

PUBLIC REDACTED VERSION

OF THE

CONFIDENTIAL APPLICATION

PURSUANT TO
SECTION 601-a(1)(g)
OF THE
NEW YORK BANKING LAW
AND
SUPERVISORY PROCEDURE CB 105

SUBMITTED TO THE

**SUPERINTENDENT OF FINANCIAL SERVICES, NEW YORK STATE
DEPARTMENT OF FINANCIAL SERVICES**

FOR THE
PURCHASE AND ASSUMPTION TRANSACTION

BY AND AMONG

GOLDMAN SACHS BANK USA
200 West Street
New York, New York 10282

GE CAPITAL BANK
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Holladay, Utah 84121

AND

GENERAL ELECTRIC CAPITAL CORPORATION
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Submitted
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Table of Contents

<u>Application</u>	<u>Page</u>
Preliminary Statement.....	1
Asset Purchase Application Filed Pursuant to Section 601-a(1)(g) of the New York Banking Law and Supervisory Procedure of CB 105	7
PART I – GENERAL INFORMATION	7
PART II – COMPLIANCE WITH SECTION 296-A OF THE NEW YORK EXECUTIVE LAW.....	22
PART III – COMPLIANCE WITH BANK SECRECY ACT ANTI-MONEY LAUNDERING PROGRAMS.....	22

<u>Public Exhibits</u>	<u>Tab</u>
Goldman Sachs Bank USA’s Call Report as of each of December 31, 2014 and June 30, 2015 and Schedule RI Income Statement from the Call Report as of each of December 31, 2012 and December 31, 2013	1
GE Capital Bank’s Call Report as of each of December 31, 2014 and June 30, 2015 and Schedule RI Income Statement from the Call Report as of each of December 31, 2012 and December 31, 2013	2
Service Areas-Economic Data	3
List of the Current Senior Executive Officers and Directors of Goldman Sachs Bank USA.....	4
List of the Current Senior Executive Officers and Directors of GE Capital Bank	5
Goldman Sachs Bank USA’s Community Reinvestment Act Performance Evaluation, dated December 31, 2012	6
Competition Supplement	7
Copy of the Resolutions of the Board of Directors of GE Capital Bank.....	8
Copy of the Shareholder Consent for Goldman Sachs Bank USA.....	9
Copy of the Shareholder Consent for GE Capital Bank	10
Certificate of Compliance for each of Goldman Sachs Bank USA and GE Capital Bank with Section 601-a of the New York Banking Law.....	11
Certificate of Compliance for Goldman Sachs Bank USA with Section 296-a of the Executive Law of the State of New York.....	12

<u>Confidential Exhibits</u>	<u>Tab</u>
Purchase and Assumption Agreement, dated as of August 13, 2015, by and among GE Capital Bank, Goldman Sachs Bank USA, and General Electric Capital Corporation.....	1
<i>Pro Forma</i> Financial Information Reflecting the Proposed Transaction	2
Transition Services Agreement, dated as of August 13, 2015, between GE Capital Bank and Goldman Sachs Bank USA.....	3
Lease Agreement, dated as of August 13, 2015, between GE Capital Bank and Goldman Sachs Bank USA.....	4
Deposit Information for GE Capital Bank	5
Copies of the Resolutions of the Boards of Directors of Goldman Sachs Bank USA and The Goldman Sachs Group, Inc.....	6
Affidavit in Support of Certificate of Compliance for Goldman Sachs Bank USA with Section 296-a of the Executive Law of the State of New York.....	7

Preliminary Statement

Goldman Sachs Bank USA, a New York state-chartered member bank ("GS Bank"), hereby respectfully submits the enclosed application (the "Application") to the New York State Department of Financial Services (the "Department") for prior approval, pursuant to Section 601-a(1)(g) of the New York Banking Law and Supervisory Procedure CB 105, to acquire by purchase and assumption certain deposit liabilities and certain very limited non-financial assets of GE Capital Bank, a Utah state-chartered non-member industrial bank ("GE Bank") and a wholly owned subsidiary of General Electric Capital Corporation ("GE Capital") (the "Proposed Transaction").¹

Simultaneously with the submission of this Application, GS Bank is submitting an Interagency Bank Merger Act Application (the "BMA Application") to the Board of Governors of the Federal Reserve System (the "Federal Reserve") for prior approval of the Proposed Transaction and a copy of the BMA Application to the Utah Department of Financial Institutions for prior approval of the Proposed Transaction.

The parties intend to consummate the Proposed Transaction, subject to customary closing conditions, as soon as possible following receipt of all required regulatory approvals and the expiration of any statutory waiting periods.

The Parties

Goldman Sachs Bank USA

GS Bank is a New York state-chartered bank that is a wholly owned, direct subsidiary of The Goldman Sachs Group, Inc. ("Goldman Sachs"). GS Bank is a member of the Federal Reserve System and is subject to the regulation and supervision of the Federal Reserve, the Department and the Consumer Financial Protection Bureau. Its deposits are insured by the Federal Deposit Insurance Corporation (the "FDIC") up to the maximum amount permitted by law. GS Bank's principal office is located in New York, New York and it currently operates branch offices in each of Salt Lake City, Utah and London, United Kingdom.

As of June 30, 2015, GS Bank had total assets of approximately \$122.68 billion and total deposits of approximately \$78.12 billion, and was well capitalized with a common equity Tier 1 capital ratio of 10.56%, a Tier 1 risk-based capital ratio of 10.56% and a total risk-based capital ratio of 11.63%, in each case calculated in accordance with the Standardized approach reflecting applicable transitional provisions. As of June 30, 2015, GS Bank had a Tier 1 leverage ratio of 17.03%. GS Bank's Call Report for the quarter ended June 30, 2015, is included as Public Exhibit 1 to this Application.

