



The Goldman Sachs Group, Inc.

Regulatory Capital Disclosures

For the quarterly period ended March 31, 2013

Introduction

The Goldman Sachs Group, Inc. (Group Inc.) is a leading global investment banking, securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. When we use the terms “Goldman Sachs,” “the firm,” “we,” “us” and “our,” we mean Group Inc., a Delaware corporation, and its consolidated subsidiaries.

The Board of Governors of the Federal Reserve System (Federal Reserve Board) is the primary regulator of Group Inc., a bank holding company under the Bank Holding Company Act of 1956 (BHC Act) and a financial holding company under amendments to the BHC Act effected by the U.S. Gramm-Leach-Bliley Act of 1999. As a bank holding company, the firm is subject to consolidated regulatory capital requirements that are computed in accordance with the Federal Reserve Board's risk-based capital regulations. These regulations are based on the “Basel 1” Capital Accord of the Basel Committee on Banking Supervision (Basel Committee) as amended by the Federal Reserve Board's: “Risk-Based Capital Guidelines: Market Risk”, effective January 1, 2013 (the “revised market risk regulatory capital requirements”).

The purpose of these disclosures is to provide information on the firm's risk management practices and regulatory capital ratios, as required under the revised market risk regulatory capital requirements. These disclosures should be read in conjunction with the firm's most recent Quarterly Report on Form 10-Q and the firm's most recent Annual Report on Form 10-K. References to “Quarterly Report on Form 10-Q” are to our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2013 and references to “Annual Report on Form 10-K” are to our Annual Report on Form 10-K for the year ended December 31, 2012.

Measures of exposures and other metrics disclosed in this report are not based on U.S. generally accepted accounting principles (U.S. GAAP), and may not be directly comparable to measures reported in the firm's Quarterly Report on Form 10-Q or Annual Report on Form 10-K. These disclosures are not required to be, and have not been, audited by the firm's independent auditors. The firm's historical filings with the SEC are located at: www.gs.com/shareholders.

Overview of Regulatory Capital Ratios

As required under the Federal Reserve Board's regulations, the adequacy of the firm's capital is primarily measured using risk-based capital ratios, which compare measures of capital to Risk-Weighted Assets (RWAs), and a leverage ratio, which compares capital to average adjusted total assets. The risk weights that are used in the calculation of RWAs reflect an assessment of the riskiness of the firm's assets and exposures. These risk weights are based on either predetermined levels set by regulators or on internal models which are subject to various qualitative and quantitative parameters. The revised market risk regulatory capital rules require that a bank holding company must obtain the prior written approval of its regulators before using any internal model to calculate its risk-based capital requirement¹.

In evaluating the firm's regulatory capital ratios, the following matters should be considered.

Fair Value. The firm's inventory reflected on our consolidated statements of financial condition as "financial instruments owned, at fair value" and "financial instruments sold, but not yet purchased, at fair value" and certain other financial assets and financial liabilities, are accounted for at fair value (i.e., marked-to-market), with related gains or losses generally recognized in our consolidated statements of earnings and, therefore, in Tier 1 common capital and Tier 1 capital. The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The use of fair value to measure financial instruments is fundamental to our risk management practices and is our most critical accounting policy. The daily discipline of marking substantially all of the firm's inventory to current market levels is an effective tool for assessing and managing risk and provides transparent and realistic insight into our financial exposures. The use of fair value is an important aspect to consider when evaluating the firm's capital base and our capital ratios; it is also a factor used to determine the classification of positions into the banking book and trading book, as discussed further below. For additional information regarding the determination of fair value under U.S. GAAP and controls over valuation of the firm's

inventory, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies – Fair Value" in Part I, Item 2 of the firm's Quarterly Report on Form 10-Q.

Banking Book / Trading Book Classification. In order to determine the appropriate regulatory capital treatment for our exposures, the firm must classify positions into either "banking book" or "trading book". Positions are classified as banking book unless they qualify to be classified as trading book.

Banking book positions may be accounted for at amortized cost, fair value or under the equity method; they are not generally held "for the purpose of short-term resale or with the intent of benefiting from actual or expected short-term price movements or to lock in arbitrage profits²". Banking book positions are subject to credit risk capital requirements. Credit risk represents the potential for loss due to the default or deterioration in credit quality of a counterparty, a borrower, or an issuer of securities or other instruments we hold. See "Risk-Weighted Assets – Credit RWAs" for additional details.

Trading book positions generally meet the following criteria: they are assets or liabilities that are accounted for at fair value; they are risk managed using a Value-at-Risk (VaR) internal model; and they are positions that are held by the firm as part of its market-making businesses "for the purpose of short-term resale or with the intent of benefiting from actual or expected short-term price movements or to lock in arbitrage profits²". In accordance with the Federal Reserve Board's revised rules, trading book positions are generally considered "covered" positions and are subject to market risk regulatory capital requirements. Foreign exchange and commodity positions are considered "covered" positions, whether or not they meet the other criteria for classification as trading book positions. Market risk is the risk of loss in the value of our inventory due to changes in market prices. See "Risk-Weighted Assets - Market RWAs" for further details. Some trading book positions, such as derivatives, are also subject to counterparty credit risk capital requirements.

1. See "Requirements for internal models" in Section 3. Requirements for Application of the Market Risk Capital Rule of Appendix E to 12 CFR Part-225 – Capital Adequacy Guidelines for Bank Holding Companies: Market Risk.

2. See definition of "Trading position" in Section 2. Definitions of Appendix E to 12 CFR Part 225 – Capital Adequacy Guidelines for Bank Holding Companies: Market Risk.

Consolidated Regulatory Capital Ratios

The table below presents information about our regulatory capital ratios, which are based on Basel 1 reflecting the revised market risk regulatory capital requirements, as implemented by the Federal Reserve Board, as well as the firm's Tier 1 leverage ratio.

Table 1: Regulatory Capital Ratios

<i>\$ in millions</i>	As of March 2013
Tier 1 Common Capital	\$ 61,135
Tier 1 Capital	\$ 69,371
Tier 2 Capital	\$ 13,445
Total Capital	\$ 82,816
Risk-Weighted Assets	\$ 480,080
Tier 1 Common Ratio	12.7 %
Tier 1 Capital Ratio	14.4 %
Total Capital Ratio	17.3 %
Tier 1 Leverage Ratio	7.5 %

The revised market risk regulatory capital requirements became effective on January 1, 2013, replacing earlier capital requirements for trading book positions. These revised requirements introduced a new methodology for determining RWAs for market risk and are designed to implement the new market risk framework of the Basel Committee, as well as the prohibition on the use of external credit ratings, as required by the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). These revised market risk regulatory capital requirements are a significant part of the regulatory capital changes that will ultimately be reflected in the firm's capital ratios under the guidelines issued by the Basel Committee in December 2010 (Basel 3).

