



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

February 5, 2009

Ms. Sarah Smith
Chief Accounting Officer
The Goldman Sachs Group, Inc.
85 Broad Street
New York, New York 10004

Dear Ms. Smith:

This is in response to the requests from The Goldman Sachs Group, Inc. ("GSGI") and Goldman Sachs Bank USA ("Bank"), both of New York, New York, for relief from and other modifications related to the Board's regulatory reporting requirements for year-end 2008 and future reporting periods.

You indicated that GSGI has devoted substantial personnel and resources to designing an effective system for complying with the Board's reporting requirements for bank holding companies and state member banks. Your request also indicated that much of the information that is required under the Board's reporting framework has not previously been available, collected, or used for either internal or external reporting purposes at GSGI or Bank and that GSGI has been concentrating on identifying appropriate sources of the required data and ensuring that adequate controls are in place to ensure its quality. In addition, you have requested that GSGI and Bank be allowed to apply a "last Friday" reporting date for all its regulatory reports submitted for year-end 2008, as well as for all future reporting periods. Based on these existing circumstances, you have requested certain reporting relief, as well as confidential treatment of certain year-end 2008 regulatory reports.

Reporting Relief and Confidential Treatment of Year-end 2008 Regulatory Reports

Based on all the facts of record, including the information provided in your request and other supervisory information, the Board grants in substantial part the requests for relief from certain of the Board's regulatory reporting requirements for bank holding companies and state member banks and grants confidential treatment of certain year-end 2008 regulatory reports of GSGI. The Board is aware of the magnitude and complexity of the work that must be performed in order for GSGI and Bank to develop the reporting systems to comply with the Board's reporting requirements. The attachment to this letter details each of your requests and the Board's response on a report-by-report basis. In response to your requests, the Board has designed the

exemption to ensure that your organization will continue to devote the necessary resources to become fully compliant with the Board's regulatory reporting requirements as soon as possible.

"Last Friday" Reporting Date

The Board believes it is important to conduct performance measurements, meaningful analyses, and peer comparisons of large, complex institutions using comparable reporting periods. For this reason, all bank holding companies are required to report as of the same reporting date. To allow GSGI and Bank to use a reporting period that differs from existing requirements for other bank holding companies and state member banks would make it more difficult to draw meaningful financial comparisons between GSGI and Bank and their peer institutions and would set a precedent that could undermine the usefulness of the Board's regulatory reports. Accordingly, the Board declines to permit GSGI and Bank to use a "last Friday" reporting date on a permanent basis as the closing date for reporting purposes (see responses in the attachment).

Please contact Homer C. Hill, III of the Federal Reserve Bank of New York at (212) 720-2164 if you have any questions.

Sincerely yours,



Robert deV. Frierson
Deputy Secretary of the Board

cc: Homer C. Hill, III
Federal Reserve Bank of New York

Attachment

Attachment

1. FR Y-9 (FR Y-9C and FR Y-9LP)

FR Y-9C (Consolidated Financial Statements for Bank Holding Companies)

GSGI has stated that it intends on submitting its year-end 2008 FR Y-9C report by February 9, 2009. GSGI requested that it be allowed to submit balance sheet information as of December 26, 2008 (last Friday of the quarter), and income statement information for the twelve-month period ending November 28, 2008. GSGI did not indicate that it would be ready to submit the FR Y-9C electronically as required. GSGI indicated that there are current gaps in collecting certain data as required in these reports but that it would provide the information essentially on a best-efforts basis. GSGI also requested confidential treatment of its year-end 2008 FR Y-9C report.

In addition, GSGI requested on an on-going basis, that it be allowed to submit reports using the last Friday of any month, quarter, or year as the “as-of” date (depending on the frequency requirements of a given report) instead of the last calendar day of a month, quarter, or year, which are the most typical reporting dates required in Federal Reserve regulatory reports. GSGI indicated that it has historically closed its books using the “last Friday” convention and that simply changing its fiscal year-end from November to December is a complex undertaking. Moreover, if it were required to change the period-end date from the “last Friday” to the last calendar day of the relevant reporting period, substantially all of its IT systems that support its books and records, as well as its internal reporting systems, would require reprogramming.

