

PUBLIC DISCLOSURE

September 13, 2010

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Goldman Sachs Bank USA
RSSD No. 2182786**

**200 West Street
New York, New York 10282**

**FEDERAL RESERVE BANK OF NEW YORK
33 LIBERTY STREET
NEW YORK, NEW YORK 10045**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION

INSTITUTION'S CRA RATING: Goldman Sachs Bank USA ("GS Bank") is rated "Outstanding".

GS Bank's outstanding performance under the Community Reinvestment Act ("CRA") is based on the bank's high levels of community development lending, qualified investment activity and the provision of a significant number of high impact community development services, as highlighted below:

- Annualized bank-wide CRA qualified community development lending and qualified investment activity surpassed that of comparable wholesale banks operating in the bank's New York assessment area as a percentage of average assets;
- Annualized qualified investments surpassed that of large retail banks operating in the bank's New York assessment area as a percentage of average assets and Tier 1 capital;
- Annualized CRA qualified community development investments compared favorably to wholesale and large retail bank peers in New York when compared to average assets and Tier 1 capital;
- Extensive use of complex and innovative financing structures such as bridge loans, flexible loan terms and structures and early stage predevelopment lending vehicles that are not routinely provided and that provide critical funding to community development projects, particularly in high-cost areas;
- Innovative qualified community development investment activities that leverage partnership with local and state government agencies to formulate creative financing solutions;
- Excellent and focused responsiveness to critical community economic development needs such as affordable housing, urban renewal, community services and small business development;
- Leadership in promoting urban redevelopment by supporting early stage financing to projects targeting multiple needs such as affordable and mixed-income housing, retail development, community centers and charter schools;

- Responsive and innovative community development services, such as the bank's "10,000 Small Businesses" program that provides financial technical assistance, education and financing to help small business entrepreneurs, who play a vital role in the assessment area's economy;
- Unique approaches to addressing specific community development needs of low- and moderate-income individuals, such as promoting access to fresh food in low-income communities;
- Outstanding responsiveness to urban redevelopment needs in federally-designated disaster areas, through financing of affordable housing in New Orleans, following Hurricane Katrina.

SCOPE OF EXAMINATION

The bank's performance was evaluated using the Federal Financial Institutions Examination Council ("FFIEC") Interagency Procedures and Guidelines for Wholesale and Limited Purpose Institutions. The bank's continued qualification for status as a CRA wholesale institution was confirmed as part of this review. This examination covers the period beginning June 17, 2008 and ending September 30, 2010, and includes full scope reviews of the bank's two assessment areas. Commercial lending, investments, and grants originated during the examination period were evaluated as qualifying community development activity. In addition, outstanding balances of prior examination community development loans and qualified investments were analyzed as of September 30, 2010.

Examiners also conducted interviews with representatives of community development organizations in each assessment area in order to gain an understanding of local credit needs.

DESCRIPTION OF INSTITUTION

Goldman Sachs Group, Inc. ("GS Group") is a financial holding company and is the parent bank holding company of GS Bank, a New York-chartered state member bank. GS Group's Urban Investment Group ("UIG") manages GS Bank's CRA program and records CRA eligible loans and investments in both GS Bank and GS Group.

GS Bank was formed from the merger of several Goldman subsidiaries, principally Goldman Sachs Trust Company and Goldman Sachs Bank USA, a state-chartered industrial loan bank located in Utah. GS Bank became a state member bank on November 28, 2008. The predecessor Utah-chartered industrial loan bank was headquartered in Salt Lake City, and received a CRA rating of satisfactory from the Federal Deposit Insurance Corporation ("FDIC") on June 16, 2008 under the FFIEC Large Bank CRA test.

GS Bank was granted “wholesale” status for purposes of CRA in July 2009.

GS Bank had assets totaling \$96 billion as of September 30, 2010 with total deposits of \$32 billion and net loans of \$4 billion. There are no financial or legal factors that would prevent GS Bank from fulfilling its obligations under the CRA.

DESCRIPTION OF ASSESSMENT AREAS

GS Bank has designated two assessment areas:

- **Multi-State MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA)**

This multi-state MSA assessment area (“the NY-NJ assessment area”) includes counties from two Metropolitan Divisions (“MDs”) in two states as follows:

- MD 35644 (New York-Wayne-White Plains, NY-NJ Metropolitan Division) consisting of Hudson County in New Jersey and Bronx, Kings, New York, Queens, and Richmond Counties in New York.
- MD 35084 (Newark-Union, NJ-PA Metropolitan Division) consisting of Essex County in New Jersey.

State of Utah

Including portions of Combined Statistical Area 482 as follows:

- **MSA 41620 (Salt Lake City, UT)**
Consisting of Salt Lake, Summit and Tooele Counties in Utah
- **MSA 36260 (Ogden-Clearfield, UT)**
Consisting of Davis, Morgan and Weber Counties in Utah.

GS Bank’s assessment area was expanded to reflect the operations of the new state member bank in the New York Metropolitan area and Utah. The assessment areas are considered reasonable based on the bank’s activities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE

GS Bank's CRA performance is considered Outstanding with regard to its high level of community development lending, qualified investments and services. The bank made a total of \$1.52 billion in community development lending and qualified investments and provided a total of 370 community development qualified services.

GS Bank was a leader in both its New York/New Jersey and Utah assessment areas in identifying solutions to key community needs and bringing financing innovations to these markets. In order to meet these needs, many of GS Bank's CRA qualified loans and investments used innovative and/or complex structures. These transactions often involved multiple layers of financing and government partners and included predevelopment lines of credit, early stage financing, bridge loans, charter school financing and direct equity investments.

Another innovative measure to address community development needs is GS Bank's effort to target the needs of small businesses and entrepreneurial development in its New York assessment area through its "10,000 Small Businesses" program. This program provides formal financial technical assistance and access to financing for small business owners, to enable their small businesses to thrive and grow. Small businesses play a key role in the economic engine of the New York metropolitan area.

GS Bank's community development activity in the NY-NJ assessment area was weighted most heavily in the rating, with \$784 million, or 52% of activity (\$389 million of community development loans and \$395 million of qualified investments). GS Bank's activity in the State of Utah totaled \$214 million, or 14% of total community development activity (\$52 million of community development loans and \$163 million of qualified investments).

GS Bank's community development activity outside of its assessment areas totaled \$523 million or 34% of total activity (\$237 million of community development loans and \$286 million of qualified investments). GS Bank's community development activity outside its assessment areas was given significant weight in deriving its overall Outstanding CRA rating.

Community Development Lending

GS Bank's community development lending totaled \$678 million. Of this total, \$477 million, or 70%, was originated since the prior CRA examination. Sixty-two percent of the total of GS Bank's community development lending activity was considered innovative and/or flexible. For example, GS Bank provided predevelopment financing that expedited completion of community development projects.

A total of \$389 million, or 57%, of community development loans were originated in the NY-NJ assessment area, while \$52 million or 8% were originated in Utah.

