The Goldman Sachs Group, Inc.

LIQUIDITY COVERAGE RATIO DISCLOSURE

For the quarter ended June 30, 2017

TABLE OF CONTENTS

	Page No.
Introduction	1
Liquidity Coverage Ratio	2
High-Quality Liquid Assets	2
Net Cash Outflows	3
Unsecured and Secured Financing	3
Derivatives	5
Unfunded Commitments	6

INDEX OF TABLES

		Page No.
Table 1	Liquidity Coverage Ratio	2
Table 2	High-Quality Liquid Assets	2
Table 3	Net Cash Outflows	3
Table 4	Unsecured Net Cash Outflows	4
Table 5	Secured Net Cash Outflows	5
Table 6	Derivative Net Cash Outflows	6
Table 7	Unfunded Commitments Net Cash Outflows	6
Table 8	Liquidity Coverage Ratio Summary	7

Introduction

Overview

The Goldman Sachs Group, Inc. (Group Inc. or parent company), a Delaware corporation, together with its consolidated subsidiaries (collectively, the firm), 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 individuals. When we use the terms “the firm,” “we,” “us” and “our,” we mean Group Inc. 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 and a financial holding company under amendments to this Act. As a bank holding company, we are subject to the U.S. federal bank regulatory agencies’ Liquidity Coverage Ratio Rule (LCR Rule). The LCR Rule sets forth minimum liquidity standards designed to ensure that banking organizations maintain adequate liquidity under a period of market stress. The Federal Reserve Board requires bank holding companies subject to the LCR Rule to make public LCR disclosures (LCR Public Disclosure Rule).

This document is designed to satisfy the LCR Public Disclosure Rule and should be read in conjunction with our most recent Quarterly Report on Form 10-Q. References to our Quarterly Report on Form 10-Q are for the quarterly period ended June 30, 2017 (June 2017).

Liquidity Management

Liquidity risk is the risk that we will be unable to fund the firm or meet our liquidity needs in the event of firm-specific, broader industry or market liquidity stress events. Liquidity is of critical importance to us, as most of the failures of financial institutions have occurred in large part due to insufficient liquidity. Accordingly, we have in place a comprehensive and conservative set of liquidity and funding policies. Our principal objective is to be able to fund the firm and to enable our core businesses to continue to serve clients and generate revenues, even under adverse circumstances.

The Treasury function of the firm has the primary responsibility for assessing, monitoring and managing our liquidity and funding strategy. Treasury is independent of revenue-producing units of the firm and reports to our chief financial officer.

Liquidity Risk Management and Analysis is an independent risk management function of the firm responsible for control and oversight of our liquidity risk management framework, including stress testing and limit governance. Liquidity Risk Management and Analysis is independent of revenue-producing units of the firm and Treasury, and reports to our chief risk officer.

For information about our internal Liquidity Risk Management framework, see “Risk Management – Liquidity Risk Management” in Part I, Item 2 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Quarterly Report on Form 10-Q.

Compliance with Liquidity Requirements

At the consolidated level, the firm is subject to both the LCR Rule and the LCR Public Disclosure Rule.

The LCR Rule requires that a firm subject to the LCR Rule maintain an amount of high-quality liquid assets (HQLA) that is no less than 100% of the firm’s total net cash outflows (NCOs) over a prospective 30 calendar-day period. The LCR Rule preamble states that a firm’s HQLA is expected to be available for use to address liquidity needs in a time of stress, which could result in a firm’s LCR dropping below the requirement of 100%. The LCR Rule sets forth a supervisory framework for addressing LCR shortfalls that is intended to enable supervisors to monitor and respond appropriately to the unique circumstances that give rise to a firm’s LCR shortfall.

The LCR Public Disclosure Rule requires bank holding companies to disclose, on a quarterly basis, the average daily LCR over the quarter, as well as quantitative and qualitative information on certain components of a firm’s LCR.

The information presented in this document is calculated in accordance with the LCR Rule and presented in accordance with the LCR Public Disclosure Rule, unless otherwise specified. Table 8 (lines 1 through 33) presents the firm’s LCR in the format provided in the LCR Public Disclosure Rule. Tables 1 through 7 present a supplemental breakdown of the firm’s LCR components.