¹ It is GS Bank's understanding that the interest-earning and other assets of GE Bank will be sold to third parties.

GS Bank's primary activities include accepting deposits, lending to individuals, institutional and corporate clients, and making markets in customer-driven over-the-counter interest rate derivatives and related products. GS Bank is registered with the U.S. Commodity Futures Trading Commission as a swap dealer.

Goldman Sachs is a bank holding company and a financial holding company and is a leading global investment banking, securities and investment management firm that provides a wide range of financial services worldwide to a substantial and diversified client base that includes corporations, financial institutions, governments and high net-worth individuals. The firm is headquartered in New York, New York and maintains offices in all major financial centers around the world.

As of June 30, 2015, Goldman Sachs had total assets of approximately \$859.88 billion and was well-capitalized with a common equity Tier 1 capital ratio of 11.8%, a Tier 1 risk-based capital ratio of 13.5% and a total risk-based capital ratio of 15.9%, in each case calculated in accordance with the Standardized approach reflecting applicable transitional provisions. As of June 30, 2015, Goldman Sachs had a Tier 1 leverage ratio of 9.6%.

GE Capital Bank

GE Bank is a Utah state-chartered non-member industrial bank indirectly owned by GE Capital. GE Bank accepts savings and time deposits. GE Bank's deposits are insured by the FDIC up to the maximum amount permitted by law. GE Bank acts as a multi-product commercial finance bank, and uses deposit accounts to fund its commercial loans and leases. GE Bank's principal office is located in Holladay, Utah. It operates no branches.

As of June 30, 2015, GE Bank had total assets of approximately \$22.57 billion, total deposits of approximately \$18.17 billion, a common equity Tier 1 capital ratio of 18.97%, a Tier 1 risk-based capital ratio of 18.97% and a total risk-based capital ratio of 18.97%, in each case calculated in accordance with the Standardized approach reflecting applicable transitional provisions. As of June 30, 2015, GE Bank had a Tier 1 leverage ratio of 15.49%. GE Bank's Call Report for the quarter ended June 30, 2015, is included as Public Exhibit 2 to this Application.

The Proposed Transaction

Overview

The Proposed Transaction involves the purchase and assumption by GS Bank of certain deposit liabilities and certain very limited non-financial assets of GE Bank, under the terms and conditions of the Purchase and Assumption Agreement, dated as of August 13, 2015, by and among GE Bank, GS Bank, and GE Capital (the "Agreement"), a copy of which is attached as Confidential Exhibit 1 hereto.

In particular, GS Bank would assume substantially all of the deposit liabilities of GE Bank, *other than*:

- any brokered sweep accounts;

- any brokered certificates of deposit originated after May 31, 2015;
- any amounts held by GE Bank as security deposits, escrow accounts and similar accounts held in connection with GE Bank's loan and lease assets that are not subject to any deposit account agreement between GE Bank and any of its customers, even though such deposits may have been or are currently reported by GE Bank as FDIC-insured deposits on any of GE Bank's Call Reports; and
- any deposits at GE Bank held by GE Bank's affiliates.

The deposit liabilities to be assumed, which currently constitute substantially all of GE Bank's deposit liabilities, include: (i) retail online certificates of deposit (the "Retail CDs") with an aggregate principal amount of [REDACTED] (ii) retail online savings accounts, with balances of [REDACTED] (together with the Retail CDs, the "Retail Deposits"); (iii) any certificates of deposit or savings accounts originated prior to [REDACTED] with balances of [REDACTED] (the "Legacy Deposits"); and (iv) brokered certificates of deposit originated prior to [REDACTED] with an aggregate principal amount of [REDACTED] which is expected to decrease based on contractual maturities (the "Brokered CDs", and together with the Retail Deposits and Legacy Deposits, the "Deposits").

The Retail CDs, the Brokered CDs and the Legacy Deposits have various maturity dates, with the last outstanding certificate of deposit scheduled to mature on [REDACTED]. The Deposits are FDIC insured up to the maximum amount permitted by law. Since June 1, 2015, GE Bank has not originated any new Brokered CDs and does not intend to do so in the future. GE Bank is terminating its brokered sweep account arrangements and intends to redeem all such accounts by August 31, 2015. [REDACTED]

In addition, GS Bank would acquire from GE Bank certain intellectual property, software, technology and other non-financial assets owned or used by GE Bank to manage and support its retail online bank deposit offering (the "Deposit Platform") and certain vendor and other contracts related thereto (the "Assumed Contracts"), and the bank accounts (and funds therein) at other U.S. depository institutions used by GE Bank to transact with holders (e.g., pay interest) of the Retail Deposits and Legacy Deposits (the "Deposits Accounts").

Purposes

From GS Bank's perspective, the Proposed Transaction is intended to strengthen GS Bank's liquidity profile with a new, diversified and stable funding source. This funding source will support GS Bank's existing asset strategy as incorporated in Goldman Sachs' 2015 Dodd-Frank Act Stress Testing submission to the Federal Reserve in July 2015. In evaluating diversified funding options to meet the asset plan submitted, GS Bank [REDACTED]

[REDACTED] GS Bank is focused on the smooth integration of the new deposit platform and believes hiring existing employees of GE Bank would assist in providing a stable transition of business operations and continuity of service. Aside from a new deposit platform, there are no new products or services being offered by GS Bank and no new meaningful risks being assumed in connection with the Proposed Transaction.