A total of \$237 million, or 35%, of community development loans were extended to organizations that did not have a presence in the New York/ New Jersey or Utah assessment areas. GS Bank can receive credit for qualified community development loans made outside of its assessment area because under the CRA, if a wholesale bank has adequately addressed the needs of its assessment area(s) consideration can be given to community development loans made by the bank nationwide.

Qualified Investments

GS Bank made \$844 million in qualified investments, which includes \$598 million, or 71%, in new investments made since the prior CRA evaluation. Investments included \$142 million of mortgage-backed securities that provided some benefit to low- to moderate-income (“LMI”) borrowers in the assessment areas. GS Bank provided qualified investments that were considered innovative, complex and/or flexible. For example, GS Bank made extensive use of New Markets Tax Credit investments, (“NMTC investments”) in combination with grants and community development loans. NMTC investments are considered complex because of the intensive accounting and management required of such investments. In some cases, GS Bank combined NMTC investments in innovative ways with other investment or lending facilities to provide flexibility in meeting funding needs for qualified community development projects.

A total of \$395 million, or 47%, of qualified investments were made in MSA 35620, while \$163 million or 19% were made in Utah.

A total of \$286 million, or 34%, of qualified investments were extended to organizations that did not have a presence in the NY-NJ assessment area or the Utah assessment areas. GS Bank can receive credit for qualified community development investments made outside of its assessment area because under the CRA, if a wholesale bank has adequately addressed the needs of its assessment area(s) consideration can be given to community development investments made by the bank nationwide.

Community Development Services

GS Bank is a leader in providing community development services based on the total number of services provided, as illustrated in the chart below. Of the total number of services provided, 355, or 94%, were provided in the NY-NJ assessment area while 14 or 4% of services, were provided in Utah. A total of 10 services were provided outside GS Bank’s assessment areas.

<i>Summary of Community Development Services</i>	
June 17, 2008 – September 30, 2010	
<u>ACTIVITY TYPE</u>	Number of Activities
On-going board & committee memberships	37
Technical assistance events	331
Seminars and other services	11
TOTAL	379

Services provided include ongoing activities requiring regular participation on boards, loan committees and advisory committees of local community development organizations. Many officers and staff at GS Bank also provide technical financial assistance to community development organizations in addition to their service on boards of those organizations. Participation is at senior management and executive levels.

A GS Bank Vice President is a member of the board of directors and chair of the audit committee of a housing policy organization that specializes in developing promising solutions to affordable housing problems and is affiliated with the National Housing Conference. He assists staff in managing budgets, fundraising, reviewing audits and financial reports.

Many of the community development services GS Bank provided are innovative and responsive to community development needs in its assessment areas. For example, GS Bank provides technical financial assistance and leadership to community development organizations. The bank has also created new and innovative programs such as the “10,000 Small Businesses Program” and has provided financial expertise to women entrepreneurs from underserved areas.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank is in compliance with the substantive provisions of the anti-discrimination laws and regulations. No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

MULTISTATE MSA 35620
(New York-Northern New Jersey-Long Island, NY-NJ-PA)

CRA RATING: MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA) is rated “Outstanding”.

GS Bank’s community development loans and qualified investments totaled \$784 million, a majority of which were considered innovative and/or complex and demonstrated excellent responsiveness to credit and community economic development needs. In terms of numbers of services, the bank provided an excellent level (totaling 355 services) when compared to similarly-situated wholesale institutions.

PERFORMANCE CONTEXT

The data used to describe the assessment area and evaluate the context in which the bank operates was obtained from publicly available sources, including the U.S. Department of Commerce’s Bureau of the Census, the U.S. Department of Labor, the U.S. Department of Housing and Urban Development (“HUD”) and the New York City Department of Housing Preservation and Development (“HPD”).

Demographic Characteristics

According to the 2000 Census, the population of this assessment area was 9.4 million people. The most current population estimate for these counties is just over 9.7 million people. Forty-eight percent of the census tracts in New York City were LMI, with these tracts concentrated in upper Manhattan, central Brooklyn, the Bronx, eastern Essex County including Newark, and Hudson County in New Jersey. New York City is the largest city in the assessment area, with a 2009 estimated population of 8.3 million.

Income Characteristics

The HUD-adjusted median family income (“MFI”) for the NY-NJ assessment area was \$58,227 in 2009 and estimated to be \$61,255 in 2010. A significant proportion of families, almost 18%, subsist below the poverty level in the assessment area. In Bronx County, 29% of families are living below the poverty level. New York City has a large proportion of non-family households, which tend to have lower incomes. A total of 38% of households in New York City are non-family households, and 62% of households are families. Therefore, community development activities that target LMI families are particularly important in New York City.

Housing Characteristics

Forty-eight percent of the population in the assessment area resides in LMI tracts. Homeownership rates in this assessment area are lower than for the rest of the nation, and multi-family rental housing is particularly important in LMI areas. Over half of the housing units in LMI tracts are multi-family units and less than one-quarter of the housing units in LMI tracts are owner-occupied housing units. In addition, 85% of the housing units in low-income tracts and 76% of the housing units in moderate-income tracts are renter-occupied.

Housing in this assessment area is extremely costly. Although the median price of a single family home in the assessment area dropped to \$380,300 in 2009 from \$437,900 in 2008, housing remains unaffordable for LMI families. The median sales price for homes in New York City in the spring of 2010 was \$1,030,000. In Brooklyn, the median home price is \$520,000 and in the Bronx it is \$372,000. For Newark, the median home price for this period was \$208,500 and for Jersey City it was \$250,100.

A family earning 80% of MFI in this assessment area could only pay \$1,720 per month in housing costs to spend under 30% of their gross income on housing, a standard measure of housing affordability. In most areas of this assessment area, homeownership is out of reach for most LMI families. Due to the high cost of homeownership in the area, rental units dominate the overall housing stock in New York City, which has about two-thirds rental units. While rents in New York City have fallen over the past year, rents remain high and vacancy rates remain extremely low.

Forty-one percent of renters in low-income tracts and 35% of renters in moderate-income tracts are considered cost burdened. In the overall assessment area, 26% of renters are spending more than 30% of their income for housing.

A portion of GS Bank's community development lending and qualified investment activity was targeted at providing affordable housing, which was identified by community contacts as an important community need.

All of the major cities (New York City, Newark, and Jersey City) in the assessment area identify affordable housing as one of their top priorities.

Labor, Employment and Economic Characteristics

The assessment area was severely impacted by the financial crisis due to the concentration of financial sector and service sector jobs in the area. Services comprise 41% of industry in the assessment area. Top industries by number are services and retail trade. Small businesses are

also a key driver of the assessment area's economy. Of all businesses in the assessment area, regardless of location, 75% reported revenues of \$1 million or less. A substantial majority of those businesses, 93%, reported revenues of less than \$500,000. The importance of small businesses to the local economy was recognized by GS Bank in its development of the "10,000 Small Businesses" program.

Only 32% of all businesses are located in LMI tracts, highlighting the importance of small businesses for LMI areas.

Unemployment in New York City rose from 4.1% in 2007 to over 10% in 2009. The most recent unemployment rate for New York City is 9.5%, and the most recent rate is 11.1% for both Essex and Hudson Counties in New Jersey. The chart on the following page provides additional assessment area demographics.