The Tier 1 capital ratio is defined as Tier 1 capital divided by RWAs, and the Total capital ratio is defined as Total capital divided by RWAs. Federal Reserve Board regulations require bank holding companies to maintain a minimum Tier 1 capital ratio of 4% and a minimum Total capital ratio of 8%. The required minimum Tier 1 capital ratio and Total capital ratio in order to be considered a "well-capitalized" bank holding company under the Federal Reserve Board guidelines are 6% and 10%, respectively. Bank holding companies may be expected to maintain ratios well above the minimum levels, depending on their particular condition, risk profile and growth plans.

The Tier 1 common ratio is defined as Tier 1 common capital divided by RWAs. We believe that the Tier 1 common ratio is meaningful because it is one of the measures that we and investors use to assess capital adequacy and is of increasing importance to regulators.

The Tier 1 leverage ratio is defined as Tier 1 capital divided by average adjusted total assets (which includes adjustments for disallowed goodwill and intangible assets, and the carrying value of equity investments in non-financial companies that are subject to deductions from Tier 1 capital). The minimum Tier 1 leverage ratio is currently 3% for bank holding companies that have received the highest supervisory rating under Federal Reserve Board guidelines or that have implemented the Federal Reserve Board's risk-based capital measure for market risk. Other bank holding companies must have a minimum Tier 1 leverage ratio of 4%.

For additional information on proposed and announced changes that will impact the firm's regulatory capital ratios and assessments of capital adequacy in the future, see "Regulatory Reform".

Regulatory Capital

For regulatory purposes, our Total capital base (representing the numerator of the capital ratios) is divided into three main categories, namely Tier 1 common capital, Tier 1 capital and Tier 2 capital as follows:

- Tier 1 common capital is comprised of common shareholders' equity, after giving effect to deductions for disallowed items (for example, goodwill and intangible assets) and other regulatory adjustments;
- Tier 1 capital is comprised of Tier 1 common capital plus other qualifying capital instruments such as perpetual non-cumulative preferred stock and junior subordinated debt issued to trusts (a portion of the latter is being phased-out of Tier 1 capital, as required by the Dodd-Frank Act and Basel 3, and redesignated instead to Tier 2 capital); and
- Total capital is comprised of Tier 1 capital plus Tier 2 capital. Tier 2 capital includes qualifying subordinated debt, redesignated junior subordinated debt issued to trusts, allowance for loan and lease losses (limited to 1.25% of RWAs) and other regulatory adjustments.

Regulatory Capital Disclosures

Capital elements are subject to various regulatory limits and restrictions. In general, to qualify as an element of Tier 1 or Tier 2 capital, an instrument must be fully paid and effectively unsecured. Accordingly, if a bank holding company has purchased its own capital instrument, or has directly or indirectly funded the purchase thereof, that instrument generally is disqualified from inclusion in regulatory capital. A qualifying Tier 1 or Tier 2 capital instrument must be subordinated to all senior indebtedness of the organization. Additionally, Tier 1 capital must represent at least 50% of qualifying Total capital.

Assets that are deducted from capital in computing the numerator of the capital ratios are excluded from the computation of RWAs in the denominator of the ratios.

The table below presents information on the components of the firm's regulatory capital structure under the Federal Reserve Board's capital regulations. In the table below:

- Equity investments in certain entities primarily represent a portion of our equity investments in non-financial companies.
- Debt valuation adjustment represents the cumulative change in the fair value of our unsecured borrowings attributable to the impact of changes in our own credit spreads (net of tax at the applicable tax rate).
- Other adjustments within our Tier 1 common capital include net unrealized gains/(losses) on available-for-sale securities (net of tax at the applicable tax rate), the cumulative change in our pension and postretirement liabilities (net of tax at the applicable tax rate) and investments in certain nonconsolidated entities.
- Qualifying subordinated debt represents subordinated debt issued by Group Inc. with an original term to maturity of five years or greater. The outstanding amount of subordinated debt qualifying for Tier 2 capital is reduced, or discounted, upon reaching a remaining maturity of five years. See Note 16. Long-Term Borrowings, to the condensed consolidated financial statements in Part I, Item 1 of the firm's Quarterly Report on Form 10-Q for additional information about the firm's subordinated debt.

Table 2: Capital Structure

<i>in millions</i>	As of March 2013
Common stock	\$ 8
Restricted stock units and employee stock options	3,679
Additional paid-in capital	48,732
Retained earnings	67,164
Accumulated other comprehensive loss	(208)
Stock held in treasury	(48,347)
Common Shareholders' Equity	\$ 71,028
Less: Goodwill	(3,702)
Less: Intangible assets	(981)
Less: Equity investments in certain entities	(3,959)
Less: Disallowed deferred tax assets	(1,002)
Less: Debt valuation adjustment	(115)
Other adjustments	(134)
Tier 1 Common Capital	\$ 61,135
Perpetual non-cumulative preferred stock	6,200
Junior subordinated debt issued to trusts ¹	2,063
Other adjustments	(27)
Tier 1 Capital	\$ 69,371
Qualifying subordinated debt	12,721
Junior subordinated debt issued to trusts ¹	687
Other adjustments	37
Tier 2 Capital	\$ 13,445
Total Capital	\$ 82,816

1. Beginning on January 1, 2013, we began to incorporate the Dodd-Frank Act's phase-out of Tier 1 capital treatment for junior subordinated debt issued to trusts. The firm has assumed a phase-out period allowing for only 75% of the capital instrument to be included in Tier 1 capital in calendar year 2013, reflecting the Federal Reserve Board's proposed capital rules. Phased-out amounts that are no longer eligible as Tier 1 capital are instead eligible as Tier 2 capital. See Note 16. Long-Term Borrowings to the condensed consolidated financial statements in Part I, Item 1 of the firm's Quarterly Report on Form 10-Q for additional information about the junior subordinated debt issued to trusts.

The table below presents the changes in Tier 1 common capital, Tier 1 capital and Tier 2 capital for the three months ended March 2013.