FR Y-9LP (Parent Company Only Financial Statements for Large Bank Holding Companies)

GSGI has requested that it be permitted to submit its year-end 2008 FR Y-9LP report on the same basis as its FR Y-9C report (balance sheet as of December 26, 2008, and income statement for the twelve-month period as of November 28, 2008) and has stated its intention to file by February 9, 2009. GSGI did not indicate that it would be ready to submit the FR Y-9LP electronically as required. In addition, GSGI has requested an exemption for filing Schedule PC-B (Memoranda) of the FR Y-9LP because it states that it is unable to accurately report some required information, such as parent company borrowings that are not held by financial institutions or by insiders (including directors) and their interest. GSGI requested confidential treatment of its year-end 2008 FR Y-9LP report.

Board Response on FR Y-9C and FR Y-9LP

GSGI must submit its year-end 2008 FR Y-9C and FR Y-9LP reports on a best-efforts basis by the reporting deadline of February 17, 2009. Both year-end 2008 reports may be submitted manually (not electronically) to the Federal Reserve Bank of New York. In addition, both year-end reports will be granted confidential treatment.

Moreover, GSGI is permitted to submit these reports using the “as-of” dates discussed above – but only on a one-time basis for year-end 2008. GSGI must conform its reporting dates to the last calendar day of a particular reporting period for all its regulatory reports (i.e., not only the FR Y-9C and FR Y-9LP reports) starting with the March 31, 2009, reporting date. The Board believes it is important to conduct performance measurements, meaningful analyses, and peer comparisons of large, complex institutions using comparable reporting periods. All bank holding companies are required to report on the same reporting date basis. GSGI also must include in its year-end 2008 FR Y-9LP report Schedule PC-B on a best-efforts basis. Finally, robust footnote disclosures should be used to disclose significant issues or deviations from the reporting requirements in both of the FR Y-9C and FR Y-9LP reports.

2. *FR Y-11 (Financial Statements of U.S. Nonbank Subsidiaries of U.S. Bank Holding Companies) and FR 2314 (Financial Statements of Foreign Subsidiaries of U.S. Bank Holding Companies)*

GSGI has requested exemptions from filing the FR Y-11 and FR 2314 reports at year-end 2008 for their subsidiaries that would otherwise be required to report. GSGI has stated that efforts are underway to provide the appropriate reporting by the end of the first quarter of 2009 (using the “last Friday” of March 2009 as the closing date). In addition, GSGI requested using the “last Friday” reporting convention for annual reporters for year-end 2009.

Board Response on FR Y-11 and FR 2314

GSGI is granted the exemption from filing the FR Y-11 and FR 2314 reports for year-end 2008. GSGI must start submitting quarterly reports as required and described in the instructions to these reports on a calendar quarter-end basis as of March 31, 2009, and on a calendar year-end basis for all annual reporters as of December 31, 2009. For the reasons stated above, the “last Friday” reporting convention will not be permitted.

3. *FR Y-12 (Consolidated Bank Holding Company Report of Equity Investments in Nonfinancial Companies)*

GSGI intends to submit the FR Y-12 report for year-end 2008, using the “last Friday” closing date of December 26, 2008.

Board Response on FR Y-12

GSGI is exempt from filing the FR Y-12 report for year-end 2008. GSGI must start submitting quarterly reports as required and described in the instructions to this report on a calendar quarter-end basis as of March 31, 2009. For the reasons stated above, the “last Friday” reporting convention will not be permitted.