Assessment Area Demographics

MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA)

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	397	15.3	358,303	16.2	142,903	39.9	674,825	30.5
Moderate-income	739	28.6	698,036	31.6	155,468	22.3	373,107	16.9
Middle-income	760	29.4	620,643	28.1	68,435	11.0	381,618	17.3
Upper-income	631	24.4	532,375	24.1	23,242	4.4	779,807	35.3
Unknown-income	60	2.3	0	0.0	0	0.0	0	0.0
Total Assessment Area	2,587	100.0	2,209,357	100.0	390,048	17.7	2,209,357	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	551,299	42,640	3.8	7.7	469,982	85.2	38,677	7.0
Moderate-income	1,099,747	202,432	18.2	18.4	836,468	76.1	60,847	5.5
Middle-income	1,010,811	375,882	33.8	37.2	589,605	58.3	45,324	4.5
Upper-income	1,080,453	491,302	44.2	45.5	527,460	48.8	61,691	5.7
Unknown-income	231	24	0.0	10.4	75	32.5	132	57.1
Total Assessment Area	3,742,541	1,112,280	100.0	29.7	2,423,590	64.8	206,671	5.5
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	39,157	9.8	34,399	9.9	2,761	7.4	1,997	14.9
Moderate-income	87,024	21.9	77,724	22.4	5,607	14.9	3,693	27.6
Middle-income	85,908	21.6	76,463	22.0	6,359	16.9	3,086	23.1
Upper-income	179,356	45.1	153,245	44.2	21,673	57.7	4,438	33.2
Unknown-income	6,430	1.6	5,144	1.5	1,133	3.0	153	1.1
Total Assessment Area	397,875	100.0	346,975	100.0	37,533	100.0	13,367	100.0
	Percentage of Total Businesses:			87.2		9.4		3.4

Based on 2000 Census Information.

SCOPE OF EXAMINATION

Commercial lending, investments, grants originated and community development services provided during the examination period were evaluated as qualifying community development activity. The examination covered the period beginning June 17, 2008 and ending September 30, 2010. In addition, outstanding balances of prior examination qualified investments were analyzed as of September 30, 2010.

DESCRIPTION OF INSTITUTION'S OPERATIONS

A substantial portion of GS Bank's community development activity was generated in this assessment area. Accordingly, a full scope review was performed.

This multi-state MSA assessment area includes counties from two Metropolitan Divisions ("MDs") in two states as follows:

- MD 35644 (New York-Wayne-White Plains, NY-NJ Metropolitan Division) consisting of Hudson County in New Jersey and Bronx, Kings, New York, Queens, and Richmond Counties in New York.
- MD 35084 (Newark-Union, NJ-PA Metropolitan Division) consisting of Essex County in New Jersey.

A map of the assessment area is included in Appendix A.

CONCLUSIONS WITH RESPECT TO COMMUNITY DEVELOPMENT TEST IN MSA 35620 (NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ-PA)

GS Bank provided a high proportion of its total of community development activity in the NY-NJ assessment area, with community development loans and investments combined comprising \$784 million of the bank's total activity of \$1.5 billion. The bank's responsiveness to community credit needs was excellent, in terms of dollar amount, compared with similarly-situated banks. Community development activities primarily targeted affordable housing and revitalization and stabilization, which were identified by community contacts as essential needs within this assessment area. The bank's community development activity reflected an extensive level of innovativeness and complexity, in which the bank used advanced financing and investment techniques in multiple community development projects, as explained below.

Community Development Lending

GS Bank’s community development lending in the NY-NJ assessment area totaled \$389 million, all of which was originated in the current evaluation period. Performance in terms of dollar amount was comparable to peer wholesale banks and compared favorably to large retail banks operating in the New York area.

GS Bank is a leader in this assessment area in identifying solutions to key community needs and bringing financing innovations to these markets. In order to meet these needs, the majority of GS Bank’s CRA- qualified loans (80%) use innovative and/or complex structures, involving projects that have multiple layers of financing and involve working with local city and state government partners.

GS Bank’s community development lending activity in this assessment area is summarized below:

COMMUNITY DEVELOPMENT LENDING		
Multi-State MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA)		
June 17, 2008 – September 30, 2010		
Designation	(\$ millions)	%
Revitalize and Stabilize	163,339	42%
Affordable Housing	117,048	30%
Community Services	73,800	19%
Economic Development	34,757	9%
TOTAL ACTIVITY	388,944	100%

Examples of qualifying community development loans include:

- A total of \$45 million in financing for the construction of a mixed-use, mixed-income development in a low income Bedford Stuyvesant, Brooklyn neighborhood. This structured transaction was complex, and involved the provision of both debt and equity financing using New Market Tax Credits (“NMTC”) and NYC Housing Development Corporation bonds. GS Bank provided \$6.5 million in NMTCs, \$17 million in loans and a \$21 million “credit support commitment” to complete the financing structure. In answer to HDC’s need for a complex financing solution, GS Bank was able to formulate this innovative response and provide the entire credit support commitment.

- A \$11.5 million loan commitment to a loan fund sponsored by Local Initiatives Support Corporation (“LISC”) and Enterprise Community Partners, designed to stabilize neighborhoods most impacted by the foreclosure crisis. The project involved the acquisition and rehabilitation of foreclosed properties. GS Bank’s loan proceeds were supplemented by federal and state funds, as well as \$10 million provided by the Department of Housing Preservation and Development (“HPD”). To complement this loan, the bank has provided grant and board leadership support to the Center for New York City Neighborhoods, a coalition of public, private and nonprofit organizations coordinating a citywide response to the foreclosure crisis. GS Bank was the largest provider of capital to this initiative.
- A \$25 million loan to the LISC Charter School fund, which was established to provide financing to charter schools serving LMI students.
- A \$19 million loan related to a NMTC project to provide affordable rental housing units that will revitalize a low-income neighborhood in Brooklyn, NY.

Qualified Investments

GS Bank was a leader in community development investment activity, making \$395 million in qualified investments in the NY-NJ assessment area. A total of \$338 million in community development investment dollars, or 86%, were new investments made since the prior CRA evaluation. The level of GS Bank’s qualified investment activity, in terms of dollar amount, significantly exceeded that of most other similarly-situated wholesale banks. Qualified investments included \$2 million of mortgage-backed securities. While investments in mortgage-backed securities targeted toward LMI borrowers are qualified investments, they are viewed qualitatively as less responsive to community development needs of LMI communities than direct investments. As shown in the chart below, investment activities focused on affordable housing and revitalization and stabilization efforts, two areas identified by community contacts as vital community development needs in the assessment area.

