



PUBLIC SUMMARY

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION OF GOLDMAN SACHS BANK USA

AS OF DECEMBER 31, 2023

New York State Department of Financial Services
Consumer Protection and Financial Enforcement Division
One State Street, New York NY 10004

NOTE: This Evaluation is not an assessment of the financial condition of this institution. The rating assigned does not represent an analysis, conclusion or opinion of the New York State Department of Financial Services concerning the safety and soundness of this financial institution.

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GOLDMAN SACHS BANK USA – CRA PERFORMANCE EVALUATION

I - GENERAL INFORMATION

This document is an evaluation (the “Evaluation”) of the Community Reinvestment Act (“CRA”) performance of Goldman Sachs Bank USA (“GS Bank” or the “Bank”) prepared by the New York State Department of Financial Services (“DFS” or the “Department”). This Evaluation represents the Department’s current assessment and rating of the Bank’s CRA performance based on an evaluation conducted as of December 31, 2023.

Section 28-b of the New York Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Financial Services shall assess a banking institution’s record of helping to meet the credit needs of its entire community, including low-and moderate-income (“LMI”) areas, consistent with safe and sound operations.

Part 76 of the General Regulations of the Superintendent (“GRS”) implements Section 28-b and further requires that the Department assess the CRA performance records of regulated financial institutions. Part 76 establishes the framework and criteria by which the Department will evaluate institutions’ performance. Section 76.5 further provides that the Department will prepare a written report summarizing the results of such assessment and will assign to each institution a numerical CRA rating based on a 1 to 4 scoring system. The numerical scores represent an assessment of CRA performance as follows:

- (1) Outstanding record of meeting community credit needs;
- (2) Satisfactory record of meeting community credit needs;
- (3) Needs to improve in meeting community credit needs; and
- (4) Substantial noncompliance in meeting community credit needs.

Section 76.5 further requires that the CRA rating and the Evaluation be made available to the public. Evaluations of banking institutions are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 through 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York Banking Law.

For an explanation of technical terms used in this report, please consult the **GLOSSARY** at the end of this Evaluation.

II- OVERVIEW OF INSTITUTION’S PERFORMANCE

The Department evaluated GS Bank’s performance according to the community development test for wholesale or limited purpose banking institutions pursuant to Section 76.11 of the GRS. The evaluation period covered January 1, 2022, to December 31, 2023. The Department assigned GS Bank a rating of “1” indicating an “**Outstanding**” record of helping to meet community credit needs.

This rating is based on the following criteria:

A. Community Development Test:

GS Bank’s community development performance demonstrated a high level of community development lending, qualified investments and services considering the Bank’s capacity and the need and availability of such opportunities for community development in its assessment area.

Community Development Lending:

During the evaluation period, GS Bank originated \$1.4 billion in new community development loans, and still had \$140.1 million outstanding from prior evaluation periods.

Qualified Investments:

During the evaluation period, GS Bank made \$1.3 billion in new qualified investments and still had \$1.1 billion in qualified investments outstanding from prior evaluation periods. In addition, the Bank made \$42 million in qualified grants.

Community Development Services:

During the evaluation period, GS Bank provided 134 instances of community development services.

B. Innovative or Complex Practices:

GS Bank demonstrated extensive use of innovative or complex community development practices.

C. Responsiveness to Credit and Community Development Needs:

GS Bank demonstrated an excellent level of responsiveness to credit and community development needs.

This Evaluation was conducted based on a review of the 12 assessment factors set forth in Section 28-b of the New York Banking Law and Part 76 of the General Regulations of the Superintendent.

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III - PERFORMANCE CONTEXT

A. Institution Profile

Chartered in 2008, GS Bank is a commercial bank with its principal office located in New York, New York (Manhattan). The Bank is a wholly owned subsidiary of The Goldman Sachs Group Inc. GS Bank’s wholly owned subsidiaries include Goldman Sachs Bank Europe.

GS Bank serves corporate clients, such as third-party broker-dealers and other financial institutions, the Bank’s own affiliates and private bank clients. The Bank also provides retail services including savings accounts and credit cards through its online and mobile platforms. While GS Bank operates two branch offices in Utah, and a foreign branch in London, England, it does not operate ATMs or provide any other retail services to the general public at any of its office locations.

In its Consolidated Report of Condition (the “Call Report”) as of December 31, 2023, filed with the Federal Deposit Insurance Corporation (“FDIC”), GS Bank reported consolidated total assets of \$521.1 billion, of which \$166.6 billion were loans and leases financing receivables (\$154 billion were net loans and leases held for investment and \$12.6 billion were gross loans and leases held for sale). It also reported total deposits of \$381.8 billion, resulting in a loan to deposit (“LTD”) ratio of 43.6%. According to the latest available comparative deposit data as of June 30, 2023, GS Bank obtained a market share of 13%, or \$231.7 billion, in a market of \$1.8 trillion, ranking it second among 108 deposit-taking institutions in the assessment area.

