(g) "Certificate" means a stock certificate (or other appropriate document or evidence of ownership) representing shares of Common Stock.

(h) "Change in Control" means the consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving GS Inc. (a "Reorganization") or sale or other disposition of all or substantially all of GS Inc.'s assets to an entity that is not an affiliate of GS Inc. (a "Sale"), that in each case requires the approval of GS Inc.'s shareholders under the law of GS Inc.'s jurisdiction of organization, whether for such Reorganization or Sale (or the issuance of securities of GS Inc. in such Reorganization or Sale), unless immediately following such Reorganization or Sale, either: (i) at least 50% of the total voting power (in respect of the election of directors, or similar officials in the case of an entity other than a corporation) of (A) the entity resulting from such Reorganization, or the entity which has acquired all or substantially all of the assets of GS Inc. in a Sale (in either case, the "Surviving Entity"), or (B) if applicable, the ultimate parent entity that directly or indirectly has beneficial

ownership (within the meaning of Rule 13d-3 under the Exchange Act, as such Rule is in effect on the date of the adoption of the 1999 SIP) of 50% or more of the total voting power (in respect of the election of directors, or similar officials in the case of an entity other than a corporation) of the Surviving Entity (the "Parent Entity") is represented by GS Inc.'s securities (the "GS Inc. Securities") that were outstanding immediately prior to such Reorganization or Sale (or, if applicable, is represented by shares into which such GS Inc. Securities were converted pursuant to such Reorganization or Sale) or (ii) at least 50% of the members of the board of directors (or similar officials in the case of an entity other than a corporation) of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) following the consummation of the Reorganization or Sale were, at the time of the Board's approval of the execution of the initial agreement providing for such Reorganization or Sale, individuals (the "Incumbent Directors") who either (A) were members of the Board on the Effective Date or (B) became directors subsequent to the Effective Date and whose election or nomination for election was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of GS Inc.'s proxy statement in which such persons are named as nominees for director).

(i) "Client" means any client or prospective client of the Firm to whom the Grantee provided services, or for whom the Grantee transacted business, or whose identity became known to the Grantee in connection with the Grantee's relationship with or employment by the Firm.

(j) "Code" means the Internal Revenue Code of 1986, as amended from time to time, and the applicable rulings and regulations thereunder.

(k) "Committee" means the committee appointed by the Board to administer the Plan pursuant to Section 1.3, and, to the extent the Board determines it is appropriate for the compensation realized from Awards under the Plan to be considered "performance based" compensation under Section 162(m) of the Code, shall be a committee or subcommittee of the Board composed of two or more members, each of whom is an "outside director" within the meaning of Code Section 162(m), and which, to the extent the Board determines it is appropriate for Awards under the Plan to qualify for the exemption available under Rule 16b-3(d)(1) or Rule 16b-3(e) promulgated under the Exchange Act, shall be a committee or subcommittee of the Board composed of two or more members, each of whom is a "non-employee director" within the meaning of Rule 16b-3. Unless otherwise determined by the Board, the Committee shall be the Compensation Committee of the Board.

(l) "Common Stock" means common stock of GS Inc., par value $0.01 per share.

(m) "Competitive Enterprise" means an existing or planned business enterprise that (i) engages, or may reasonably be expected to engage, in any activity; (ii) owns or controls, or may reasonably be expected to own or control, a significant interest in any entity that engages in any activity or (iii) is, or may reasonably be expected to be, owned by, or a significant interest in which is, or may reasonably be expected to be, owned or controlled by, any entity that engages in any activity that, in any case, competes or will compete anywhere with any activity in which the Firm is engaged. The activities covered by this definition include, without limitation: financial services such as investment banking; public or private finance; lending; financial advisory services; private investing for anyone other than the Grantee and members of the Grantee's family (including for the avoidance of doubt, any type of proprietary investing or trading); private wealth management; private banking; consumer or commercial cash management; consumer, digital or commercial banking; merchant banking; asset, portfolio or hedge fund management; insurance or reinsurance underwriting or brokerage; property management; or securities, futures, commodities, energy, derivatives, currency or digital asset brokerage, sales, lending, custody, clearance, settlement or trading.

(n) "Covered Person" means a member of the Board or the Committee or any employee of the Firm.

(o) "Date of Grant" means the date specified in the Grantee's Award Agreement as the date of grant of the Award.

(p) "Dividend Equivalent Right" means a dividend equivalent right granted under the Plan, which represents an unfunded and unsecured promise to pay to the Grantee amounts equal to all or any portion of the regular cash dividends that would be paid on shares of Common Stock covered by an Award if such shares had been delivered pursuant to an Award.

(q) "Effective Date" means the date this Plan is approved by the shareholders of GS Inc. pursuant to Section 3.15 of the Plan.

(r) "Employment" means the Grantee's performance of services for the Firm, as determined by the Committee. The terms "employ" and "employed" shall have their correlative meanings. The Committee in its sole discretion may determine (i) whether and when a Grantee's leave of absence results in a termination of Employment (for this purpose, unless the Committee determines otherwise, a Grantee shall be treated as terminating Employment with the Firm upon the occurrence of an Extended Absence), (ii) whether and when a change in a Grantee's association with the Firm results in a termination of Employment and (iii) the impact, if any, of any such leave of absence or change in association on Awards theretofore made. Unless expressly provided otherwise, any references in the Plan or any Award Agreement to a Grantee's Employment being terminated shall include both voluntary and involuntary terminations.

(s) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and the applicable rules and regulations thereunder.

(t) "Extended Absence" means the Grantee's inability to perform for six (6) continuous months, due to illness, injury or pregnancy-related complications, substantially all the essential duties of the Grantee's occupation, as determined by the Committee.

(u) "Firm" means GS Inc. and its subsidiaries and affiliates.

(v) "Good Reason" means, in connection with a termination of employment by a Grantee following a Change in Control, (a) as determined by the Committee, a materially adverse alteration in the Grantee's position or in the nature or status of the Grantee's responsibilities from those in effect immediately prior to the Change in Control or (b) the Firm's requiring the Grantee's principal place of Employment to be located more than seventy-five (75) miles from the location where the Grantee is principally Employed at the time of the Change in Control (except for required travel on the Firm's business to an extent substantially consistent with the Grantee's customary business travel obligations in the ordinary course of business prior to the Change in Control).

(w) "Grantee" means a person who receives an Award.

(x) "GS Inc." means The Goldman Sachs Group, Inc., and any successor thereto.

(y) "1999 SIP" means The Goldman Sachs 1999 Stock Incentive Plan, as in effect prior to the effective date of the 2003 SIP.

(z) "Outstanding" means any Award to the extent it has not been forfeited, cancelled, terminated, exercised or with respect to which the shares of Common Stock underlying the Award have not been previously delivered or other payments made.

(aa) "Restricted Share" means a share of Common Stock delivered under the Plan that is subject to Transfer Restrictions, forfeiture provisions and/or other terms and conditions specified herein and in the Restricted Share Award Agreement or other applicable Award Agreement. All references to Restricted Shares include "Shares at Risk."

(bb) "RSU" means a restricted stock unit granted under the Plan, which represents an unfunded and unsecured promise to deliver shares of Common Stock in accordance with the terms of the RSU Award Agreement.

(cc) "Section 409A" means Section 409A of the Code, including any amendments or successor provisions to that Section and any regulations and other administrative guidance thereunder, in each case as they, from time to time, may be amended or interpreted through further administrative guidance.

(dd) "SIP Administrator" means each person designated by the Committee as a "SIP Administrator" with the authority to perform day-to-day administrative functions for the Plan.

(ee) "SIP Committee" means the persons who have been delegated certain authority under the Plan by the Committee.

(ff) "Solicit" means any direct or indirect communication of any kind whatsoever, regardless of by whom initiated, inviting, advising, suggesting, encouraging or requesting any person or entity, in any manner, to take or refrain from taking any action.

(gg) ["Transfer Restrictions" means restrictions that prohibit the sale, exchange, transfer, assignment, pledge, hypothecation, fractionalization, hedge or other disposal (including through the use of any cash-settled instrument), whether voluntarily or involuntarily by the Grantee, of an Award or any shares of Common Stock, cash or other property delivered in respect of an Award.]

(hh) ["Transferability Date" means the date Transfer Restrictions on a Restricted Share will be released. Within 30 Business Days after the applicable Transferability Date, GS Inc. shall take, or shall cause to be taken, such steps as may be necessary to remove Transfer Restrictions.]

(ii) "Vested" means, with respect to an Award, the portion of the Award that is not subject to a condition that the Grantee remain actively employed by the Firm in order for the Award to remain Outstanding. The fact that an Award becomes Vested shall not mean or otherwise indicate that the Grantee has an unconditional or nonforfeitable right to such Award, and such Award shall remain subject to such terms, conditions and forfeiture provisions as may be provided for in the Plan or in the Award Agreement.

(jj) "Window Period" means a period designated by the Firm during which all employees of the Firm are permitted to purchase or sell shares of Common Stock (*provided* that, if the Grantee is a member of a designated group of employees who are subject to different restrictions, the Window Period may be a period designated by the Firm during which an employee of the Firm in such designated group is permitted to purchase or sell shares of Common Stock).

Exhibit 10.55

THE GOLDMAN SACHS GROUP, INC.
YEAR-END PERFORMANCE-BASED RSU AWARD

This Award Agreement, together with The Goldman Sachs Amended and Restated Stock Incentive Plan (2018) (the "Plan"), governs your award of performance-based RSUs (your "Award" or "PSUs"). You should read carefully this entire Award Agreement, which includes the Award Statement, any attached Appendix and the signature card.

ACCEPTANCE

1. **You Must Decide Whether to Accept this Award Agreement. To be eligible to receive your Award, you must by the date specified (a) open and activate an Account and (b) agree to all the terms of your Award by executing the related signature card in accordance with its instructions. By executing the signature card, you confirm your agreement to all of the terms of this Award Agreement, including the arbitration and choice of forum provisions in Paragraph 17.**

DOCUMENTS THAT GOVERN YOUR AWARD; DEFINITIONS

2. **The Plan.** Your Award is granted under the Plan, and the Plan's terms apply to, and are a part of, this Award Agreement.

3. **Your Award Statement.** The Award Statement delivered to you contains some of your Award's specific terms. For example, it contains the number of PSUs subject to this Award, the Performance Period and the Performance Goal applicable to your Award. It also contains the Vesting Dates, the Determination Date and the Settlement Date for your Award and the Transferability Date for any Shares at Risk that may be delivered to you in respect of any Settlement Amount that you may earn. The number of PSUs on your Award Statement is not necessarily the number of PSUs in respect of which the Settlement Amount will be earned, but is merely the basis for determining the amount (if any) that will be delivered to you.

4. **Definitions.** Unless otherwise defined herein, including in the Definitions Appendix or any other Appendix, capitalized terms have the meanings provided in the Plan.

VESTING OF YOUR PSUS

5. **Vesting.** On each Vesting Date listed on your Award Statement, you will become Vested in the amount of Outstanding PSUs listed next to that date. When a PSU becomes Vested, it means **only** that your continued active Employment is not required to earn delivery in respect of that PSU. **Vesting does not mean you have a non-forfeitable right to the Vested portion of your Award. The terms of this Award Agreement (including conditions to delivery, satisfaction of the Performance Goal and any applicable Transfer Restrictions) continue to apply to your Award, and failure to meet such terms may result in the termination of this Award (as a result of which no delivery in respect of such Vested PSUs would be made) and you can still forfeit Vested PSUs and Shares at Risk.**

PERFORMANCE GOAL

6. **Performance.** The Settlement Amount is dependent, and may vary based, on achievement of the Performance Goal over the Performance Period. On the Determination Date, the Firm will determine whether or not, and to what extent, the Performance Goal for that Performance Period has been satisfied. All your rights with respect to the Settlement Amount (and any Dividend Equivalent Payments) are dependent on the extent to which the Performance Goal is achieved, and any rights to

delivery in respect of your Outstanding PSUs immediately will terminate and no Settlement Amount will be delivered in respect of such PSUs upon the Committee's determination, in its sole discretion, that the Performance Goal has not been satisfied to the extent necessary to result in delivery in respect of the PSUs.

SETTLEMENT AMOUNT

7. **Settlement.**

(a) In General. Subject to satisfaction of the terms of this Award, including satisfaction of the Performance Goal, on the Settlement Date, you will receive delivery (less applicable withholding as described in Paragraph 14(a)) of the Settlement Amount and payment of any Dividend Equivalent Payments as further described in this Award Agreement and in your Award Statement. Until such delivery and payment, you have only the rights of a general unsecured creditor and you do not have any rights as a shareholder of GS Inc. with respect to either the PSUs or the Settlement Amount. Without limiting the Committee's authority under Section 1.3.2(h) of the Plan, the Firm may accelerate any Settlement Date by up to 30 days.

(b) Form of Delivery. The Settlement Amount will be delivered in the form of Shares (by book entry credit to your Account).

(c) Shares at Risk. Fifty percent of the Shares delivered to you in respect of the Settlement Amount **before** tax withholding (or, if the applicable tax withholding rate is greater than 50%, all Shares delivered after tax withholding) will be Shares at Risk subject to Transfer Restrictions until the Transferability Date. This means that if, for example, you receive delivery of 1,000 Shares in respect of the Settlement Amount, and you are subject to a 40% withholding rate, then (a) 400 Shares will be withheld for taxes, (b) 500 Shares delivered to you will be Shares at Risk and (c) 100 Shares delivered to you will not be subject to Transfer Restrictions. Any purported sale, exchange, transfer, assignment, pledge, hypothecation, fractionalization, hedge or other disposition in violation of the Transfer Restrictions on Shares at Risk will be void. Within 30 Business Days after the Transferability Date listed on your Award Statement (or any other date on which the Transfer Restrictions are to be removed), GS Inc. will remove the Transfer Restrictions. The Committee or the SIP Committee may select multiple dates within such 30-Business-Day period on which to remove Transfer Restrictions for all or a portion of the Shares at Risk with the same Transferability Date listed on the Award Statement, and all such dates will be treated as a single Transferability Date for purposes of this Award.

DIVIDEND EQUIVALENT RIGHTS

8. **Dividend Equivalent Rights.** To the extent described in your Award Statement, each PSU will include a Dividend Equivalent Right, which will be subject to the provisions of Section 2.8 of the Plan. Accordingly, for each of your Outstanding PSUs with respect to which delivery is made under the Settlement Amount, you will be entitled to payments under Dividend Equivalent Rights equal to any regular cash dividend paid by GS Inc. in respect of a Share the record date for which occurs on or after the Date of Grant. The payment to you of amounts under Dividend Equivalent Rights (less applicable withholding as described in Paragraph 14(a)) is conditioned upon the delivery under the Settlement Amount in respect of the PSUs to which such Dividend Equivalent Rights relate, and you will have no right to receive any Dividend Equivalent Payments relating to PSUs for which you do not receive delivery under the Settlement Amount (including, without limitation, due to a failure to satisfy the Performance Goal). Dividend Equivalent Payments will be paid on the Settlement Date.

FORFEITURE OF YOUR AWARD

9. **How You May Forfeit Your Award.** This Paragraph 9 sets forth the events that result in forfeiture of up to all of your PSUs and Shares at Risk and may require repayment to the Firm of up to all amounts previously paid or delivered to you under your PSUs in accordance with Paragraph 10. More than one event may apply, and in no case will the occurrence of one event limit the forfeiture and repayment obligations as a result of the occurrence of any other event. In addition, the Firm reserves the right to (a) suspend vesting of Outstanding PSUs, delivery of the Settlement Amount and payment of any Dividend Equivalent Payments or release of Transfer Restrictions on Shares at Risk, (b) deliver the Settlement Amount, any Dividend Equivalent Payments or dividends into an escrow account in accordance with Paragraph 14(f)(v) or (c) apply Transfer Restrictions to any Shares in connection with any investigation of whether any of the events that result in forfeiture under the Plan or this Paragraph 9 have occurred. Paragraph 12 (relating to certain circumstances under which you will not forfeit your unvested PSUs upon Employment termination) and Paragraph 13 (relating to certain circumstances under which vesting and/or release of Transfer Restrictions may be accelerated) provide for exceptions to one or more provisions of this Paragraph 9.