Table 3: Capital Rollforward

<i>in millions</i>	Three Months Ended March 2013
Tier 1 Common Capital	
Balance, beginning of year¹	\$ 58,047
Increase in restricted stock units and employee stock options	381
Increase in additional paid-in capital	702
Net earnings	2,260
Dividends and dividend-equivalents declared	(319)
Increase in accumulated other comprehensive loss	(15)
Treasury stock repurchases	(1,525)
Treasury stock reissued and other	28
Net increase in common shareholders' equity	1,512
Decrease in intangible assets	416
Decrease in equity investments in certain entities	846
Decrease in disallowed deferred tax assets	259
Decrease in debt valuation adjustment	65
Increase in other adjustments	(10)
Net decrease in deductions for disallowed items	1,576
Balance, end of period	\$ 61,135
Tier 1 Capital	
Balance, beginning of year¹	\$ 66,977
Net increase in Tier 1 common capital	3,088
Redesignation of junior subordinated debt issued to trusts	(687)
Increase in other adjustments	(7)
Balance, end of period	\$ 69,371
Tier 2 Capital	
Balance, beginning of year¹	\$ 13,429
Decrease in qualifying subordinated debt	(621)
Redesignation of junior subordinated debt issued to trusts	687
Decrease in other adjustments	(50)
Balance, end of period	\$ 13,445
Total Capital	\$ 82,816

1. For additional information related to Regulatory Capital for 2012, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Equity Capital" in Part II, Item 7 of the firm's Annual Report on Form 10-K.

Risk-Weighted Assets

Overview

RWAs under the Federal Reserve Board's current risk-based capital requirements are calculated based on measures of credit risk and market risk. The table below presents information on the components of RWAs (representing the denominator) within our consolidated regulatory capital ratios.

Table 4: Risk-Weighted Assets

<i>in millions</i>	As of March 2013
Credit RWAs	
OTC derivatives	\$ 93,903
Commitments and guarantees ¹	41,067
Securities financing transactions ²	38,054
Other ³	99,791
Total Credit RWAs	\$ 272,815
Market RWAs	
Regulatory VaR	\$ 12,600
Stressed VaR	43,875
Incremental risk	23,388
Comprehensive risk	22,700
Specific risk	104,702
Total Market RWAs	\$ 207,265
Total RWAs⁴	\$ 480,080

1. Principally includes certain commitments to extend credit and letters of credit.
2. Represents resale and repurchase agreements and securities borrowed and loaned transactions.
3. Principally includes receivables from customers, other assets, cash and cash equivalents, and available-for-sale securities.
4. Under the current regulatory capital framework, there is no explicit requirement for Operational Risk.

Credit RWAs

RWAs for credit risk reflect amounts for on-balance sheet and off-balance sheet exposures. Credit risk requirements for on-balance sheet assets, such as receivables and cash, are generally based on the balance sheet value. Credit risk requirements for securities financing transactions are determined based upon the positive net exposure for each trade, and include the effect of counterparty netting and collateral, as applicable. For off-balance sheet exposures, including commitments and guarantees, a credit equivalent amount is calculated based on the notional amount of each trade. Requirements for OTC derivatives are based on a combination of positive net exposure and a percentage of the notional amount of each trade, and include the effect of counterparty netting and collateral, as applicable. All such assets and exposures are then assigned a risk weight depending on, among other things, whether the counterparty is a sovereign, bank or a qualifying securities firm or other entity (or if collateral is held, depending on the nature of the collateral).

Market RWAs

As previously noted, the firm's covered positions are subject to market risk capital requirements which are based on either predetermined levels set by regulators or on internal models, which are subject to various qualitative and quantitative parameters. The revised market risk regulatory capital rules require that a bank holding company must obtain the prior written approval of its regulators before using any internal model to calculate its risk-based capital requirement¹.

RWAs for market risk are computed using the following internal models: Value-at-Risk (VaR), Stressed VaR (SVaR), Incremental risk and Comprehensive risk (the RWAs for Comprehensive risk also include a surcharge). In addition, the Specific risk measure is also used to compute RWAs for market risk, under the standardized measurement method, for certain securitized and non-securitized covered positions by applying risk-weighting factors predetermined by regulators, to positions after applicable netting is performed. As defined in the Federal Reserve Board regulations, RWAs for market risk are the sum of each of these measures multiplied by 12.5. An overview of each of these measures is provided below.

Regulatory VaR. VaR is the potential loss in value of inventory positions due to adverse market movements over a defined time horizon with a specified confidence level. We use a single VaR model for risk management (positions subject to VaR limits) and for regulatory capital purposes (covered positions). Regulatory VaR will differ from risk management VaR, due to different time horizons (10-day vs. 1-day), confidence levels (99% vs. 95%) and differences in the scope of positions on which VaR is calculated.

The VaR model captures risks including interest rates and credit spreads, equity prices, currency rates and commodity prices. As such, VaR facilitates comparison across portfolios of different risk characteristics. VaR also captures the diversification of aggregated risk at the firmwide level.

In accordance with the revised market risk regulatory capital requirements, we evaluate the accuracy of our VaR model through daily backtesting. The results of the backtesting determine the size of the VaR multiplier used to compute RWAs. See "Regulatory VaR Backtesting Results" for additional information.

The table below presents by risk category, our period-end, high, low and mean of the average daily Regulatory VaR. Average, as per the revised market risk regulatory capital requirements, is determined based on the average daily preceding 60 business days.

Table 5: Regulatory VaR

<i>in millions</i>	As of March 2013		
	Regulatory VaR	VaR x Multiplier	RWAs
Group Inc.	\$ 336	\$1,008 ¹	\$12,600

	Three Months Ended March 2013			
	As of March 2013	High	Low	Mean
Group Inc.	\$ 336	\$ 411	\$335	\$368
Interest rates and credit spreads	338	465	338	395
Equity prices	123	138	119	127
Currency rates	131	133	106	118
Commodity prices	98	98	86	91
<i>Diversification</i>	<i>(354)</i>			<i>(363)</i>

1. Regulatory VaR is subject to a regulatory multiplier that is set at a minimum of 3 (which is the multiplier used in this table) and can be increased up to 4, depending upon the number of backtesting exceptions. See "Regulatory VaR Backtesting Results". This result is further multiplied by 12.5 to convert into RWAs.

Stressed VaR. SVaR is the potential loss in value of inventory positions during a period of significant market stress. SVaR is calculated at a 99% confidence level over a 10-day horizon using market data inputs from a continuous 12-month period of stress. We identify the stressed period by comparing VaR using market data inputs from different historical periods. The table below presents our period-end, high, low and mean of the average weekly SVaR. Average, as per the revised market risk regulatory capital requirements, is determined based on the average weekly amount for the preceding 12 weeks.