In addition to the liquidity requirements applicable at the consolidated level, certain of our subsidiaries are subject to liquidity requirements. For information about our subsidiaries’ liquidity requirements, see “Risk Management – Liquidity Risk Management” in Part I, Item 2 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Quarterly Report on Form 10-Q.

Liquidity Coverage Ratio

The LCR Rule requires a firm to maintain an amount of HQLA sufficient to meet stressed cash outflows over a prospective 30 calendar-day period.

The table below summarizes our average daily LCR for the three months ended June 2017.

Table 1: Liquidity Coverage Ratio

$ in millions	Three Months Ended June 2017 Average Weighted
Total high-quality liquid assets	$210,923
Eligible high-quality liquid assets	$158,477
Net cash outflows	$123,674
Liquidity coverage ratio	128%

In the table above, the weighted Total HQLA and Eligible HQLA balances reflect the application of haircuts prescribed in the LCR Rule as described below. The LCR can be calculated as the ratio of weighted Eligible HQLA to weighted NCOs.

The firm's average LCR for the three months ended June 2017 was 128%. The firm's NCOs are largely comprised of prospective outflows related to the firm's unsecured funding, derivative positions and unfunded commitments. We expect business-as-usual fluctuations in our client activity, business mix and overall market environment to affect our average LCR on an ongoing basis.

See "High-Quality Liquid Assets" and "Net Cash Outflows" for further information on the firm's LCR.

High-Quality Liquid Assets

Total HQLA represents unencumbered, high-quality liquid assets held by the firm across entities. The LCR Rule defines HQLA in three asset categories: Level 1, Level 2A and Level 2B, and applies haircuts and limits to certain asset categories.

Level 1 assets are considered the most liquid under the LCR Rule and are eligible for inclusion in a firm's HQLA amount without a haircut or limit. Level 2A and 2B assets are considered less liquid than Level 1 assets and are subject to additional adjustments in the LCR Rule. Specifically, Level 2A assets are subject to a haircut of 15% of their fair value, while Level 2B assets are subject to a haircut of 50% of their fair value. In addition, the sum of Level 2A and 2B assets cannot comprise more than 40% of a firm's HQLA amount, and Level 2B assets cannot comprise more than 15% of a firm's HQLA amount.

Eligible HQLA is the amount of Total HQLA that meets operational requirements and generally applicable criteria, including considerations for the transferability of excess liquidity held at subsidiaries, as set forth in the LCR Rule. The operational requirements for Eligible HQLA include, but are not limited to, the following:

- Eligible HQLA must be under the control of the liquidity risk management function.
- A firm must have the operational capability to monetize the assets that qualify as Eligible HQLA.

The generally applicable criteria for Eligible HQLA include, but are not limited to, the requirement that the assets be unencumbered and that a firm take into account the following restrictions related to the transferability of HQLA across entities:

- If a subsidiary is subject to a minimum liquidity standard under the LCR Rule, then its HQLA can be included in a firm's Eligible HQLA up to the amount of the subsidiary's NCOs included in the subsidiary's LCR calculation.
- If a subsidiary is not subject to a minimum liquidity standard under the LCR Rule, then its HQLA can be included in a firm's Eligible HQLA up to the amount of the subsidiary's NCOs included in a firm's consolidated LCR calculation.
- A firm can also include in its Eligible HQLA any additional amount of HQLA held by a subsidiary that would be available for transfer without statutory, regulatory, contractual or supervisory restrictions to a firm's top-tier parent entity during times of stress.

The table below presents a summary of the components of HQLA held by the firm, calculated in accordance with the LCR Rule.

Table 2: High-Quality Liquid Assets

	Three Months Ended June 2017	
$ in millions	Average Unweighted	Average Weighted
Total high-quality liquid assets	$214,531	$210,923
Eligible high-quality liquid assets	$159,193	$158,477
Level 1	157,416	157,416
Level 2A	493	419
Level 2B	1,284	642

In the table above, weighted balances reflect the application of haircuts to HQLA, as prescribed by the LCR Rule.