(a) Unvested PSUs Forfeited if Your Employment Terminates. If your Employment terminates for any reason or you are otherwise no longer actively Employed with the Firm (which includes off-premises notice periods, "garden leaves," pay in lieu of notice or any other similar status), your rights to your Outstanding PSUs that are not Vested will terminate, and no Settlement Amount will be delivered in respect thereof.

(b) Vested and Unvested PSUs Forfeited Upon Certain Events. If any of the following occurs, your rights to all of your Outstanding PSUs (whether or not Vested) will terminate, and no Settlement Amount will be delivered in respect thereof, as may be further described below:

(i) You Associate With a Covered Enterprise. You Associate With a Covered Enterprise during the Performance Period.

(ii) You Solicit Clients or Employees, Interfere with Client or Employee Relationships or Participate in the Hiring of Employees. Before the Settlement Date, either:

(A) you, in any manner, directly or indirectly, (1) Solicit any Client to transact business with a Covered Enterprise or to reduce or refrain from doing any business with the Firm, (2) interfere with or damage (or attempt to interfere with or damage) any relationship between the Firm and any Client, (3) Solicit any person who is an employee of the Firm to resign from the Firm, (4) Solicit any Selected Firm Personnel to apply for or accept employment (or other association) with any person or entity other than the Firm or (5) hire or participate in the hiring of any Selected Firm Personnel by any person or entity other than the Firm (including, without limitation, participating in the identification of individuals for potential hire, and participating in any hiring decision), whether as an employee or consultant or otherwise, or

(B) Selected Firm Personnel are Solicited, hired or accepted into partnership, membership or similar status by (1) any entity that you form, that bears your name, or in which you possess or control greater than a *de minimis* equity ownership, voting or profit participation or (2) any entity where you have, or will have, direct or indirect managerial responsibility for such Selected Firm Personnel.

(iii) You Failed to Consider Risk. You Failed to Consider Risk during _____.

(iv) Your Conduct Constitutes Cause. Any event that constitutes Cause has occurred before the Settlement Date.

(v) You Do Not Meet Your Obligations to the Firm. The Committee determines that, before the Settlement Date, you failed to meet, in any respect, any obligation under any agreement with the Firm, or any agreement entered into in connection with your Employment or this Award, including the Firm's notice period requirement applicable to you, any offer letter, employment agreement or any shareholders' agreement relating to the Firm. Your failure to pay or reimburse the Firm, on demand, for any amount you owe to the Firm will constitute (A) failure to meet an obligation you have under an agreement, regardless of whether such obligation arises under a written agreement, and/or (B) a material violation of Firm policy constituting Cause.

(vi) You Do Not Provide Timely Certifications or Comply with Your Certifications. You fail to certify to GS Inc. that you have complied with all of the terms of the Plan and this Award Agreement, or the Committee determines that you have failed to comply with a term of the Plan or this Award Agreement to which you have certified compliance.

(vii) You Do Not Follow Dispute Resolution/Arbitration Procedures. You attempt to have any dispute under the Plan or this Award Agreement resolved in any manner that is not provided for by Paragraph 17 or Section 3.17 of the Plan, or you attempt to arbitrate a dispute without first having exhausted your internal administrative remedies in accordance with Paragraph 14(f)(viii).

(viii) You Bring an Action that Results in a Determination that Any Award Agreement Term Is Invalid. As a result of any action brought by you, it is determined that any term of this Award Agreement is invalid.

(ix) You Receive Compensation in Respect of Your Award from Another Employer. Your Employment terminates for any reason or you otherwise are no longer actively Employed with the Firm and another entity grants you cash, equity or other property (whether vested or unvested) to replace, substitute for or otherwise in respect of your Outstanding PSUs.

(x) [GS Inc. Fails to Maintain the Minimum Tier 1 Capital Ratio. Before the Settlement Date, GS Inc. fails to maintain the required "Minimum Tier 1 Capital Ratio" as defined under Federal Reserve Board Regulations applicable to GS Inc. for a period of 90 consecutive business days.]

(xi) [GS Inc. Is Determined to Be in Default. Before the Settlement Date, the Board of Governors of the Federal Reserve or the FDIC makes a written recommendation under Title II (Orderly Liquidation Authority) of the Dodd-Frank Wall Street Reform and Consumer Protection Act for the appointment of the FDIC as a receiver of GS Inc. based on a determination that GS Inc. is "in default" or "in danger of default."]

(c) Shares at Risk Forfeited upon Certain Events. To the extent you receive delivery of Shares at Risk in connection with any Settlement Amount, if any of the following occurs your rights to all of your Shares at Risk will terminate and your Shares at Risk will be cancelled, in each case, as may be further described below:

(i) You Failed to Consider Risk. You Failed to Consider Risk during _____.

(ii) Your Conduct Constitutes Cause. Any event that constitutes Cause has occurred before the Transferability Date.

(iii) You Do Not Meet Your Obligations to the Firm. The Committee determines that, before the Transferability Date, you failed to meet, in any respect, any obligation under any agreement with the Firm, or any agreement entered into in connection with your Employment or this Award, including the Firm's notice period requirement applicable to you, any offer letter, employment agreement or any shareholders' agreement relating to the Firm. Your failure to pay or reimburse the Firm, on demand, for any amount you owe to the Firm will constitute (A) failure to meet an obligation you have under an agreement, regardless of whether such obligation arises under a written agreement and/or (B) a material violation of Firm policy constituting Cause.

(iv) You Do Not Provide Timely Certifications or Comply with Your Certifications. You fail to certify to GS Inc. that you have complied with all of the terms of the Plan and this Award Agreement, or the Committee determines that you have failed to comply with a term of the Plan or this Award Agreement to which you have certified compliance.

(v) You Do Not Follow Dispute Resolution/Arbitration Procedures. You attempt to have any dispute under the Plan or this Award Agreement resolved in any manner that is not provided for by Paragraph 17 or Section 3.17 of the Plan, or you attempt to arbitrate a dispute without first having exhausted your internal administrative remedies in accordance with Paragraph 14(f)(viii).

(vi) You Bring an Action that Results in a Determination that Any Award Agreement Term Is Invalid. As a result of any action brought by you, it is determined that any term of this Award Agreement is invalid.

(vii) You Receive Compensation in Respect of Your Award from Another Employer. Your Employment terminates for any reason or you otherwise are no longer actively Employed with the Firm and another entity grants you cash, equity or other property (whether vested or unvested) to replace, substitute for or otherwise in respect of any Shares at Risk; *provided*, *however*, that your rights will only be terminated in respect of the Shares at Risk that are replaced, substituted for or otherwise considered by such other entity in making its grant.

REPAYMENT OF YOUR AWARD

10. **When You May Be Required to Repay Your Award.**

(a) Repayment, Generally. If the Committee determines that any term of this Award was not satisfied, you will be required, immediately upon demand therefor, to repay to the Firm the following:

(i) Any Settlement Amount (including any Shares at Risk) for which the terms (including the terms for delivery) of the related PSUs were not satisfied, in accordance with Section 2.6.3 of the Plan.

(ii) Any Shares at Risk for which the terms (including the terms for the release of Transfer Restrictions) were not satisfied, in accordance with Section 2.5.3 of the Plan.

(iii) Any Shares that were delivered (but not subject to Transfer Restrictions) at the same time any Shares at Risk that are cancelled or required to be repaid were delivered.

(iv) Any Dividend Equivalent Payments for which the terms were not satisfied (including any such payments made in respect of PSUs that are forfeited or any Settlement Amount that is required to be repaid), in accordance with Section 2.8.3 of the Plan.

(v) Any dividends paid in respect of any delivered Shares (including Shares at Risk) that are cancelled or required to be repaid.

(vi) Any amount applied to satisfy tax withholding or other obligations with respect to any PSU, Settlement Amount, dividend payments or Dividend Equivalent Payments that are forfeited or required to be repaid.

(b) Repayment Upon Materially Inaccurate Financial Statements. If any delivery is made under this Award Agreement based on materially inaccurate financial statements (which includes, but is not limited to, statements of earnings, revenues or gains) or other materially inaccurate performance criteria, you will be obligated to repay to the Firm, immediately upon demand therefor, any excess amount delivered, as determined by the Committee in its sole discretion.

TERMINATIONS OF EMPLOYMENT

11. **Termination of Employment Generally.** Unless the Committee determines otherwise, if your Employment terminates for any reason or you are otherwise no longer actively Employed with the Firm (which includes off-premises notice periods, "garden leaves," pay in lieu of notice or any other similar status), the Performance Goal applicable to your Outstanding PSUs will continue to apply with respect to your Vested PSUs and the determination of the Settlement Amount will continue to be subject to whether or not, and to what extent, the Performance Goal has been achieved with respect to your Vested PSUs, in each case, as provided in Paragraph 6. All other terms of this Award Agreement, including the forfeiture and repayment events in Paragraphs 9 and 10, continue to apply.

12. **Circumstances Under Which You Will Not Forfeit Your Unvested PSUs on Employment Termination (but the Performance Goal, Original Settlement Date and Transferability Date Continue to Apply).** If your Employment terminates at a time when you meet the requirements for Extended Absence, Retirement or "downsizing," each as described below, then Paragraph 9(a) will not apply, and your Outstanding PSUs will be treated as described in this Paragraph 12. The Performance Goal applicable to your Outstanding PSUs will continue to apply and the determination of the Settlement Amount will continue to be subject to whether or not, and to what extent, the Performance Goal has been achieved, in each case, as provided in Paragraph 6. All other terms of this Award Agreement, including the other forfeiture and repayment events in Paragraphs 9 and 10, continue to apply.

(a) Extended Absence or Retirement.

(i) Generally. If your Employment terminates by Extended Absence or Retirement, your Outstanding PSUs that are not Vested will become Vested. For the avoidance of doubt, your rights to any Outstanding PSUs will be terminated and no Settlement Amount will be delivered in respect thereof if you Associate With a Covered Enterprise during the Performance Period, as described in Paragraph 9(b)(i).

(ii) Special Treatment for Involuntary or Mutual Agreement Termination. Paragraph 9(b)(i) (relating to forfeiture if you Associate With a Covered Enterprise) will not apply if (A) the Firm characterizes your Employment termination as "involuntary" or by "mutual agreement" (and, in each case, you have not engaged in conduct constituting Cause) and (B) you execute a general waiver and release of claims and an agreement to pay any associated tax liability, in each case, in the form the Firm prescribes. No Employment termination that you initiate, including any purported "constructive termination," a "termination for good reason" or similar concepts, can be "involuntary" or by "mutual agreement."

(b) Downsizing. If (i) the Firm terminates your Employment solely by reason of a "downsizing" (and you have not engaged in conduct constituting Cause) and (ii) you execute a general waiver and release of claims and an agreement to pay any associated tax liability, in each case, in the form the Firm prescribes, your Outstanding PSUs that are not yet Vested will become Vested and Paragraph 9(b)(i) (relating to forfeiture if you Associate With a Covered Enterprise) will not apply. Whether or not your Employment is terminated solely by reason of a "downsizing" will be determined by the Firm in its sole discretion.

13. **Accelerated Vesting and/or Release of Transfer Restrictions in the Event of a Qualifying Termination After a Change in Control or Death.** In the event of your Qualifying Termination After a Change in Control or death, each as described below, Paragraph 9(a) will not apply, your Outstanding PSUs or, to the extent you have received delivery in connection with any Settlement Amount, your Shares at Risk, will be treated as described in this Paragraph 13, and, except as set forth in Paragraph 13(a), all other terms of this Award Agreement, including the other forfeiture and repayment events in Paragraphs 9 and 10, continue to apply. In each case, the Performance Goal applicable to your Outstanding PSUs will continue to apply and the determination of the Settlement Amount will continue to be subject to whether or not, and to what extent, the Performance Goal has been achieved, in each case, as provided in Paragraph 6.

(a) You Have a Qualifying Termination After a Change in Control. If your Employment terminates when you meet the requirements of a Qualifying Termination After a Change in Control, you will, on the Settlement Date, receive delivery of the Settlement Amount and payment of the Dividend Equivalent Payments that, in each case, would have otherwise been made pursuant to Paragraph 6, and any Transfer Restrictions will cease to apply to your Shares at Risk. In addition, the forfeiture events in Paragraph 9 will not apply to your Shares at Risk.

(b) Death. If you die, after such documentation as may be requested by the Committee is provided to the Committee, (i) the representative of your estate will receive delivery of the Settlement Amount and payment of the Dividend Equivalent Payments on the Settlement Date that, in each case, would have otherwise been made pursuant to Paragraph 6, and (ii) any Transfer Restrictions will cease to apply to your Shares at Risk as soon as practicable after the date of death.

OTHER TERMS, CONDITIONS AND AGREEMENTS

14. **Additional Terms, Conditions and Agreements.**

(a) You Must Satisfy Applicable Tax Withholding Requirements. Delivery of the Settlement Amount is conditioned on your satisfaction of any applicable withholding taxes in accordance with Section 3.2 of the Plan, which includes the Firm deducting or withholding amounts from any payment or distribution to you. In addition, to the extent permitted by applicable law, the Firm, in its sole discretion, may require you to provide amounts equal to all or a portion of any Federal, state, local, foreign or other tax obligations imposed on you or the Firm in connection with the grant, Vesting or delivery of this Award by requiring you to choose between remitting the amount (i) in cash (or through payroll deduction or otherwise) or (ii) in the form of proceeds from the Firm's executing a sale of Shares delivered to you pursuant to this Award. In no event, however, does this Paragraph 14(a) give you any discretion to determine or affect the timing of delivery of the Settlement Amount or the timing of payment of tax obligations.

(b) Firm May Deliver Cash or Other Property in Respect of the Settlement Amount. In accordance with Section 1.3.2(i) of the Plan, in the sole discretion of the Committee, in lieu of all or any portion of the Settlement Amount, the Firm may deliver cash, other securities, other awards under the Plan or other property, and all references in this Award Agreement to delivery of the Settlement Amount will include such deliveries of cash, other securities, other awards under the Plan or other property.

(c) Amounts May Be Rounded to Avoid Fractional Shares. PSUs that become Vested on a Vesting Date and any amounts delivered in respect of the Settlement Amount may be rounded to avoid fractional Shares.

(d) You May Be Required to Become a Party to the Shareholders' Agreement. Your rights to your PSUs are conditioned on your becoming a party to any shareholders' agreement to which other similarly situated employees (*e.g.*, employees with a similar title or position) of the Firm are required to be a party.

(e) Firm May Affix Legends and Place Stop Orders on Shares. GS Inc. may affix to Certificates representing Shares any legend that the Committee determines to be necessary or advisable (including to reflect any restrictions to which you may be subject under a separate agreement). GS Inc. may advise the transfer agent to place a stop order against any legended Shares.