Table 6: Stressed VaR

<i>in millions</i>	As of March 2013		
	SVaR	SVaR x Multiplier	RWAs
Group Inc.	\$1,170	\$3,510 ¹	\$43,875

	Three Months Ended March 2013			
	As of March 2013	High	Low	Mean
Group Inc.	\$1,170	\$1,380	\$1,170	\$1,300

1. SVaR is subject to the same regulatory multiplier used for Regulatory VaR and is further multiplied by 12.5 to convert into RWAs.

1. See "Requirements for internal models" in Section 3. Requirements for Application of the Market Risk Capital Rule of Appendix E to 12 CFR Part-225 – Capital Adequacy Guidelines for Bank Holding Companies: Market Risk.

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Incremental Risk. Incremental risk is the potential loss in value of non-securitized inventory positions due to the default or credit migration of issuers of financial instruments over a one-year time horizon. As required by the revised market risk regulatory capital rules this measure is calculated at a 99.9% confidence level over a one-year time horizon using a multi-factor model. When assessing this risk, we take into account market and issuer-specific concentration, credit quality, liquidity horizons and correlation of default and migration risk. The liquidity horizon is calculated based upon the size of exposures and the speed at which we can reduce risk, by hedging or unwinding positions, given our experience during a historical stress period, and is subject to the prescribed regulatory minimum.

The table below presents our period-end, high, low and mean of the maximum of the average weekly Incremental risk measure or the point in time measure. Average, as per the revised market risk regulatory capital requirements, is determined based on the average weekly amount over the preceding 12 weeks.

Table 7: Incremental Risk

<i>in millions</i>	As of March 2013			
	Incremental risk	RWAs		
Group Inc.	\$ 1,871 ¹	\$ 23,388		

<i>in millions</i>	Three Months Ended March 2013			
	As of	High	Low	Mean
	March 2013			
Group Inc.	\$ 1,871	\$ 2,148	\$ 1,639	\$ 1,787

1. In order to convert the results of Incremental risk into RWAs, it is multiplied by 12.5.

Comprehensive Risk. Comprehensive risk is the potential loss in value, due to price risk and defaults, within the firm's credit correlation positions. A credit correlation position is defined as a securitization position for which all or substantially all of the value of the underlying exposures is based on the credit quality of a single company for which a two-way market exists, or indices based on such exposures for which a two-way market exists, or hedges of these positions (which are typically not securitization positions).

As required by the revised market risk regulatory capital requirements, Comprehensive risk RWAs are comprised of a model-based measure and a surcharge based on the standardized measurement method. The modeled measure is calculated at a 99.9% confidence level over a one-year time horizon. When assessing this risk, we take into account contractual terms, liquidity horizons, and the effect of multiple defaults. We also capture recovery uncertainty and basis risk. The liquidity horizon is based upon our experience during a historical stress period, subject to the prescribed regulatory minimum.

The surcharge is 8% of the standardized specific risk add-on. For detail on the calculation of the add-on for securitization positions, see "Specific Risk - Securitization Positions" below, and for detail on the calculation of the add-on for hedges see "Specific Risk - Other Specific Risk" below.

As of March 2013 the firm had credit correlation positions, subject to the comprehensive risk measure, with a fair value of \$816 million in net assets and \$472 million in net liabilities.

The table below presents our period-end, high, low, and mean of the maximum of the average weekly Comprehensive risk measure or the point-in-time measure, inclusive of both modeled and non-modeled components. Average, as per the revised market risk regulatory capital requirements, is determined based on the average weekly amount for the preceding 12 weeks.

Table 8: Comprehensive Risk

<i>in millions</i>	As of March 2013			
	Comprehensive risk	RWAs		
Group Inc.	\$ 1,816 ^{1,2}	\$ 22,700		

<i>in millions</i>	Three Months Ended March 2013			
	As of	High	Low	Mean
	March 2013			
Group Inc.	\$ 1,816	\$ 1,971	\$ 1,753	\$ 1,849

1. In order to convert the Comprehensive risk measure into RWAs, it is multiplied by 12.5.

2. These results include a surcharge of \$1.32 billion on credit correlation positions.

Model Review and Validation

The models discussed above, which are used to determine Regulatory VaR, SVaR, Incremental risk and Comprehensive risk, are subject to review and validation at least annually by our model validation group, which consists of quantitative professionals who are separate from model developers. This review includes:

- a critical evaluation of the model, its theoretical soundness and adequacy for intended use;
- verification of the testing strategy utilized by the model developers to ensure that the model functions as intended; and
- verification of the suitability of the calculation techniques incorporated in the model.

Our models are regularly reviewed and enhanced in order to incorporate changes in the composition of inventory positions, as well as variations in market conditions. Prior to implementing significant changes to our assumptions and/or models, we perform model validation and test runs. Additionally, we validate the accuracy of our Regulatory VaR model through daily backtesting. See “Regulatory VaR Backtesting Results” for further detail.

Regulatory VaR Backtesting Results

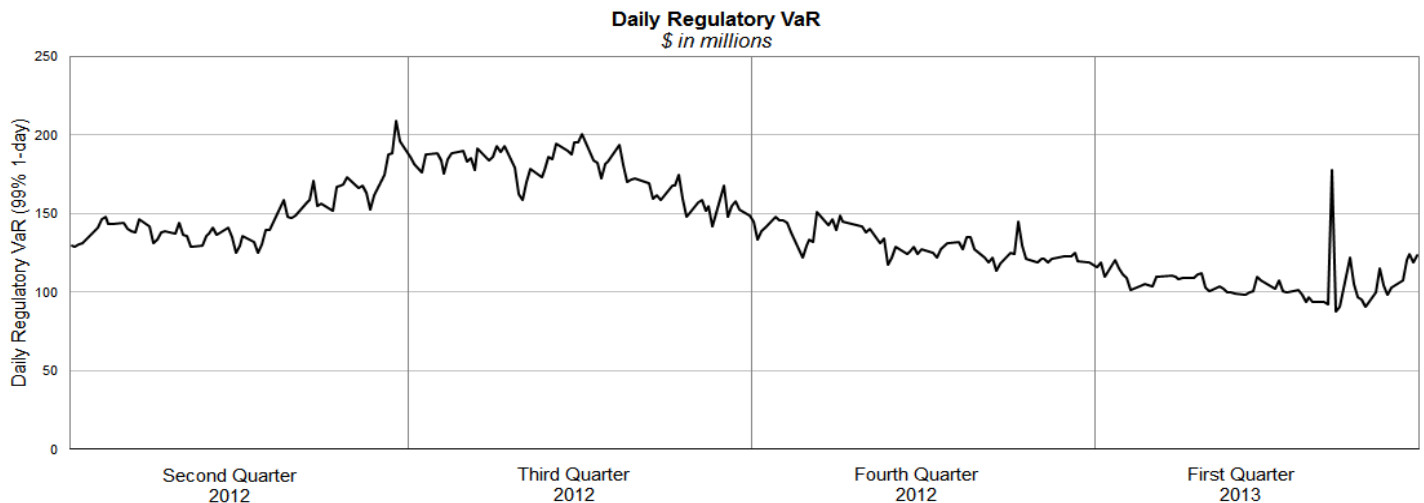
As required by the revised market risk regulatory capital requirements, we validate the accuracy of our Regulatory VaR models by backtesting the output of such models against the daily positional loss results. The actual number of exceptions

