



April 12, 2016

Mr. Lloyd Blankfein
Chairman and Chief Executive Officer
The Goldman Sachs Group, Inc.
200 West Street
New York, New York 10282

Dear Mr. Blankfein:

On July 1, 2015, the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation (FDIC) (together, the Agencies) received the annual resolution plan submission (2015 Plan) of The Goldman Sachs Group, Inc. (GS) required by section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), 12 U.S.C. § 5365(d), and the jointly issued implementing regulation, 12 CFR Part 243 and 12 CFR Part 381 (the Resolution Plan Rule). The Agencies have reviewed the 2015 Plan taking into consideration section 165(d) of the Dodd-Frank Act, the Resolution Plan Rule, the letter that the Agencies provided to GS in August 2014 (the 2014 Letter) regarding GS's 2013 resolution plan submission, the communication the Agencies made to GS in February 2015 clarifying the 2014 Letter (the 2015 Communication), other guidance provided by the Agencies, and other supervisory information available to the Agencies.

In reviewing the 2015 Plan, the Agencies noted improvements over prior resolution plan submissions of GS. Nonetheless, the Agencies have identified shortcomings in the 2015 Plan.¹ The Agencies will review the plan due on July 1, 2017 (2017 Plan), to determine if GS has satisfactorily addressed the shortcomings identified in Section II of this letter. If the Agencies jointly decide that these matters are not satisfactorily addressed in the 2017 Plan, the Agencies may determine jointly that the 2017 Plan is not credible or would not facilitate an orderly resolution under the U.S. Bankruptcy Code.

In order for GS to allocate appropriate resources and staff to address the shortcomings identified in Section II below, the Agencies have jointly determined that the informational content of GS's 2016 annual resolution plan submission will be satisfied by submission of the following two items: a status report on GS's actions to address the shortcomings and a public section that explains, at a high level, the actions the firm plans to take to address the shortcomings. The Agencies have jointly extended the submission deadline for the 2016 annual resolution plan submission to October 1, 2016 (2016 Submission).

I. Background

Section 165(d) of the Dodd-Frank Act requires that each bank holding company with \$50 billion or more in total consolidated assets and each designated nonbank financial company report to the Agencies the plan of such company for its rapid and orderly resolution in the event of material financial distress or failure. Under the statute, the Agencies may jointly determine, based on their review, that the plan is "not credible or would not facilitate an orderly resolution

¹ The FDIC determined that GS's 2015 Plan was not credible or would not facilitate an orderly resolution under the U.S. Bankruptcy Code, but this was not a joint determination by the Agencies as described in section 165(d)(4) of the Dodd-Frank Act.

of the company under Title 11, United States Code.”² The statute and the Resolution Plan Rule provide a process by which the deficiencies jointly identified by the Agencies in such a plan may be remedied.

In addition to the Resolution Plan Rule, the Agencies have provided supplemental written information and guidance to assist GS’s development of a resolution plan that satisfies the requirements of section 165(d) of the Dodd-Frank Act. This information and guidance included:

- The April 2013 joint guidance to 2012 plan filers, which addressed a number of resolution plan issues and detailed five significant obstacles to orderly resolution in bankruptcy (multiple competing insolvencies, global cooperation, operations and interconnections, counterparty actions, and liquidity and funding).³
- The 2014 Letter, which outlined a number of shortcomings in the 2013 resolution plan submission and specific issues to be addressed in the 2015 Plan. The 2014 Letter explicitly reminded GS that failure to make demonstrable progress in addressing these shortcomings and in taking the additional actions set forth in the 2014 Letter could result in a joint determination that GS’s 2015 Plan is not credible or would not facilitate orderly resolution in bankruptcy.
- The 2015 Communication, which provided additional staff guidance in response to GS’s December 2014 submission describing certain proposed elements of the 2015 Plan. Among other things, the 2015 Communication reminded firms to make conservative assumptions and provide substantial supporting analysis concerning certain of the proposed 2015 Plan elements.