(f) You Agree to Certain Consents, Terms and Conditions. By accepting this Award you understand and agree that:

(i) You Agree to Certain Consents as a Condition to the Award. You have expressly consented to all of the items listed in Section 3.3.3 (d) of the Plan, including the Firm's supplying to any third-party recordkeeper of the Plan or other person such personal information of yours as the Committee deems advisable to administer the Plan, and you agree to provide any additional consents that the Committee determines to be necessary or advisable;

(ii) You Are Subject to the Firm's Policies, Rules and Procedures. You are subject to the Firm's policies in effect from time to time concerning trading in Shares and hedging or pledging Shares and equity-based compensation or other awards (including, without limitation, the "Firmwide Policy with Respect to Personal Transactions Involving GS Securities and GS Equity Awards" or any successor policies), and confidential or proprietary information, and you will effect sales of Shares in accordance with such rules and procedures as may be adopted from time to time (which may include, without limitation, restrictions relating to the timing of sale requests, the manner in which sales are executed, pricing method, consolidation or aggregation of orders and volume limits determined by the Firm);

(iii) You Are Responsible for Costs Associated with Your Award. You will be responsible for all brokerage costs and other fees or expenses associated with your Award, including those related to the sale of Shares;

(iv) You Will Be Deemed to Represent Your Compliance with All the Terms of Your Award if You Accept Delivery. You will be deemed to have represented and certified that you have complied with all of the terms of the Plan and this Award Agreement when any Settlement Amount and Dividend Equivalent Payments are delivered to you, and you request the sale of Shares following the release of Transfer Restrictions on Shares at Risk;

(v) Firm May Deliver Your Award into an Escrow Account. The Firm may establish and maintain an escrow account on such terms (which may include your executing any documents related

to, and your paying for any costs associated with, such account) as it may deem necessary or appropriate, and the Settlement Amount may initially be delivered, and any Dividend Equivalent Payments and dividends may initially be paid, into and held in that escrow account until such time as the Committee has received such documentation as it may have requested or until the Committee has determined that any other conditions or restrictions on deliveries required by this Award Agreement have been satisfied;

(vi) You May Be Required to Certify Compliance with Award Terms; You Are Responsible for Providing the Firm with Updated Address and Contact Information After Your Departure from the Firm. If your Employment terminates while you continue to hold PSUs or Shares at Risk, from time to time, you may be required to provide certifications of your compliance with all of the terms of the Plan and this Award Agreement as described in Paragraphs 9(b)(vi) and 9(c)(iv). You understand and agree that (A) your address on file with the Firm at the time any certification is required will be deemed to be your current address, (B) it is your responsibility to inform the Firm of any changes to your address to ensure timely receipt of the certification materials, (C) you are responsible for contacting the Firm to obtain such certification materials if not received and (D) your failure to return properly completed certification materials by the specified deadline (which includes your failure to timely return the completed certification because you did not provide the Firm with updated contact information) will result in the forfeiture of all of your PSUs or Shares at Risk and subject previously delivered amounts to repayment under Paragraphs 9(b)(vi) and 9(c)(iv);

(vii) You Authorize the Firm to Register, in Its or Its Designee's Name, Any Shares at Risk and Sell, Assign or Transfer Any Forfeited Shares at Risk. You are granting to the Firm the full power and authority to register any Shares at Risk in its or its designee's name and authorizing the Firm or its designee to sell, assign or transfer any Shares at Risk if you forfeit your Shares at Risk;

(viii) You Must Comply with Applicable Deadlines and Procedures to Appeal Determinations Made by the Committee. If you disagree with a determination made by the Committee, the SIP Committee, the SIP Administrators, or any of their delegates or designees and you wish to appeal such determination, you must submit a written request to the SIP Committee for review within 180 days after the determination at issue. You must exhaust your internal administrative remedies (*i.e.*, submit your appeal and wait for resolution of that appeal) before seeking to resolve a dispute through arbitration pursuant to Paragraph 17 and Section 3.17 of the Plan; and

(ix) You Agree that Covered Persons Will Not Have Liability. In addition to and without limiting the generality of the provisions of Section 1.3.5 of the Plan, neither the Firm nor any Covered Person will have any liability to you or any other person for any action taken or omitted in respect of this or any other Award.

15. **Non-transferability.** Except as otherwise may be provided in this Paragraph 15 or as otherwise may be provided by the Committee, the limitations on transferability set forth in Section 3.5 of the Plan will apply to this Award. Any purported transfer or assignment in violation of the provisions of this Paragraph 15 or Section 3.5 of the Plan will be void. The Committee may adopt procedures pursuant to which some or all recipients of PSUs and Shares at Risk may transfer some or all of their PSUs or Shares at Risk (which will continue to be subject to Transfer Restrictions until the Transferability Date) through a gift for no consideration to any immediate family member, a trust or other estate planning vehicle approved by the Committee or SIP Committee in which the recipient and/or the recipient's immediate family members in the aggregate have 100% of the beneficial interest.

16. **Right of Offset.** Except as provided in Paragraph 19(d), the obligation to deliver the Settlement Amount, pay dividends or Dividend Equivalent Payments or release Transfer Restrictions under this Award Agreement is subject to Section 3.4 of the Plan, which provides for the Firm's right to

offset against such obligation any outstanding amounts you owe to the Firm and any amounts the Committee deems appropriate pursuant to any tax equalization policy or agreement.

ARBITRATION, CHOICE OF FORUM AND GOVERNING LAW

17. **Arbitration; Choice of Forum.**

(a) BY ACCEPTING THIS AWARD, YOU ARE INDICATING THAT YOU UNDERSTAND AND AGREE THAT THE ARBITRATION AND CHOICE OF FORUM PROVISIONS SET FORTH IN SECTION 3.17 OF THE PLAN WILL APPLY TO THIS AWARD. THESE PROVISIONS, WHICH ARE EXPRESSLY INCORPORATED HEREIN BY REFERENCE, PROVIDE AMONG OTHER THINGS THAT ANY DISPUTE, CONTROVERSY OR CLAIM BETWEEN THE FIRM AND YOU ARISING OUT OF OR RELATING TO OR CONCERNING THE PLAN OR THIS AWARD AGREEMENT WILL BE FINALLY SETTLED BY ARBITRATION IN NEW YORK CITY, PURSUANT TO THE TERMS MORE FULLY SET FORTH IN SECTION 3.17 OF THE PLAN; PROVIDED THAT NOTHING HEREIN SHALL PRECLUDE YOU FROM FILING A CHARGE WITH OR PARTICIPATING IN ANY INVESTIGATION OR PROCEEDING CONDUCTED BY ANY GOVERNMENTAL AUTHORITY, INCLUDING BUT NOT LIMITED TO THE SEC AND THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION.

(b) To the fullest extent permitted by applicable law, no arbitrator will have the authority to consider class, collective or representative claims, to order consolidation or to join different claimants or grant relief other than on an individual basis to the individual claimant involved.

(c) Notwithstanding any applicable forum rules to the contrary, to the extent there is a question of enforceability of this Award Agreement arising from a challenge to the arbitrator's jurisdiction or to the arbitrability of a claim, it will be decided by a court and not an arbitrator.

(d) The Federal Arbitration Act governs interpretation and enforcement of all arbitration provisions under the Plan and this Award Agreement, and all arbitration proceedings thereunder.

(e) Nothing in this Award Agreement creates a substantive right to bring a claim under U.S. Federal, state, or local employment laws.

(f) By accepting your Award, you irrevocably appoint each General Counsel of GS Inc., or any person whom the General Counsel of GS Inc. designates, as your agent for service of process in connection with any suit, action or proceeding arising out of or relating to or concerning the Plan or any Award which is not arbitrated pursuant to the provisions of Section 3.17.1 of the Plan, who shall promptly advise you of any such service of process.

(g) To the fullest extent permitted by applicable law, no arbitrator will have the authority to consider any claim as to which you have not first exhausted your internal administrative remedies in accordance with Paragraph 14(f)(viii).

18. **Governing Law. THIS AWARD WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.**

CERTAIN TAX PROVISIONS

19. **Compliance of Award Agreement and Plan with Section 409A.** The provisions of this Paragraph 19 apply to you only if you are a U.S. taxpayer.

(a) This Award Agreement and the Plan provisions that apply to this Award are intended and will be construed to comply with Section 409A (including the requirements applicable to, or the conditions for exemption from treatment as, 409A Deferred Compensation), whether by reason of short-term deferral treatment or other exceptions or provisions. The Committee will have full authority to give effect to this intent. To the extent necessary to give effect to this intent, in the case of any conflict or potential inconsistency between the provisions of the Plan (including Sections 1.3.2 and 2.1 thereof) and this Award Agreement, the provisions of this Award Agreement will govern, and in the case of any conflict or potential inconsistency between this Paragraph 19 and the other provisions of this Award Agreement, this Paragraph 19 will govern.

(b) Settlement will not be delayed beyond the date on which all applicable conditions or restrictions on settlement in respect of your PSUs required by this Award Agreement (including those specified in Paragraphs 12(a)(ii) and 12(b) (execution of waiver and release of claims agreement to pay associated tax liability) and the consents and other items specified in Section 3.3 of the Plan) are satisfied. To the extent that any portion of this Award is intended to satisfy the requirements for short-term deferral treatment under Section 409A, settlement in respect of such portion will occur by the March 15 coinciding with the last day of the applicable "short-term deferral" period described in Reg. § 1.409A-1(b)(4) in order for settlement to be within the short-term deferral exception unless, in order to permit all applicable conditions or restrictions on settlement to be satisfied, the Committee elects, pursuant to Reg. § 1.409A-1(b)(4)(i)(D) or otherwise as may be permitted in accordance with Section 409A, to delay settlement to a later date within the same calendar year or to such later date as may be permitted under Section 409A, including Reg. § 1.409A-3(d). For the avoidance of doubt, if the Award includes a "series of installment payments" as described in Reg. § 1.409A-2(b)(2)(iii), your right to the series of installment payments will be treated as a right to a series of separate payments and not as a right to a single payment.

(c) Notwithstanding the provisions of Paragraph 14(b) and Section 1.3.2(i) of the Plan, to the extent necessary to comply with Section 409A, any delivery or payment (including in the form of Shares at Risk or other property) that the Firm may make in respect of your PSUs will not have the effect of deferring payment, delivery, income inclusion, or a substantial risk of forfeiture, beyond the date on which such payment, delivery or inclusion would occur or such risk of forfeiture would lapse, with respect to the payment or delivery that would otherwise have been made (unless the Committee elects a later date for this purpose pursuant to Reg. § 1.409A-1(b)(4)(i)(D) or otherwise as may be permitted under Section 409A, including and to the extent applicable, the subsequent election provisions of Section 409A(a)(4)(C) of the Code and Reg. § 1.409A-2(b)).

(d) Paragraph 16 and Section 3.4 of the Plan will not apply to Awards that are 409A Deferred Compensation except to the extent permitted under Section 409A.

(e) Settlement in respect of any portion of the Award may be made, if and to the extent elected by the Committee, later than the relevant Settlement Date or other date or period specified hereinabove (but, in the case of any Award that constitutes 409A Deferred Compensation, only to the extent that the later payment or delivery, as applicable, is permitted under Section 409A).

(f) You understand and agree that you are solely responsible for the payment of any taxes and penalties due pursuant to Section 409A, but in no event will you be permitted to designate, directly or indirectly, the taxable year of the delivery.

COMMITTEE AUTHORITY, AMENDMENT, CONSTRUCTION AND REGULATORY REPORTING

20. **Committee Authority.** The Committee has the authority to determine, in its sole discretion, that any event triggering forfeiture or repayment of your Award will not apply, to limit the

forfeitures and repayments that result under Paragraphs 9 and 10 and to remove Transfer Restrictions before the Transferability Date. In addition, the Committee, in its sole discretion, may determine whether Paragraphs 12(a)(ii) and 12(b) will apply upon a termination of Employment.

21. **Amendment.** The Committee reserves the right at any time to amend the terms of this Award Agreement, and the Board may amend the Plan in any respect; *provided that*, notwithstanding the foregoing and Sections 1.3.2(f), 1.3.2(h) and 3.1 of the Plan, no such amendment will materially adversely affect your rights and obligations under this Award Agreement without your consent; and *provided further* that the Committee expressly reserves its rights to amend the Award Agreement and the Plan as described in Sections 1.3.2(h)(1), (2) and (4) of the Plan. A modification that impacts the tax consequences of this Award or the timing of delivery will not be an amendment that materially adversely affects your rights and obligations under this Award Agreement. Any amendment of this Award Agreement will be in writing.

22. **Construction, Headings.** Unless the context requires otherwise, (a) words describing the singular number include the plural and vice versa, (b) words denoting any gender include all genders and (c) the words "include," "includes" and "including" will be deemed to be followed by the words "without limitation." The headings in this Award Agreement are for the purpose of convenience only and are not intended to define or limit the construction of the provisions hereof. References in this Award Agreement to any specific Plan provision will not be construed as limiting the applicability of any other Plan provision.

23. **Providing Information to the Appropriate Authorities.** In accordance with applicable law, nothing in this Award Agreement (including the forfeiture and repayment provisions in Paragraphs 9 and 10) or the Plan prevents you from providing information you reasonably believe to be true to the appropriate governmental authority, including a regulatory, judicial, administrative, or other governmental entity; reporting possible violations of law or regulation; making other disclosures that are protected under any applicable law or regulation; or filing a charge or participating in any investigation or proceeding conducted by a governmental authority.

IN WITNESS WHEREOF, GS Inc. has caused this Award Agreement to be duly executed and delivered as of the Date of Grant.

THE GOLDMAN SACHS GROUP, INC.

DEFINITIONS APPENDIX

The following capitalized terms are used in this Award Agreement with the following meanings:

(a) "409A Deferred Compensation" means a "deferral of compensation" or "deferred compensation" as those terms are defined in the regulations under Section 409A.

(b) "Associate With a Covered Enterprise" means that you (i) form, or acquire a 5% or greater equity ownership, voting or profit participation interest in, any Covered Enterprise or (ii) associate in any capacity (including association as an officer, employee, partner, director, consultant, agent or advisor) with any Covered Enterprise. Associate With a Covered Enterprise may include, as determined in the discretion of the Committee, (i) becoming the subject of any publicly available announcement or report of a pending or future association with a Covered Enterprise and (ii) unpaid associations, including an association in contemplation of future employment. "Association With a Covered Enterprise" will have its correlative meaning.

(c) "Covered Enterprise" means a Competitive Enterprise and any other existing or planned business enterprise that: (i) offers, holds itself out as offering or reasonably may be expected to offer products or services that are the same as or similar to those offered by the Firm or that the Firm reasonably expects to offer ("Firm Products or Services") or (ii) engages in, holds itself out as engaging in or reasonably may be expected to engage in any other activity that is the same as or similar to any financial activity engaged in by the Firm or in which the Firm reasonably expects to engage ("Firm Activities"). For the avoidance of doubt, Firm Activities include any activity that requires the same or similar skills as any financial activity engaged in by the Firm or in which the Firm reasonably expects to engage, irrespective of whether any such financial activity is in furtherance of an advisory, agency, proprietary or fiduciary undertaking.

The enterprises covered by this definition include enterprises that offer, hold themselves out as offering or reasonably may be expected to offer Firm Products or Services, or engage in, hold themselves out as engaging in or reasonably may be expected to engage in Firm Activities directly, as well as those that do so indirectly by ownership or control (*e.g.*, by owning, being owned by or by being under common ownership with an enterprise that offers, holds itself out as offering or reasonably may be expected to offer Firm Products or Services or that engages in, holds itself out as engaging in or reasonably may be expected to engage in Firm Activities). The definition of Covered Enterprise includes, solely by way of example, any enterprise that offers, holds itself out as offering or reasonably may be expected to offer any product or service, or engages in, holds itself out as engaging in or reasonably may be expected to engage in any activity, in any case, associated with investment banking; public or private finance; lending; financial advisory services; private investing for anyone other than you or your family members (including, for the avoidance of doubt, any type of proprietary investing or trading); private wealth management; private banking; consumer or commercial cash management; consumer, digital or commercial banking; merchant banking; asset, portfolio or hedge fund management; insurance or reinsurance underwriting or brokerage; property management; or securities, futures, commodities, energy, derivatives, currency or digital asset brokerage, sales, lending, custody, clearance, settlement or trading. An enterprise that offers, holds itself out as offering or reasonably may be expected to offer Firm Products or Services, or engages in, holds itself out as engaging in or reasonably may be expected to engage in Firm Activities is a Covered Enterprise**, irrespective of whether the enterprise is a customer, client or counterparty of the Firm or is otherwise associated with the Firm and, because the Firm is a global enterprise, irrespective of where the Covered Enterprise is physically located.**

(d) "Determination Date" means the date specified on your Award Statement as the date on which the Committee will determine whether or not, and to what extent, the Performance Goal was achieved for the Performance Period.