Going forward, the Proposed Transaction would strengthen GS Bank's liquidity profile with a new, diversified and stable funding source, which would increase sources of direct deposits to support GS Bank's asset strategy and, in turn, [REDACTED]. As a result, the Proposed Transaction would make GS Bank a safer and sounder institution.

The Proposed Transaction is not expansionary, as it would have no impact on GS Bank's existing asset strategy. Rather, it will result in a more diversified and stable funding of GS Bank's balance sheet in a manner that will enhance the safety and soundness of its strategy. See Confidential Exhibit 2 for *pro forma* financial information related to the Proposed Transaction.

In addition, the Proposed Transaction is part of the publicly announced plan by GE Capital's parent, General Electric Company ("General Electric"), to reduce its "systemic footprint" by reducing the size of its financial services businesses through the sale of most of GE Capital's assets and liabilities over the next 24 months.²

Structure

As described in more detail below, on the date of the consummation of the Proposed Transaction (the "Closing Date"), GE Bank will deliver cash to GS Bank in an amount equal to [REDACTED]

Significant Terms and Conditions

² In early April 2015, General Electric announced a strategic decision to reduce the size of GE Capital, which includes dissolution of GE Bank. An element of this new strategy involves an internal corporate reorganization of GE Capital through a series of steps, including a merger of GE Capital with and into General Electric [REDACTED]

GS Bank will not acquire any assets or property of GE Bank other than (i) the Assumed Contracts, (ii) the Deposit Platform, (iii) the Deposits Accounts, (iv) certain prepaid expenses and all rights related to the Deposits and the other Assumed Liabilities (as defined below), (v) the books and records related to the foregoing and (vi) any accrued interest receivable on the foregoing (collectively, the "Transferred Assets").

GS Bank will not assume any liabilities of GE Bank other than (i) the payment obligations of the Deposits, (ii) obligations under the Assumed Contracts and (iii) certain liabilities relating to the employment of certain GE Bank employees (collectively, the "Assumed Liabilities"). Accordingly, GS Bank will not acquire any separate legal entities and will not create any new entities in connection with the Proposed Transaction.

Simultaneously with the entry of the parties into the Agreement, GE Capital and GS Bank entered into a TSA, pursuant to which GE Capital will provide certain transitional arrangements and services to GS Bank after the Closing Date, and a Lease Agreement for space within GE Capital's Cedar Rapids facility for use as a call center. Copies of the TSA and Lease Agreement are attached as Confidential Exhibits 3 and 4, respectively, hereto.

Prior to the Closing Date, the parties will enter into (i) an Intellectual Property Cross License Agreement, pursuant to which the parties will grant each other non-exclusive licenses to certain non-trademark intellectual property rights, and (ii) an Instrument of Assignment and Assumption. A copy of these agreements, once executed, will be provided in a supplemental submission.

In addition, as part of the Proposed Transaction, GS Bank will extend conditional offers of employment to all GE Bank employees dedicated to managing and operating the Deposit Platform (currently more than [REDACTED] employees).

Each party to the Agreement is responsible for paying any costs, fees and expenses it incurs in connection with the negotiation of the Agreement, the consummation of the Proposed Transaction and obtaining any applicable regulatory approvals. As more fully set forth in the Agreement and subject to certain quantitative and other limits, if applicable, GE Capital will indemnify GS Bank and its affiliates for a variety of customary matters, [REDACTED]

[REDACTED]
As more fully set forth in the Agreement, GS Bank will indemnify GE Bank and its affiliates for a variety of customary matters, [REDACTED]

The consummation of the Proposed Transaction is subject to the receipt of all applicable regulatory approvals, as well as the satisfaction or waiver of other customary closing conditions, all of which are set forth in Article X of the Agreement, and the requirement that the aggregate balance of the Retail Deposits be [REDACTED] as of the Closing Date. The Proposed Transaction is expected to close after regulatory approvals are received and all other closing conditions are otherwise satisfied or waived, as applicable, [REDACTED]

[REDACTED]
The Agreement provides that if the closing of the Proposed Transaction does not occur [REDACTED] either party has the right to terminate the Agreement.

GOLDMAN SACHS BANK USA

**ASSET PURCHASE APPLICATION FILED PURSUANT TO
SECTION 601-A(1)(G) OF THE NEW YORK BANKING LAW
AND SUPERVISORY PROCEDURE OF CB 105**

PART I – GENERAL INFORMATION

Information Required by Section 105.2 of Supervisory Procedure CB 105

(a) ***General information.*** Set forth the name and address of the applicants; the name and address of the officer to whom all communications from the Banking Department should be addressed; the date or proposed date of submission of any required applications or other documents to the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation or the Comptroller of the Currency; and include a conformed copy of the plan of merger or acquisition of assets or acquisition of capital stock.

Applicant: The applicant is Goldman Sachs Bank USA, a New York state-chartered bank and member of the Federal Reserve System, located at 200 West Street, New York, New York 10282.