Furthermore, since the release of the 2014 Letter, the Agencies have made staff available to answer questions related to the 2015 Plan.

² 12 U.S.C. § 5365(d)(4).

³ See “Guidance for 2013 §165(d) Annual Resolution Plan Submissions by Domestic Covered Companies that Submitted Initial Resolution Plans in 2012” (2013 Guidance), issued jointly by the Agencies on April 15, 2013. The 2013 Guidance further noted that “this list of Obstacles is not exhaustive and does not preclude other Obstacles from being identified by the Agencies in the future, nor does it preclude Covered Companies from identifying and addressing other weaknesses or potential impediments to resolution.”

In July 2015, the Agencies received the 2015 Plan and began their review. The Agencies reviewed GS's 2015 Plan to determine whether it satisfies the requirements of section 165(d) of the Dodd-Frank Act and the Resolution Plan Rule. As part of their review, the Agencies assessed whether the 2015 Plan addressed each of the items identified in the 2014 Letter and the 2015 Communication, including whether the firm has made demonstrable progress to improve resolvability under the U.S. Bankruptcy Code based on the actions that the firm had completed by the 2015 Plan date relative to the firm's full-implementation schedule. Firms were expected to provide a timetable for completion of the remaining actions after the 2015 Plan date that included well-identified interim achievement benchmarks against which the Agencies can measure progress. Planned future actions are generally expected to be fully implemented by the date of the firm's 2017 Plan or earlier.⁴

Progress Made by GS

Over the past several years, GS has taken important steps to enhance the firm's resolvability and facilitate its orderly resolution in bankruptcy, including:

- GS has improved its funding structure and has increased its loss absorbing capacity by increasing firm-wide high-quality liquid assets (HQLA).
- In addition to improving its overall capital position, GS has complied with the clean holding company guidance from the 2014 Letter and 2015 Communication.
- GS has strengthened service entities and their arrangements with affiliates for continuity of operations during resolution, has increased direct access to financial market utilities to reduce reliance on affiliates, and has advanced its collateral management processes.

⁴ The 2015 Communication explicitly advised that remaining actions required by the Agencies in the 2014 Letter and the 2015 Communication to improve resolvability generally are expected to be completed no later than July 1, 2017.

- GS has implemented the Legal Entity Structure and Strategy initiative to provide for a less-complex and more-rational structure, has aligned similar businesses together under intermediate holding companies, separated operating entities from investing entities, and has reduced the firm's total number of legal entities.
- GS has simplified its booking model (e.g., reduced the number of internal transactions that transfer risk and positions between GS groups); and the firm has adhered to the International Swaps and Derivatives Association 2015 Universal Resolution Stay Protocol (Protocol).

II. Shortcomings

GS must address the shortcomings identified in this letter in its 2017 Plan. If the Agencies jointly decide that these matters are not satisfactorily addressed in the 2017 Plan, the Agencies may determine jointly that the 2017 Plan is not credible or would not facilitate an orderly resolution under the U.S. Bankruptcy Code.

LIQUIDITY

Resolution Liquidity Execution Need (RLEN): The Agencies identified a shortcoming regarding GS's model⁵ and process for estimating its liquidity needs to fund its material entities⁶ during resolution. GS's 2015 Plan did not have an appropriately supported liquidity methodology to estimate the amount of liquidity needed in resolution for all material entities.

The 2015 Plan provided estimates of stressed outflows during the runway period and into the postfailure period for key material entities. While these estimates show that key material entities have [REDACTED] unencumbered liquid assets throughout the resolution period, they did not detail the specific level of liquidity needed by each material entity to operate following GS's

⁵ "Model" refers to the set of calculations estimating the net liquidity surplus/deficit at each legal entity and for the firm in aggregate based on assumptions regarding available liquidity, e.g., HQLA, and third party and interaffiliate net outflows.