(e) "Dividend Equivalent Payments" means any payments made in respect of Dividend Equivalent Rights.

(f) "FDIC" means the Federal Deposit Insurance Corporation or any successor thereto.

(g) "Failed to Consider Risk" means that you participated (or otherwise oversaw or were responsible for, depending on the circumstances, another individual's participation) in the structuring or marketing of any product or service, or participated on behalf of the Firm or any of its clients in the purchase or sale of any security or other property, in any case without appropriate consideration of the risk to the Firm or the broader financial system as a whole (for example, where you have improperly analyzed such risk or where you have failed sufficiently to raise concerns about such risk) and, as a result of such action or omission, the Committee determines there has been, or reasonably could be expected to be, a material adverse impact on the Firm, your business unit or the broader financial system.

(h) "Performance Goal" means the performance goal determined by the Committee that is specified on your Award Statement.

(i) "Performance Period" means the performance period determined by the Committee that is specified on your Award Statement.

(j) "Qualifying Termination After a Change in Control" means that the Firm terminates your Employment other than for Cause or you terminate your Employment for Good Reason, in each case, within 18 months following a Change in Control.

(k) "SEC" means the U.S. Securities and Exchange Commission.

(l) "Selected Firm Personnel" means any individual who is or in the three months preceding the conduct prohibited by Paragraph 9(b)(ii) was (i) a Firm employee or consultant with whom you personally worked while employed by the Firm, (ii) a Firm employee or consultant who, at any time during the year preceding the date of the termination of your Employment, worked in the same division in which you worked or (iii) an Advisory Director, a Managing Director or a Senior Advisor of the Firm.

(m) "Settlement Amount" means an amount deliverable to you in respect of your PSUs (determined as described in the Award Statement).

(n) "Settlement Date" means each date specified on your Award Statement as the date on which the Settlement Amount will be delivered, *provided*, unless the Committee determines otherwise, such date is during a Window Period or, if such date is not during a Window Period, the first trading day of the first Window Period beginning after such date.

(o) "Share" means a share of Common Stock.

(p) "Shares at Risk" means Shares that are subject to Transfer Restrictions.

The following capitalized terms are used in this Award Agreement with the meanings that are assigned to them in the Plan:

(a) "Account" means any brokerage account, custody account or similar account, as approved or required by GS Inc. from time to time, into which shares of Common Stock, cash or other property in respect of an Award are delivered.

(b) "Award Agreement" means the written document or documents by which each Award is evidenced, including any related Award Statement and signature card.

(c) "Award Statement" means a written statement that reflects certain Award terms.

(d) "Board" means the Board of Directors of GS Inc.

(e) "Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in New York City are authorized or obligated by Federal law or executive order to be closed.

(f) "Cause" means (i) the Grantee's conviction, whether following trial or by plea of guilty or *nolo contendere* (or similar plea), in a criminal proceeding (A) on a misdemeanor charge involving fraud, false statements or misleading omissions, wrongful taking, embezzlement, bribery, forgery, counterfeiting or extortion, or (B) on a felony charge, or (C) on an equivalent charge to those in clauses (A) and (B) in jurisdictions which do not use those designations, (ii) the Grantee's engaging in any conduct which constitutes an employment disqualification under applicable law (including statutory disqualification as defined under the Exchange Act), (iii) the Grantee's willful failure to perform the Grantee's duties to the Firm, (iv) the Grantee's violation of any securities or commodities laws, any rules or regulations issued pursuant to such laws, or the rules and regulations of any securities or commodities exchange or association of which the Firm is a member, (v) the Grantee's violation of any Firm policy concerning hedging or pledging or confidential or proprietary information, or the Grantee's material violation of any other Firm policy as in effect from time to time, (vi) the Grantee's engaging in any act or making any statement which impairs, impugns, denigrates, disparages or negatively reflects upon the name, reputation or business interests of the Firm or (vii) the Grantee's engaging in any conduct detrimental to the Firm. The determination as to whether Cause has occurred shall be made by the Committee in its sole discretion and, in such case, the Committee also may, but shall not be required to, specify the date such Cause occurred (including by determining that a prior termination of Employment was for Cause). Any rights the Firm may have hereunder and in any Award Agreement in respect of the events giving rise to Cause shall be in addition to the rights the Firm may have under any other agreement with a Grantee or at law or in equity.

(g) "Certificate" means a stock certificate (or other appropriate document or evidence of ownership) representing shares of Common Stock.

(h) "Change in Control" means the consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving GS Inc. (a "Reorganization") or sale or other disposition of all or substantially all of GS Inc.'s assets to an entity that is not an affiliate of GS Inc. (a "Sale"), that in each case requires the approval of GS Inc.'s shareholders under the law of GS Inc.'s jurisdiction of organization, whether for such Reorganization or Sale (or the issuance of securities of GS Inc. in such Reorganization or Sale), unless immediately following such Reorganization or Sale, either: (i) at least 50% of the total voting power (in respect of the election of directors, or similar officials in the case of an entity other than a corporation) of (A) the entity resulting from such Reorganization, or the entity which has acquired all or substantially all of the assets of GS Inc. in a Sale (in either case, the "Surviving Entity"), or (B) if applicable, the ultimate parent entity that directly or indirectly has beneficial

ownership (within the meaning of Rule 13d-3 under the Exchange Act, as such Rule is in effect on the date of the adoption of the 1999 SIP) of 50% or more of the total voting power (in respect of the election of directors, or similar officials in the case of an entity other than a corporation) of the Surviving Entity (the "Parent Entity") is represented by GS Inc.'s securities (the "GS Inc. Securities") that were outstanding immediately prior to such Reorganization or Sale (or, if applicable, is represented by shares into which such GS Inc. Securities were converted pursuant to such Reorganization or Sale) or (ii) at least 50% of the members of the board of directors (or similar officials in the case of an entity other than a corporation) of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) following the consummation of the Reorganization or Sale were, at the time of the Board's approval of the execution of the initial agreement providing for such Reorganization or Sale, individuals (the "Incumbent Directors") who either (A) were members of the Board on the Effective Date or (B) became directors subsequent to the Effective Date and whose election or nomination for election was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of GS Inc.'s proxy statement in which such persons are named as nominees for director).

(i) "Client" means any client or prospective client of the Firm to whom the Grantee provided services, or for whom the Grantee transacted business, or whose identity became known to the Grantee in connection with the Grantee's relationship with or employment by the Firm.

(j) "Code" means the Internal Revenue Code of 1986, as amended from time to time, and the applicable rulings and regulations thereunder.

(k) "Committee" means the committee appointed by the Board to administer the Plan pursuant to Section 1.3, and, to the extent the Board determines it is appropriate for the compensation realized from Awards under the Plan to be considered "performance based" compensation under Section 162(m) of the Code, shall be a committee or subcommittee of the Board composed of two or more members, each of whom is an "outside director" within the meaning of Code Section 162(m), and which, to the extent the Board determines it is appropriate for Awards under the Plan to qualify for the exemption available under Rule 16b-3(d)(1) or Rule 16b-3(e) promulgated under the Exchange Act, shall be a committee or subcommittee of the Board composed of two or more members, each of whom is a "non-employee director" within the meaning of Rule 16b-3. Unless otherwise determined by the Board, the Committee shall be the Compensation Committee of the Board.

(l) "Common Stock" means common stock of GS Inc., par value $0.01 per share.

(m) "Competitive Enterprise" means an existing or planned business enterprise that (i) engages, or may reasonably be expected to engage, in any activity; (ii) owns or controls, or may reasonably be expected to own or control, a significant interest in any entity that engages in any activity or (iii) is, or may reasonably be expected to be, owned by, or a significant interest in which is, or may reasonably be expected to be, owned or controlled by, any entity that engages in any activity that, in any case, competes or will compete anywhere with any activity in which the Firm is engaged. The activities covered by this definition include, without limitation: financial services such as investment banking; public or private finance; lending; financial advisory services; private investing for anyone other than the Grantee and members of the Grantee's family (including for the avoidance of doubt, any type of proprietary investing or trading); private wealth management; private banking; consumer or commercial cash management; consumer, digital or commercial banking; merchant banking; asset, portfolio or hedge fund management; insurance or reinsurance underwriting or brokerage; property management; or securities, futures, commodities, energy, derivatives, currency or digital asset brokerage, sales, lending, custody, clearance, settlement or trading.

(n) "Covered Person" means a member of the Board or the Committee or any employee of the Firm.

(o) "Date of Grant" means the date specified in the Grantee's Award Agreement as the date of grant of the Award.

(p) "Dividend Equivalent Right" means a dividend equivalent right granted under the Plan, which represents an unfunded and unsecured promise to pay to the Grantee amounts equal to all or any portion of the regular cash dividends that would be paid on shares of Common Stock covered by an Award if such shares had been delivered pursuant to an Award.

(q) "Effective Date" means the date this Plan is approved by the shareholders of GS Inc. pursuant to Section 3.15 hereof.

(r) "Employment" means the Grantee's performance of services for the Firm, as determined by the Committee. The terms "employ" and "employed" shall have their correlative meanings. The Committee in its sole discretion may determine (i) whether and when a Grantee's leave of absence results in a termination of Employment (for this purpose, unless the Committee determines otherwise, a Grantee shall be treated as terminating Employment with the Firm upon the occurrence of an Extended Absence), (ii) whether and when a change in a Grantee's association with the Firm results in a termination of Employment and (iii) the impact, if any, of any such leave of absence or change in association on Awards theretofore made. Unless expressly provided otherwise, any references in the Plan or any Award Agreement to a Grantee's Employment being terminated shall include both voluntary and involuntary terminations.

(s) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and the applicable rules and regulations thereunder.

(t) "Extended Absence" means the Grantee's inability to perform for six (6) continuous months, due to illness, injury or pregnancy-related complications, substantially all the essential duties of the Grantee's occupation, as determined by the Committee.

(u) "Firm" means GS Inc. and its subsidiaries and affiliates.

(v) "Good Reason" means, in connection with a termination of employment by a Grantee following a Change in Control, (a) as determined by the Committee, a materially adverse alteration in the Grantee's position or in the nature or status of the Grantee's responsibilities from those in effect immediately prior to the Change in Control or (b) the Firm's requiring the Grantee's principal place of Employment to be located more than seventy-five (75) miles from the location where the Grantee is principally Employed at the time of the Change in Control (except for required travel on the Firm's business to an extent substantially consistent with the Grantee's customary business travel obligations in the ordinary course of business prior to the Change in Control).

(w) "Grantee" means a person who receives an Award.

(x) "GS Inc." means The Goldman Sachs Group, Inc., and any successor thereto.

(y) "1999 SIP" means The Goldman Sachs 1999 Stock Incentive Plan, as in effect prior to the effective date of the 2003 SIP.

(z) "Outstanding" means any Award to the extent it has not been forfeited, cancelled, terminated, exercised or with respect to which the shares of Common Stock underlying the Award have not been previously delivered or other payments made.

(aa) "Restricted Share" means a share of Common Stock delivered under the Plan that is subject to Transfer Restrictions, forfeiture provisions and/or other terms and conditions specified herein and in the Restricted Share Award Agreement or other applicable Award Agreement. All references to Restricted Shares include "Shares at Risk."

(bb) "Retirement" means termination of the Grantee's Employment (other than for Cause) on or after the Date of Grant at a time when (i) (A) the sum of the Grantee's age plus years of service with the Firm (as determined by the Committee in its sole discretion) equals or exceeds 60 and (B) the Grantee has completed at least 10 years of service with the Firm (as determined by the Committee in its sole discretion) or, if earlier, (ii) (A) the Grantee has attained age 50 and (B) the Grantee has completed at least five years of service with the Firm (as determined by the Committee in its sole discretion).

(cc) "RSU" means a restricted stock unit granted under the Plan, which represents an unfunded and unsecured promise to deliver shares of Common Stock in accordance with the terms of the RSU Award Agreement.

(dd) "Section 409A" means Section 409A of the Code, including any amendments or successor provisions to that Section and any regulations and other administrative guidance thereunder, in each case as they, from time to time, may be amended or interpreted through further administrative guidance.

(ee) "SIP Administrator" means each person designated by the Committee as a "SIP Administrator" with the authority to perform day-to-day administrative functions for the Plan.

(ff) "SIP Committee" means the persons who have been delegated certain authority under the Plan by the Committee.

(gg) "Solicit" means any direct or indirect communication of any kind whatsoever, regardless of by whom initiated, inviting, advising, suggesting, encouraging or requesting any person or entity, in any manner, to take or refrain from taking any action.

(hh) "Transfer Restrictions" means restrictions that prohibit the sale, exchange, transfer, assignment, pledge, hypothecation, fractionalization, hedge or other disposal (including through the use of any cash-settled instrument), whether voluntarily or involuntarily by the Grantee, of an Award or any shares of Common Stock, cash or other property delivered in respect of an Award.

(ii) "Transferability Date" means the date Transfer Restrictions on a Restricted Share will be released. Within 30 Business Days after the applicable Transferability Date, GS Inc. shall take, or shall cause to be taken, such steps as may be necessary to remove Transfer Restrictions.

(jj) "Vested" means, with respect to an Award, the portion of the Award that is not subject to a condition that the Grantee remain actively employed by the Firm in order for the Award to remain Outstanding. The fact that an Award becomes Vested shall not mean or otherwise indicate that the Grantee has an unconditional or nonforfeitable right to such Award, and such Award shall remain subject to such terms, conditions and forfeiture provisions as may be provided for in the Plan or in the Award Agreement.

(kk) "Vesting Date" means each date specified in the Grantee's Award Agreement as a date on which part or all of an Award becomes Vested.

(ll) Window Period" means a period designated by the Firm during which all employees of the Firm are permitted to purchase or sell shares of Common Stock (*provided* that, if the Grantee is a member of a designated group of employees who are subject to different restrictions, the Window Period may be a period designated by the Firm during which an employee of the Firm in such designated group is permitted to purchase or sell shares of Common Stock).

Exhibit 10.57

The Goldman Sachs Group, Inc.
SIGNATURE CARD FOR _____ AWARDS
AND CONSENT TO RECEIVE ELECTRONIC DELIVERY

[IMPORTANT: PLEASE REVIEW, EXECUTE AND RETURN THIS FORM TO: _____.

YOU MUST PROPERLY EXECUTE THIS FORM TO ACKNOWLEDGE ACCEPTANCE OF THE TERMS AND CONDITIONS OF YOUR AWARD(S) AND RELATED MATTERS.]

1. I have received and agree to be bound by The Goldman Sachs Amended and Restated Stock Incentive Plan (2018) (the "SIP") and the Award Agreement(s) applicable to me in connection with the _____ Award(s) (the "Award(s)") that I have been granted by the Firm (as defined in the SIP). I confirm that I am accepting the Award(s) subject to the terms and conditions contained in the SIP, the Award Agreement(s), and this signature card (the "Signature Card"), including, but not limited to, the requirement that certain disputes be decided through arbitration in New York City and be governed by New York law. For the avoidance of doubt, references to a "share" or "Share" herein mean a share of the common stock of The Goldman Sachs Group, Inc. ("GS Inc.") and, where applicable, deliveries of cash or other property in lieu thereof.

For the avoidance of doubt, I understand and agree that to be eligible to receive any award under the SIP or any predecessor plan, I must not have engaged in any conduct constituting "Cause" (as defined in the SIP) prior to the grant of the award, and by accepting this Award, I represent and warrant that I have not engaged in any conduct constituting Cause.

As a condition of this grant, I understand that the Award(s) (as well as any other award that the Firm may grant to me under the SIP) is/are subject to governing law provisions as outlined in this Signature Card or in the applicable Award Agreement(s), and, as a condition to receiving such awards, I agree to be bound thereby. As a condition of this grant, I agree to provide upon request an appropriate certification regarding my U.S. tax status on Form W-8BEN, Form W-9, or other appropriate form, and I understand that failure to supply a required form may result in the imposition of backup withholding on certain payments I receive pursuant to this grant.