Acquired Entity: Not applicable. GS Bank has applied to the Department for prior approval pursuant to Section 601-a(1)(g) of the New York Banking Law and Supervisory Procedure CB 105 to acquire by purchase and assumption certain deposit liabilities and certain very limited non-financial assets of GE Bank, a Utah state-chartered non-member industrial bank. The Proposed Transaction involves the assumption by GS Bank of the Deposits and the acquisition by GS Bank of certain intellectual property, software, technology and other non-financial assets owned or used by GE Bank to manage the Deposit Platform and the Assumed Contracts. GE Bank will deliver cash to GS Bank for assuming the liabilities represented by the Deposits with an amount of cash equal to the value of the Deposits assumed by GS Bank less the value of the technology and operational assets supporting the Deposit Platform.

Communications: All communications from the Department should be delivered to (i) Thomas S. Riggs III at Goldman Sachs Bank USA, 200 West Street, New York, New York 10282, and (ii) Michael T. Escue at Sullivan & Cromwell LLP, 125 Broad Street, New York, New York 10004, outside counsel for GS Bank.

Applications to Regulators: Simultaneously with the submission of this Application, GS Bank is submitting the BMA Application to the Federal Reserve for prior approval of the Proposed Transaction and a copy of the BMA Application to the Utah Department of Financial Institutions for prior approval of the Proposed Transaction.

Agreement: An executed copy of the Purchase and Assumption Agreement, dated as of August 13, 2015, by and among GE Bank, GS Bank, and GE Capital is included as Confidential Exhibit 1 to this Application.

(b) *Banking offices.* List the name and address of the principal office of each party to the proposed merger or acquisition and of the surviving bank; the branch office locations of each party; the road distance between the nearest offices of each party and the offices, if any, which will be closed if the application is approved.

Name: GS Bank
Principal Office: 200 West Street, New York, New York 10282
Branch Office(s): 222 South Main Street, Salt Lake City, Utah 84101

Name: GE Bank
Principal Office: 6510 Millrock Drive, Suite #200, Holladay, Utah 84121
Branch Office(s): None

GS Bank's principal office is located in New York, New York and it currently operates branch offices in Salt Lake City, Utah and London, United Kingdom.

GE Bank's principal office is located in Salt Lake City, Utah. It operates no branches or other offices. Accordingly, GS Bank will not acquire any branch of GE Bank in connection with the Proposed Transaction. Moreover, GS Bank understands that GE Bank will ultimately be liquidated.

The road distance between the nearest offices of GS Bank and GE Bank is approximately 15.5 miles.

(c) *Deposits.*

(1) Number and volume. List in tabular form the number of accounts and dollar amount of deposits of each party to the transaction, by type of account, as of December 31st for each of the preceding three years.

(2) Primary and secondary service areas. Indicate the deposits, by number of accounts and dollar amount, which originate in the primary service area and the secondary service area, respectively, of each party. This computation should also be made for any office if the service area thereof is reasonably close to or overlaps any service area of the other party or any of its offices. The term primary service area means the area from which is derived approximately 75 percent of the dollar amount of deposits based on the record addresses of the depositors thereof. The term secondary service area means the area contiguous to but outside of the primary service area from which is derived approximately an additional 15 percent of the dollar amount of the deposits based on the record address of the depositors thereof.

(3) Overlap. Indicate the deposits, by number of accounts and dollar amount, that each party to the transaction draws from the primary and secondary service areas of the other, separately itemized for demand deposits, for savings and other time deposits, and for total deposits.

(4) Rates. For each party, describe the rates paid on savings and other time deposits and methods of computation. If any of the rates or the methods of computation differ between the parties, include a statement specifically indicating how the differences will be resolved if the application is approved.

(5) Service charges. For each party, provide a complete schedule of service charges on special checking accounts and on regular checking accounts for individuals and business firms. If any of these charges differ between the parties, include a statement specifically indicating how the differences will be resolved if the application is approved.

Each of GS Bank and GE Bank solicit their deposits on a nationwide basis. For information on the breakdown of deposits for each of GS Bank and GE Bank, please refer to Schedules RC-O, Memoranda items 1, to the Call Reports attached as Public Exhibits 1 and 2, respectively. Please also see Confidential Exhibit 5 for information on GE Bank's deposit accounts as of December 31, 2013, December 31, 2014 and March 31, 2015.

GS Bank believes that this information is collected by the Department primarily in cases where competing entities are merging or one entity is acquiring physical branch locations of a competing entity. As described above, the Proposed Transaction is a purchase and assumption of certain deposit liabilities and certain very limited non-financial assets. Accordingly, GS Bank respectfully requests a waiver from the Department from having to provide more detail in response to this item.

(d) *Loans.*

(1) Breakdown of loans. For each party, list in tabular form for each of the preceding three calendar years the breakdown of all major types of loans outstanding on each December 31st. The breakdown should be by number and dollar amount of loans based on call report classifications (commercial and industrial; real estate; loans to farmers; installment loans to individuals for household, family and other personal expenditures; single payment loans to individuals for household, family and other personal expenditures; etc.).

(2) Overlap. Indicate the outstanding loans, by number and dollar amount, of each party to borrowers located in the primary and secondary service areas of the other party, separately itemized for each major type of loan.

(3) Rates. For each party, list the typical loan rates charged for comparable types of loans (for example, unsecured small business loans, other types of business loans, direct automobile installment loans, one- and two-family conventional mortgage loans, etc.). The rates should be those at which the preponderance of loans of these types are currently being made by the parties. If these rates differ between the parties, include a statement specifically indicating how the differences will be resolved if the application is approved.

(4) Loan policies. For each party, indicate the policies with respect to the maximum maturities and maximum loan-value ratios granted to an "average credit

risk” for such types of loans as on new and used cars, mortgage loans on one- and two-family new houses, etc. If any of the policies differ between the parties, include a statement specifically indicating how the differences will be resolved if the application is approved.