⁶ "Material entities" refers to the material entities identified in the 2015 Plan.

bankruptcy filing. For example, the 2015 Plan assumed that [REDACTED] entities [REDACTED] [REDACTED] would need to maintain a minimum of \$ [REDACTED] each in HQLA, but did not specifically provide how the firm estimated the minimum need other than by referencing the Intraday Liquidity Model. Further, the 2015 Plan did not identify and address the minimum HQLA needed for the other [REDACTED] material entities that are expected to operate outside of bankruptcy.

Additionally, the estimation of the liquidity needed in resolution did not include a forecast of the daily cash flows by material entity over the stabilization period to support the estimation of peak funding needs to stabilize each entity following GS's bankruptcy filing. [REDACTED]

[REDACTED] While the 2015 Plan illustrated daily projections of ending HQLA from [REDACTED] for [REDACTED] [REDACTED], these projections were not sufficiently supported because they lacked detailed daily sources and uses of cash schedules. The firm's estimates also did not include a breakout of interaffiliate flows and arrangements that could impact material entity liquidity forecasts. The lack of detail noted above raises questions about the 2015 Plan's estimates of the peak funding needs of GS's material entities in resolution.

To address this shortcoming, the estimation of the liquidity needed in resolution contained in GS's 2017 Plan should include detailed support and analysis. In particular, the firm's estimation of resolution liquidity needs should include (A) detailed information and analysis concerning the specific level of liquidity needed by each material entity to operate following GS's bankruptcy filing, consistent with the firm's strategy, regulatory requirements, and market expectations; (B) a forecast of the daily cash flows, with detailed daily sources and

uses of cash schedules, to sufficiently support all material entities' peak funding needs following GS's bankruptcy filing; and (C) a comprehensive breakout of interaffiliate flows and arrangements that could impact material entity liquidity forecasts.

The FDIC considers this shortcoming regarding liquidity to be a deficiency in the 2015 Plan.

DERIVATIVES AND TRADING ACTIVITIES

The Agencies also identified a shortcoming regarding the firm's plan to wind down its derivatives portfolio. The 2015 Plan called for a wind-down of trading activities, including derivatives in GS's broker-dealers and banking entities. Although the 2015 Plan explored options and potential strategies to wind down the derivative portfolios, the 2015 Plan lacked specificity regarding implementation of the wind-down. The 2015 Plan also did not address material financial interconnections among the banking entities and the broker-dealers (including associated risks) in the wind-down of the trading portfolios, or provide sufficient detail on the target reduction levels for over-the-counter (OTC) derivatives and their systemic risk profile. In effect, the 2015 Plan leaves unaddressed a significant volume (approximately \$ [REDACTED] notional) of derivatives and fails to explain how it would maintain, sell, or wind down these exposures to achieve an orderly resolution.

To address this shortcoming, GS should provide more detailed information than it provided in the 2015 Plan, including by providing the information necessary to complete the tables in the Appendix. GS should also provide a complete analysis for its wind-down pathway for segmenting and packaging the derivative portfolios that considers the following:

- (A) The nature, concentration, maturity, and liquidity of trading positions;
- (B) The proportion of centrally cleared versus uncleared derivatives;

- (C) The anticipated size, composition, and complexity of the portfolio at the end of the wind-down period (i.e., the residual or stub);
- (D) Challenges with novating less-liquid, longer-dated derivatives; and
- (E) The costs and challenges of obtaining timely consents from counterparties and potential acquirers (step-in banks).

The losses associated with, and liquidity required to support, the active wind-down analysis should be incorporated into the firm's estimates of resolution-capital and liquidity-execution needs.

The FDIC considers this shortcoming regarding derivatives and trading activities to be a deficiency in the 2015 Plan.