I irrevocably grant full power and authority to GS Inc. to register in its name, or that of any designee, any and all Restricted Shares (as defined in the applicable Award Agreement), Shares at Risk (as defined in the applicable Award Agreement) or other shares of GS Inc. common stock that have been or may be delivered to me subject to transfer restrictions or forfeiture provisions, and I irrevocably authorize GS Inc., or its designee, to sell, assign or transfer such shares to GS Inc. or such other persons as it may determine in the event of a forfeiture of such shares pursuant to any agreement with GS Inc.

Further, as a condition of this grant, if I am a person who has worked in the United Kingdom at any time during the earnings period relating to any award under the SIP, as determined by the Firm, when requested and as directed by the Firm, I will agree to a Joint Election under s431 ITEPA 2003 of the laws of the United Kingdom for full or partial disapplication of Chapter 2 Income Tax (Earnings and Pension) Act 2003 under the laws of the United Kingdom and will sign and return such election in respect of all future deliveries of Shares underlying the Award(s) and any previous grants made to me under the SIP and understand that the Firm intends to meet its delivery obligations in Shares with respect to my Award(s), except as may be prohibited by law or described in the accompanying Award Agreement(s) or supplementary materials.

If I have worked in Switzerland at any time during the earnings period relating to the Award(s) granted to me as determined by the Firm, (i) I

- In Europe, the Middle East, Africa and India: 90 days in advance of my termination date; and
- In Japan and Asia Ex-Japan (including Australia and New Zealand and excluding India): 90 days in advance of my termination date if I am a Vice President or an Executive Director; 60 days in advance of my termination date in all other cases.

If, under local law or my contract of employment (for example, a Managing Director Agreement), I have a notice requirement that is longer than those specified above, I understand that the longer notice period will apply. I also understand that if my employment is subject to a probation period, the Notice Policy applies only if notice of termination is given after the probation period has ended.

I understand that if I fail to comply in any respect with the Notice Policy, I will have failed to meet an obligation I have under an agreement with the Firm, as a result of which the Firm may have certain legal and equitable rights and remedies, including, without limitation, forfeiture of the Award(s) and any other awards granted to me under the SIP. The Firm may forfeit such Award(s) for violation of the Notice Policy irrespective of whether this agreement constitutes a legally recognized permanent change to my terms and conditions of employment, and irrespective of whether applicable law permits me to make a payment in lieu of notice. In addition, the Firm may seek an order or injunction from a court or arbitration panel to stop a breach and may also seek other permissible remedies. The Firm may hold me personally liable for any damages it suffers as a result of the breach.

This agreement concerning my notice period is being made for and on behalf of my Goldman Sachs employing entity, and implementation of the Notice Policy does not create an employment relationship between me and GS Inc.

3. I have read and understand the Firm's hedging and pledging policies (including, without limitation, the "Firmwide Policy with Respect to Personal Transactions Involving GS Securities and GS Equity Awards"), and agree to be bound by them (with respect to the Award(s) and any prior awards under the SIP), both during and following my employment with the Firm.

4. As a condition to this grant, I agree to open and activate any brokerage, trust, sub-trust, custody or similar account (an "Account"), as required or approved by the Firm in its sole discretion. I agree to access, review, execute and be bound by any agreements that govern any such Account, including any provisions that provide for the applicable restrictions on transfers, pledges and withdrawals of Shares, permitting the Firm to monitor any such Account, and the limitations on the liability of the party (which may not be affiliated with the Firm) providing the Account and the Firm. I understand and agree that the Firm may direct the transfer of securities, cash or other assets in my Account to the Firm in connection with any indebtedness or any other obligation that I have to the Firm, as determined by the Firm in its sole discretion, however such obligation may have arisen. I also agree to open an Account with any other custodian, broker, trustee, transfer agent or similar party selected by the Firm, if the Firm, in its sole discretion, requires me to open an account

acknowledge that my Award(s) are subject to tax in accordance with the rulings and method of calculation of taxable values to be agreed by the Firm with the Federal and/or Zurich/Geneva cantonal/communal tax authorities or as otherwise directed by the Firm, and (ii) I hereby agree to be bound by any rulings agreed by the Firm in respect of any Award(s), which is expected to result in taxation at the time of delivery of Shares, and (iii) I undertake to declare and make a full and accurate income tax declaration in respect of my Award(s) in accordance with the above ruling or as directed by the Firm.

2. I have read and understand the Firm's "Notice Periods for Recipients of Year-End Equity-Based Awards" policy (the "Notice Policy") available through the HR Workways® link on GSWeb or as otherwise provided to me, pursuant to which I am required to provide certain specified advance notice of my intent to leave employment with the Firm. I understand that the Notice Policy will also apply with respect to my One-Time Awards (with the references to "Year-End" deemed to be references to "One-Time" in this context). By executing this form, I am agreeing to be bound by the Notice Policy as in effect from time to time and, where applicable, am agreeing to a permanent change in the terms and conditions of my employment. I agree to this change in consideration of my continued employment with the Firm and the Firm's offer of the Award(s). I understand that the Notice Policy requires me, among other things, to provide my employing entity with advance written notice of my intention to leave employment with the Firm as follows:

- In the Americas: 60 days in advance of my termination date;

with such custodian, broker, trustee, transfer agent or similar party as a condition to delivery of Shares underlying the Award(s).

5. If the Firm advanced or loaned me funds to pay certain taxes (including income taxes and Social Security, or similar contributions) in connection with the Award(s) (or does so in the future), and if I have not signed a separate loan agreement governing repayment, I authorize the Firm to withhold from my compensation any amounts required to reimburse it for any such advance or loan to the extent permitted by applicable law.

I understand and agree that, if I leave the Firm, I am required immediately to repay any outstanding amount. I further understand and agree that the Firm has the right to offset, to the extent permitted by the Award Agreement and applicable law (including Section 409A of the U.S. Internal Revenue Code of 1986, as amended, which limits the Firm's ability to offset in the case of United States taxpayers under certain circumstances), any outstanding amounts that I then owe the Firm against its delivery obligations under the Award(s), against any obligations to remove restrictions and/or other terms and conditions in respect of any Restricted Shares or Shares at Risk (each as defined in the applicable Award Agreement) or against any other amounts the Firm then owes me, including payments of dividends or dividend equivalent payments. I understand that the delivery of Shares pursuant to the Award(s) is conditioned on my satisfaction of any applicable taxes or Social Security contributions (collectively referred to as "tax" or "taxes" for purposes of the SIP and all related documents) in accordance with the SIP. To the extent permitted by applicable law, the Firm, in its sole discretion, may require me to provide amounts equal to all or a portion of any Federal, State, local, foreign or other tax obligations imposed on me or the

Firm in connection with the grant, vesting or delivery of the Award(s) by requiring me to choose between remitting such amount (i) in cash (or through payroll deduction or otherwise), (ii) in the form of proceeds from the Firm's executing a sale of Shares delivered to me pursuant to the Award(s) or (iii) as otherwise permitted in the Award Agreement(s). However, in no event shall any such choice determine, or give me any discretion to affect, the timing of the delivery of Shares or payment of tax obligations.

6. In connection with any Award Agreement or other interest I may receive in the SIP or any Shares that I may receive in connection with the Award(s) or any award I have previously received or may receive, or in connection with any amendment or variation thereof or any documents listed in paragraph 7, I hereby consent to (a) the acceptance by me of the Award(s) electronically, (b) the giving of instructions in electronic form whether by me or the Firm, and (c) the receipt in electronic form at my email address maintained at Goldman Sachs or via Goldman Sachs' intranet site (or, if I am no longer employed by the Firm, at such other email address as I may specify, or via such other electronic means as the Firm and I may agree) all notices and information that the Firm is required by law to send to me in connection therewith including, without limitation, any document (or part thereof) constituting part of a prospectus covering securities that have been registered under the U.S. Securities Act of 1933, the information contained in any such document and any information required to be delivered to me under Rule 428 of the U.S. Securities Act of 1933, including, for example, the annual report to security holders or the annual report on Form 10-K of GS Inc. for its latest fiscal year, and that all prior elections that I may have made relating to the delivery of any such document in physical form are hereby revoked and superseded. I agree to check Goldman Sachs' intranet site (or, if I am no longer employed by the Firm, such other electronic site as notified to me by the Firm) periodically as I deem appropriate for any new notices or information concerning the SIP. I understand that I am not required to consent to the receipt of such documents in electronic form in order to receive the Award(s) and that I may decline to receive such documents in electronic form by contacting _____, which will provide me with hard copies of such documents upon request. I also understand that this consent is voluntary and may be revoked at any time on three business days' written notice.

7. I hereby acknowledge that I have received in electronic form in accordance with my consent in paragraph 6 the following documents:

- The Goldman Sachs Amended and Restated Stock Incentive Plan (2018);
- Summary of The Goldman Sachs Amended and Restated Stock Incentive Plan (2018);
- The annual report on Form 10-K for The Goldman Sachs Group, Inc. for the fiscal year ended _____;
- The Award Agreement(s); and
- Summaries of the Award(s) ("Award Summary").

8. I expressly authorize any appropriate representative of the Firm to make any notifications, filings or remittances of funds that may be required in connection with the SIP or otherwise on my behalf. Further, if I am an employee who is resident in South Africa at a relevant time, by accepting my Award(s), I expressly authorize any appropriate representative of the Firm to make any required notification on my behalf to the Financial Surveillance Department of the South African Reserve Bank (or its authorized dealer) in relation to my participation in the SIP and to any acquisition of Shares for no consideration under the SIP or other similar filing that may otherwise be required in South Africa. I acknowledge that any such authorization is effective from the date of acceptance of my Award(s) until such time as I expressly revoke

agree that (i) because the Firm contributes valuable resources to build and enhance client relationships, including those for which I provide services, it has a legitimate and essential business interest in protecting the goodwill associated with those relationships; (ii) by my continued employment, I confirm that I have assigned and will assign to the Firm all goodwill I have developed or will develop with persons or entities with whom I interact while at the Firm and/or who are or will become clients or prospective clients of the Firm in connection with my employment with the Firm, even if I did business with such persons or entities prior to joining the Firm; and (iii) while at the Firm I do not have and will not acquire any property, proprietary, contractual or other legal right or interest whatsoever in or to any client or prospective client with whom I interact or conduct business while employed by the Firm or (except to the extent otherwise provided in a written agreement between the Firm and me that governs my compensation) to any current or prospective revenues associated with such client or prospective client (all such interests being referred to herein as "Intangible Interests"). For the avoidance of doubt, I am hereby assigning all Intangible Interests to the Firm. I acknowledge and agree that my compensation during the term of my employment with the Firm is adequate financial consideration in this regard, and that no further consideration is necessary (including in respect of obligations applicable to me after my employment with the Firm has ended).

12. I understand and agree that the terms of any award granted to me under the SIP or any predecessor plan that provide for accelerated vesting, delivery or transferability as a result of Conflicted Employment (as defined in the applicable Award Agreement) may be limited to the extent prohibited by applicable law or regulation.

the authorization by written notice to any appropriate representative of the Firm. I understand that this authorization does not create any obligation on the Firm to deal with any such notifications, filings or remittances of funds that I may be required to make in connection with the SIP and I accept full responsibility in this regard.

9. The granting of the Award(s), the delivery of the underlying Shares and any subsequent dividends or dividend equivalent payments, and the receipt of any proceeds in connection with the Award(s) may result in legal or regulatory requirements in some jurisdictions. I understand and agree that it is my responsibility to ensure that I comply with any legal or regulatory requirements in respect of the Award(s).

10. I confirm that I have filed all tax returns that I am required to file and paid all taxes I am required to pay with respect to awards previously granted to me by the Firm, and I agree, with respect to both the Award(s) as well as awards previously granted to me by the Firm, to file all tax returns I am required to file in connection with the Award(s) and any sales of any Shares or other property delivered pursuant to the Award(s) and to pay all taxes I am required to pay.

11. The goodwill associated with the relationships between the Firm and its clients and prospective clients is a valuable asset of the Firm that is built and preserved through the combined services and efforts of the Firm and all of its personnel. The Firm provides its employees with a unique platform of financial products and services, confidential and proprietary information, professional training, access to specialized expertise, research, analytical, operational, and business development support, travel and entertainment expenses and other valuable resources to build and enhance the goodwill associated with the relationships between the Firm and its clients, as well as to foster and establish such relationships with prospective clients. Accordingly, I acknowledge and

Data Collection, Processing and Transfers:

Grantees residing outside of the European Economic Area (EEA): If I am located outside of the EEA, I consent to the processing of my personal data in accordance with the information set out below.

Grantees residing in the European Economic Area (EEA): If I am located in the EEA, my personal data will be processed in accordance with the information set out below and in the GS HCM – Fair Processing Notice which can be found at http://www.goldmansachs.com/notices/hcm-fpn.html. **In the event of any inconsistency the GS HCM – Fair Processing Notice shall prevail over this section.**

In connection with the SIP and any other Firm benefit plan (the "Programs"), to the extent permitted under the laws of the applicable jurisdiction, the Firm may collect, process, transfer/transmit (internationally and/or domestically), and use various data that is personal to me, and my data might be deemed sensitive personal data in certain jurisdictions, including but not limited to my name, address, work location, hire date, Social Security or Social Insurance or taxpayer identification number (required for tax purposes), type and amount of SIP or other benefit plan award, citizenship or residency (required for tax purposes) and other similar information reasonably necessary for the administration of such Programs (collectively referred to as "Information") and provide such Information to its affiliates, Computershare Limited and its affiliates (collectively "Computershare") and Fidelity Stock Plan Services, LLC, Fidelity Personal Trust Company, FSB and any of their affiliates (collectively "Fidelity") or any other service provider, whether in the United States or elsewhere, as is reasonably necessary for the administration of the Programs and under the laws of these jurisdictions. In certain circumstances, where required by law, foreign courts, law enforcement agencies or regulatory agencies may be entitled to access the Information. Unless I explicitly authorize otherwise, the Firm, its affiliates and its service providers (through their respective employees in charge of the relevant electronic and manual processing) will collect, process, transfer/transmit (internationally and/or domestically), and use this Information only for purposes of administering the Programs. In the United States and in other countries to which such Information may be transferred for the administration of the Programs, the level of data protection is not equivalent to data protection standards in the member states of the EEA, Switzerland, Canada or certain Canadian provinces or my home country and U.S. public authorities may potentially access such Information. If I am employed in Argentina, I have also read the text in bold in the respective Argentina legal notice below (the "Argentina Clause") in conjunction with this Data Collection, Processing and Transfers section, such text forms part of this section and that in the event of any inconsistency the Argentina Clause shall prevail over this section. Upon request to _____, to the extent required under the laws of the applicable jurisdiction, I may have access to and obtain communication of the Information and may exercise any of my rights in respect of such Information, in each case free of charge, including objecting to the collecting, processing, (international and/or domestic) transfer/transmission, and any use of the Information and requesting that the Information be updated or corrected (if wrong), completed or clarified (if incomplete or equivocal), or erased (if cannot legally be collected or kept). Upon request, to the extent required under the laws of the applicable jurisdiction, Equity Compensation (division of HCM) will also provide me, free of charge, with a list of all the service providers used in connection with the Programs at the time of request. There is no legal obligation for me

to provide the Firm with the Information and any Information is provided at my own will and consent. If I refuse to authorize the collecting, processing, use and (international and/or domestic) transfer/transmission of the Information consistent with the above, I may not benefit from the Programs. The collecting, processing, use and (international and/or domestic) transfer/transmission of the Information will be consistent with the above for the period of administration of the Programs. In particular (within the limits described above): (i) the Firm will process data (Firm means GS Inc. and any of its subsidiaries and affiliates); (ii) Fidelity or Computershare will process data; (iii) the Firm's other service providers will process data; and (iv) data will be transferred to the United States and other countries, as described above for the purposes set forth herein. A list of the Firm's international offices and countries to which data that is personal to me can be transferred is set forth at http://www2.goldmansachs.com/who-we-are/locations/index.html. The Information may be retained by the aforementioned persons beyond the period of administration of the Programs to the extent permitted under the laws of the applicable jurisdiction.