The following is a summary of the Bank’s domestic gross loan portfolio, based on Schedule RC-C of the Bank’s December 31, 2022, and December 31, 2023’s Call Reports:

TOTAL GROSS LOANS OUTSTANDING				
Loan Type	2022		2023	
	\$000's	%	\$000's	%
1-4 Family Residential Mortgage Loans	14,706,000	9.0	15,422,000	9.0
Commercial & Industrial Loans	30,580,000	18.8	29,574,000	17.3
Commercial Mortgage Loans	7,651,000	4.7	7,067,000	4.1
Multifamily Mortgages	858,000	0.5	965,000	0.6
Consumer Loans	32,102,000	19.8	31,324,000	18.4
Farmland Loans	29,000	0.0	53,000	0.0
Construction Loans	3,072,000	1.9	2,648,000	1.6
Obligations of States & Municipalities	72,000	0.0	69,000	0.0
Loans to Depository & Non-Depository Financial Institutions	72,586,000	44.7	83,378,000	48.8
Loans to foreign govts., official inst., other banks in foreign countries	850,000	0.5	185,000	0.1
Total Loans	162,506,000		170,685,000	

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As illustrated in the above table, GS Bank is primarily a commercial lender, with 70.2% of its loan portfolio in loans to small and large businesses, including loans to depository and on-depository financial institutions (48.8%), commercial and industrial loans (17.3%), and commercial mortgage loans (4.1%).

Examiners did not find evidence of financial or legal impediments that had an adverse impact on GS Bank's ability to meet the credit needs of its community.

B. Assessment Area

GS Bank's New York assessment area consists of Bronx, Kings, New York, Queens, and Richmond Counties.¹

There are 2,327 census tracts in the Bank's assessment area, of which 285 are low-income, 570 are moderate-income, 727 are middle-income, 596 are upper-income, and 149 are tracts with no income indicated. While the assessment area remained unchanged from the prior evaluation, the number of tracts increased from the 2,167 census tracts reported at that time. As a result of this revision, low-income tracts and upper income tracts both decreased by four each, middle-income tracts increased by 85, and there were an additional 83 tracts reported with no income indicated. Although the overall number of moderate-income census tracts remains unchanged from the revised delineation, the number of moderate-income census tracts increased in the Bronx, Queens, and Staten Island, but decreased in Brooklyn and Manhattan. Overall, the percentage of LMI tracts for this evaluation period decreased to 36.7% from 39.6% during the prior period.

Assessment Area Census Tracts by Income Level							
County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Bronx	21	129	121	65	25	361	69.3
Kings	46	91	235	263	170	805	40.5
New York	23	36	44	32	175	310	25.8
Queens	52	26	157	325	165	725	25.2
Richmond	7	3	13	42	61	126	12.7
Total	149	285	570	727	596	2,327	36.7

C. Demographic & Economic Data

The assessment area had a population of 8,804,190 during the evaluation period. Approximately 14.2% of the population was over the age of 65 and 22.5% was under the age of 16.

Of the 1,902,630 families in the assessment area, 29.8% were low-income, 16% were moderate-income, 16.2% were middle-income and 38% were upper-income. There were 3,191,691 households in the assessment area, of which 17.2% had income below the poverty level and 4.7% were on public assistance.

¹ Bronx, Kings, New York, and Richmond Counties are commonly referred to as, respectively, the Bronx, Brooklyn, Manhattan, and Staten Island.

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The weighted average median family income in the assessment area was \$88,081.

There were 3,519,595 housing units within the assessment area, of which 38.5% were one-to-four family units and 61.3% were multi-family units. A majority 60.9% of the housing units were rental-occupied units, 29.8% were owner-occupied units, and 9.3% were vacant units.

Of the total 2,143,429 rental-occupied units, 49.4% were in LMI census tracts while 49.1% were in middle- and upper-income census tracts. The weighted average monthly gross rent was \$1,590.

Of the 1,048,262 owner-occupied housing units, 20.7% were in LMI census tracts while 78.6% were in middle-and upper-income census tracts. The median age of the housing stock was 72 years, and the weighted average median home value in the assessment area was \$676,656.

There were 1,421,214 non-farm businesses in the assessment area. Of these, 93.6% were businesses with reported revenues of less than or equal to \$1 million, 2.5% reported revenues of more than \$1 million and 3.9% did not report their revenues. Of all the businesses in the assessment area, 98.1% were businesses with less than fifty employees while 96.2% operated from a single location. The largest industries in the area were services (31.5%), retail trade (10.9%) and finance, insurance and real estate (10.4%); 34.1% of businesses in the assessment area were not classified.

According to New York State Department of Labor data, all counties in the assessment area had higher total and annual average unemployment rates than the corresponding statewide rates. Bronx County had the highest total average unemployment rate of 7.4%, while New York County (Manhattan) had the lowest total average unemployment rate of 4.6%. Additionally, all counties other than New York County and the state as a whole showed decreasing annual average unemployment rates from 2022 to 2023.