GOVERNANCE MECHANISMS

Playbooks and Triggers: In the 2015 Communication, the Agencies directed GS to identify the governance mechanisms in place or in development that would ensure execution of the required board actions at the appropriate time (as anticipated under GS's preferred strategy), including pre-action triggers and existing agreements for such actions. Such governance mechanisms are important to GS's resolution strategy because the 2015 Plan relies upon, among other things, the timely provision of financial resources from GS to certain material operating entities. However, GS's positioning of liquidity resources at its material operating entities reduces the reliance of the 2015 Plan on such mechanisms for GS.

Nevertheless, the Agencies identified a shortcoming regarding the governance mechanisms necessary to facilitate timely execution of the planned subsidiary funding and recapitalizations.

GS has developed [REDACTED] triggers designed to escalate information to senior management and its board through multiple phases as the condition of the firm worsens,

as well as triggers for the consideration of resolution-related actions. These triggers, however, do not link directly to specific actions. [REDACTED]

[REDACTED]

[REDACTED] As a result, the resolution-related action triggers may not be appropriately calibrated to facilitate successful execution of the firm's resolution strategy because resolution-related actions may be required to be taken well in advance [REDACTED]

Moreover, even if the resolution-related action triggers were appropriately calibrated and each trigger was breached at the appropriate time, the triggers are not tied to the specific actions required to successfully execute the firm's strategy. The lack of detail regarding the actions that would be considered at each escalation level, and the potential delay in considering resolution-related actions fails to demonstrate that key actions would be taken when required to execute the firm's resolution strategy.

Although the board's playbook included in the 2015 Plan provided some discussion of resolution-related actions, the playbook only provides general and subjective considerations regarding when such actions should be commenced. The lack of objective and timely triggers combined with the generality of the associated resolution-related actions raises questions regarding the firm's ability to overcome associated obstacles and whether key actions would be taken when required to successfully execute the firm's single point of entry (SPOE) strategy.

To address this shortcoming, the 2017 Plan must include the board's playbooks with clearly identified specific triggers linked to specific actions for (A) the successful recapitalization of subsidiaries prior to parent's bankruptcy filing and funding such entities during the parent's

bankruptcy and (B) the timely execution of a bankruptcy filing and related pre-filing actions.⁷ Moreover, these triggers should be based, at a minimum, on capital, liquidity, and market metrics. To ensure that the triggers are appropriately calibrated, the triggers should incorporate GS's methodologies for forecasting the liquidity and capital needed to operate following a bankruptcy filing.

The FDIC considers this shortcoming regarding governance mechanisms to be a deficiency in the 2015 Plan.

Pre-Bankruptcy Parent Support: Under the SPOE strategy, following GS's bankruptcy filing, certain material entities would remain open and continue operating as required for their respective sale, transfer, or wind-down outside of resolution proceedings, or other disposition. The provision of resources by the parent to these material entities (Support) is an important component of this strategy, as it appears designed to increase the likelihood that these subsidiaries would have the financial resources necessary for the successful execution of the SPOE strategy. The Agencies identified a shortcoming in the 2015 Plan regarding GS's limited analysis of the range of potential legal challenges that could adversely affect GS's approach to providing capital and liquidity to the subsidiaries prior to bankruptcy.

To address this shortcoming, the 2017 Plan should further develop a detailed legal analysis of the potential state law and bankruptcy law challenges and mitigants to the planned provision of Support. Specifically, the analysis should identify any potential legal obstacles and explain how GS would seek to ensure that Support would be provided as planned.

⁷ Key pre-filing actions include the preparation of the emergency motion required to be decided shortly after GS's bankruptcy filing, consistent with the Protocol.

The 2017 Plan also should include the mitigant(s) to potential challenges to the planned Support that GS considers most effective. In identifying appropriate mitigants, GS should consider the effectiveness of mitigants other than, or in addition to, a contractually binding mechanism, such as pre-positioning of financial resources in material entities and the creation of an intermediate holding company.

GS's governance playbooks included in the 2017 Plan should incorporate any developments from GS's further analysis of potential legal challenges regarding Support, including any Support approach(es) GS has implemented.