(5) **Participations.** List the loan participations, by number and dollar amount, which each party has originated or participated in during the three preceding calendar years, and the amount of each party’s participation. List the participants in each such case.

(6) **Loan limits.** For each party, indicate the maximum legal loan limits for secured and for unsecured loans. Indicate the volume of loans (by number and dollar amount) which are currently 75 percent or more of each party’s loan limit, as well as any unused credit lines exceeding 75 percent of those loan limits.

GS Bank believes that this information is collected by the Department primarily in cases where competing entities are merging or one entity is acquiring physical branch locations of a competing entity. As described above, the Proposed Transaction is a purchase and assumption of certain deposit liabilities and certain very limited non-financial assets. Accordingly, GS Bank respectfully requests a waiver of this item from the Department.

(e) ***Trust services.***

(1) **Breakdown.** For each party, indicate the volume of business (measured by number of accounts and, wherever possible, dollar volume on a comparable basis) for each of the personal and corporate trust services provided, including voluntary and court trusts, agency and custody accounts, pension and welfare plans, corporate trusteeships, stock transfer agencies, bond and coupon paying agencies, dividend disbursing agencies, etc.

(2) **Overlap.** Indicate the number and dollar volume of trust business, subdivided by major type, obtained from the primary and secondary service areas of the other party.

(3) **Fees.** For each party, provide a schedule of fees or charges for trust services. If these differ between the parties, include a statement specifically indicating how the differences will be resolved if the application is approved.

GS Bank believes that this information is collected by the Department primarily in cases where competing entities are merging or one entity is acquiring physical branch locations of a competing entity. As described above, the Proposed Transaction is a purchase and assumption of certain deposit liabilities and certain very limited non-financial assets. Accordingly, GS Bank respectfully requests a waiver of this item from the Department.

(f) ***Service areas-economic characteristics.*** Describe the economic characteristics of each party’s primary and secondary service areas and the population and average

income, growth trend during the preceding 10-year period, and current economic outlook thereof.

Public Exhibit 3 to this Application contains (i) the latest FDIC profiles on New York and Utah, (ii) excerpts from the latest “Beige Book” issued by the regional Federal Reserve Banks regarding the current economic conditions in each Federal Reserve District, and (iii) the latest data from the United States Department of Labor, Bureau of Labor Statistics, regarding the economies of New York and Utah. GS Bank believes that this information is collected by the Department primarily in cases where competing entities are merging or one entity is acquiring physical branch locations of a competing entity. As described above, the Proposed Transaction is a purchase and assumption of certain deposit liabilities and certain very limited non-financial assets. Accordingly, GS Bank respectfully requests a waiver from the Department from having to provide more detail in response to this item.

(g) *Management.* List the names, addresses and titles of the principal officers of each party, including the composition of the board of trustees or board of directors and any advisory or similar committee, indicating the number of each class of shares of each party owned of record, segregated as to individual ownership and joint ownership with others. Provide similar information with respect to the proposed management of the surviving bank.

A list of the current principal officers and directors of GS Bank is included as Public Exhibit 4 to this Application. GS Bank does not anticipate any changes in its principal officers or directors as a result of the Proposed Transaction.

A list of the current principal officers and directors of GE Bank is included as Public Exhibit 5 to this Application.

Officers and directors of the entities party to the Proposed Transaction do not own interests in any of the entities party to the Proposed Transaction. All issued and outstanding shares of GS Bank are owned by Goldman Sachs. All issued and outstanding shares of GE Bank are owned indirectly by GE Capital.

(h) *Management succession problems.* If management succession is a problem for any party, indicate specifically what attempts have been made in recent years to recruit management personnel, state how the merger or acquisition is expected to solve the management succession problem, and list the names, ages and salaries of the principal officers of the bank(s) for which management succession is indicated as a problem, together with a brief summary of the educational background and banking experience of each such officer.

There have been no management succession problems for any of the parties to the Proposed Transaction.

(i) *Inducements.* State whether any consideration, monetary or otherwise, has been paid, given or offered to any shareholder, director, trustee or officer of any party, or to any other person, as compensation or inducement for assistance in consummating the proposed merger or acquisition, and the details thereof and reasons therefor.

No such inducements have been made to any person for assistance in consummating the Proposed Transaction.

(j) *Reasons for approval.* Include a separate statement setting forth in detail the reasons why the applicants believe the application should be approved, including a discussion as to: (1) whether the proposed merger or acquisition will meet specific needs for banking services in the designated service areas which are not now being met; (2) the competitive consequences of the proposed merger or acquisition within the designated service areas; and (3) the manner in which the proposed merger or acquisition will otherwise serve the public interest.

Convenience and Needs

GS Bank is committed to meeting its obligations under the Community Reinvestment Act (“CRA”) and to working for the social and economic well-being of the communities in which it is located. In its last CRA Public Evaluation from the NYDFS, dated December 31, 2012 and attached as Public Exhibit 6 hereto, GS Bank received a rating of “Outstanding.”

GS Bank believes that the consummation of the Proposed Transaction will result in an organization with strengthened and enhanced funding capability to serve the convenience and needs of the community to be served. No reductions in products or services are expected as a result of the Proposed Transaction, and GS Bank plans to continue to provide the same services and products to the customers in the marketplace. As a result, GS Bank believes that the impact of the Proposed Transaction on the convenience and needs of the community to be served is consistent with approval of this Application.