QUALIFIED INVESTMENTS		
Multi-State MSA 35620(New York-Northern New Jersey-Long Island, NY-NJ-PA)		
June 17, 2008 – September 30, 2010*		
Designation	(\$ millions)	%
Affordable Housing	191,079	48%
Revitalize and Stabilize	141,289	36%
Community Services	53,296	14%
Economic Development	9,314	2%
TOTAL ACTIVITY	394,978	100%

**Includes investments and grants made during the examination period as well as existing balances from the prior examination that were outstanding as of 9/30/2010.*

The bank's qualified investments and investment programs included those that are considered innovative, complex and demonstrate a leadership role requiring significant management attention and expertise. GS Bank's total investment activity of \$395 million included 82 grants and/or contributions, totaling \$23 million dollars that qualify for CRA credit.

Examples of qualified investments include:

- A \$30 million equity investment in a NMTC project to provide early stage financing for a long term urban redevelopment plan in downtown Newark, NJ. The project will create a mixed income housing and retail development with charter school space in a low-income census tract in an area designated as a New Jersey Renewal Community.
- An \$18 million LIHTC investment to support affordable housing for formerly homeless people, by financing a mixed-use new construction development in a low-income tract in the South Bronx.
- A \$9 million NMTC investment for the development of a mixed-use project with rental housing units that will revitalize a low-income neighborhood in Brooklyn by providing affordable housing as well as needed retail access.

Community Development Services

GS Bank is a leader, when compared with similarly-situated banks, based upon the number of community development services it provides in the NY-NJ assessment area. Qualifying services are provided through ongoing board and committee memberships, the provision of technical financial assistance and the development of new programs that respond to identified needs within distressed communities. The following chart summarizes the different types of services provided.

MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA) Summary of Community Development Services June 17, 2008 – September 30, 2010	
<u>ACTIVITY TYPE</u>	Number of Activities
On-going board & committee memberships	28
Technical assistance events	323
Seminars and other services	4
TOTAL	355

Services provided are ongoing activities requiring regular participation on boards, loan committees and advisory committees of local community development organizations. Many officers and staff at GS Bank also provide technical financial assistance to community development organizations in addition to their service on the boards of those organizations. Participation is at senior management and executive levels.

Examples include:

- GS Bank volunteers worked with “10,000 Small Businesses” entrepreneur scholars to review their business profiles, balance sheets and cash flow statements and provide advice on how to use financial information to make sound business decisions.
- GS Bank volunteers taught money management to students in LMI communities in the Bronx, NY using the “Banking on Our Future” financial literacy educational curriculum.
- GS Bank employees spent a day working with LMI entrepreneurs in Jersey City. Volunteers participated in workshops on business plan presentation and marketing, as well as one-on-one coaching with business owners.

- GS Bank hosted a three-day national staff meeting for a CDFI, the Corporation for Supportive Housing, and participated in small group discussions around strategies to increase veterans' access to supportive affordable housing.

STATE OF UTAH

CRA RATING: *The State of Utah is rated "Satisfactory".*

GS Bank had an adequate level, compared to similarly-situated wholesale banks, of qualified community development activity in Utah. The bank occasionally used innovative or complex qualified investments, community development loans, or community development services and exhibited adequate responsiveness to credit and community economic development needs in its Utah assessment area.

GS Bank's community development loans and qualified investments in Utah totaled \$214 million out of a total of \$1.5 billion, or 14% of the bank's overall activity. The bank provided 14 qualified community services throughout the MSA.

PERFORMANCE CONTEXT

The data used to describe the assessment area and evaluate the context in which the bank operates was obtained from publicly available sources, including the U.S. Department of Commerce's Bureau of the Census, the U.S. Department of Labor and the U.S. Department of Housing and Urban Development ("HUD").

Demographic Characteristics

The Utah market is small and is concentrated in Salt Lake City. The State's total population in 2009 was 2.8 million people. The Ogden MSA's population was approximately 542,000 people and the Salt Lake MSA's total population was 1.1 million people in 2009. The Salt Lake and Ogden MSAs average 414 and 380 persons per square mile, respectively, compared with over 26,400 persons per square mile in New York City.

Income Characteristics

The HUD-adjusted median household income for the State of Utah was \$56,633 in 2008 and \$55,117 in 2009. Almost 6% of families subsist below the poverty level in the Utah State assessment areas.

Housing Characteristics

The majority of the housing stock in both MSAs consists of single family homes. Multi-family housing makes up only 21% and 13% of the housing stock in the Salt Lake and Ogden MSAs, respectively. The homeownership rate in both MSAs is substantially higher than that of New York City, at 74% in the Salt Lake MSA and 80% in the Ogden MSA compared to 20% in New York City.

Utah ranks fairly high on the Housing Affordability Index, with 76% of all homes affordable to the median income family. However, the recent credit crisis has reduced mortgage lending, which has adversely impacted LMI families. Economic conditions negatively impacted the markets for both owner-occupied and rental housing, and resulted in reduced availability of funds for affordable housing development. The Utah state budget was cut, jeopardizing community development and non-profit programs through reductions in the amount of government support for capital grants and other operating supports.

Community contacts indicated that constraints in credit markets further reduced the availability of financing, particularly for affordable housing bond transactions, resulting in a reduction in the number of affordable housing projects with complete financing sources. The remaining housing developments were forced to spend additional time securing financing, which increased the need for early stage credit support.

As detailed in the evaluation of GS Bank's community development lending activity, the bank was proactive in addressing predevelopment and early financing needs for some community development projects in Utah.

Labor, Employment and Economic Characteristics

Business and employment for the State of Utah is concentrated in the Salt Lake MSA, with 45% of the 193,000 total businesses located in this MSA in 2009. Fewer than 18% of businesses were located in the Ogden MSA.

In 2009 the Utah economy lost approximately 60,000 jobs, representing a 4.9% decline in non-agricultural employment. While Utah weathered the economic crisis better than many states, this decline is the largest single year decline in employment in the state since the Great Depression. Unemployment in Utah overall increased from 3.5% in 2008 to 7% in 2010.

The charts on the two following pages provide additional assessment area demographics.

Assessment Area Demographics
MSA 41620 Salt Lake City, UT

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	5	2.4	1,486	0.6	320	21.5	38,525	16.5
Moderate-income	45	22.0	48,357	20.7	6,120	12.7	45,993	19.7
Middle-income	97	47.3	118,914	50.9	5,285	4.4	57,985	24.8
Upper-income	58	28.3	64,950	27.8	1,415	2.2	91,204	39.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	205	100.0	233,707	100.0	13,140	5.6	233,707	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	2,686	432	0.2	16.1	1,899	70.7	355	13.2
Moderate-income	88,382	36,611	16.5	41.4	45,171	51.1	6,600	7.5
Middle-income	164,800	116,794	52.7	70.9	39,204	23.8	8,802	5.3
Upper-income	86,421	67,580	30.5	78.2	10,459	12.1	8,382	9.7
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	342,289	221,417	100.0	64.7	96,733	28.3	24,139	7.1
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	3,352	7.1	2,497	5.9	749	17.8	106	10.3
Moderate-income	10,545	22.3	8,840	21.1	1,362	32.3	343	33.3
Middle-income	19,099	40.5	17,498	41.7	1,240	29.4	361	35.0
Upper-income	14,220	30.1	13,134	31.3	866	20.5	220	21.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	47,216	100.0	41,969	100.0	4,217	100.0	1,030	100.0
Percentage of Total Businesses:				88.9		8.9		2.2

Based on 2000 Census Information.