OPERATIONAL

[REDACTED] *Runway:* GS did not support the operational feasibility of the **[REDACTED]** runway assumed in the 2015 Plan. The short duration of the runway period, together with plans to execute a recapitalization prior to GS entering bankruptcy proceedings, raises concerns about the operational ability of the firm to execute its preferred strategy as presented in the 2015 Plan. The proposed recapitalization would place the firm's governance bodies under severe time constraints, leading to the potential risk of insufficient processing of relevant information.

Significant global coordination of governance entities may be required to effectively implement the recapitalization within the suggested timeframes. GS also assumed that interactions with regulators would support recapitalization in all relevant jurisdictions and that regulators would not take actions that could impede the execution of the recapitalization strategy. Lastly, the board of directors assumed that **[REDACTED]**

[REDACTED]

If GS continues to use a **[REDACTED]** runway, GS should support the operational feasibility of the strategy presented in the 2017 Plan. GS should work to conduct preparedness testing to

ensure that operational aspects of resolution planning as presented could be facilitated in a timely manner and explore the challenges faced by a longer runway period.

The FDIC considers this item to be a shortcoming.

Bankruptcy Legal Issues: As noted, under the SPOE strategy, GS would provide Support to certain material entity subsidiaries to allow them to remain open and continue operating following GS's bankruptcy filing as required for their respective sale, transfer, or wind-down outside of resolution proceedings, or other disposition.

While the 2015 Plan—through the discussion of the proposed capital and liquidity support transactions—demonstrated progress in addressing some of the issues associated with the Support, GS's Plan did not provide sufficient basis for the assumption that a bankruptcy court would “issue an order meeting the ‘DIP Stay Condition’” as such term is defined in the 2014 Resolution Stay Protocol (subsequently amended by the Protocol). To address this shortcoming, in the 2017 Plan, GS should fully develop the applicable SPOE structure(s) under Section 2 of the Protocol it would seek to employ (i.e., assumption of credit enhancement obligations by GS). GS may consider providing a draft emergency motion and proposed form of order detailing the issues a bankruptcy court would likely consider, including GS's best arguments in support of the requested relief.

III. Conclusion

If you have any questions about the information communicated in this letter, please contact the Agencies.

Very truly yours,

(Signed)

Robert deV. Frierson
Secretary of the Board
Board of Governors of the
Federal Reserve System

Very truly yours,

(Signed)

Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation

Appendix

Instructions for Preparation of

Appendix Derivative Data Tables

General Instructions

Purpose

To provide estimates related to the active wind down of reporting firms' derivatives portfolios for Title 1 resolution planning purposes.

Who Must Report

This Appendix is required to be included in the 2016 Submission of any firm for which the Agencies have jointly identified a deficiency with respect to Derivatives and Trading Activities.

This Appendix also should be included in the 2017 Plans as per the joint Agencies' guidance.

Organization of Schedules

Schedule A – To summarize the data captured in Schedule B.

Schedule B – To capture starting and ending notional and fair value derivatives data by material entity, as well as drivers of changes, capital and liquidity impacts from wind-down, and select inter-affiliate exposures, e.g., between the lead bank subsidiary and UK broker-dealer.

Schedule C – To comprehensively capture inter-affiliate exposures between material entities across several dimensions as of the start of plan date.

Key definitions

Bilateral – Refers to over-the-counter derivatives (OTC) that are not listed or cleared through a central counterparty.

Cleared – Refers to derivatives that are listed on an exchange or cleared through a central counterparty (CCP). Firms may include derivatives that are eligible for clearing but are not currently centrally cleared in this category but should footnote the amount included.

Gross Notional – Firms should utilize the definition from Schedule HC-L Derivatives and Off-Balance-Sheet Items of Reporting Form FR Y-9C Consolidated Financial Statements for Holding Companies. Figures should be reported in \$ billions.