Both the firm's Total HQLA and Eligible HQLA are substantially comprised of Level 1 assets and are diversified across the firm's major operating currencies. The firm's Total HQLA is also substantially similar in composition to our Global Core Liquid Assets (GCLA).

For information about the firm's GCLA, see "Risk Management – Liquidity Risk Management" in Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Quarterly Report on Form 10-Q.

Net Cash Outflows

Overview

The LCR Rule defines NCOs as the net of cash outflows and inflows during a prospective stress period of 30 calendar days. NCOs are calculated by applying prescribed outflow and inflow rates to certain assets, liabilities and off-balance-sheet arrangements. These outflow and inflow rates reflect a specific standardized stress scenario to a firm's funding sources, contractual obligations and assets over the prospective stress period, as prescribed by the LCR Rule. Due to the inherently uncertain and variable nature of stress events, the firm's actual cash outflows and inflows in a realized liquidity stress event may differ, possibly materially, from those reflected in the firm's NCOs.

To capture outflows and inflows that would occur within a 30 calendar-day period, the LCR Rule requires a firm's NCOs calculation to reflect outflows and inflows based on the contractual maturity of certain assets, liabilities and off-balance-sheet arrangements. To determine the maturity date of outflows, the LCR Rule accounts for any option that could accelerate the maturity date of an instrument or the date of a transaction and does not recognize notice periods. Where contractual maturity is not applicable, the LCR Rule also sets forth maturity assumptions. In addition, the LCR Rule requires a firm to recognize contractual outflows within a 30 calendar-day period that are not otherwise described in the LCR Rule and does not recognize inflows not specified in the LCR Rule. The inflows included in the NCOs calculation are subject to a cap of 75% of a firm's calculated outflows.

The LCR Rule also considers mismatches in maturities that could impact a firm's liquidity position during a 30 calendar-day period. Specifically, a firm is required to calculate and compare the net cumulative outflow amount on the final day of the period to the largest single-day difference between certain cumulative outflows and inflows during the period. The difference between the net outflows on the last day and largest, or "peak," day is the maturity mismatch add-on, which is included in the firm's NCOs calculation.

The table below presents a summary of the firm's NCOs, calculated in accordance with the LCR Rule.

Table 3: Net Cash Outflows

$ in millions	Three Months Ended June 2017 Average Weighted
Total net cash outflows excluding maturity mismatch add-on	$120,803
Maturity mismatch add-on	2,871
Total net cash outflows	$123,674

More details on each of the material components of the firm's NCOs, including a description of the applicable sections of the LCR Rule, are described below.

In the tables referenced in the remainder of this section, unweighted balances reflect certain of the firm's assets, liabilities and off-balance-sheet arrangements captured in the LCR Rule. Weighted balances reflect the application of prescribed outflow and inflow rates to these unweighted balances.

Unsecured and Secured Financing

Overview

Our primary sources of funding are unsecured long-term and short-term borrowings, deposits and secured financings. We seek to maintain broad and diversified funding sources globally across products, programs, markets, currencies and creditors to avoid funding concentrations.

Our funding is primarily raised in U.S. dollar, Euro, British pound and Japanese yen. We generally distribute our funding products through our own sales force and third party distributors to a large, diverse creditor base in a variety of markets in the Americas, Europe and Asia. We believe that our relationships with our creditors are critical to our liquidity. Our creditors include banks, governments, securities lenders, corporations, pension funds, insurance companies, mutual funds and individuals.

For information about the firm's funding sources, see "Balance Sheet and Funding Sources" in Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Quarterly Report on Form 10-Q.

Unsecured Net Cash Outflows

The firm's unsecured funding is comprised of a number of different products, including:

- Long-term unsecured debt (including structured notes) through syndicated U.S. registered offerings, U.S. registered and Rule 144A medium-term note programs, offshore medium-term note offerings and other debt offerings;
- Short-term unsecured debt at the subsidiary level through U.S. and non-U.S. hybrid financial instruments and other methods; and
- Savings, demand and time deposits through internal and third-party broker-dealers, as well as from retail and institutional customers.