Other Legal Notices:

By accepting (whether expressly or by implication) any benefit granted to you by the Firm, including without limitation your Award(s), you acknowledge and agree to each of the following:

- ***No Public Offer:*** Awards under the SIP and the Firm's other compensation and benefit programs are strictly limited to eligible participants and are not intended to constitute a public offer in any jurisdiction, nor intended for registration in any jurisdiction outside of the U.S. You should keep all Award-related documents confidential and you may not reproduce, distribute or otherwise make public any part of such documents without the Firm's express written consent. If you have received any such documents and you are not the intended recipient, please disregard and destroy them.
- ***Transferability:*** Any provisions permitting transfers to a third party in the Award documents will not apply to you (i) to the extent that the applicability of those provisions would affect the availability of relevant exemptions or tax favorable treatment, or (ii) otherwise in circumstances determined by the Firm in its sole discretion from time to time.
- ***Adequate Information:*** You acknowledge that you (i) have been provided with all relevant information and materials with respect to the Firm's operations and financial conditions and the terms and conditions of your Award(s), (ii) have read and understood such information and materials, (iii) are fully aware and knowledgeable of the terms and conditions of your Award(s), and (iv) completely and voluntarily agree to the terms and conditions of your Award(s).
- ***Independent Advice Recommended:*** The information provided by the Firm or its service providers in respect of an Award does not take into account the individual circumstances of recipients and does not constitute investment advice. Awards under the SIP involve certain risks and you should exercise caution. The Firm recommends that you consult your own independent legal, financial and tax advisors in all cases, and you acknowledge that you are provided with adequate opportunity to do so.
- ***No Additional Entitlements:*** The grant of an Award is strictly discretionary and voluntary and neither this Award (even if Award grants are made to you on a regular and repeated basis) nor your employment contract implies any expectation or right in relation to (i) the grant of any Award or similar compensation in the future, (ii) the terms, conditions and amount of any Award or similar compensation that the Firm may decide to grant in the future, or (iii) continued employment in connection with any Award.
- ***Translations:*** The official Award documents (including contracts and communications) are in the English language. You are responsible for ensuring that you fully understand these documents. The English version of the documents will always prevail in the event of any inconsistency with translated or interpreted documents.
- ***Severability:*** If any provision (in whole or in part) of this Signature Card or the other Award documents is to any extent illegal, otherwise invalid, or incapable of being enforced, that provision will be excluded to the extent (only) of such invalidity or unenforceability. All other provisions will remain in full effect and, to the extent possible, the invalid or unenforceable provision will be deemed replaced by a provision that is valid and enforceable and that comes closest to expressing the intention of such invalid or unenforceable provision.
- ***Country-Specific Legal Notices:*** You have read the country-specific legal notices below that pertain to your place of employment and/or residence (and also the location of your employer, if different), if any, and understand that they apply throughout the term of your Award(s).

[NON-COMPETITION AND NON-SOLICITATION RESTRICTIONS FOR EMPLOYEES PROVIDING SERVICES IN ASIA

In addition to and without limiting any provisions in the SIP or the applicable Award Agreement(s) (including without limitation the Award vesting, delivery, forfeiture, termination or repayment provisions) unless provided otherwise in the Restrictions, if I am providing services to the Firm in Asia or to BGH, in view of my importance to the Firm and/or BGH, I hereby agree to and acknowledge the following:

(a) I hereby agree that the Firm or BGH would likely suffer significant harm if I associate with a Covered Enterprise during my employment and for some period of time after my employment ends. Accordingly, I hereby agree that I will not, without the written consent of the Firm or BGH, during the Restricted Period in the Geographic Area:

(i) form, or acquire a 5% or greater equity ownership, voting or profit participation interest in, any Covered Enterprise; or

(ii) associate (including, but not limited to, association as an officer, employee, partner, director, consultant, agent or advisor) with any Covered Enterprise and in connection with such association engage in, or directly or indirectly manage or supervise personnel engaged in, any activity:

A. which is similar or substantially related to any activity in which I was engaged, in whole or in part, at the Firm or BGH,

B. for which I had direct or indirect managerial or supervisory responsibility at the Firm or BGH, or

C. which calls for the application of the same or similar specialized knowledge or skills as those utilized by me in my activities with the Firm or BGH,

- ***No Employer Involvement:*** Except to the extent required by applicable law, all Awards are offered, issued and administered by GS Inc., a Delaware corporation, and your employer (if it is not GS Inc.) is not involved in the grant of your Award(s) or any other GS Inc. equity compensation. All documents related to the Awards, including the SIP, the Award Agreement, this Signature Card and the link by which you access these documents, are originated and maintained in the United States.
- ***No Effect on Employment-Related Rights:*** Any compensation you receive (even on a regular and repeated basis) in connection with the SIP is discretionary and does not constitute part of your base or normal salary or wages. It does not affect your rights and obligations under the terms of your employment and it will not be taken into account (except to the extent otherwise required by applicable law) in determining any other employment-related rights you may have, including without limitation rights in relation to severance, redundancy or end-of-service payments, bonuses, long-service awards, pension or retirement benefits. In particular you waive any and all rights to compensation or damages in consequence of the termination of your employment for any reason whatsoever insofar as those rights arise or may arise from your ceasing to have rights under, or be entitled to receive payment in respect of, the SIP as a result of such termination, or from the loss or diminution in value of such rights or entitlements. This waiver applies whether or not such termination amounts to wrongful or unfair dismissal.

each such activity being determined with reference to the one-year period immediately prior to the end of the Asia Service Period, and, in each such case, irrespective of the purpose of the activity or whether the activity is or was in furtherance of advisory, agency, proprietary or fiduciary business of either the Firm or BGH or the Covered Enterprise.

(By way of example only, this provision precludes an "advisory" investment banker from joining a leveraged-buyout firm, a research analyst from becoming a proprietary trader or joining a hedge fund, or an information systems professional from joining a management or other consulting firm and providing information technology consulting services or advice to any Covered Enterprise, in each case without the written consent of the Firm or BGH.)

(b) I hereby agree that during the Restricted Period, I will not, in any manner, directly or indirectly, (1) Solicit a Client to transact business with a Covered Enterprise or to reduce or refrain from doing any business with the Firm or BGH, or (2) interfere with or damage (or attempt to interfere with or damage) any relationship between the Firm or BGH and a Client.

(c) I hereby agree that during the Restricted Period, I will not, in any manner, directly or indirectly:

(i) Solicit any Selected Firm Personnel to resign from the Firm or BGH;

(ii) Solicit any Selected Firm Personnel to apply for or accept employment (or other association) with any person or entity other than the Firm; or

(iii) hire or participate in the hiring of any Selected Firm Personnel (whether as an employee, consultant or otherwise) by any person or entity other than the Firm, including, without limitation, participating in the identification of individuals for potential hire, and participating in any hiring decision.

I acknowledge and agree that I will have violated this provision if, during the Restricted Period, any Selected Firm Personnel are Solicited or hired:

(i) by any entity which I form, which bears my name, or in which I possess or control greater than a de minimis equity ownership, voting or profit participation; or

(ii) by any entity where I have, or will have, direct or indirect managerial responsibility for such Selected Firm Personnel.

(d) I acknowledge and agree that these Restrictions form part of my terms and conditions of employment. I also acknowledge and agree that these Restrictions supersede any part of any other agreement (which, for the avoidance of doubt, excludes the SIP and the Award Agreement(s)), written or oral, that I am subject to in respect of the same subject matter unless I am notified in writing to the contrary.

(e) Prior to accepting employment with any other person or entity during the Restricted Period, I will provide any prospective employer with written notice of the Restrictions with a copy containing the prospective employer's name and contact information delivered simultaneously to the Firm.

(f) I understand that the Restrictions may limit my ability to earn a livelihood in a business similar to the business of the Firm or BGH. I acknowledge that a violation on my part of any of the Restrictions would cause immeasurable and irreparable damage to the Firm or BGH. Accordingly, I agree that the Firm and/or BGH will be entitled to injunctive relief in any court of competent jurisdiction for any actual or threatened violation of any of the Restrictions in addition to any other remedies it or they may have. In the event that I violate any of the Restrictions, I acknowledge that the Restricted Period shall automatically be extended by the period of time that I was in violation of the said Restriction(s). I also acknowledge that a violation of any of the Restrictions would constitute my failure to meet an obligation I have under an agreement between me and the Firm that was entered into in connection with my employment with the Firm and/or BGH, may be detrimental to the Firm and/or BGH and would constitute "Cause" for purposes of any equity-based awards granted to me by the Firm and/or BGH and will result in my forfeiting such equity-based awards.

(g) If any provision (or part of a provision) of the Restrictions is held by a court of competent jurisdiction to be invalid, illegal or unenforceable (whether in whole or in part), such provision will be deemed modified to the extent, but only to the extent, of such invalidity, illegality or unenforceability and the remaining such provisions will not be affected thereby; provided, however, that if any of the Restrictions are held by a court of competent jurisdiction to be invalid, illegal or unenforceable because it exceeds the maximum time period such court determines is acceptable to permit such provision to be enforceable, such Restrictions will be deemed to be modified to the minimum extent necessary to modify such time period in order to make such provision enforceable hereunder.

(h) The promises contained in the Restrictions are provided by me for the benefit of each Firm entity and BGH and I acknowledge and agree clause (a) of the Restrictions but will not be subject to the restrictions contained in clauses (b) and (c) of the Restrictions. Nothing in the Restrictions will affect the operation of the Employee Agreement Regarding Confidential and Proprietary Information and Materials and Non-Solicitation.

(n) For the purposes of the Restrictions only, the following terms have the following meanings:

"Asia" means each state and territory in Australia, Brunei, Hong Kong SAR, India, Indonesia, Japan, Korea, Labuan, Macau SAR, Malaysia, Mongolia, New Zealand, Papua New Guinea, the Philippines, the PRC, Singapore, Taiwan, Thailand and Vietnam.

"Asia Service Period" means the period during which I am located in Asia and contracted to provide services to a member of the Firm in Asia or BGH. For the avoidance of doubt, the Asia Service Period does not end when I transfer to another member of the Firm in Asia or BGH.

"BGH" means Beijing Gao Hua Securities Company Limited, its subsidiaries and affiliates, and its or their respective successors.

"*Client*" means any client or prospective client of the Firm or BGH (i) to whom I provided services at any time during the one year period immediately prior to the end of the Asia Service Period, or (ii) for whom I transacted business or solicited at any time during the one year period immediately prior to the end of the Asia Service Period, or (iii) whose identity became known to me in connection with my employment by the Firm or BGH at any time during the one year period immediately prior to the end of the Asia Service Period.

"Competitive Enterprise" means an existing or planned business enterprise that (i) engages, or may reasonably be expected to engage, in any activity, (ii) owns or controls, or may reasonably be expected to own or control, a significant interest in or (iii) is, or may reasonably be expected to be, owned by, or a significant interest in which is, or may reasonably expected to be, owned or controlled by, any entity that engages in any activity that, in any case, competes or will compete anywhere with any activity in which the Firm or BGH is engaged. The activities covered by this definition include, without limitation, financial services such as investment banking, public or private finance, lending, financial advisory services, private investing (for anyone other than me and members of my family), merchant banking, asset or hedge fund management, insurance or reinsurance underwriting or brokerage, property management, or securities, futures, commodities, energy, derivatives or currency brokerage, sales, lending, custody, clearance, settlement or trading.

"Covered Enterprise" means a Competitive Enterprise and any other existing or planned business enterprise that: (i) offers, holds itself out as offering or reasonably may be expected to offer products or services that are the same as or similar to those offered by the Firm or BGH or that the Firm or BGH reasonably expects to offer ("Firm Products or Services") or (ii) engages in, holds itself out as engaging in or reasonably may be expected to engage in any other activity that is the same as or similar to any financial activity engaged in by the Firm or BGH or in which the Firm or BGH reasonably expects to engage ("Firm Activities"). For the avoidance of doubt, Firm Activities include any activity that requires the same or similar skills as any financial activity engaged in by the Firm or BGH or in which the Firm or BGH reasonably expects to engage, irrespective of whether any such financial activity is in furtherance of an advisory, agency, proprietary or fiduciary undertaking.

The enterprises covered by this definition include enterprises that offer, hold themselves out as offering or reasonably may be expected to offer Firm Products or Services, or engage in, hold themselves out as engaging in or reasonably may be expected to engage in Firm Activities directly, as well as those that do so indirectly by ownership or control (*e.g.*, by owning, being owned by or by being under common ownership with an enterprise that offers, holds itself out as offering or reasonably

that each such entity may independently enforce the Restrictions against me. Any benefit that I give or am deemed to have given by virtue of the Restrictions is received jointly and severally by each Firm entity (including, for the avoidance of doubt, any Firm entity to which I provide services from time to time) and BGH.

(i) For the purposes of the Restrictions, GS Inc. enters into the SIP and Award Agreement(s) applicable to me in connection with the Award(s) in its own capacity and as agent for each other Firm entity and BGH. The consideration for the promises in these Restrictions is given to me by GS Inc. on its own behalf and on behalf of each other Firm entity (including, for the avoidance of doubt, any Firm entity to which I provide services from time to time) and BGH.

(j) I acknowledge that the Restrictions set out in this clause are reasonable and necessary for the protection of the legitimate interests of the Firm and/or BGH, and that, having regard to those interests, such restrictions do not impose an unreasonable burden on me.

(k) The Restrictions shall remain in full force and effect and survive the termination of my employment for any reason whatsoever.

(l) If I am subject to the Non-Competition and Non-Solicitation Agreement for Select Employees in the Equities Division, or a Managing Director subject to a Goldman Sachs Group, Inc. Managing Director Agreement, the Restrictions shall not apply to me.

(m) If I am a Private Wealth Management employee subject to an Employee Agreement Regarding Confidential and Proprietary Information and Materials and Non-Solicitation, I will be subject to the restrictions contained in

may be expected to offer Firm Products or Services or that engages in, holds itself out as engaging in or reasonably may be expected to engage in Firm Activities). The definition of Covered Enterprise includes, solely by way of example, any enterprise that offers, holds itself out as offering or reasonably may be expected to offer any product or service, or engages in, holds itself out as engaging in or reasonably may be expected to engage in any activity, in any case, associated with investment banking; public or private finance; lending; financial advisory services; private investing for anyone other than me or members of my family (including, for the avoidance of doubt, any type of proprietary investing or trading); private wealth management; private banking; consumer or commercial cash management; consumer, digital, or commercial banking; merchant banking; asset, portfolio or hedge fund management; insurance or reinsurance underwriting or brokerage; property management; or securities, futures, commodities, energy, derivatives, currency or digital asset brokerage, sales, lending, custody, clearance, settlement or trading. An enterprise that offers, holds itself out as offering or reasonably may be expected to offer Firm Products or Services, or engages in, holds itself out as engaging in or reasonably may be expected to engage in Firm Activities is a Covered Enterprise**, irrespective of whether the enterprise is a customer, client or counterparty of the Firm or BGH or is otherwise associated with the Firm or BGH and, because each of the Firm and BGH is a global enterprise, irrespective of where the Covered Enterprise is physically located.**

"Covered Extended Absence" means my absence from active employment for at least 180 days in any 12-month period as a result of my incapacity due to mental or physical illness, as determined by the Firm or BGH (as applicable).

"Effective Date" means (i) if the termination is for cause or Covered Extended Absence, the date on which such termination occurs; or (ii) if I repudiate my employment contract, the date of repudiation as determined by the Firm or BGH (as applicable).

"Firm" means GS Inc., its subsidiaries and affiliates and its and their respective successors.