Gross Positive/Negative Fair Value – Estimates of fair value should be consistent with those used in Form FR Y-9C Consolidated Financial Statements for Holding Companies. Gross positive/negative fair values should be reported without taking into account netting and collateral received/posted. Figures should be reported in \$ billions.

Liquidity Impacts – Estimates of net liquidity impacts over the relevant period should be reported in \$ billions with net liquidity inflows shown as positive and net liquidity outflows shown as negative.

Material Entity – The definition of a material entity for this data appendix is the same as it is for firms' Title 1 resolution plans. Firms should report data for all material entities that are contractual counterparties to derivatives contracts and have active derivative positions as of the start of plan date. Material entities should be listed in descending order by total gross notional outstanding as of the start of plan date. This ordering should be maintained for all schedules in this data appendix.

P&L Impacts – Estimates of gains or losses over the relevant period should be reported in \$ billions with gains shown as positive and losses as negative.

Runway Period – For this data appendix, the runway period should commence with the start of plan date and end with the parent company filing for bankruptcy.

Start of Plan Date – The start of plan date should correspond with the “trigger loss” and the commencement of the runway period in firms' resolution plans. For JPMC's 2016 Submission, the firm should use March 31, 2016 as the start of plan date. For firms' 2017 Plan submissions, firms should utilize December 31, 2016 as their start of plan date.

Wind-Down Period – For this data appendix, the wind-down period should commence upon the parent company filing for bankruptcy and end when the firm estimates that it would no longer need to perform on its derivatives obligations. As such, the wind-down period here should include any “stabilization” and post-stabilization period, to the extent such a phase may feature

in a firm's plan. The wind-down period should be no shorter than 12 months and no longer than 18 months. Firms may select the duration of their wind-down period within those constraints.

Title 1 Plan—Appendix Derivative Data Tables

Start of Plan Date:

Month / Day / Year

Company Information

Legal Name of Entity

Street

City

State

Zip Code

Person to whom questions about this report should be directed:

Name

Title

Area Code/Phone Number

Area Code/FAX Number

E-mail Address of Contact

Schedule A—Summary Tables

Table 1 – Gross Notionals

| By Material Entity | As of Start of Plan Date | | | Changes over Runway and Wind-Down Periods | | | | End of Wind-Down | | |
|--------------------|--|----------------------|--------------------------|---|-------------------|------------------|--------------------------------|--|----------------------|--------------------------|
| | Total Derivatives Gross Notional Outstanding | Of which Third Party | Of which Inter-affiliate | Due to Terminations | Due to Maturities | Due to Novations | Due to Other Actions (Specify) | Total Derivatives Gross Notional Outstanding | Of which Third Party | Of which Inter-affiliate |
| ME-1 | | | | | | | | | | |
| ME-2 | | | | | | | | | | |
| ME-3 | | | | | | | | | | |
| ME-4 | | | | | | | | | | |
| ME-5 | | | | | | | | | | |
| ME-6 | | | | | | | | | | |
| ME-7 | | | | | | | | | | |
| ME-8 | | | | | | | | | | |
| ME-9 | | | | | | | | | | |
| ME-10 | | | | | | | | | | |
| etc.... | | | | | | | | | | |

Schedule A—Continued

Table 2 – Capital and Liquidity Impacts

| By Material Entity | P&L Impact (Wind-Down Period Only) | | | Total P&L Impact from Wind-Down | Liquidity Impact (Wind-Down Period Only) | | | | Total Liquidity Impact from Wind-Down |
|--------------------|------------------------------------|--------------------|----------------------------------|---------------------------------|--|----------------------------------|---------------------------------|---|---------------------------------------|
| | P&L from Terminations | P&L from Novations | P&L from Other Actions (Specify) | | Liquidity Impact from Terminations | Liquidity Impact from Maturities | Liquidity Impact from Novations | Liquidity Impact from Other Actions (Specify) | |
| ME-1 | | | | | | | | | |
| ME-2 | | | | | | | | | |
| ME-3 | | | | | | | | | |
| ME-4 | | | | | | | | | |
| ME-5 | | | | | | | | | |
| ME-6 | | | | | | | | | |
| ME-7 | | | | | | | | | |
| ME-8 | | | | | | | | | |
| ME-9 | | | | | | | | | |
| ME-10 | | | | | | | | | |
| etc.... | | | | | | | | | |