Assessment Area Unemployment Rate						
	Statewide	Bronx	Kings	New York	Queens	Richmond
2022	4.3	7.9	5.9	4.6	5.3	5.6
2023	4.2	6.8	5.5	4.6	4.6	4.9
Average of Years Above	4.3	7.4	5.7	4.6	5.0	5.3

D. Community Information

As part of the evaluation, examiners conducted community contact interviews with representatives of two non-profit organizations to gain further insight into the needs and opportunities within the Bank's assessment area.

The first interview was conducted with representatives of an organization that specializes in residential property financing in LMI communities. The organization offers construction financing, bridge financing, and mortgage lending through its affiliated mortgage company. The organization's operations primarily cover New York City but have recently expanded into other northeastern states. The representative opined that banking services generally meet community needs. However, the

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representative stated that significant challenges existed in upstate New York, reportedly including urban poverty, unemployment, and limited access to banking services and inadequate public transportation. Despite these challenges, the organization reported strong collaborative relationships with banks and local partners, who have consistently supported various community initiatives.

The second interview was conducted with representatives of a nonprofit organization that operates predominantly in the Bronx, serving demographically diverse populations. This organization provides an array of community services including youth development programs, tenant support services, elder benefit assistance, and small business development initiatives, reportedly reaching approximately 6,000 individuals annually. The representatives expressed concerns about a lack of involvement from local financial institutions (contrary to the statements made by representatives of the organization discussed previously) and stated that support has been limited essentially to workshops and modest donations. Furthermore, these representatives opined that financial institutions should make focus on making investments in the community rather than loans. The representatives highlighted concerns such as insufficient access to credit, high fees to cash checks, lack of translation services, and limited financial education programs in underserved communities. The representatives pointed out ongoing poverty concentrations in the Bronx, which are reportedly exacerbated by deteriorating housing conditions. According to the representative, an overall assessment of the area indicated that local financial institutions' involvement and service delivery remain insufficient to effectively address community needs.

IV - PERFORMANCE TEST AND ASSESSMENT FACTORS

The Department evaluated GS Bank under the wholesale banking institution performance standards pursuant to the “community development test,” as provided in Section 76.11 of the GRS.

Performance criteria include:

- (1) the number and amount of community development loans, qualified investments, or community development services;
- (2) the use of innovative or complex qualified investments, community development loans or community development services and the extent to which investments are not routinely provided by private investors; and
- (3) the banking institution’s responsiveness to credit and community development needs.

In addition, the following factors are also considered in assessing GS Bank’s record of performance: the extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance; any practices intended to discourage credit applications; evidence of prohibited discriminatory or other illegal credit practices; the Bank’s record of opening and closing offices and providing services at offices; and process factors such as activities to ascertain credit needs; and the extent of marketing and special credit related programs. Finally, the Evaluation considered other factors as delineated in Section 28-b of the New York Banking Law that reasonably bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community.

DFS derived statistics employed in this Evaluation from various sources. GS Bank submitted bank-specific information both as part of the Evaluation process and in its Call Report submitted to the FDIC.

DFS derived the demographic data referred to in this report from the 2020 U.S. Census and the FFIEC. DFS based business data on Dun & Bradstreet reports, which Dun & Bradstreet updates annually. DFS obtained unemployment data from the New York State Department of Labor.

The evaluation period included the period from January 1, 2022, to December 31, 2023.

In its prior Community Reinvestment Act Performance Evaluation as of December 31, 2021, DFS assigned GS Bank a rating of “1” reflecting an “Outstanding” compliance with regulatory standards.

Current CRA Rating: Outstanding

A. Community Development Test:

GS Bank’s community development performance demonstrated a high level of community development loans and qualified investments and services considering GS Bank’s capacity and the need and availability of such opportunities for community development in its assessment area.

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GS Bank’s community development activities are conducted by its Urban Investment Group (“UIG”), with a focus on expanding access to affordable housing and services and providing economic opportunities for small businesses. To accomplish these goals, UIG seeks to provide innovative access to credit and to partner with Community Development Financial Institutions (“CDFIs”) and other mission-driven organizations.

In the current evaluation period of two years, GS Bank’s community activities totaled \$3.9 billion in community development loans, investments, and grants in its assessment area; representing an increase of 50% from the \$2.6 billion total community activities recorded in the prior three-year evaluation period.

A more detailed description of the Bank’s community development activity follows:

1. Community Development Lending:

During the evaluation period, GS Bank originated \$1.4 billion in new community development loans and still had \$140.1 million outstanding from prior evaluation periods.²

GS Bank’s \$1.5 billion in total community development loans represented a significant increase at 54% from the \$997.6 million in total community development loans during the prior evaluation period. Additionally, new community development loans originated during the current evaluation period increased 73% from the \$807.7 million originated during the prior evaluation period. The majority of the new community development loans originated during this evaluation period were made for affordable housing.