**Assessment Area Demographics
MSA 36260 (Ogden-Clearfield, UT)**

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	4	4.3	1,913	1.7	601	31.4	17,406	15.7
Moderate-income	17	18.3	18,096	16.3	2,106	11.6	22,313	20.1
Middle-income	50	53.8	63,801	57.4	2,580	4.0	28,460	25.6
Upper-income	22	23.7	27,406	24.6	583	2.1	43,037	38.7
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	93	100.0	111,216	100.0	5,870	5.3	111,216	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	3,841	888	0.8	23.1	2,389	62.2	564	14.7
Moderate-income	28,527	14,359	13.5	50.3	12,042	42.2	2,126	7.5
Middle-income	81,630	63,170	59.5	77.4	15,163	18.6	3,297	4.0
Upper-income	32,728	27,829	26.2	85.0	3,105	9.5	1,794	5.5
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	146,726	106,246	100.0	72.4	32,699	22.3	7,781	5.3
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	1,002	5.6	829	5.1	137	11.2	36	9.1
Moderate-income	2,850	16.0	2,492	15.4	269	22.0	89	22.6
Middle-income	9,488	53.3	8,681	53.6	602	49.1	205	52.0
Upper-income	4,462	25.1	4,181	25.8	217	17.7	64	16.2
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	17,802	100.0	16,183	100.0	1,225	100.0	394	100.0
	Percentage of Total Businesses:			90.9		6.9		2.2

Based on 2000 Census Information.

SCOPE OF EXAMINATION

Commercial lending, investment and grant activity and community development services provided during the examination period were evaluated as qualifying community development activity. The examination covered the period beginning June 17, 2008 and ending September 30, 2010. In addition, outstanding balances of prior examination community development loans and qualified investments were analyzed as of September 30, 2010.

DESCRIPTION OF INSTITUTION'S OPERATIONS

GS Bank's community development activity in Utah was generated primarily in two assessment areas, a portion of Combined Statistical Area 482, and accordingly, full-scope reviews were performed in each MSA.

- **MSA 41620 (Salt Lake City, UT) consisting of Salt Lake, Summit and Tooele counties.**
- **MSA 36260 (Ogden-Clearfield, UT) consisting of Davis, Morgan and Weber counties.**

Maps of the assessment areas are included in Appendix A.

CONCLUSIONS WITH RESPECT TO PERFORMANCE IN UTAH

The level of GS Bank's community development activity, in dollars, when compared to similarly-situated banks in Utah was considered adequate, totaling \$214 million. The bank's responsiveness to community credit needs was adequate, addressing economic development and affordable housing needs, which were identified by community contacts as essential needs within this assessment area. The bank's activity reflected excellent levels of innovativeness and complexity in which the bank used advanced financing techniques in multiple community development projects.

Community Development Lending

GS Bank's community development lending totaled \$52 million. All of this activity was originated since the prior CRA examination. GS Bank's community development lending activity, in terms of dollar amount, was comparable to that of other similarly-situated wholesale and large retail banks in the Utah assessment areas.

GS Bank's community development lending activity in this assessment area is summarized on the following page:

COMMUNITY DEVELOPMENT LENDING		
STATE OF UTAH		
June 17, 2008 – September 30, 2010		
Designation	(\$ millions)	%
Economic Development	27,950	54%
Affordable Housing	14,835	29%
Community Services	8,786	17%
Revitalize and Stabilize	0	0%
TOTAL ACTIVITY	51,571	100%

Examples include:

- A \$.4 million predevelopment loan (representing the entire amount of the predevelopment loan) to a private developer for a housing project that will create a total of 152 units of affordable housing for LMI workers near Park City, Utah. Many service workers cannot afford housing in the area, and must commute long distances. This “early stage” loan helps bridge the project until construction financing is secured through LIHTCs, equity and tax-exempt bonds issued by the Utah Housing Corporation. The project will also receive a public subsidy in the form of a below-market loan from the Utah Housing Corporation.
- An investment of \$3.1 million of NMTC equity and an \$8.8 million bridge loan (representing the entire amount of the bridge loan), to finance the acquisition and renovation of the Utah Food Bank Services. The funds will be used to purchase equipment and finalize construction of a new food distribution facility that will double the food bank’s capacity to store and distribute food and to serve the growing number of low income families who need direct food assistance statewide. GS Bank’s bridge loan, combined with the NMTC equity, brought a new approach to financing facilities to the non-profit community in Utah that had not been previously provided by other banks and was considered innovative.

Qualified Investments

As shown in the chart on the following page, GS Bank made \$133 million in qualified investments within its two Utah assessment areas and an additional \$30 million in the state outside its two assessment areas, for a total of \$163 million in qualified investments in Utah. A total of \$64 million or 39% of the investments made in Utah are new investments made since the prior CRA evaluation. A majority of the investments (\$101 million) consisted of mortgage-backed securities that provided some benefit to LMI borrowers in the assessment areas.

The level of GS Bank’s qualified investment activity, in dollar amount, was comparable to other similarly-situated wholesale and large retail banks in Utah.

The \$30 million of qualified investments extended to organizations in Utah that did not have a presence in the two Utah assessment areas were included since, according to the CRA regulation, wholesale banks can receive community development credit for those qualified investments that are within the bank’s assessment area or a broader statewide or regional area that includes the assessment area.

QUALIFIED INVESTMENTS STATE OF UTAH June 17, 2008 – September 30, 2010*		
Designation	(\$ millions)	%
Affordable Housing	119,849	74%
Economic Development	23,750	15%
Revitalize and Stabilize	15,000	9%
Community Services	4,292	2%
TOTAL ACTIVITY	162,891	100%

**Includes investments and grants made during the examination period as well as existing balances from the prior examination that were outstanding as of 9/30/2010.*

The bank’s qualified investments and investment programs include investments that are considered innovative and/or complex and demonstrate a leadership role requiring significant senior and executive level management attention and expertise.

Community Development Services

GS Bank provides a reasonable level of community development services within its Utah assessment areas through on-going board and committee memberships, providing technical financial assistance and developing new programs that respond to identified needs within distressed communities such as the need for coordination between affordable housing and refugee services in Utah. The chart on the following page summarizes the different types of services provided.

STATE OF UTAH <i>Summary of Community Development Services</i> June 17, 2008 – September 30, 2010	
<u>ACTIVITY TYPE</u>	Number of Activities
On-going board & committee memberships	5
Technical assistance events	4
Seminars and other services	5
TOTAL	14

Community development services provided by GS Bank are responsive to community development needs in its Utah assessment areas and are sometimes considered innovative and complex.