(that is, the number of business days for which the positional losses exceed the corresponding 99% 1-day Regulatory VaR) over the most recent 250 business days is used to determine the size of the VaR multiplier, which could increase from a minimum of 3 to a maximum of 4, depending on the number of exceptions.

As defined in the revised market risk regulatory capital requirements, positional net revenues for any given day represent the impact of that day’s price variation on the value of positions held at the close of business the previous day. As a consequence, these results exclude certain revenues associated with market-making businesses, such as bid/offer net revenues, which by their nature are more likely than not to be positive. In addition, positional net revenues used in our Regulatory VaR backtesting relate only to positions which are included in Regulatory VaR and, as noted above, differ from positions included in our risk management VaR. This measure of positional net revenues is used to evaluate the performance of the Regulatory VaR model and is not comparable to our actual daily trading net revenues, as reported in the firm’s Quarterly Report on Form 10-Q.

Positional losses observed on a single day did not exceed our 99% 1-day Regulatory VaR (as presented in the table below) during the previous 12 months.

Table 9: Daily Regulatory VaR



Stress Testing

We use stress testing to examine risks of specific portfolios as well as the potential impact of significant risk exposures across the firm. We use a variety of stress testing techniques to calculate the potential loss from a wide range of market moves on the firm's portfolios, including sensitivity analysis, scenario analysis and firmwide stress tests. For a detailed description of the firm's stress testing practices, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Market Risk Management – Stress Testing" in Part I, Item 2 of the firm's Quarterly Report on Form 10-Q.

Specific Risk

Specific risk is the risk of loss on a position that could result from factors other than broad market movements and includes event risk, default risk and idiosyncratic risk. The specific risk add-on is applicable for both securitization positions and for certain non-securitized debt and equity positions, to supplement the model-based measures.

The revised market risk regulatory capital requirements introduced new standards to assess creditworthiness, in response to an obligation of the Dodd-Frank Act mandating the U.S. federal bank regulatory agencies (Agencies) to remove references to credit ratings from regulations and replace credit ratings with appropriate alternatives. These alternative measures of creditworthiness, which are used to determine appropriate risk-weighting factors within the specific risk component of the market risk measure, are incorporated below.

Table 10: Specific Risk RWAs

<i>in millions</i>	As of March 2013
Securitization positions	\$ 64,480
Other specific risk	40,222
Total	\$ 104,702

Securitization Positions. The "Securitization Framework" section of the rules is used to calculate the RWAs for any position that has been identified as a securitization. Criteria used to identify positions subject to the Securitization Framework include, but are not limited to the following: whether there is a transfer of risk; whether the credit risk associated with the underlying exposures has been separated into at least two tranches reflecting different levels of seniority (i.e., tranching credit risk); whether a position references tranching credit risk; and whether the underlying exposures are financial exposures. Products covered by this definition include mortgage-backed securities (MBS) and other asset-backed securities (ABS), derivatives referencing MBS or

ABS, or derivatives referencing indices of MBS or ABS, which are held in inventory. The population includes positions purchased in the secondary market, as well as retained interests in securitization structures sponsored by the firm. Consistent with the rules, this notably excludes mortgage-backed pass-through securities guaranteed by government-sponsored entities (for example, Federal National Mortgage Association).

The Securitization Framework for trading book positions offers a two-step hierarchy of approaches for calculating RWAs. Under the first approach, the Simplified Supervisory Formula Approach (SSFA), the specific risk-weighting factor is determined using attachment and detachment points, delinquency levels and the risk-based capital requirements of the underlying exposures in the securitization. Under the second approach, if the securitization position does not qualify for the SSFA (for example, if the data is not available or if the most current available data is more than 91 calendar days old) it is subject to a 100% capital requirement.

The RWAs for trading book securitization positions are calculated by multiplying the exposure amount by the specific risk-weighting factors assigned and then multiplying by 12.5. The exposure amount is defined as the carrying value for securities, or the market value of the effective notional of the instrument or indices underlying derivative positions. The securitization capital requirements are the greater of the capital requirements on the net long or short exposure (incorporating applicable netting), and are capped at the maximum loss that could be incurred on any given transaction.

The following table presents the firm's aggregate on-balance sheet and off-balance sheet trading book securitization exposures (excluding credit correlation positions) by underlying exposure type. Amounts below reflect securitization exposures, as defined for regulatory capital purposes and are not comparable to securitization measures reported in the firm's Quarterly Report on Form 10-Q.

Table 11: Trading Book Securitizations

<i>in millions</i>	As of March 2013
	Trading Book Securitization Exposures
Residential mortgages	\$ 4,818
Commercial mortgages	4,467
Corporate (CDO/ CLO) ¹	6,598
Asset-backed and other	6,066
Total²	\$ 21,949

1. Reflects corporate collateralized debt and loan obligations.
2. Includes securities with a fair value of \$10.37 billion.

Securitization positions are incorporated into the firm's overall risk management approach for financial instruments. For a detailed discussion of the firm's risk management process and practices see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Market Risk Management" and "– Credit Risk Management" in Part I, Item 2 of the firm's Quarterly Report on Form 10-Q.