To support its affordable housing initiatives, GS Bank extended financing through construction loans, term loans, and enhanced investment in tax-exempt bonds issued by the New York City Housing Development Corporation (“NYCHDC”), New York City Department of Housing and Preservation Development (“NYCHPD”), and the New York State Housing Finance Agency (“NYSHFA”). Many of these transactions were combined with equity investments such as Low-Income Housing Tax Credits (“LIHTC”), a variety of energy tax credits (e.g. solar, geo-thermal related), and Brownfield Tax Credits³ (“BTC”) to support pre-development funding, enabling affordable housing projects to start.

² For analysis purposes, renewals of lines of credit that occur during the evaluation period are considered new extensions of credit. However, the level of lending is reviewed across the time period of the evaluation.

³ The New York State Department of Environmental Conservation (DEC) administers the Brownfield Cleanup Program and determines applicant eligibility. New York State offers three refundable tax credits under the Brownfield Cleanup program to encourage remediation of properties that have been abandoned and contaminated.

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Community Development Loans				
Purpose	This Evaluation Period		Outstandings from Prior Evaluation Periods	
	# of Loans	\$000	# of Loans	\$000
Affordable Housing	13	867,266	0	0
Economic Development	1	59,850	1	20,507
Community Services	4	228,135	2	13,446
Revitalization/Stabilization	3	281,948	4	106,156
Total	21	1,437,199	7	140,109

Below are highlights of GS Bank’s community development lending.

a. Affordable Housing

- GS Bank issued a \$135.6 million, 42-month standby letter of credit to support tax-exempt bonds issued by NYCHDC and NYCHPD. This credit facility is supplemented with \$143.8 million in Federal LIHTC equity and \$174,000 in energy tax credits to finance the development of a 436-unit affordable housing development in a low-income census tract in Brooklyn. The project is part of NYCHDC’s and NYCHPD’s Extremely Low- and Low-Income Affordability Program. The development will include 66 units designated for formerly homeless households and contribute to an area redevelopment plan that will create 1,200 affordable housing units.
- GS Bank extended a \$67.1 million, 38-month standby letter of credit to support tax-exempt bonds issued by NYSHFA along with subordinate debt financing from the NYCHPD. The credit facility is supplemented with \$60.7 million in Federal LIHTC equity and BTC, to finance the development of a 154-unit senior independent living affordable housing development in the Bronx. The project’s units are reserved for low-income senior residents earning 60% of the area median income (“AMI”) or below and will also benefit from Section 8 Housing Assistance, a rental subsidy received from the U.S. Department of Housing and Urban Housing Development (“HUD”). The project’s developer is a Black-owned owner and operator of mixed-use properties; the project aligns with GS Bank’s “One Million Black Women” initiative.
- GS Bank extended a \$11.8 million pre-development loan to fund the construction costs for the first two phases of a mixed-use, 100% affordable housing development located in Brooklyn. The combined project phases are expected to offer 825 affordable housing units restricted to households earning between 30%-80% of the AMI.
- GS Bank extended a \$32 million bridge loan to refinance a maturing mortgage held by another institution and secured by 90-unit property in a moderate-income census tract in

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Manhattan. The subject bridge loan will allow the borrower flexibility to apply for long-term refinancing from HUD through that agency’s “223(f)”⁴ program.

b. Economic Development

- GS Bank extended a \$59.9 million senior credit facility in 2023 to establish the “New York City Small Business Opportunity Fund” (“Fund”). The Fund, created in partnership with the New York City Department of Small Business Services, the Community Reinvestment Fund, and eight local CDFIs, provides loans to minority- and women-owned business enterprises disproportionately impacted by COVID-19 and historically excluded from access to business capital.

c. Community Services

- The Bank extended a \$130 million bridge loan to a climate technology company based in Brooklyn. The company was awarded a contract by the New York City Mayor's Office of Criminal Justice's Anti-Gun Violence Precision Employment Initiative to develop and implement a targeted hiring program for connecting unemployed at-risk populations with full time employment opportunities. The purpose of this community service initiative was to address a rise in gun violence that occurred in New York City during 2020 and 2021. The loan will enable the company to maintain working capital during gaps in award payments by the City, allowing the company to continuously select, train, and place unemployed participants in green energy-related jobs.
- The Bank extended a \$49.7 million, three-year construction loan to a non-profit organization providing educational services. The loan proceeds will finance construction of a new 70,000-square-foot charter school located in Manhattan in a moderate-income, majority-minority census tract. The school will serve up to 600 students, with 82% qualifying for free and reduced-price lunches and 30% having special education needs.

d. Revitalization and Stabilization

- The Bank extended a \$233 million construction loan for 65% (\$233 million) of the total \$358.5 million development cost to construct a 569-unit mixed-income, mixed-use project in a moderate-income census tract in Brooklyn. The borrower is a national developer of affordable, mixed-income, and market-rate housing. The project includes affordable units plus 7,400 square feet of retail space, 1,500 square feet of community facility space, and 41,000 square feet of amenities. Additionally, the project includes the donation of an adjacent parcel to a non-profit organization for development of 79 fully affordable units.
- The Bank renewed for one-year a \$75 million construction loan to complete the development and lease-up of a 206,000-square-foot office and retail project in a moderate-income tract in

⁴ This loan guarantee program supports more flexible financing options for the acquisition and refinancing of multifamily properties.