"Geographic Area" means (i) the jurisdiction in Asia in which I am located as of the date of execution of the Signature Card; and/or (ii) any other jurisdiction in Asia in relation to which I have substantial product and/or geographical market responsibilities in the one year period immediately prior to the end of the Asia Service Period; and/or (iii) any other jurisdiction in Asia in relation to which I have substantial employee managerial responsibilities in the one year period immediately prior to the end of the Asia Service Period; and/or (iv) any other jurisdiction in Asia in relation to which I provided services in the one year period immediately prior to the end of the Asia Service Period.

"PRC" means, for the purpose of the Restrictions, the People's Republic of China, excluding Hong Kong SAR, Macau SAR and Taiwan.

"Restricted Period" means (i) in the event of the termination of my employment with the Firm in Asia or BGH, the Asia Service Period including any notice period applicable under the Notice Policy or, in the event I repudiate my notice requirement or exercise any statutory right to shorten the notice period or if my employment is terminated without notice or if the Firm elects to shorten the notice period in whole or in part with or without pay in lieu for any period of notice that has been waived or reduced, the Asia Service Period and the period of time equivalent to my notice requirement commencing from the Effective Date; or (ii) in the event of my employment with the Firm in Asia or BGH ending by reason of the transfer of my employment to another member of the Firm outside Asia, the Asia Service Period and the period of time equivalent to my notice requirement commencing from the conclusion of the Asia Service Period; or (iii) in the event of the termination of my secondment to the Firm in Asia or BGH and assignment or transfer of my employment to another member of the Firm outside Asia, the Asia Service Period and the period of time equivalent to my notice requirement commencing from the conclusion of the Asia Service Period.

"Restrictions" means the non-competition and non-solicitation restrictions for employees providing services in Asia as set out in (a) to (o) of this section of the Signature Card.

"Selected Firm Personnel" means any individual who is, or in the three months preceding the conduct prohibited by (c) of this section of the Signature Card was (i) a Firm or BGH employee or consultant with whom I have personally worked with while employed by the Firm; (ii) a Firm or BGH employee or consultant who, at any time during the one-year period immediately prior to the end of the Asia Service Period, worked in the same division in which I worked; or (iii) an Advisory Director, a Managing Director, or a Senior Advisor of the Firm.

"Solicit" means making any direct or indirect communication of any kind whatsoever, regardless of by whom initiated, inviting, advising, suggesting, encouraging or requesting any person or entity, in any manner, to take or refrain from taking any action.

(o) Notwithstanding paragraph 1 of this Signature Card, the Restrictions shall be governed by and construed in accordance with the laws of the jurisdiction in which I am located and providing services to the Firm at the date of execution of the Signature Card. If I am located

FOR ARGENTINA EMPLOYEES ONLY

Your Award(s) are being offered to you in your capacity as an employee of the Firm and not aimed at the general public. By receiving and accepting your Award(s), you are deemed to (i) acknowledge that the Firm has not made, and will not make, any application to obtain an authorization from the Argentine Securities Exchange Commission (*Comisión Nacional de Valores)* for the public offering of the underlying shares in Argentina, or otherwise taken any action that would permit a public offering of the underlying shares in Argentina within the meaning of Argentine Capital Markets Law No. 26,831, as amended, supplemented or otherwise modified from time to time (the "CML") and of the Argentine Securities Exchange Commission General Resolution No. 622/2013, as amended, supplemented or otherwise modified from time to time, and ancillary regulations; (ii) acknowledge that the Argentine Securities Exchange Commission has not approved the offering of the underlying shares nor any document relating to its offering; and (iii) agree that you will not sell or offer to sell any Shares acquired upon settlement of your Award(s) in Argentina other than pursuant to transactions that would not qualify as a public offering under Section 2 of the CML.

The Award documents are being delivered to you in your capacity as an employee of the Firm. Accordingly, receipt and acceptance of the Award documents constitute your agreement that the information contained in the Award documents may not (i) be reproduced or used, in whole or in part, for any purpose whatsoever other than as a representation of your holding of Shares, or (ii) furnished to or discussed with any person (other than your personal advisors on a confidential basis) without the express written permission of GS Inc.

You acknowledge that the Access to Public Information Agency, as the enforcing authority of Act 25.326, has the power to attend the reports and claims from those who are affected in their rights consequence of non-fulfilment of data protection provisions. (La Agencia de Acceso a la Información Pública, en su carácter de Órgano de Control de la Ley Nº 25.326, tiene la atribución de atender las denuncias y reclamos que interpongan quienes resulten afectados en sus derechos por incumplimiento de las normas vigentes en materia de protección de datos personales.)

Additional data protection information for Argentina employees (which should be read in conjunction with, and forms part of, the Data Collection, Processing and Transfers section above):

You understand that your data may be stored in a database duly registered with the Argentine National Data Protection Agency, under the name and responsibility of GS Inc. or one of its subsidiaries or affiliates.

FOR AUSTRALIA EMPLOYEES ONLY

GS Inc. undertakes that it will, within a reasonable period of you so requesting and at no charge, provide you with a copy of the rules of the SIP. The market price of a Share can be accessed at the following link: https://www.nyse.com/index. The Australian dollar equivalent of that market price can be ascertained by applying the prevailing USD/AUD exchange rate published by the Reserve Bank of Australia, which can be accessed at the following link: http://www.rba.gov.au/statistics/frequency/exchange-rates.html.

Any advice given by GS Inc. in connection with the SIP is general advice only. The documentation does not take into account the objectives, financial situation or needs of any particular person. Before acting on the information contained in the documentation, or making a decision to participate, you should consider obtaining your own financial product advice from a person who is licensed by the Australian Securities and Investments Commission (ASIC) to give such advice.

and providing services to the Firm in a state or territory in Australia, the laws of the jurisdiction shall be New South Wales. Notwithstanding paragraph 1, any Firm entity (including, for the avoidance of doubt, any Firm entity to which I provide services from time to time) or BGH may at any time elect to enforce the Restrictions in any competent court of any jurisdiction determined by such entity.]

FOR EMPLOYEES IN THE EEA

You are being offered Award(s) under the SIP in order to provide an additional incentive and to encourage employee share ownership and to increase your interest in GS Inc.'s success. The Award(s) are offered to you by GS Inc. in accordance with the terms of the SIP which are summarized in the Award Summary. Further details on the rights attaching to your Award(s) can be found in the Award Summary. More information about GS Inc. is available at www.gs.com.

The shares subject to the Award(s) are new or existing ordinary shares in GS Inc. and information on the total maximum number of shares which can be offered under the SIP rules can be found in the section entitled *Shares Available for Awards* in the SIP. The obligation to publish a prospectus does not apply because of Article 1(4)(i) of the EU Prospectus Regulation 2017/1129.

Throughout the period in which you hold a dividend equivalent right you may obtain copies of all information filed by GS Inc. with the U.S. Securities and Exchange Commission (SEC) which is accessible by GS Inc.'s shareholders and the general public ("shareholder information") by going to the SEC's website (www.sec.gov) or to the GS Inc. website (www.gs.com), and at http://www.goldmansachs.com/investor-relations/financials/. You should be aware that shareholder information can affect the value of your dividend equivalent rights from time to time.

The actual value you receive in respect of the Shares acquired by you will depend on the number of Shares you receive, the market value of a Share, the value of any dividend and dividend equivalent payments made in respect of a Share, and the USD/AUD exchange rate.

There are risks associated with an investment in Shares and the value of any Shares you receive may be less than the value of those Shares today. Some of those risks are specific to GS Inc.'s business activities while others are of a more general nature. For more detail on those risks, please refer to GS Inc.'s most recent annual report. Individually or in combination, those risks may affect the value of Shares.

Fidelity Personal Trust Company, FSB ("Trustee") will hold Shares that are the subject of Award(s). Any Shares, and income gained, held on your behalf may only be dealt with by the Trustee with your direction. You may direct the Trustee on the exercise of any applicable voting rights that you hold in respect of such Shares. GS Inc. undertakes that it will, within a reasonable period of you so requesting and at no charge, provide you with a copy of the trust deed.

FOR BRAZIL EMPLOYEES ONLY

The Award(s) referred to in this document and the underlying Goldman Sachs shares have not been and will not be publicly issued, placed, distributed, offered or negotiated in the Brazilian capital markets and, as a result, will not be registered with the Brazilian Securities Commission (Comissão de Valores Mobiliários). The Award(s) and the underlying Goldman Sachs shares will not be offered or sold in Brazil under any circumstances that constitute a public offering, placement, distribution or negotiation under the Brazilian capital markets regulation.

By accepting the Award(s), you agree and acknowledge that (i) neither your employer nor any person or entity acting on behalf of your employer has provided you with financial advice with respect to your Award(s) or the shares acquired upon settlement of your Award(s); and (ii) your employer does not guarantee a specified level of return on your Award(s) or the registered shares.

According to Brazilian regulations, individuals resident in Brazil must inform the Central Bank of Brazil yearly the amounts of any nature, the assets and rights (including cash and other deposits) held outside of the Brazilian territory. Please consult your own legal counsel on the terms and conditions for presentation of such information.

By accepting the Award(s), you acknowledge that the Firm has provided you with Portuguese translations of the Award Summary, Award Agreement and Signature Card, but that the original English versions of these documents control. (Ao aceitar esta outorga, Você reconhece que a Empresa Ihe disponibilizou a versão em português do Award Summary, do Award Agreement e do Signature Card; porém a versão original em inglês desses documentos prevalecerá.)

FOR CHILE EMPLOYEES ONLY

Neither GS Inc., the SIP nor the Shares have been registered in the *Registro de Valores* (Securities Registry) or in the *Registro de Valores Extranjeros* (Foreign Securities Registry) of the *Comisión para el Mercado Financiero* (Chilean Commission for Financial Market or CMF) and they are not subject to the control of the CMF. If such securities are offered within Chile, they will be offered and sold only pursuant to *Norma de Carácter, General 336* (General Regulation 336) of the CMF, an exemption to the registration requirements, or in circumstances which do not constitute a public offer of securities in Chile within the meaning of Article 4 of the Chilean Securities Market Law 18,045. As the Shares are not registered, the issuer has no obligation under Chilean law to deliver public information regarding the Shares in Chile. The Shares shall not be subject to public offering in Chile unless they are registered in the Foreign Securities Registry of the CMF. The commencement date of the offer is the date on which these documents were first provided to you via email.

You declare that you read and understand English and the fact that the official plan documents are in the English language does not represent any inconvenience or prejudice to you. If you do not understand their content, please contact your HR contact in order to obtain a Spanish version.

Ni GS Inc., ni el SIP, ni las Acciones, han sido registradas en el Registro de Valores o Registro de Valores Extranjeros que lleva la Comisión para given to you solely for the purpose of providing you with information concerning the Award(s) which the Firm may grant to you as an employee of the Firm (and/or its affiliate) in accordance with the terms of the SIP, this documentation and the applicable Award Agreement(s). The grant of the Award(s) has not been and will not be registered with the China Securities Regulatory Commission of the People's Republic of China pursuant to relevant securities laws and regulations, and the Award(s) may not be offered or sold within the mainland of the People's Republic of China by means of any of the documentation in relation to the Award(s) through a public offering or in circumstances which require a registration or approval of the China Securities Regulatory Commission of the People's Republic of China in accordance with the relevant securities laws and regulations.

You agree that notwithstanding anything to the contrary under the SIP or the Award Agreement(s), the Award(s) may be settled in cash in Renminbi or such other currency, payable by your employing entity in the mainland of the People's Republic of China or such other entity, in each case, as may be determined by the Firm in its sole discretion.

FOR FRANCE EMPLOYEES ONLY

Disclaimer: The current Award(s) is not covered by any prospectus which is the subject of the AMF's approval. Grantees can only receive this award for their own account ("compte propre") in the conditions laid down by articles L. 411-2, D. 411-4, D. 744-1, D. 754-1 and D. 764-1 of the French Monetary and Financial Code and by Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of 14 June 2017. Any direct or indirect dissemination into the public of the financial instruments acquired can only take place within the conditions of articles L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-2 of the French Monetary and Financial Code and of the provisions of Regulation (EU) No. 2017/1129.

By accepting the Award(s), you acknowledge that the Firm has provided you with French translations of the Award Summary, Award Agreement and Signature Card, but that the original English versions of these documents control.

The provisions of the Award Agreement will apply only in respect of the year to which the Award Agreement relates and will not in any circumstances create any right or entitlement to you for any future fiscal years.

Avertissement: La présente attribution ne donne pas lieu à un prospectus soumis à l'approbation de l'Autorité des marchés financiers. Les personnes qui y participent ne peuvent le faire que pour compte propre dans les conditions fixées par les articles L. 411-2, D. 411-4, D. 744-1, D. 754-1 et D. 764-1 du Code monetaire et financier et par le Règlement (UE) n° 2017/1129 du 14 juin 2017. La diffusion, directe ou indirecte, dans le public des instruments financiers ainsi acquis, ne peut être réalisée que dans les conditions prévues aux articles L. 411-2, L. 412-1 et L. 621-8 à L. 621-8-2 du Code monétaire et financier et dans le Règlement (UE) n° 2017/1129.

En acceptant cet octroi, vous reconnaissez que la Société vous a transmis une version française de l'*Award Summary* (Résumé de l'Octroi), l'*Award Agreement* (Contrat d'Octroi) et de la *Signature Card* (Carte de Signature), mais que seule la version originale en langue anglaise fait foi.

Les dispositions de l'Accord de prime s'appliquent uniquement à l'année concernée par l'Accord de prime et ne créent en aucune circonstance tous droits ou habilitations s'agissant des années fiscales à venir.

FOR HONG KONG EMPLOYEES ONLY

el Mercado Financiero (CMF) y ninguno de ellos está sujeto a la fiscalización de la CMF. Si dichos valores son ofrecidos dentro de Chile, serán ofrecidos y colocados sólo de acuerdo a la Norma de Carácter General 336 de la CMF, una excepción a la obligación de registro, o en circunstancias que no constituyan una oferta pública de valores en Chile según lo definido por el Artículo 4 de la Ley 18.045 de Mercado de Valores de Chile. Por tratarse de valores no inscritos, el emisor de las Acciones no tiene obligación bajo la ley chilena de entregar en Chile información pública acerca de las Acciones. Las Acciones no pueden ser ofrecidas públicamente en Chile en tanto éstas no se registren en el Registro de Valores Extranjeros de la CMF. Se informa que la fecha de inicio de la presente oferta será aquella en que estos documentos fueron entregados a usted por primera vez vía email.

Usted declara que lee y entiende el idioma inglés, de manera que el hecho de que los documentos oficiales del Plan se encuentran en idioma inglés no representa ningún inconveniente o perjuicio para usted. En caso que usted no entienda el contenido de estos documentos, por favor comuníquese con su encargado de recursos humanos, a fin de obtener una versión en español.

FOR THE PEOPLE'S REPUBLIC OF CHINA EMPLOYEES ONLY

All documentation in relation to the Award(s) is intended for your personal use and in your capacity as an employee of the Firm (and/or its affiliate) and is being

WARNING:

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to this Award(s). If you are in doubt about any of the contents of this document, you should obtain independent professional advice.

This document has not been, and will not be, registered as a "prospectus" in Hong Kong under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap 571) of the Laws of Hong Kong. This document does not constitute an offer or invitation to the public in Hong Kong to acquire any securities nor an advertisement of securities in Hong Kong. This document is distributed on a confidential basis.

By accepting the Award(s), you acknowledge and agree that you will not be permitted to transfer awards to persons who fall outside the definition of 'qualifying persons' in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) (*i.e.*, a person who is not a current or former director, employee, officer, consultant of the Firm or a person other than the offeree's wife, husband, widow, widower, child or step-child under the age of 18 years, or as otherwise defined), even if otherwise permitted under the SIP or any of the related documents.

FOR INDIA EMPLOYEES ONLY

This website does not invite offers from the public for subscription or purchase of the securities of any body corporate under any law for the time being in force in India. The website is not a prospectus under the applicable laws for the time being in force in India. GS Inc. does not intend to market, promote, invite offers for subscription or purchase of the securities of any body corporate by this website. The information provided on this website is for the record only. Any person who subscribes or purchases securities of any body corporate should consult his own investment advisors before making any investments. GS Inc. shall not be liable or responsible for any such investment decision made by any person.