Schedule B—General OTC Derivatives Volume

Table 1.A—All OTC Derivatives (Sum of Table 1.B and Table 1.C)

| Unique Row Identifier | By Material Entities | By Trading Unit or Product | Start Balance as of [Date per Title 1 Plan] | | | | | | Terminations in Runway | | | Maturing Derivatives in Runway | |
|-----------------------|----------------------|----------------------------|---|-----------|-----------------------------|-----------|-----------------------------|-----------|------------------------------|--------------------------------------|------------------------------------|--------------------------------|--|
| | | | Total Gross Notional | | Gross Positive Market Value | | Gross Negative Market Value | | Terminations Gross Notionals | Total P&L (Losses) from Terminations | Liquidity Impact from Terminations | Maturing Gross Notionals | Liquidity Impact from Maturing Contracts |
| | | | Cleared | Bilateral | Cleared | Bilateral | Cleared | Bilateral | | | | | |
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Table 1.A—Continued

| Unique Row Identifier | By Material Entities | By Trading Unit or Product | Maturing Derivatives in Wind Down | | Novations in Wind Down | | | Other Actions (Specify) in Wind-Down | | | End of Wind Down | |
|-----------------------|----------------------|----------------------------|-----------------------------------|--|--------------------------|---------------------------|---------------------------------|--------------------------------------|---|---|-----------------------|-----------|
| | | | Maturing Gross Notionals | Liquidity Impact from Maturing Contracts | Novations Gross Notional | P&L Impact from Novations | Liquidity Impact from Novations | Other Actions (Specify) Notional | P&L Impact from Other Actions (Specify) | Liquidity Impact from Other Actions (Specify) | Ending Gross Notional | |
| | | | | | | | | | | | Cleared | Bilateral |
| | | | | | | | | | | | | |
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Table 1.B¹— Of which Third Party OTC Derivatives (same format as Table 1.A)

Table 1.C²— Of which Inter-affiliate OTC Derivatives (same format as Table 1.A)

¹ Table 1B = The material entity's gross derivative transactions with all third parties (in aggregate).

² Table 1C = The material entity's gross derivative transactions with all third parties (in aggregate).

Schedule B—Continued

Tables 1.C1 through 1.Cx must be completed by specific entities only, specifically: 1) the inter-affiliate derivative transactions between the lead bank subsidiary and the UK broker-dealer and 2) the lead bank subsidiary and other material entities, such as unregulated capital services subsidiaries or firm sponsored SPV.³

Table 1.C1—Inter-affiliate OTC Derivatives Between Bank and UK Broker-Dealer

| From Bank Perspective | | | Start Balance as of [Date per Title 1 Plan] | | | | | | Terminations in Runway | | | Maturing Derivatives in Runway | |
|-----------------------|------------------|----------------------------|---|-----------|-----------------------------|-----------|-----------------------------|-----------|------------------------------|--------------------------------------|------------------------------------|--------------------------------|--|
| Unique Row Identifier | UK-Broker Dealer | By Trading Unit or Product | Total Gross Notional | | Gross Positive Market Value | | Gross Negative Market Value | | Terminations Gross Notionals | Total P&L (Losses) from Terminations | Liquidity Impact from Terminations | Maturing Gross Notionals | Liquidity Impact from Maturing Contracts |
| | | | Cleared | Bilateral | Cleared | Bilateral | Cleared | Bilateral | | | | | |
| | | | | | | | | | | | | | |
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Table 1.C1—Continued