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Manhattan. This project is part of a larger redevelopment effort which when completed will include over one million square feet of office, retail and high-quality public space.

2. Qualified Investments:

During the evaluation period, GS Bank made \$1.3 billion in new qualified investments and still had \$1.1 billion in investments outstanding from prior evaluation periods. In addition, GS Bank made \$42 million in qualified grants.

The annualized average of the total qualified investments and grants for this evaluation period (two years) was \$1.3 billion, which was an increase of 134.8% when compared to the prior evaluation period's (three years) annualized average of \$539.1 million. Additionally, GS Bank's level of new qualified investments and grants (\$1.3 billion) this evaluation period showed a substantial increase (56.8%) from the corresponding \$884.5 million level at the prior evaluation.

New investments were particularly responsive to the identified community development need for affordable housing for LMI individuals and families, and included flexible, innovative, and highly complex transactions such as LIHTCs and BTCs, acquisition of affordable housing portfolio, and purchase of NYC taxable municipal bonds that support affordable housing.

Qualified Investments and Grants				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
	# of Inv.	\$000	# of Inv.	\$000
CD Investments				
Affordable Housing	19	1,345,486	46	664,144
Economic Development			2	11,297
Community Services			3	115,927
Revitalization/Stabilization			9	352,668
Total	19	\$ 1,345,486	60	1,144,036
CD Grants	# of Grants	\$000	Not Applicable	
Affordable Housing	21	2,659		
Economic Development	20	5,246		
Community Services	115	32,037		
Revitalization/Stabilization	7	2,039		
Total	163	\$ 41,981		

Below are highlights of GS Bank's community development investments and grants.

- The Bank made a \$364.4 million investment to acquire an LIHTC portfolio consisting of investments in 233 multi-family properties nationwide, of which DFS granted credit for the 55% (\$216.8 million) of the portfolio which supports eligible New York properties. The investment aims to maintain and preserve affordable housing, particularly in New York at time when market rates rents are less affordable. Approximately one-fifth of the investment portfolio was developed by non-profit sponsors and includes a portion of the units aside for targeted tenants including senior citizens, veterans, and formerly homeless and disabled individuals.

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- The Bank acquired a part interest in a \$2.6 billion LIHTC portfolio owned by another institution. Out of the total GS Bank investment, DFS granted credit for the 24.1% (\$172 million) of the portfolio which supports New York LIHTC multi-family, affordable properties. 96% of the units in the total portfolio are affordable to families earning 60% of the AMI or below. The seller of the portfolio committed to GS Bank that it will re-deploy proceeds of the sale into construction and rehabilitation of affordable housing through future lending and investing and creating additional liquidity in the market for affordable housing.
- The Bank made a \$141.8 million equity investment in a LIHTC project in Queens. This project involves construction of a 385-unit, 100% affordable housing development for individuals earning between 30%-80% of the AMI. The project has also set aside 58 of the total units for formerly homeless households in New York City.
- The Bank invested \$10 million in municipal bonds issued by the City of New York. These bonds provide financing for affordable housing projects located in the Bronx, Brooklyn, Manhattan, and Queens. Approximately, 4,500 units included in these projects are affordable for families earning 80% of the AMI or below, and one-third of the units will provide housing for homeless persons.
- The Bank made a \$5 million grant to a community college in Queens. This institution hosts GS Bank's "10,000 Small Businesses" program, which provides entrepreneurs access to practical business education, capital, and support services such as one-on-one advising and networking. These resources help entrepreneurs create jobs and contribute to economic development.
- The Bank contributed \$3.2 million to a community service organization that seeks to create a more equitable society by closing academic and career opportunity gaps for motivated young people from underserved and historically excluded communities. This organization, as part of its mission, offers free academic programs to high school students, recruits and prepares undergraduates for corporate internships, and provides intensive immersion programs for first year and sophomore engineering students.
- The Bank made a grant of \$2.8 million to a community service organization that operates various programs in New York City for reducing poverty and a disaster relief fund, also in New York City.
- The Bank donated \$1.6 million to an economic development organization that provides microloans to women who live below the federal poverty line and for whom the mainstream financial system is currently out of reach. The goal is to help these women build businesses to enable financial mobility.
- The Bank provided \$1.1 million in grants to an organization that provides community services such as help for homeless people, advocacy for tenant rights, and help for homeowners to stay in their homes.