Examples include:

- A GS Bank staff member spoke at the annual economic development summit sponsored by the Governor's Office to describe economic development investment vehicles commonly used by CRA investors. Panel topics discussed included NMTC vehicles, American Recovery and Reinvestment Act ("ARRA") bonds and other financing tools.
- GS Bank sponsored a meeting for nonprofit affordable housing developers to discuss housing needs in Utah and upcoming opportunities for affordable housing resources from the State.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 41620 (SALT LAKE CITY, UTAH)

GS Bank had an adequate level of community development loans, community development services and qualified investments in this MSA. The bank occasionally used innovative or complex qualified investments, community development loans, or community development services and exhibited adequate responsiveness to credit and community economic development needs in its assessment area.

GS Bank's community development loans and qualified investments in the Salt Lake City, Utah assessment area totaled \$133 million. The bank provided 13 qualified community services throughout the MSA.

Community Development Lending

As shown in the chart below, GS Bank’s community development lending in the Salt Lake City MSA totaled \$45 million. All of this activity was originated since the prior CRA examination.

GS Bank’s level of community development lending activities was comparable, in terms of dollar amount, to other wholesale and large retail banks in the Salt Lake City MSA.

COMMUNITY DEVELOPMENT LENDING		
MSA 41620 (Salt Lake City, Utah)		
June 17, 2008 – September 30, 2010		
Designation	(\$ millions)	%
Economic Development	20,960	47%
Affordable Housing	14,835	33%
Community Services	8,786	20%
Revitalize and Stabilize	0	0%
TOTAL ACTIVITY	44,581	100%

Examples include:

- A \$16 million loan to provide capital for a NMTC project that will finance small businesses in the bank’s Salt Lake City assessment area.
- A \$14 million letter of credit to support a LIHTC affordable housing development in Park City, Utah.

Qualified Investments

As shown in the chart below, GS Bank made \$88 million in qualified investments, \$42 million, or 48% of which consisted of new investments made since the prior CRA evaluation. Investments included \$51 million of mortgage-backed securities that provided some benefit to LMI borrowers in the Salt Lake City assessment area, but qualitatively are not considered as responsive as direct investments.

QUALIFIED INVESTMENTS MSA 41620 (Salt Lake City, Utah) June 17, 2008 – September 30, 2010*		
Designation	(\$ millions)	%
Affordable Housing	61,282	69%
Economic Development	15,140	17%
Revitalize and Stabilize	7,650	9%
Community Services	4,292	5%
TOTAL ACTIVITY	88,364	100%

**Includes investments and grants made during the examination period as well as existing balances from the prior examination that were outstanding as of 9/30/2010.*

The bank's qualified investments include some investments that were considered innovative and/or complex, requiring significant management attention and expertise. GS Bank's investments include 15 grants and/or contributions, totaling \$1.4 million, which qualify for CRA credit. The level of GS Bank's qualified investment activity lagged other wholesale and large retail banks in the MSA, but was considered satisfactory. The majority of investments by other banks consisted of mortgage-backed security investments.

Community Development Services

As shown in the chart on the following page, GS Bank provides a reasonable level of community development services within its Salt Lake City assessment area through on-going board and committee memberships, providing technical assistance and developing new programs that respond to identified needs within distressed communities. For example, GS Bank conducted a series of seminars that included discussions on determining ways to link subsidized affordable housing to low-income, refugee families.

MSA 41620 (Salt Lake City, Utah) <i>Summary of Community Development Services</i> June 17, 2008 – September 30, 2010	
<u>ACTIVITY TYPE</u>	Number of Activities
On-going board & committee memberships	5
Technical assistance events	4
Seminars and other services	4
TOTAL	13

Community development services provided by GS Bank are responsive to community development needs in its assessment areas and sometimes considered innovative and complex.

Examples include:

- A GS Bank Vice President is a member of the board of directors of an organization that provides economic and business education to Hispanic entrepreneurs in LMI areas. The Vice President assists in fundraising and in the provision of training programs in financial management.
- A GS Bank staff member spoke at the annual economic development summit sponsored by the Governor's Office to describe economic development investment vehicles commonly used by CRA investors. Panel topics discussed included NMTC vehicles, ARRA bonds and other financing tools.
- GS Bank representatives coordinated a seminar for non-profit affordable housing developers to discuss housing needs in Utah and upcoming opportunities for affordable housing resources from the state.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 36260
(OGDEN-CLEARFIELD, UTAH)**

GS Bank had an adequate level of community development loans, community development services and qualified investments in this MSA. The bank occasionally used innovative or complex qualified investments, community development loans, or community development services and exhibited adequate responsiveness to credit and community economic development needs in its assessment area.

GS Bank’s community development loans and qualified investments in this MSA totaled \$52 million, some of which were considered innovative and/or complex. The bank provided one qualified community service in this MSA.

Community Development Lending

GS Bank’s community development lending activity was weak when compared to other wholesale banks and large retail banks in the Ogden-Clearfield MSA. As shown in the chart below, GS Bank provided one loan for \$7 million to provide capital for a NMTC project that will finance small businesses in the assessment area. This activity was originated since the prior CRA examination.

COMMUNITY DEVELOPMENT LENDING		
MSA 36260 (Ogden-Clearfield, Utah)		
June 17, 2008 – September 30, 2010		
Designation	(\$ millions)	%
Economic Development	6,990	100%
Affordable Housing	0	0%
Revitalize and Stabilize	0	%
Community Services	0	%
TOTAL ACTIVITY	6,990	100%

Qualified Investments

As shown in the chart below, GS Bank made \$45 million in qualified investments, which includes \$19 million, or 42%, in new investments made since the prior CRA evaluation. Investments included \$25 million of mortgage-backed securities that provided some benefit to LMI borrowers in the assessment areas but are qualitatively considered less responsive than direct investments.

The level of GS Bank’s qualified investment activity was comparable, in dollar amount, to other similarly-situated wholesale banks and large retail banks in the MSA. GS Bank investments include 6 grants and/or contributions, totaling \$65 thousand that qualify for CRA credit.

QUALIFIED INVESTMENTS MSA 36260 (Ogden-Clearfield, Utah) June 17, 2008 – September 30, 2010*		
Designation	(\$ millions)	%
Economic Development	32,420	73%
Affordable Housing	4,860	11%
Revitalize and Stabilize	7,350	16%
Community Services	0	0%
TOTAL ACTIVITY	44,630	100%

**Includes investments and grants made during the examination period as well as existing balances from the prior examination that were outstanding as of 9/30/2010.*

Community Development Services

GS Bank sponsored one seminar that provided information on NMTCs related to the Ogden-Clearfield assessment area.

OTHER ACTIVITIES

Activity outside GS Bank's assessment areas included community development activity in California, Colorado, Florida, Illinois, Louisiana, Massachusetts, Missouri, North Carolina, Pennsylvania and Texas. GS Bank's community development activity outside its assessment areas was significant, totaling \$523 million. The level of GS Bank's community development activity outside of its assessment areas was an important factor in deriving the bank's overall rating. The activities were considered highly responsive to relevant credit and community needs and many were innovative and complex in nature.

Community Development Lending

As illustrated in the chart below, GS Bank's community development lending outside its assessment areas totals \$237 million and includes \$54 million in loans made in federally-designated disaster areas.