FOR INDONESIA EMPLOYEES ONLY

By accepting the Award(s), you acknowledge that the Firm has provided you with Bahasa Indonesia translations of the Award Summary, Award Agreement and Signature Card, but that the original English versions of these documents control.

Dengan menerima Putusan, Anda menyatakan bahwa Perusahaan telah memberikan Anda terjemahan Bahasa Indonesia dari Ikhtisar Putusan, Perjanjian Putusan dan Perjanjian dengan Tanda Tangan, tapi versi asli dalam Bahasa Inggris dari dokumen-dokumen ini tetap mengendalikan.

FOR ITALY EMPLOYEES ONLY

No person resident or located in Italy other than the original recipients of this document and any other document related to the Award(s) may rely on such documents or their content. The offer of the Award(s) under the SIP (and the delivery of underlying Shares) is exempted from prospectus requirements under Italian securities legislation.

Under Italian rules, Italian taxpayers generally must report in their annual tax return the value of any financial instruments held abroad at year-end (such as financial and real estate assets). Please consult your own advisors regarding the terms and conditions of this reporting obligation.

FOR MONACO EMPLOYEES ONLY

If you are a Monégasque national (or if otherwise applicable), by accepting your Award(s), you expressly renounce the jurisdiction of Monaco and notably the application of articles 3.2° and 5bis of the Monégasque Procedural Civil Code in connection with any dispute relating to your Award(s).

If you are a French national (or if otherwise applicable), by accepting your Award(s), you expressly renounce the jurisdiction of France and notably the application of articles 14 and 15 of the French Civil Code in connection with any dispute relating to your Award(s).

FOR NEW ZEALAND EMPLOYEES ONLY

GS Inc. is offering you awards under the SIP in reliance upon clause 8 of Schedule 1 of the Financial Markets Conduct Act 2013 (offers under employee share purchase schemes) (**Exclusion**). In accordance with the requirements of the Exclusion, the following information has been made available to you:

1. GS Inc.'s most recent annual report on https://www.goldmansachs.com/investor-relations/financials/current/annual-reports/.

usually required. You will also have fewer other legal protections for this investment.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

The shares are quoted on a stock exchange. GS Inc. intends to quote these shares on the New York Stock Exchange (**NYSE**). This means you may be able to sell them on the NYSE if there are interested buyers. You may get less than you invested. The price will depend on the demand for the shares.

For further information, including the form, dividend payments, vesting, delivery, and transfer restrictions of the Award, please refer to the information provided in the above legend.

FOR RUSSIA EMPLOYEES ONLY

None of the information contained in this Signature Card or the documents that you received in electronic form (as listed in this Signature Card) constitutes an advertisement of the Award(s) in Russia and must not be passed on to third parties or otherwise be made publicly available in Russia. The Award(s) have not been and will not be registered in Russia and are not intended for "placement" or "public circulation" in Russia.

FOR SAUDI ARABIA EMPLOYEES ONLY

The Award(s) are offered to you on behalf of Goldman Sachs Saudi Arabia, Commercial Registration Number 1010256672, 25th Floor, Kingdom Tower, Post Office Box 52969, Riyadh 11573, Saudi Arabia. The SIP documents may not be distributed in the Kingdom except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority. The Capital Market Authority does not make any representation as to the accuracy or completeness of the SIP documents, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of the SIP documents. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of the SIP documents you should consult an authorized financial adviser.

FOR SINGAPORE EMPLOYEES ONLY

The Shares or the Award(s) may not be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, an exemption under any provision of Subdivision (4) of Division 1 of Part XIII of the Securities and Futures Act, Chapter 289 of Singapore.

The Award(s) are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

FOR SPAIN EMPLOYEES ONLY

Please note that the offer of an Award under the SIP does not constitute a public offer in Spain, and therefore it is not subject to registration with the Spanish authorities. The Award(s) are offered to you by GS Inc. in accordance with the terms and conditions set forth in the SIP and the Award Agreement(s). The grantees may be subject to certain reporting obligations for the acquisition or disposal of Shares under the SIP, the opening of cash or brokerage bank accounts abroad and the transfer or receipt of funds. Please consult your own advisors regarding these and other legal or tax obligations that may be applicable.

2. The SIP documentation (which constitutes the current rules of the employee share purchase scheme for the purposes of the Exclusion) on https://hcm.web.gs.com/newaward.
3. A copy of the Award Agreement on https://hcm.web.gs.com/newaward.
4. GS Inc.'s most recent published audited and unaudited financial statements on https://www.goldmansachs.com/investor-relations/financials/index.html.
5. A copy of the auditor's report on the above financial statements (if any) at https://www.goldmansachs.com/investor-relations/financials/index.html.

You may request copies of the documents listed above free of charge from Head of Securities Compliance – Goldman Sachs Australia Pty Ltd.

Warning

The Award(s) constitute an offer of shares (although the Award may in limited circumstances be settled in cash or other property). The shares give you a stake in the ownership of GS Inc. You may receive a return if dividends are paid.

If GS Inc. runs into financial difficulties and is wound up, you will be paid only after all creditors have been paid. You may lose some or all of your investment.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors to make an informed decision.

The usual rules do not apply to this offer because it is made under an employee share purchase scheme. As a result, you may not be given all the information

FOR TURKEY EMPLOYEES ONLY

This offer is not a public offering in terms of the Turkish Capital Markets legislation and the information provided herein cannot be construed as a public offering. The grant of the Award(s) should not be construed as a public offering or a private placement and is made to you as an employee of the Firm. You are not obligated to accept your Award(s). Your decision to accept or reject the Award(s) is entirely up to you and will have no impact on your employment or your career, either positive or negative. The grant of your Award(s) does not change or supplement the terms of your employment in any way. The plan documents do not constitute an employee handbook or an employment contract between you and the Firm.

The information set forth in the plan documents is solely for informative reasons and the Firm is not hereby giving you nor purports to be giving you investment or other financial advice. The Firm reserves the right to suspend, change, amend or supplement the terms of the plan documents, in whole or in part, for any reason at any time. If you are in doubt about the merits of the plan documents, you should contact your financial advisor.

FOR UK EMPLOYEES ONLY

This document does not have regard to the specific investment objectives, financial situation and particular needs of any specific person who may receive it. Recipients should seek their own financial advice.

The Award(s) are subject to the terms and conditions set forth in the SIP and the Award Agreement(s). The price of shares and the income from such shares (if any) can fluctuate and may be affected by changes in the exchange rate for U.S. Dollars. Past performance will not necessarily be repeated. Levels and bases of taxation may change from time to time. Investors should consult their own tax advisors in order to understand tax consequences. GS Inc. has (and its associates may have) a material interest in the shares and the investments that are the subject of this document.

Securities Law information: If the UK exits the European Union (Brexit), then references in any documents to EU legislation shall, as necessary, be interpreted as if the references were to any UK equivalent legislation in force at the time.

EXHIBIT 21.1

Significant Subsidiaries of the Registrant

The following are significant subsidiaries of The Goldman Sachs Group, Inc. as of December 31, 2019 and the states or jurisdictions in which they are organized. Each subsidiary is indented beneath its principal parent. The Goldman Sachs Group, Inc. owns, directly or indirectly, at least 99% of the voting securities of substantially all of the subsidiaries included below. The names of particular subsidiaries have been omitted because, considered in the aggregate as a single subsidiary, they would not constitute, as of the end of the year covered by this report, a "significant subsidiary" as that term is defined in Rule 1-02(w) of Regulation S-X under the Securities Exchange Act of 1934.

Name	State or Jurisdiction of Organization of Entity
The Goldman Sachs Group, Inc.	Delaware
Goldman Sachs & Co. LLC	New York
Goldman Sachs Funding LLC	Delaware
GS European Funding S.a r.l.	Luxembourg
Goldman Sachs Financial Markets, L.P.	Delaware
Farringdon Street (Luxembourg) Holdings S.A R.L.	Luxembourg
Goldman, Sachs & Co. Wertpapier GMBH	Germany
Goldman Sachs (UK) L.L.C.	Delaware
Goldman Sachs Group UK Limited	United Kingdom
Goldman Sachs International Bank	United Kingdom
Goldman Sachs International	United Kingdom
Goldman Sachs Asset Management International	United Kingdom
Goldman Sachs Group Holdings (U.K.) Limited	United Kingdom
ELQ Investors VIII Ltd	United Kingdom
Titanium UK Holdco 1 Limited	United Kingdom
Titanium Luxco 2 S.A R.L.	Luxembourg
Titanium Capital Co 1 Limited	United Kingdom
J. Aron & Company LLC	New York
Horizon Fundo De Investimento Multimercado Credito Privado — Investimento No Exterior	Brazil
GSAM Holdings LLC	Delaware
Goldman Sachs Asset Management, L.P.	Delaware
Goldman Sachs Asset Management International Holdings L.L.C.	Delaware
Goldman Sachs Asset Management Co., Ltd.	Japan
Goldman Sachs (Asia) Corporate Holdings L.L.C.	Delaware
Goldman Sachs Holdings (Asia Pacific) Limited	Hong Kong
Goldman Sachs (Japan) Ltd.	British Virgin Islands
Goldman Sachs Japan Co., Ltd.	Japan
Goldman Sachs Holdings (Hong Kong) Limited	Hong Kong
Goldman Sachs (Asia) Finance	Mauritius
Goldman Sachs Holdings (Singapore) Pte. Ltd.	Singapore
J. Aron & Company (Singapore) Pte.	Singapore
Goldman Sachs Equity Investments (Singapore) Pte. Ltd.	Singapore
Goldman Sachs Holdings ANZ Pty Limited	Australia
Goldman Sachs Financial Markets Pty Ltd	Australia
Goldman Sachs Australia Pty Ltd	Australia
Goldman Sachs Holdings (Hong Kong) II Limited	Hong Kong
Goldman Sachs Holdings (Hong Kong) III Limited	Hong Kong
Japan Solar Investments Limited	Hong Kong
Goldman Sachs Japan Solar Holdings GK	Japan
Jade Dragon ANZ Investments Pte. Ltd.	Singapore
Goldman Sachs (Cayman) Holding Company	Cayman Islands
Goldman Sachs Bank Europe SE	Germany
GS Finance Corp.	Delaware
GS Lending Partners Holdings LLC	Delaware
Goldman Sachs Lending Partners LLC	Delaware
Goldman Sachs Bank USA	New York
Goldman Sachs Mortgage Company	New York

Name	State or Jurisdiction of Organization of Entity
GS Financial Services II, LLC	Delaware
GS Funding Europe III Ltd	United Kingdom
GS Funding Europe VI Ltd	United Kingdom
GS Funding Europe	United Kingdom
GS Funding Europe I Ltd.	Cayman Islands
GS Funding Europe II Ltd.	Cayman Islands
GS Funding Europe V Limited	United Kingdom
MTGLQ Investors, L.P.	Delaware
GSSG Holdings LLC	Delaware
Goldman Sachs Specialty Lending Group, L.P.	Delaware
Special Situations Investing Group II, LLC	Delaware
Special Situations Investing Group III, Inc.	Delaware
GS Asian Venture (Delaware) L.L.C.	Delaware
Asia Investing Holdings Pte. Ltd.	Singapore
Mercer Investments (Singapore) PTE. Ltd.	Singapore
Austreo Commercial Ventures PTY Ltd	Australia
GSFS Investments I Corp.	Delaware
ELQ Holdings (Del) LLC	Delaware
ELQ Holdings (UK) Ltd	United Kingdom
Victor Acquisitions Limited	United Kingdom
GP Offices & Apartments — S.R.L.	Italy
ALQ Holdings (Del) LLC	Delaware
GLQ International Holdings Ltd	Jersey
GLQ Holdings (UK) Ltd	United Kingdom
ELQ Investors IX Ltd	United Kingdom
ELQ Investors II Ltd	United Kingdom
GLQC S.A R.L.	Luxembourg
GS Diversified Funding LLC	Delaware
Hull Trading Asia Limited	Hong Kong
Goldman Sachs LLC	Mauritius
Broad Street Principal Investments Superholdco LLC	Delaware
Broad Street Principal Investments, L.L.C.	Delaware
BSPI Intermediate Holdings, L.L.C.	Delaware
BSPI Holdings, L.L.C.	Delaware
Broad Street Investments Holding (Singapore) PTE. Ltd.	Singapore
Broad Street Credit Holdings Europe S.A R.L.	Luxembourg
Broad Street Brazil Holdings I, Ltd.	Cayman Islands
Brazil Holdings I, Ltd.	Cayman Islands
Broad Street Brazil Holdings II, L.L.C.	Delaware
Broad Street Brazil Investments Fundo De Investimento Em Participacoes	Brazil
HGP San Mateo Owner LLC	Delaware
Broad Street Credit Holdings LLC	Delaware
GS Fund Holdings, L.L.C.	Delaware
Murray Street Corporation	Delaware
Sphere Fundo De Investimento Multimercado — Investimento No Exterior Credito Privado	Brazil
Goldman Sachs PSI Global Holdings, LLC	Delaware

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (File No. 333-219206) and on Form S-8 (File Nos. 333-80839, 333-42068, 333-106430, 333-120802 and 333-235973) of The Goldman Sachs Group, Inc. of our report dated February 20, 2020 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in Part II, Item 8 of this Form 10-K. We also consent to the incorporation by reference in such Registration Statements of our report dated February 20, 2020 relating to Supplemental Financial Information — Selected Financial Data, which appears in Exhibit 99.1 of this Form 10-K.

/s/ PRICEWATERHOUSECOOPERS LLP
New York, New York
February 20, 2020

EXHIBIT 31.1

CERTIFICATIONS

I, David M. Solomon, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2019 of The Goldman Sachs Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2020

/s/ David M. Solomon

Name: David M. Solomon
Title: Chief Executive Officer

CERTIFICATIONS

I, Stephen M. Scherr, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2019 of The Goldman Sachs Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2020

/s/ Stephen M. Scherr

Name: Stephen M. Scherr
Title: Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION

Pursuant to 18 U.S.C. § 1350, the undersigned officer of The Goldman Sachs Group, Inc. (the "Company") hereby certifies that the Company's Annual Report on Form 10-K for the year ended December 31, 2019 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 20, 2020

/s/ David M. Solomon

Name: David M. Solomon
Title: Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

CERTIFICATION

Pursuant to 18 U.S.C. § 1350, the undersigned officer of The Goldman Sachs Group, Inc. (the "Company") hereby certifies that the Company's Annual Report on Form 10-K for the year ended December 31, 2019 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 20, 2020

/s/ Stephen M. Scherr

Name: Stephen M. Scherr
Title: Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

EXHIBIT 99.1

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON SELECTED FINANCIAL DATA

To the Board of Directors and the Shareholders of
The Goldman Sachs Group, Inc.:

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of The Goldman Sachs Group, Inc. and its subsidiaries (the Company) as of December 31, 2019 and 2018, and the related consolidated statements of earnings, comprehensive income, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2019, and the effectiveness of the Company's internal control over financial reporting as of December 31, 2019, and in our report dated February 20, 2020, we expressed unqualified opinions thereon. We have also previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of the Company as of December 31, 2017, 2016 and 2015, and the related consolidated statements of earnings, comprehensive income, changes in shareholders' equity and cash flows for the years ended December 31, 2016 and 2015 (none of which are presented herein), and we expressed unqualified opinions on those consolidated financial statements. In our opinion, the information set forth in the (i) income statement data, (ii) balance sheet data and (iii) common share data of the Supplemental Financial Information — Selected Financial Data of The Goldman Sachs Group, Inc. and its subsidiaries for each of the five years in the period ended December 31, 2019, appearing on page 199 in Part II, Item 8 of this Form 10-K, is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.

/s/ PRICEWATERHOUSECOOPERS LLP
New York, New York
February 20, 2020