GS Bank currently operates a branch in Salt Lake City and has a Utah assessment area (“AA”) for CRA purposes that consists of Salt Lake, Summit and Tooele Counties. GS Bank’s branch in Salt Lake City, Utah houses approximately ■ full and dual employees. Overall, Goldman Sachs has more than 2,000 employees in Salt Lake City.

GE Bank currently has a Utah AA that consists of Salt Lake County.

As discussed in more detail below, GS Bank, both directly and through affiliates, has played a leadership role in the Utah market despite intense competition for CRA qualified transactions there, given that there are more than 40 FDIC-insured institutions located in the Salt Lake City, Utah Metropolitan Statistical Area competing for a finite number of CRA-qualified opportunities.

GS Bank approaches its community support and CRA obligations by deploying its own models and approaches in Utah to bring new, innovative solutions to bear on pressing community needs. These innovative approaches include:

- Goldman Sachs’ signature 10,000 Small Businesses through which Goldman Sachs and The Goldman Sachs Foundation committed \$15 million to provide practical business education, business support services and access to capital to small businesses in Utah;

- financing the first early education social impact bond in the country that focused on providing high-quality early education to underserved students in the greater Salt Lake City area; and
- investing in a joint venture focused on acquiring single family homes in low- and moderate-income (“LMI”) neighborhoods in the Salt Lake City area that had been in foreclosure and rehabilitating them for rental; the joint venture also provided homebuyer education and emergency financial counseling to tenants.

In Salt Lake City, the *10,000 Small Businesses* initiative has reached 270 small businesses, 70% of which report increased revenues after six months, and 48% of which added jobs after six months.

In 2014, Goldman Sachs’ Salt Lake City office partnered with 59 nonprofit organizations on 100 cross-divisional, team-based volunteer projects. More than 1,600 Goldman Sachs employees and guests joined together to contribute more than 10,000 hours to the communities in the Salt Lake City area where they work and live. Further, in 2014, Goldman Sachs partnered with more than 550 nonprofit organizations on more than 915 projects in the United States. More than 13,500 Goldman Sachs employees, family and friends joined together to contribute more than 80,000 hours to the communities where they work and live.

Following consummation of the Proposed Transaction, GS Bank and its affiliates will continue their community development activities in the Salt Lake City area communities, as well as their broader U.S. and global initiatives.

Competition Analysis

The Proposed Transaction will not substantially lessen competition in any relevant product market or geographic market. With respect to the deposits, GS Bank would hold less than 1% of all domestic deposits following consummation of the Proposed Transaction.³

The Federal Reserve and the U.S. Department of Justice (the “DOJ”) initially analyze the competitive impact of a bank merger or similar transaction (including the Proposed Transaction) by calculating the Herfindahl-Hirschman Index (“HHI”) for each relevant geographic market based on reported in-market deposits, with market analysis typically based on Federal Reserve Banking markets (“FRB Markets”). The Federal Reserve and the DOJ have adopted a “safe harbor” for transactions wherein a transaction is presumed not to have a significantly adverse competitive impact in a market as long as either the post-transaction HHI in the relevant market(s) does not exceed 1,800 or the HHI increase resulting from the transaction

³ This percentage is based on (i) the sum of GS Bank’s total domestic deposits as reported in GS Bank’s Call Report for the quarter ended June 30, 2015 (approximately \$77.84 billion) and the estimated total assumed deposits amount (approximately \$16 billion), and together with GS Bank’s total domestic deposits, \$94 billion), divided by (ii) total domestic deposits of approximately \$10.54 trillion based on data provided by SNL Financial for Commercial and Savings Banks as of June 30, 2015.

does not exceed 200.⁴ The only competitive overlap arguably implicated by the Proposed Transaction in any FRB Market is Salt Lake City, Utah, the market in which the principal office of GE Bank is located.⁵ GE Bank's reported deposit market share in this FRB Market is quite small, at 3.80%, and GS Bank has one branch in this FRB Market, with a deposit market share of 16.69%. As shown in the HHI analysis attached as Public Exhibit 7 hereto, the Proposed Transaction would result in an HHI post-transaction of 1,517 and an HHI increase of 127, both of which are significantly below the relevant safe harbor thresholds applied by the Federal Reserve and the DOJ. Additionally these figures overstate the competitive impact of the Proposed Transaction because GE Bank has only its principal office and GS Bank has only one branch in the market and both solicit their deposits and make their loans on a nationwide basis. Moreover, there are more than 40 bank and thrift competitors in the Salt Lake City, Utah FRB Market, including some of the largest banks in the country: JP Morgan Chase & Co., Wells Fargo & Co., and US Bancorp, among many others. Accordingly, there would be no significantly adverse competitive impact in this FRB Market as a result of the Proposed Transaction.

⁴ See Department of Justice, Bank Merger Competitive Review – Introduction and Overview (1995) (current as of September 200) (*available at* <http://www.justice.gov/atr/public/guidelines/6472.htm>); *see also* Federal Reserve Board of Governors, FAQs – How do the Federal Reserve and the U.S. Department of Justice, Antitrust Division, analyze the competitive effects of mergers and acquisitions under the Bank Holding Company Act of 1956, the Bank Merger Act and the Home Owners' Loan Act (*available at* <http://www.federalreserve.gov/bankinforeg/competitive-effects-mergers-acquisitions-faqs.htm>). Unless otherwise indicated, all deposit-level data in this Application are as of June 30, 2014 (the most recent date available) and are compiled by SNL Financial. The HHI discussion cited in this section cites the Department's initial screen, which conservatively weights non-bank institutions at 0%. Exhibits showing market share and HHI information under each of the Federal Reserve's and the Department's initial screens are included in the Competition Supplement, which is attached as Public Exhibit 7.