Other Specific Risk. The standard specific risk add-on for debt positions ranges from 0.25% to 12%. The add-on for sovereigns, public sector entities and depository institutions is based on the Organization for Economic Co-operation and Development country risk classifications of the sovereign and the remaining contractual maturity of the position. The add-on for corporate entities that have issued public financial instruments is based on internal assessments of creditworthiness and the remaining contractual maturity of the position. All other types of debt positions are subject to an 8% add-on. The standard specific risk add-on for equity positions will generally be 8%, but this could decrease to 2% for well-diversified portfolios of equities, certain indices, and certain futures-related arbitrage strategies.

The standard specific risk RWAs for debt and equity positions are calculated by multiplying the exposure amount by the appropriate standard specific risk add-on, and then multiplying by 12.5. The exposure amount is defined as the carrying value for securities and loans, or the market value of the effective notional of the instrument or indices underlying derivative positions. The specific risk capital requirements are capped at the maximum loss that could be incurred on any given transaction.

Valuation and Accounting Policies

The firm's trading book positions are accounted for at fair value. See Note 3. Significant Accounting Policies, and related footnotes to the condensed consolidated financial statements in Part I, Item 1 of the firm's Quarterly Report on Form 10-Q, which addresses accounting and valuation policies applicable to these positions.

Risk Management

Overview

We believe that effective risk management is of primary importance to the success of the firm. Accordingly, we have comprehensive risk management processes through which we monitor, evaluate and manage the risks we assume in conducting our activities. These include market, credit, liquidity, operational, legal, regulatory and reputational risk exposures. Our risk management framework is built around three core components: governance, processes and people.

Governance. Risk management governance starts with our Board of Directors (Board), which plays an important role in reviewing and approving risk management policies and practices, both directly and through its Risk Committee, which consists of all of our independent directors. The Board also receives regular briefings on firmwide risks, including market risk, liquidity risk, credit risk and operational risk from our independent control and support functions, including the chief risk officer. The chief risk officer, as part of the review of the firmwide risk package, regularly advises the Risk Committee of the Board of relevant risk metrics and material exposures. Next, at the most senior levels of the firm, our leaders are experienced risk managers, with a sophisticated and detailed understanding of the risks we take. Our senior managers lead and participate in risk-oriented committees, as do the leaders of our independent control and support functions — including those in compliance, controllers, credit risk management, human capital management, legal, market risk management, operations, operational risk management, tax, technology and treasury.

The firm's governance structure provides the protocol and responsibility for decision-making on risk management issues and ensures implementation of those decisions. We make extensive use of risk-related committees that meet regularly and serve as an important means to facilitate and foster ongoing discussions to identify, manage and mitigate risks.

We maintain strong communication about risk and we have a culture of collaboration in decision-making among the revenue-producing units, independent control and support functions, committees and senior management. While we believe that the first line of defense in managing risk rests with the managers in our revenue-producing units, we dedicate extensive resources to independent control and support functions in order to ensure a strong oversight structure and an appropriate segregation of duties. We regularly reinforce the firm's strong culture of escalation and accountability across all divisions and functions.

Processes. We maintain various processes and procedures that are critical components of our risk management. First and foremost is our daily discipline of marking substantially all of the firm's inventory to current market levels. Goldman Sachs carries its inventory at fair value, with changes in valuation reflected immediately in our risk management systems and in net revenues. We do so because we believe this discipline is one of the most effective tools for assessing and managing risk and that it provides transparent and realistic insight into our financial exposures.

We also apply a rigorous framework of limits to control risk across multiple transactions, products, businesses and markets. This includes setting credit and market risk limits at a variety of levels and monitoring these limits on a daily basis. Limits are typically set at levels that will be periodically exceeded, rather than at levels which reflect our maximum risk appetite. This fosters an ongoing dialogue on risk among revenue-producing units, independent control and support functions, committees and senior management, as well as rapid escalation of risk-related matters. See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Market Risk Management" and "- Credit Risk Management" in Part I, Item 2 of the firm's Quarterly Report on Form 10-Q for further information on our risk limits.

Active management of our positions is another important process. Proactive mitigation of our market and credit exposures minimizes the risk that we will be required to take outsized actions during periods of stress.

We also focus on the rigor and effectiveness of the firm's risk systems. The goal of our risk management technology is to get the right information to the right people at the right time, which requires systems that are comprehensive, reliable and timely. We devote significant time and resources to our risk management technology to ensure that it consistently provides us with complete, accurate and timely information.

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

Structure

Ultimate oversight of risk is the responsibility of the firm's Board. The Board oversees risk both directly and through its Risk Committee. Within the firm, a series of committees with specific risk management mandates have oversight or decision-making responsibilities for risk management activities. Committee membership generally consists of senior managers from both our revenue-producing units and our independent control and support functions. We have established procedures for these committees to ensure that appropriate information barriers are in place. Our primary risk committees, most of which also have additional sub-committees or working groups, are described in further detail in "Management's Discussion and Analysis of Financial Condition and Results of Operations – Overview and Structure of Risk Management" in Part I, Item 2 of the firm's Quarterly Report on Form 10-Q. In addition to these committees, we have other risk-oriented committees which provide oversight for different businesses, activities, products, regions and legal entities.

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

In addition, independent control and support functions, which report to the chief financial officer, the general counsel, and the chief administrative officer or, in the case of Internal Audit, to the Audit Committee of the Board, are responsible for day-to-day oversight or monitoring of risk. Internal Audit, which includes professionals with a broad range of audit and industry experience, including risk management expertise, is responsible for independently assessing and validating key controls within the risk management framework.

Equity Capital

Overview

Capital adequacy is of critical importance to us. Our objective is to be conservatively capitalized in terms of the amount and composition of our equity base. Accordingly, we have in place a comprehensive capital management policy that serves as a guide to determine the amount and composition of equity capital we maintain.

The level and composition of our equity capital are determined by multiple factors including our current and future consolidated regulatory capital requirements, our Internal Capital Adequacy Assessment Process (ICAAP), Comprehensive Capital Analysis and Review (CCAR) and results of stress tests, and may also be influenced by other factors such as rating agency guidelines, subsidiary capital requirements, the business environment, conditions in the financial markets and assessments of potential future losses due to adverse changes in our business and market environments. In addition, we maintain a capital plan which projects sources and uses of capital given a range of business environments, and a contingency capital plan which provides a framework for analyzing and responding to an actual or perceived capital shortfall.

Internal Capital Adequacy Assessment Process

We perform an ICAAP with the objective of ensuring that the firm is appropriately capitalized relative to the risks in our business.