COMMUNITY DEVELOPMENT LENDING		
Outside Assessment Areas		
June 17, 2008 – September 30, 2010		
Designation	(\$ millions)	%
Affordable Housing	204,508	86%
Economic Development	24,665	11%
Revitalize and Stabilize	7,090	3%
Community Services	1,000	<1%
TOTAL ACTIVITY	237,363	100%

Examples include:

- A \$100 million loan to a national fund at a Boston-based CDFI for affordable housing and small business financing in LMI areas.
- An \$11 million construction loan for the development of affordable housing located in a federally-designated disaster zone, the Gulf Opportunity Zone, in New Orleans.
- A \$40 million construction bridge loan for the development of affordable housing located in a federally-designated disaster zone, the Gulf Opportunity Zone, in New Orleans.

- A \$3 million loan to finance the commercial space of a transit-oriented redevelopment project that includes NMTC and LIHTC investments and will provide affordable housing and retail commercial space in the Los Angeles area.

Qualified Investments

As summarized in chart below, GS Bank’s qualified investments outside its assessment areas total \$286 million and include \$56 million of qualified investments related to federally-designated disaster areas. Investments included \$41 million of mortgage-backed securities that provided some benefit to LMI borrowers in the assessment areas.

QUALIFIED INVESTMENTS		
Outside Assessments Areas		
June 17, 2008 – September 30, 2010*		
Designation	(\$ millions)	%
Affordable Housing	244,433	85%
Community Services	21,951	8%
Revitalize and Stabilize	11,509	4%
Economic Development	8,325	3%
TOTAL ACTIVITY	286,218	100%

**Includes investments and grants made during the examination period as well as existing balances from the prior examination that were outstanding as of 9/30/2010.*

Many of GS Bank’s activities involve both loans and investments and many of the investments are innovative and/or complex. These investments required extensive work with community partners, often restricted in their ability to provide financing, to design and structure the transaction to address challenges created by a reduction of public funds caused by the recent economic crisis. GS Bank’s grants supplement the community development program by supporting affordable housing preservation, small business promotion and job training.

For example, GS Bank made a \$56 million LIHTC investment in the development of affordable housing located in a federally designated disaster zone in New Orleans, Louisiana as part of a multi-layered financing package.

Community Development Services

GS Bank provides an adequate level of community development services outside its assessment areas that are responsive to identified needs within distressed communities. The following chart summarizes the different types of services provided.

Outside Assessment Areas Summary of Community Development Services June 17, 2008 – September 30, 2010	
<u>ACTIVITY TYPE</u>	Number of Activities
On-going board & committee memberships	4
Technical assistance events	4
Seminars and other services	2
TOTAL	10

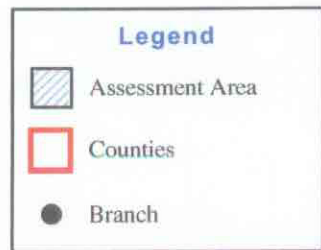
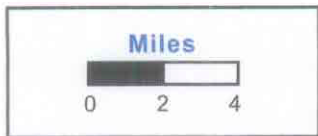
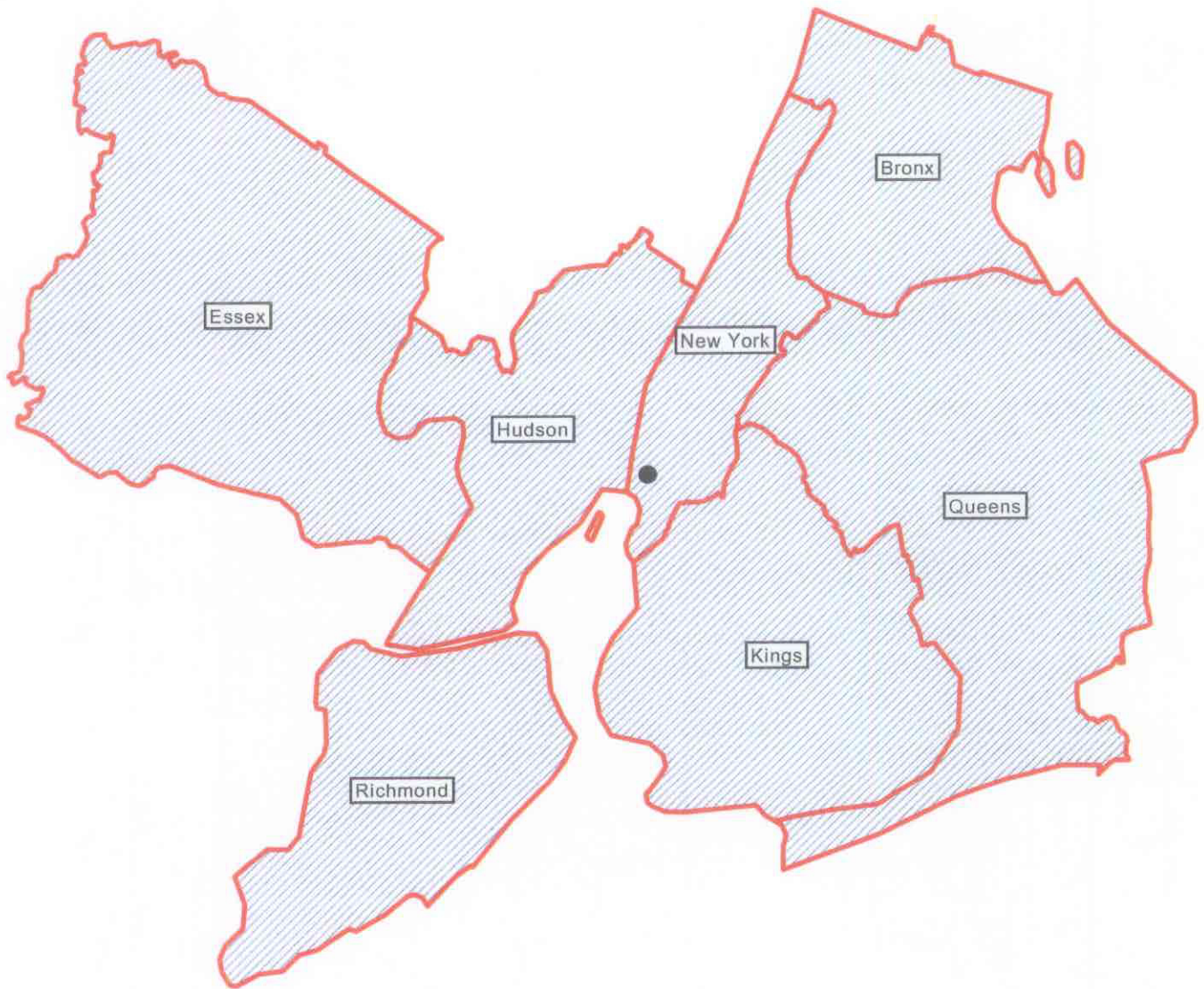
Most of the services provided are ongoing activities requiring regular participation on boards, loan committees and advisory committees of local community development organizations. Participation is at senior management levels.

Some of the community development services GS Bank provides are innovative. For example, officers and staff at GS Bank provide technical assistance and leadership to community development organizations and have created a new initiative to promote access to finance and provide technical assistance for small businesses nationally.