⁵ Because GE Bank does not operate any branches or offices other than its principal office in Holladay, Utah, there is no deposit market overlap in any other FRB Market between GE Bank and GS Bank, and the Proposed Transaction will not result in any change to the deposit market HHI of any other FRB Market.

Information Required by Section 105.3(a) of Supervisory Procedure CB 105

(1) Draft copies of each of the following documents should be submitted to the Commercial Banks Division as soon as practicable after the parties to the proposed merger or acquisition of assets have reached agreement in principle to the proposal:

(a) the plan of merger or acquisition of assets, together with resolutions of the board of directors of each party to the plan approving its terms and conditions. (Pursuant to Banking Law § 105-6, such plan should stipulate which offices of each merged or selling institution will be continued by the receiving or acquiring bank and should show the officially designated address of each such office.);

An executed copy of the Agreement is included as Confidential Exhibit 1. Copies of the resolutions of the Boards of Directors of GS Bank and Goldman Sachs are included as Confidential Exhibit 6 to this Application. A copy of the resolutions of the Board of Directors of GE Bank is included as Public Exhibit 8 to this Application.

(b) notice of stockholders' meetings, form of proxy, and letter as to compliance with Banking Law § 6009(9) (relating to persons disqualified to act as proxies);

Not applicable.

(c) letter to stockholders describing the proposal, or a proxy statement as may be required by Federal regulation;

Not applicable.

(d) proposed stockholders' resolutions;

A copy of the sole shareholder consent for GS Bank is included as Public Exhibit 9 to this Application. A copy of the sole shareholder consent for GE Bank is included as Public Exhibit 10 to this Application.

(e) oath of inspectors of stockholders' meetings;

Not applicable.

(f) reports of inspectors of stockholders' meetings;

Not applicable.

(g) certificate of compliance of each party to the plan, as shall be required by Banking Law §§ 136, 136-a, 601, or 601-a;

A certificate of compliance for each of GS Bank and GE Bank is included as Public Exhibit 11 to this Application.

(h) Certificate of Amendment of Organization Certificate, if an amendment to the receiving or acquiring bank's charter is to be made.

Not applicable.

(2) After the stockholders of the parties to the plan have acted, the following documents are to be submitted to the Superintendent, together with the application:

(a) five executed copies of the plan of merger or acquisition, together with one certified copy of the resolution of the board of directors of each party to the plan approving its terms and conditions;

Please refer to Item 105.3(a)(1)(a) above.

(b) final copies of: notice of stockholders' meetings; form of proxy; and letter to stockholders or proxy statement;

Not applicable.

(c) letter, signed by a duly authorized officer of each party to the plan, as to compliance with Banking Law § 6009(9) (relating to persons disqualified to act as proxies);

Not applicable.

(d) letter stating that the appropriate Federal supervisory authority has approved the proxy statement if a proxy statement is required;

Not applicable.

(e) affidavit of each party to the plan that the required notice of stockholders' meeting, form of proxy, and letter to stockholders, or proxy statement, have been duly mailed to each stockholder; the affidavit should state the date or dates of mailing and that the notice, form of proxy, and letter or proxy statement were mailed to each stockholder at his address as it appears on the record of stockholders, or, if he shall have filed with the secretary of the corporation a written request that notices to him be mailed to some other address, then directed to him at such other address;

Not applicable.

(f) affidavit of publication of notice of stockholders' meetings;

Not applicable.

(g) certified copy of the resolution adopted by the stockholders of each party to the plan;

Please refer to Item 105.3(a)(1)(d) above.

(h) copy of oath of inspectors of stockholders' meeting from each party to the plan;

Not applicable.

(i) copy of report of inspectors of stockholders' meeting from each party to the plan;

Not applicable.

(j) five executed copies of the certificate of compliance of each party to the plan, as shall be required by Banking Law §§ 136, 136-a, 601 or 601-a;

Please refer to Item 105.3(a)(1)(g) above.

(k) five executed copies of the Certificate of Amendment of Organization Certificate of the receiving or acquiring bank, effected in accordance with Supervisory Procedure CB 102.

Not applicable.

**Exhibits and Documents Required by Section 105.3(e) of
Supervisory Procedure CB 105**

(1) The latest statements available as of mid-year and December 31st of the assets and liabilities of each party to the plan of merger or acquisition, as reported to the supervisory authorities. (Call Reports)

The Call Report for GS Bank as of each of December 31, 2014 and June 30, 2015 are attached hereto as Public Exhibit 1. The Call Report for GE Bank as of each of December 31, 2014 and June 30, 2015 are attached hereto as Public Exhibit 2.

(2) Copies of the income and expense reports of each party (as reported to the supervisory authorities) for each of the three preceding calendar years.

For the income and expense reports for GS Bank and GE Bank for each of the three preceding calendar years, please refer to the Call Reports and Income Statements attached as Public Exhibits 1 and 2, respectively.

(3) A list of all stockholders who own more than 5% of the stock of each party.

GS Bank is wholly owned by Goldman Sachs. GE Bank is indirectly wholly owned by GE Capital.

(4) Maps showing the primary and secondary service areas of each party; the location of the respective offices of each of the parties; and the location, except in the case of a service area wholly within New York City, of every commercial bank, savings bank and savings and loan association office located in or near such primary and secondary service areas. A key to office numbers, scale of miles and compass points should be provided.