As part of our ICAAP, we perform an internal risk-based capital assessment. This assessment incorporates market risk, credit risk and operational risk. Market risk is calculated by using VaR calculations supplemented by risk-based add-ons which include risks related to rare events (tail risks). Credit risk utilizes assumptions about our counterparties' probability of default, the size of our losses in the event of a default and the maturity of our counterparties' contractual obligations to us. Operational risk is calculated based on scenarios incorporating multiple types of operational failures. Backtesting is used to gauge the effectiveness of models at capturing and measuring relevant risks.

We evaluate capital adequacy based on the result of our internal risk-based capital assessment and regulatory capital ratios, supplemented with the results of stress tests which measure the firm's estimated performance under various market conditions. Our goal is to hold sufficient capital to ensure we remain adequately capitalized after experiencing a severe stress event. Our assessment of capital adequacy is viewed in tandem with

our assessment of liquidity adequacy and is integrated into the overall risk management structure, governance and policy framework of the firm.

We attribute capital usage to each of our businesses based upon our internal risk-based capital and regulatory frameworks and manage the levels of usage based upon the balance sheet and risk limits established.

Comprehensive Capital Analysis and Review

As part of the Federal Reserve Board's annual CCAR, U.S. bank holding companies with total consolidated assets of \$50 billion or greater are required to submit annual capital plans for review by the Federal Reserve Board. The purpose of the Federal Reserve Board's review is to ensure that these institutions have robust, forward-looking capital planning processes that account for their unique risks and that permit continued operations during times of economic and financial stress. The Federal Reserve Board will evaluate a bank holding company based on whether it has the capital necessary to continue operating under the baseline and stressed scenarios provided by the Federal Reserve. As part of the capital plan review, the Federal Reserve Board evaluates an institution's plan to make capital distributions, such as increasing dividend payments or repurchasing or redeeming stock, across a range of macro-economic and firm-specific assumptions. In addition, the Dodd-Frank Act Stress Test (DFAST) rules require us to conduct stress tests on a semi-annual basis and publish a summary of certain results. The Federal Reserve Board also conducts its own annual stress tests and publishes a summary of certain results.

We submitted our 2013 CCAR to the Federal Reserve on January 7, 2013 and published a summary of our DFAST results under the Federal Reserve Board's severely adverse scenario in March 2013. As part of our 2013 CCAR submission, the Federal Reserve informed us that it did not object to our proposed capital actions, including the repurchase of outstanding common stock, a potential increase in our quarterly common stock dividend and the possible issuance, redemption and modification of other capital securities through the first quarter of 2014. However, as required by the Federal Reserve, we will resubmit our capital plan by the end of the third quarter of 2013, incorporating certain enhancements to our stress test processes.

For additional information regarding our CCAR submissions, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Equity Capital" in Part I, Item 2 of the firm's Quarterly Report on Form 10-Q.

Regulatory Reform

There are a number of proposed and announced changes that will impact the firm's regulatory capital ratios and assessments of capital adequacy in the future, which we have summarized below.

Basel 2

The firm is currently working to implement the requirements set out in the Federal Reserve Board "Risk-Based Capital Standards: Advanced Capital Adequacy Framework — Basel 2" (Basel 2) as applicable to Group Inc. as a bank holding company and as an advanced approach banking organization. These requirements are based on the advanced approaches under the Revised Framework for the International Convergence of Capital Measurement and Capital Standards issued by the Basel Committee.

The Basel 2 framework consists of three pillars:

- Pillar 1 – Minimum Capital Requirements
- Pillar 2 – Supervisory Review / Internal Capital Adequacy Assessment Process
- Pillar 3 – Market Discipline

The first pillar establishes methods for calculating the minimum level of regulatory capital required. The minimum amount of regulatory capital is expressed as a capital ratio that compares measures of capital to RWAs. Basel 2, among other things, revises the regulatory capital framework for credit risk and equity investments, and introduces a new operational risk capital requirement.

The second pillar addresses the requirement for banks to establish a process to develop their own internal assessment of the amount of capital needed to ensure that they are adequately capitalized. Consequently, as part of the firm's ICAAP, an internal risk-based capital assessment is performed, incorporating market risk, credit risk and operational risk, and supplemented with the results of stress tests.

The third pillar sets minimum public disclosure requirements for banks. Such public disclosures are intended to allow market participants to assess key information about a bank's risk profile and its associated level of capital.

The firm will implement Basel 2 once approved to do so by regulators following the completion of a parallel run period. Based on the parallel run calculations, the firm currently meets the minimum capital requirements calculated in accordance with Basel 2, including the revised market risk regulatory capital requirements.

The firm's capital adequacy ratio will also be impacted by the further changes outlined below.

Capital Floor

The "Collins Amendment" of the Dodd-Frank Act requires advanced approach banking organizations to continue, upon adoption of Basel 2, to calculate risk-based capital ratios under both Basel 2 and Basel 1 (in each case reflecting the Federal Reserve Board's revised market risk regulatory capital requirements). For each of the Tier 1 and Total capital ratios, the lower of the Basel 1 and Basel 2 ratios calculated will be used to determine whether such advanced approach banking organizations meet their minimum risk-based capital requirements. Furthermore, the June 2012 proposals described below include provisions which, if enacted as proposed, would modify these minimum risk-based capital requirements.

Dodd-Frank Act and Basel 3

In June 2012, the Agencies proposed further modifications to their capital adequacy regulations to address aspects of both the Dodd-Frank Act and Basel 3. If enacted as proposed, the most significant changes that would impact us include (i) revisions to the definition of Tier 1 capital, including new deductions from Tier 1 capital, (ii) higher minimum capital and leverage ratios, (iii) a new minimum ratio of Tier 1 common equity to RWAs, (iv) new capital conservation and counter-cyclical capital buffers, (v) an additional leverage ratio that includes measures of off-balance sheet exposures, (vi) revisions to the methodology for calculating RWAs, particularly for credit risk capital requirements for derivatives and (vii) a new "standardized approach" to the calculation of RWAs that would replace the Federal Reserve Board's current Basel 1 risk-based capital framework in 2015, including for purposes of calculating the requisite capital floor under the Collins Amendment.