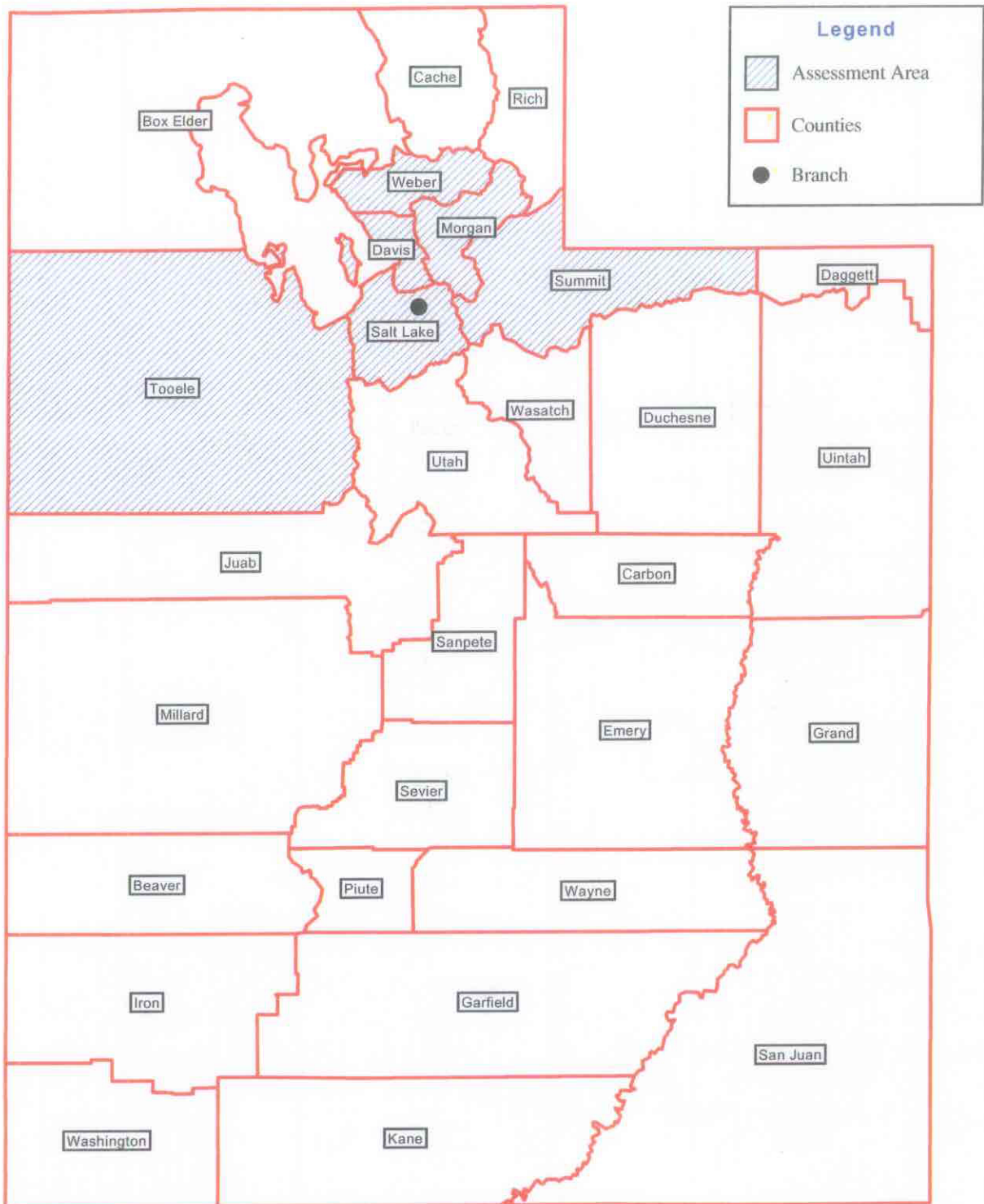
Other examples include:

- A GS Bank Managing Director is a member of the board of directors and loan committee of a national non-profit organization and CDFI, headquartered in New York City, with offices in eleven states, that helps communities create permanent housing and services for the homeless.
- The Bank's CRA Officer spoke on a panel in New Orleans, LA to discuss innovative models for banks to invest in affordable, appropriate financial services for LMI individuals.
- A senior GS Bank officer lead a workshop in Atlanta, GA and participated in panel discussions with community development organizations at a 2009 Urban Land Institute (“ULI”) Spring Council Forum on Urban Development Mixed-Use.

Goldman Sachs Bank
New York/New Jersey Assessment Area
June 17, 2009 - September 30, 2010



Goldman Sachs Bank
Utah Assessment Area
June 17, 2009 - September 30, 2010



APPENDIX B

SCOPE OF EXAMINATION TABLE

SCOPE OF EXAMINATION		
TIME PERIOD REVIEWED	June 17, 2008 – September 30, 2010	
FINANCIAL INSTITUTION Goldman Sachs Bank USA		PRODUCTS REVIEWED Community Development Loans Community Development Investments Community Development Services
AFFILIATE	AFFILIATE RELATIONSHIP	PRODUCTS REVIEWED
Goldman Sachs Group, Inc.	Bank holding company	Community Development Loans Community Development Investments

This examination was conducted at the bank's 200 West Street branch facility.

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Multi-State MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA)	Full-scope review	200 West St. NYC	None
State of Utah			
MSA 41620 Salt Lake City	Full-scope review		None
MSA 36260 Ogden-Clearfield	Full-scope review		None

APPENDIX C

SUMMARY OF STATE AND MULTISTATE METROPOLITAN AREA RATINGS

State or Multistate Metropolitan Area Name	State Rating
Multi-State MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA)	Outstanding
State of Utah	Satisfactory

APPENDIX D

GLOSSARY

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Community Development Financial Institution ("CDFI"): A CDFI is an organization that has been certified by the U.S. Treasury as a provider of loans and services that assist specially funded institutions that revitalize LMI areas and assist LMI persons.

Family: A family is a group of two people or more related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family.

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (“HMDA”): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and income of applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancing of home improvement and home purchase loans.

Household: A household consists of all persons who occupy a housing unit. Persons not living in households are classified as living in group quarters.

Low-income: Individual income that is less than 50% of the area median income, or a median family income that is less than 50%, in the case of a geography.

Metropolitan Area (“MA”): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80% and less than 120% of the area median income, or a median family income that is at least 80% and less than 120%, in the case of a geography.

Moderate-income: Individual income that is at least 50% and less than 80% of the area median income, or a median family income that is at least 50% and less than 80%, in the case of a geography.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Small loan(s) to business (es): A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (“Call Report”) and the Thrift Financial Reporting (“TFR”) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Upper-income: Individual income that is more than 120% of the area median income, or a median family income that is more than 120%, in the case of a geography.

Wholesale bank: A bank that is not in the business of extending home mortgage, small business, small farm or consumer loans to retail customers, and for which a designation as a wholesale bank is in effect, in accordance with the CRA regulation.