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- The Bank made grants totaling \$465,000 to a community service organization which provides various services to LMI people, including those impacted by hunger and homelessness. The organization also provides health and wellness services for vulnerable groups.

4. Community Development Services:

During the evaluation period, GS Bank provided 134 instances of community development services.

Community Development Services	
Activity Type	Number of Activities
On-Going Board & Committee Memberships	53
Technical Assistance	81
Seminars	0
Credit Counseling	0
Other Services	0
Total Community Development Services	134

Below are highlights of GS Bank’s community development services.

- A vice-president of GS Bank serves on the board of a Brooklyn-based organization that provides a wide range of services to local firms and advocates for small business interests. The organization also connects local employers with job seekers.
- A managing director of GS Bank serves on the board of a Manhattan-based organization focused on breaking the cycle of intergenerational poverty through various initiatives. As part of this effort, the organization seeks to build opportunities for children, families, and communities to thrive in school, work, and life.
- Another managing director of GS Bank serves on the board of a social services organization based in Manhattan. This organization provides various social services including helping homeless individuals.
- In support of GS Bank’s “10,000 Small Businesses” and “One Million Black Women” initiatives, 217 bank employees provided technical assistance through business mentoring, pro bono legal support, and networking services to various New York City small businesses, including those businesses owned by female Black sole proprietors.
- Twenty GS Bank employees provided technical assistance to an organization that focuses on helping underserved homeless youth. These young people are provided emergency services and short-term housing along with nutritious food, clothing, medical and mental health care, and legal services.

B. Innovative or Complex Practices:

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GS Bank demonstrated extensive use of innovative or flexible community development practices.

- Since 2009, GS Bank has continued to commit to its “10,000 Small Business” (“10KSB”) initiative for helping small businesses grow and create jobs. The program’s initiative is fulfilled firstly via an education program that provides tuition free, practical business education to small business owners, and secondly access to capital, including lending and philanthropic support to non-profit CDFI lenders and other mission driven community-based lenders. GS Bank committed \$500 million in funding when the program was first launched and an additional \$250 million in 2020. In 2023, the Bank invested an additional \$100 million to expand the program to rural communities nationwide.
- The Bank continues to administer its investment initiative called “One Million Black Women” (“OMBW”). To date, GS Bank has committed \$10 billion in investment capital and \$100 million in philanthropic support towards OMBW to foster economic development and narrowing opportunity gaps of at least one million Black women. Additionally, in 2023, the Bank launched “OMBW: Black in Business”, a program offering a 10-week education course designed to support Black women sole proprietors in getting their businesses off the ground and develop their business plans.
- The Bank helped establish the NYC Small Business Opportunity Fund in January 2023 in partnership with the New York City Department of Small Business Services, the Community Reinvestment Fund, and local CDFIs to assist small businesses throughout the City that were disproportionately impacted by the COVID-19 pandemic. The Bank provided \$59.9 million in financing to the \$90 million Fund, which includes targeted outreach to Black women entrepreneurs. Through the Fund, about 1,500 local NYC businesses would be able to apply for the economic recovery loans, exempt from minimum credit score requirements and application fees.

C. Responsiveness to Credit and Community Development Needs:

GS Bank demonstrated an excellent level of responsiveness to credit and community development needs. A substantial majority of the dollar value of qualified loans and investment transactions focus on affordable housing, which was an identified community need. A majority of the grants were made to a variety of nonprofit organizations that support community services targeted to LMI individuals.

D. Additional Factors

The extent of participation by the banking institution’s Board of Directors in formulating the banking institution’s policies and reviewing its performance with respect to the purposes of the CRA.

The Board of Directors and its Bank Management Committee (“BMC”) oversee and periodically review the Bank’s CRA program and plan. The CRA Program Working Group (“Working Group”), chaired by the CRA Officer, is responsible for monitoring compliance with the Bank’s CRA objectives. The Working Group reports monthly to the BMC and annually to the Board of Directors on CRA program updates. Additionally, the CRA Officer conducts an annual CRA self- assessment

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to track the effectiveness of the Bank's community development activities and reviews the CRA Policy in coordination with the BMC and the Board.

1. Discrimination and other illegal practices

- *Any practices intended to discourage applications for types of credit set forth in the banking institution's CRA Public File.*

DFS did not note any practices that were intended to discourage applications for the types of credit offered by the institution.

- *Evidence of prohibited discriminatory or other illegal credit practices.*

DFS did not note any evidence of prohibited discriminatory or other illegal practices.

2. The banking institution's record of opening and closing offices and providing services at offices

The Bank has not opened or closed any branches since the prior evaluation. As a wholesale bank, GS Bank does not offer retail services at its offices.