GS Bank believes that this information is collected by the Department primarily in cases where competing entities are merging or one entity is acquiring physical branch locations of a competing entity. As described above, GS Bank's principal office is located in New York, New York and it currently operates branch offices in each of Salt Lake City, Utah and London, United Kingdom. GE Bank's principal office is located in Holladay, Utah and it operates no branches. GS Bank will not acquire any branch of GE Bank in connection with the Proposed Transaction. Accordingly, GS Bank respectfully requests a waiver from the Department from having to provide more detail in response to this item.

(5) For bank holding companies only, a copy of the company's balance sheet and profit and loss statement certified by independent public accountants for the past three years, together with a balance sheet and profit and loss statement certified by the chief financial officer of the applicant as of the close of the calendar or fiscal quarter immediately preceding date of application.

Not applicable.

(6) Copies of any agreements, in addition to the plan of merger, relating to the merger or acquisition.

A copy of the TSA between GS Bank and GE Bank is included as Confidential Exhibit 3 to this Application, pursuant to which GE Bank will provide certain transitional arrangements and services to GS Bank after the date of the consummation of the Proposed Transaction. A copy of a Lease Agreement between GS Bank and GE Bank for space within GE Capital's Cedar Rapids facility for use as a call center is included as Confidential Exhibit 4. The licensing agreements will be provided in a supplemental submission after they become available.

(7) Copies of all approvals related to this application obtained pursuant to Federal law and regulations.

A copy of the Federal Reserve's approval under the Bank Merger Act will be forwarded to the Department as soon as received.

(8) Opinions of counsel for each party to the merger or acquisition as to compliance of that party with all requirements of Federal and State law in connection with the merger or acquisition as they become available.

The opinions of counsel for each of GS Bank and GE Bank concerning compliance with Federal and State law in connection with the Proposed Transaction will be provided in a supplemental submission after they become available.

Confidential Information Required by Section 105.4 of Supervisory Procedure CB 105

Information as to the following items should be furnished on separate pages which can be detached from the rest of the application.

(a) any computation of the deposits by number of accounts and dollar amount, according to primary and secondary service areas, for any office of each party to the merger, submitted under Section 105.2(c)(2);

Please see Confidential Exhibit 5.

GS Bank believes that this information is collected by the Department primarily in cases where competing entities are merging or one entity is acquiring physical branch locations of a competing entity. As described above, the Proposed Transaction is a purchase and assumption of certain deposit liabilities and certain very limited non-financial assets. Accordingly, GS Bank respectfully requests a waiver from the Department from having to provide more detail in response to this item.

(b) the typical compensating balance (as a percentage of the amount of the loan) expected to be maintained, the extent to which such maintenance is a requirement of the bank, and the statement specifically indicating how any policy differences between the parties on this subject will be received, submitted under Section 105.2(d)(6);

GS Bank believes that this information is collected by the Department primarily in cases where competing entities are merging or one entity is acquiring physical branch locations of a competing entity. As described above, the Proposed Transaction is a purchase and assumption of certain deposit liabilities and certain very limited non-financial assets. Accordingly, GS Bank respectfully requests a waiver of this item from the Department.

(c) any listing of loan participations and any listing of loan participants, submitted under Section 105.2(d)(8);

GS Bank believes that this information is collected by the Department primarily in cases where competing entities are merging or one entity is acquiring physical branch locations of a competing entity. As described above, the Proposed Transaction is a purchase and assumption of certain deposit liabilities and certain very limited non-financial assets. Accordingly, GS Bank respectfully requests a waiver of this item from the Department.

(d) any information regarding management succession problems, submitted under Section 105.2(h);

Not applicable.

(e) estimate of major categories of assets, deposits and capital accounts and of gross income and expenses, and net earnings or loss for each of the first three years of operation of a proposed new bank, submitted under Section 105.3(e);

Not applicable.

(f) the names of individual depositors, borrowers, and beneficiaries of trusts wherever listed;

Not applicable.

(g) names of banks maintaining balances at a subsidiary bank (due to) wherever listed;

Not applicable.

(h) any remarks of a derogatory nature or that might otherwise cause harm to a bank or an individual;

Not applicable.

(i) should the applicant desire to submit any additional information it deems to be of a confidential nature, such information should be properly identified, separately bound, and labeled "Confidential." The Superintendent will determine whether information submitted as confidential will be so regarded, and will advise the applicant of any decision to make public information furnished on a confidential basis. However, it shall be understood that, without prior notice to applicant, the Superintendent may disclose or comment on any of the contents of the application in his opinion issued in connection with his decision on the application.

**PART II – COMPLIANCE WITH SECTION 296-A OF THE
NEW YORK EXECUTIVE LAW**

Please see Public Exhibit 12 to this Application for a certificate executed by GS Bank stating that it is in compliance with, and will continue to comply with, Section 296-a of the New York Executive Law and Confidential Exhibit 7 to this Application for an accompanying affidavit regarding GS Bank's efforts to ensure its compliance with Section 296-a of the New York Executive Law.

**PART III – COMPLIANCE WITH BANK SECRECY ACT
ANTI-MONEY LAUNDERING PROGRAMS**

Each of Goldman Sachs and GS Bank has, and following consummation of the Proposed Transaction will have, robust written anti-money laundering and Bank Secrecy Act programs that conform to the Bank Secrecy Act and regulations promulgated thereunder, including the amendments made by the USA PATRIOT Act. These compliance programs are available for review by the Department at any time.