4. *FR Y-10 (Report of Changes in Organizational Structure)*

GSGI has requested that it be permitted to file FR Y-10 reports no later than May 12, 2009, for subsidiaries that must submit FR Y-11 and FR 2314 reports for the first quarter of 2009. GSGI requests that the remaining FR Y-10 reports for currently existing entities with annual reporting requirements be filed no later than two weeks prior to the annual filing date for the respective FR Y-11 and FR 2314 reports. In addition, GSGI requested that, for subsidiaries formed or acquired subsequent to March 27, 2009 (the "last Friday" of March 2009), it be permitted to file its FR Y-10 reports monthly, within ten calendar days of the preceding month-end, for all activity occurring within the prior month.

Board Response on FR Y-10

The Board grants limited relief with respect to GSGI's request for additional time to file the FR Y-10 reports for those subsidiaries that must submit FR Y-11 and FR 2314 reports for the first quarter of 2009. The submission of these FR Y-10 reports must occur by March 31, 2009, so that staff at the Federal Reserve Bank of New York will have adequate time to identify which subsidiaries of GSGI will be filing the FR Y-11 and FR 2314 reports before the first quarter 2009 submission deadlines. GSGI should submit all remaining FR Y-10 reports for entities that currently exist as soon as practicable but no later than December 31, 2009. These remaining FR Y-10 reports of existing entities will contain information about subsidiaries that are annual reporters of the FR Y-11 and FR 2314 reports, as well as other entities that may not have any specific financial reporting requirements (given their size and nature) but nonetheless need to be reported as organizational structure information. In addition, GSGI must submit FR Y-10 reports on a timely basis (in conformity with the filing requirements of the FR Y-10) for all subsidiaries formed or acquired during 2009.

5. *FR Y-6 (Annual Report of Bank Holding Companies)*

GSGI requested an exemption for the year-end 2008 FR Y-6 report and requested that it start filing this report as of the "last Friday" of December in 2009.

Board Response on FR Y-6

GSGI must submit the FR Y-6 report on a best-efforts basis as of December 31, 2008, except that GSGI is exempt from the required reporting of item 2.a in this report, which is the organization chart. The Board believes that useful and important information is provided in the FR Y-6 report. The FR Y-6 report should be submitted to the Federal Reserve Bank of New York by March 30, 2009. The exemption from the submission of the organization chart until the filing of the 2009 FR Y-6 report is granted in order for GSGI to submit all of its FR Y-10 structure reports during 2009. For the reasons stated above, the "last Friday" reporting convention will not be permitted.

6. *FR Y-8 (The Bank Holding Company Report of Insured Depository Institutions' Section 23A Transactions with Affiliates)*

GSGI requested to report its FR Y-8 for year-end 2008 using the “last Friday” of December 2008 as the reporting date.

Board Response on FR Y-8

GSGI may report its year-end 2008 FR Y-8 as of the “last Friday” of 2008 (for year-end 2008 reporting only) on a best-efforts basis. This report is not currently required to be submitted electronically. GSGI can manually submit this report to the Federal Reserve Bank of New York. The FR Y-8 report must start being submitted on a calendar quarter-end basis starting with the March 31, 2009, reporting date. For the reasons stated above, the “last Friday” reporting convention will not be permitted.

7. *FFIEC 009 (Country Exposure Report/Country Exposure Information Report)*

GSGI has requested to submit a year-end 2008 FFIEC 009 report using the “last Friday” of December 2008 as the report date.

Board Response on FFIEC 009

GSGI is exempt from submitting the FFIEC 009 report for year-end 2008. This report is required starting as of March 31, 2009. For the reasons stated above, the “last Friday” reporting convention will not be permitted.

8. *FFIEC 041 (Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only)*

GSGI has requested that it be allowed to use the “last Friday” as-of date rather than the last calendar day of the quarter as the report date when filing its Call Report for Bank (the FFIEC 041 report). GSGI indicated that it was given such permission previously by the Federal Deposit Insurance Corporation in 2006.

Board Response on FFIEC 041

GSGI is permitted to file its year-end 2008 Call Report for Bank using the “last Friday” as-of date it currently has been using, but GSGI must start using the last calendar day of the quarter effective with its March 31, 2009, Call Report submission. For the reasons stated above, the “last Friday” reporting convention will not be permitted on a permanent basis.