3. Process Factors

- *Activities conducted by the banking institution to ascertain the credit needs of its community, including the extent of the banking institution's efforts to communicate with members of its community regarding the credit services being provided by the banking institution.*

GS Bank ascertains community credit needs through involvement with local and state governments, non-profit organizations, CDFIs, community colleges, and community advocates. Bank officers and employees also participate on advisory boards, boards of directors and committees of local community non-profit organizations; and conduct regular outreach to municipal housing authorities, economic development agencies, and public sector partners. These activities assist the Bank in developing strategies to address the needs of LMI individuals and geographies and inform the community stakeholders of the same.

- *The extent of the banking institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the banking institution*

The Bank does not use traditional electronic or print media to broadly advertise its community development efforts. Instead, it conducts outreach to its extensive network of community and public sector partners that serve LMI people and geographies to raise awareness of its community development credit products.

4. Other factors that in the judgment of the Superintendent bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community

DFS examiners noted no other factors.

V - GLOSSARY

Aggregate Lending

“Aggregate lending” means the number of loans originated and purchased by all reporting lenders in specified categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the assessment area.

Banking Development District (“BDD”) Program

The BDD Program is a program designed to encourage the establishment of bank branches in areas across New York State where there is a demonstrated need for banking services, in recognition of the fact that banks can play an important role in promoting individual wealth, community development, and revitalization. Among others, the BDD Program seeks to reduce the number of unbanked and underbanked New Yorkers and enhance access to credit for consumers and small businesses. More information about the program, may be found at <https://www.dfs.ny.gov> and search for the BDD Program.

Community Development

“Community development” means:

- Affordable housing (including multifamily housing) for LMI individuals;
- Community services targeted to LMI individuals;
- Activities that promote economic development by financing business or farms that meet the size eligibility standards of the United States Small Business Administration (“SBA”) Development Company or Small Business Investment Company programs, or have gross annual incomes of \$1 million or less;
- Activities that revitalize or stabilize LMI geographies, designated disaster areas, or distressed or underserved metropolitan middle-income geographies designated by the Board of Governors of the federal Reserve System, FDIC and the Office of Comptroller of the Currency; and
- Activities that seek to prevent defaults and/or foreclosures in loans included in the first and third bullet points above.

Community Development Loan

“Community development loan” means a loan that has its *primary purpose* community development. This includes but is not limited to loans to:

- Borrowers for affordable housing rehabilitation and construction, including construction and permanent financing for multifamily rental property serving LMI persons (DFS multifamily industry letter https://www.dfs.ny.gov/industry_guidance/industry_letters/il20141204_guidelines_bank_lending_multifamily_properties_cra_updated);
- Nonprofit organizations serving primarily LMI or other community development needs;
- Borrowers to construct or rehabilitate community facilities that are located in LMI areas or that primarily serve LMI individuals;

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- Financial intermediaries including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds or pools, micro-finance institutions, and low-income or community development credit unions that primarily lend or facilitate lending to promote community development;
- Local, state and tribal governments for community development activities; and
- Borrowers to finance environmental clean-up or redevelopment of an industrial site as part of an effort to revitalize the LMI community in which the property is located.

Community Development Service

“Community development service” means a service that has community development as its *primary purpose*, is related to the provision of financial services, and has not been considered in the evaluation of the banking institution's retail banking services. This includes but is not limited to:

- Providing technical assistance on financial matters to nonprofit, tribal or government organizations serving LMI housing or economic revitalization and development needs;
- Providing technical assistance on financial matters to small businesses or community development organizations;
- Lending employees to provide financial services for organizations facilitating affordable housing construction and rehabilitation or development of affordable housing;
- Providing credit counseling, home buyers and home maintenance counseling, financial planning or other financial services education to promote community development and affordable housing;
- Establishing school savings programs for LMI individuals;
- Providing seminars for LMI persons on banking and bank account record-keeping;
- Making ATM “Training Machines” available for extended periods at LMI community sites or at community facilities that serve LMI individuals; and
- Technical assistance activities to community development organizations such as:
 - ❖ Serving on a loan review committee;
 - ❖ Developing loan application and underwriting standards;
 - ❖ Developing loan processing systems;
 - ❖ Developing secondary market vehicles or programs;
 - ❖ Assisting in marketing financial services, including the development of advertising and promotions, publications, workshops and conferences;
 - ❖ Furnishing financial services training for staff and management;
 - ❖ Contributing accounting/bookkeeping services; and
 - ❖ Assisting in fund raising, including soliciting or arranging investments.

Community Development Financial Institution (“CDFI”)

A CDFI is a financial institution that provides credit and financial services to underserved markets and populations and has a primary mission of community development, serves a target market, is a financing entity, provides development services, remains accountable to its community, and is a non-governmental entity. CDFIs are certified as such by United States Treasury Department’s CDFI Fund.

Fair Market Rents (“FMRs”)

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Fair Market Rents are published and developed annually by the US Department of Housing and Urban Development (“HUD”) and used to determine rent payments for affordable housing projects such as Section 8 contracts in defined metropolitan statistical areas (“MSAs”) nationwide. For easy reference of annual FMRs in New York MSAs or counties, go to www.huduser.gov/portal/datasets/fmr.html

Geography

“Geography” means a census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (“HMDA”)

The Home Mortgage Disclosure Act, enacted by Congress in 1975, and subsequently amended, requires institutions to annually report data about applications for residential (including multifamily) financing.