| From Bank Perspective | | | Maturing Derivatives in Wind Down | | Novations in Wind Down | | | Other Actions (Specify) in Wind-Down | | | End of Wind Down | |
|-----------------------|------------------|----------------------------|-----------------------------------|--|--------------------------|---------------------------|---------------------------------|--------------------------------------|---|---|-----------------------|-----------|
| Unique Row Identifier | UK-Broker Dealer | By Trading Unit or Product | Maturing Gross Notionals | Liquidity Impact from Maturing Contracts | Novations Gross Notional | P&L Impact from Novations | Liquidity Impact from Novations | Other Actions (Specify) Notional | P&L Impact from Other Actions (Specify) | Liquidity Impact from Other Actions (Specify) | Ending Gross Notional | |
| | | | | | | | | | | | Cleared | Bilateral |
| | | | | | | | | | | | | |
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Table 1.C2—Inter-affiliate OTC Derivatives Between Bank and Other Material Entity (ME-2) (same format as Table 1.C1)

Table 1.C3—Inter-affiliate OTC Derivatives Between Bank and Other Material Entity (ME-3) (same format as Table 1.C1)

³ Note: If there are "other" categories not captured in the novation, compression, terminations, and maturing derivatives categories in the example table, please add and specify.

Table 1.Cx—Inter-affiliate OTC Derivatives Between Bank and Other Material Entity (ME-x) (same format as Table 1.C1)

Schedule C—Inter-affiliate Exposures

The lower triangle should be from the perspective of the MEs listed on column to the MEs listed in the rows.

| Matrix 1.a—Gross Notional of Inter-affiliate OTC Derivatives Trade (Start of Title 1 Plan Date) | | | | | | | | | | | |
|---|------|------|------|------|------|------|------|------|------|-------|---------|
| | ME-1 | ME-2 | ME-3 | ME-4 | ME-5 | ME-6 | ME-7 | ME-8 | ME-9 | ME-10 | etc.... |
| ME-1 | | | | | | | | | | | |
| ME-2 | | | | | | | | | | | |
| ME-3 | | | | | | | | | | | |
| ME-4 | | | | | | | | | | | |
| ME-5 | | | | | | | | | | | |
| ME-6 | | | | | | | | | | | |
| ME-7 | | | | | | | | | | | |
| ME-8 | | | | | | | | | | | |
| ME-9 | | | | | | | | | | | |
| ME-10 | | | | | | | | | | | |
| etc.... | | | | | | | | | | | |

| Matrix 1.b—Gross Notional of Inter-affiliate OTC Derivatives Trade (End of Wind-Down) | | | | | | | | | | | |
|---|------|------|------|------|------|------|------|------|------|-------|---------|
| | ME-1 | ME-2 | ME-3 | ME-4 | ME-5 | ME-6 | ME-7 | ME-8 | ME-9 | ME-10 | etc.... |
| ME-1 | | | | | | | | | | | |
| ME-2 | | | | | | | | | | | |
| ME-3 | | | | | | | | | | | |
| ME-4 | | | | | | | | | | | |
| ME-5 | | | | | | | | | | | |
| ME-6 | | | | | | | | | | | |
| ME-7 | | | | | | | | | | | |
| ME-8 | | | | | | | | | | | |
| ME-9 | | | | | | | | | | | |
| ME-10 | | | | | | | | | | | |
| etc.... | | | | | | | | | | | |

Matrix 2.a – Uncollateralized Current Exposure from Inter-affiliate OTC Derivatives (Start of Plan Date) (same format as Matrix 1.a)

**Matrix 2.b – Uncollateralized Current Exposure from Inter-affiliate OTC Derivatives, Gross of Collateral (End of Wind-Down)
(same format as Matrix 1.b)**

Matrix 3.a – Net Collateralized Current Exposure from Inter-affiliate OTC Derivatives (Start of Plan Date) (same format as Matrix 1.a)

Matrix 3.b – Net Collateralized Current Exposure from Inter-affiliate OTC Derivatives (Start of Plan Date) (same format as Matrix 1.a)