In November 2012, the Agencies announced that the proposed effective date of January 1, 2013 for these modifications would be deferred, but have not indicated a revised effective date. These proposals incorporate the phase-out of Tier 1 capital treatment for the firm's junior subordinated debt issued to trusts; such capital would instead be eligible as Tier 2 capital under the proposals. Under the Collins Amendment, this phase-out was scheduled to begin on January 1, 2013. Due to the aforementioned deferral of the effective date of the proposed capital rules, the required application of this phase-out remains uncertain at this time. However, beginning on January 1, 2013, the firm has begun the phase-out of the firm's Tier 1 capital treatment of its junior subordinated debt issued to trusts. The firm has assumed a phase-out period allowing for only 75% of the capital instrument to be included in additional Tier 1 capital in calendar year 2013 reflecting the Federal Reserve Board's proposed capital rules. Phased-out amounts that are no longer eligible as Tier 1 capital treatment are eligible for Tier 2 capital treatment.

Global Systemically Important Banks

Both the Basel Committee and the U.S. banking regulators implementing the Dodd-Frank Act have indicated that they will impose more stringent capital standards on systemically important financial institutions. In November 2011, the Basel Committee published its final provisions for assessing the global systemic importance of banking institutions and the range of additional Tier 1 common equity that should be maintained by banking institutions deemed to be globally systemically important. The additional capital for these institutions would initially range from 1% to 2.5% of Tier 1 common equity and could be as much as 3.5% for a banking institution that increases its systemic footprint (e.g., by increasing total assets). In November 2012, the Financial Stability Board (established at the direction of the leaders of the Group of 20) indicated that we, based on 2011 financial data, would be required to hold an additional 1.5% of Tier 1 common equity as a globally systemically important banking institution under the Basel Committee's methodology. The final determination of the amount of additional Tier 1 common equity that we will be required to hold will be based on our 2013 financial data and the manner and timing of the U.S. banking regulators' implementation of the Basel Committee's methodology. The Basel Committee indicated that globally systemically important banking institutions will be required to meet the capital surcharges on a phased-in basis from 2016 through 2019.

Other Impacts

The Basel Committee has released other consultation papers that may result in further changes to the regulatory capital requirements, including a "Fundamental review of the trading book" and "Revisions to the Basel Securitization Framework". In addition, the Basel Committee has issued other proposals on regulatory changes including a "Supervisory framework for measuring and controlling large exposures". The full impact of these developments on the firm will not be known with certainty until after any resulting rules are finalized.

The interaction among the Dodd-Frank Act, other reform initiatives contemplated by the Agencies, the Basel Committee's proposed and announced changes and other proposed or announced changes from other governmental entities and regulators adds further uncertainty to the firm's future capital requirements.

For additional information about related regulatory requirements, including pending and proposed regulatory changes see: (i) "Business - Regulation" in Part I, Item 1, of the firm's Annual Report on Form 10-K; (ii) "Management's Discussion and Analysis of Financial Condition - Results of Operations - Regulatory Developments" in Part II, Item 7 of the firm's Annual Report on Form 10-K; (iii) "Management's Discussion and Analysis of Financial Condition and Results of Operations - Equity Capital" in Part 1, Item 2 of the firm's Quarterly Report on Form 10-Q; and (iv) Note 20. Regulation and Capital Adequacy, to the condensed consolidated financial statements in Part I, Item 1 of the firm's Quarterly Report on Form 10-Q.

Cautionary Note on Forward-Looking Statements

We have included or incorporated by reference in these disclosures, and from time to time our management may make, statements that may constitute “forward-looking statements”. Forward-looking statements are not historical facts, but instead represent only our beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside our control. These statements include statements other than historical information or statements of current condition and may relate to our future plans and objectives and results, among other things, and may also include our belief regarding the effect of changes to the capital and leverage rules applicable to bank holding companies, the impact of the Dodd-Frank Act on our businesses and operations, as well as statements about the objectives and effectiveness of our risk management and liquidity policies, statements about trends in or growth opportunities for our businesses, and statements about our future status, activities or reporting under U.S. or non-U.S. banking and financial regulation.

By identifying these statements for you in this manner, we are alerting you to the possibility that our actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Important factors that could cause our actual results and financial condition to differ from those indicated in the forward-looking statements include, among others, those discussed under “Risk Factors” in Part I, Item 1A the firm’s Annual Report on Form 10-K.

Glossary of Risk Terms

Comprehensive Risk. The potential loss in value, due to price risk and defaults, within the firm's credit correlation positions. The modeled measure is calculated at a 99.9% confidence level over a one-year time horizon. The surcharge is 8% of the standardized specific risk add-on.

Credit Correlation Position. A securitization position for which all or substantially all of the value of the underlying exposures is based on the credit quality of a single company for which a two-way market exists, or indices based on such exposures for which a two-way market exists, or hedges of these positions (which are typically not securitization positions).

Credit Risk. The potential for loss due to the default or deterioration in credit quality of a counterparty, a borrower, or an issuer of securities or other instruments we hold.

Default Risk. The risk of loss on a position that could result from failure of an obligor to make timely payments of principal or interest on its debt obligation, and the risk of loss that could result from bankruptcy, insolvency, or similar proceedings.

Event Risk. The risk of loss on equity or hybrid equity positions as a result of a financial event, such as the announcement or occurrence of a company merger, acquisition, spinoff, or dissolution.

Idiosyncratic Risk. The risk of loss in the value of a position that arises from changes in risk factors unique to that position.

Incremental Risk. The potential loss in value of non-securitized inventory positions due to the default or credit migration of issuers of financial instruments over a one-year time horizon. This measure is calculated at a 99.9% confidence level over a one-year time horizon using a multi-factor model.

Market Risk. The risk of loss in the value of our inventory due to changes in market prices.

Operational Risk. The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Under the current regulatory capital framework, there is no explicit requirement for Operational Risk.

Regulatory Value-at-Risk (VaR). The potential loss in value of inventory positions due to adverse market movements over a 10-day time horizon with a 99% confidence level. Regulatory VaR used for capital requirements will differ from risk management VaR, due to different time horizons (10-day vs. 1-day), confidence levels (99% vs. 95%) and differences in the scope of positions on which VaR is calculated.

Specific Risk. The risk of loss on a position that could result from factors other than broad market movements and includes event risk, default risk and idiosyncratic risk. The specific risk add-on is applicable for both securitization positions and for certain non-securitized debt and equity positions, to supplement the model-based measures.

Stressed VaR (SVaR). The potential loss in value of inventory positions during a period of significant market stress. SVaR is calculated at a 99% confidence level over a 10-day horizon using market data inputs from a continuous 12-month period of stress.

Value-at-Risk (VaR). The potential loss in value of inventory positions due to adverse market movements over a defined time horizon with a specified confidence level. Risk management VaR is calculated at a 95% confidence level over a one-day horizon.

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