Income Level

The income level for borrowers is based on household or family income. A geography’s income is categorized by median family income for the geography. In both cases, the income is compared to the Metropolitan Statistical Area (“MSA”) or statewide nonmetropolitan median income.

Income level of individual or geography	% of the area median income
Low-income	Less than 50
Moderate-income	At least 50 and less than 80
Middle-income	At least 80 and less than 120
Upper-income	120 or more

LMI Geographies

“LMI geographies” means those census tracts or block numbering areas where, according to the most current U.S. Census, the median family income is less than 80% of the area median family income. In the case of tracted areas that are part of a MSA or Primary Metropolitan Statistical Area (“PMSA”), this would relate to the median family income for the MSA or PMSA in which the tracts are located. In the case of Block Numbering Areas (“BNAs”) and tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide non-metropolitan median family income.

LMI Borrowers

“LMI borrowers” means borrowers whose income, as reported on the loan application which the lender relied upon in making the credit decision, is less than 80% of the area median family income.

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In cases where the residential property is located in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure borrower income levels are updated annually by the Federal Financial Institutions Examination Council (“FFIEC”).

LMI Individuals/Persons

“LMI individuals” or “LMI persons” means individuals or persons whose income is less than 80% of the area median family income. In the case where the individual resides in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by the FFIEC.

LMI Penetration Rate

“LMI penetration rate” means the percentage of a bank’s total loans (for a particular product) that was extended to LMI geographies or borrowers. For example, if a bank made 20 out of a total of 100 loans in LMI geographies or to LMI borrowers, the penetration rate would be 20%.

Low-Income Housing Tax Credit (“LIHTC”)

LIHTC were created under the Tax Reform Act of 1986, that provides incentives to invest in projects for the utilization of private equity in the development of affordable housing aimed at low-income Americans. The tax credits provide a dollar-for-dollar reduction in a taxpayer’s federal income tax. It is more commonly attractive to corporations since the passive loss rules and similar tax changes greatly reduced the value of tax credits and deductions to individual taxpayers.

Minority Depository Institutions (“MDIs”)

An MDI is defined as a federal insured depository institution for which (1) 51 percent or more of the voting stock is owned by minority individuals; or (2) a majority of the board of directors is minority and the community that the institution serves is predominantly minority. For more of MDIs, go to FDIC.gov (Minority Depository Institutions Program) including list of MDIs.

New Markets Tax Credit (“NMTC”)

The NMTC Program was established by Congress in December 2000 to stimulate economic and community development and job creation in low-income communities. It permits taxpayers to receive a credit against federal income taxes for making qualified equity investments in Community Development Entities (“CDEs”). The credit provided to the investor totals 39% of the cost of the investment and is claimed over a 7-year period. CDEs must use substantially all of the taxpayer’s investments to make qualified investments in low-income communities. The Fund is administered by the CDFI Fund, an agency of the United States Department of the Treasury.

Paycheck Protection Program (“PPP”) Loans

The Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) temporarily permits the U.S. Small Business Administration (“SBA”) to guarantee 100% of 7(a) loans under a new program titled the “Paycheck Protection Program”. The intent of the PPP is to help small business cover payroll costs providing for forgiveness of up to the full principal of qualifying loans guaranteed under the PPP subject to certain rules including how much or percentage of the loan proceeds a borrower spends on payroll costs. A small business owner can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Any amount of the PPP loan that is not forgiven shall be repaid over a 5-year term at a fixed interest rate of 1%. The program officially ended May 31, 2021.

Qualified Investment

“Qualified investment” means a lawful investment, deposit, membership share or grant that has community development as its *primary purpose*. This includes but is not limited to investments, deposits, membership shares or grants in or to:

- Financial intermediaries (including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds, micro-finance institutions and low-income or community development credit unions) that primarily lend or facilitate lending in LMI areas or to LMI individuals in order to promote community development;
- Organizations engaged in affordable housing rehabilitation and construction;
- Organizations, including, for example, small business investment corporations that promote economic development by financing small businesses;
- Facilities that promote community development in LMI areas or LMI individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women’s centers, and alcohol and drug recovery centers;
- Projects eligible for low-income housing tax credits;
- State and municipal obligations, such as revenue bonds that specifically support affordable housing or other community development needs;
- Organizations serving LMI housing or other community development needs, such as counseling for credit, home ownership, home maintenance, and other financial services education; and
- Organizations supporting activities essential to the capacity of LMI individuals or geographies to utilize credit to sustain economic development, such as day care operations and job training programs that facilitate access to permanent jobs.

Small Business Loan

A small business loan is a loan less than or equal to \$1 million.