The firm's unsecured debt and deposits are a source of funding for inventory, lending activity and other assets, including a portion of our liquid assets.

The LCR Rule requires the NCOs calculation to reflect a firm's upcoming maturities of unsecured long-term debt and other unsecured funding products during a 30 calendar-day period, assuming no rollover of debt that matures. In addition, the LCR Rule assumes that in a liquidity stress scenario, a firm is unable to issue new unsecured funding.

In a firm's capacity as a market maker for debt securities that the firm has issued, the LCR Rule prescribes outflow rates between 3-5% for instances where the firm may provide market liquidity through the purchase of debt securities from investors. "Other contingent funding obligations outflow" (see Table 4) includes these outflows.

The LCR Rule also prescribes outflows related to a partial loss of retail deposits and brokered deposits from retail customers.

The table below presents a summary of the firm's NCOs related to our unsecured borrowing and lending activity, calculated in accordance with the LCR Rule.

Table 4: Unsecured Net Cash Outflows

	Three Months Ended June 2017	
$ in millions	Average Unweighted	Average Weighted
Outflows		
Deposit outflow from retail customers and counterparties, of which:	$101,179	$24,007
Stable retail deposit outflow	262	8
Other retail funding outflow	20,097	4,104
Brokered deposit outflow	80,820	19,895
Unsecured wholesale funding outflow, of which:	45,358	36,292
Non-operational funding outflow	42,590	33,524
Unsecured debt outflow	2,768	2,768
Other contingent funding obligations outflow	216,530	7,252
Inflows		
Retail cash inflow	209	104
Unsecured wholesale cash inflow	11,240	10,633
Net unsecured cash outflows/(inflows)[1]	$351,618	$56,814

1. Net unsecured cash outflows/(inflows) reflects the subtraction of the inflow amounts from the outflow amounts shown in the table above and is included for illustrative purposes.

Secured Net Cash Outflows

We fund a significant amount of inventory on a secured basis including repurchase agreements, securities loaned and other secured financings. In addition, we provide financing to our clients for their securities trading activities, as well as securities lending and other prime brokerage services.

The LCR Rule considers outflows and inflows related to secured funding and securities services together as part of "Secured wholesale funding and asset exchange" and "Secured lending and asset exchange" (see Table 5).

Specifically, under the LCR Rule, secured funding transactions include repurchase agreements, Federal Home Loan Bank (FHLB) advances, collateralized deposits, securities lending transactions, including loans of collateral to effect customer short sales, and other secured wholesale funding arrangements. Secured lending transactions, as defined under the LCR Rule, include reverse repurchase transactions, margin loans and securities borrowing transactions.

The standardized stress scenario prescribed in the LCR Rule applies outflow and inflow rates between 0-100% to secured funding and lending transactions. Specific outflow and inflow rates are based on factors such as the quality of the underlying collateral, as well as the type, tenor, and counterparty of a transaction.

The LCR Rule allows a firm to recognize inflows from the release of segregated customer assets as prime brokerage transactions unwind in times of stress. These inflows are reflected in "Broker-dealer segregated account" (see Table 5).

The table below presents a summary of the firm's NCOs related to our secured funding and lending activity, calculated in accordance with the LCR Rule.

Table 5: Secured Net Cash Outflows

	Three Months Ended June 2017	
$ in millions	Average Unweighted	Average Weighted
Outflows		
Secured wholesale funding and asset exchange	$339,899	$166,438
Inflows		
Secured lending and asset exchange	394,542	137,331
Securities cash	772	91
Broker-dealer segregated account	18,173	18,173
Net secured cash outflows/(inflows)[1]	$ (73,588)	$ 10,843

1. Net secured cash outflows/(inflows) reflects the subtraction of the inflow amounts from the outflow amount shown in the table above and is included for illustrative purposes.

Derivatives

Overview

Derivatives are instruments that derive their value from underlying asset prices, indices, reference rates and other inputs, or a combination of these factors. Derivatives may be traded on an exchange or they may be privately negotiated contracts, which are usually referred to as OTC derivatives. Certain of the firm's OTC derivatives are cleared and settled through central clearing counterparties, while others are bilateral contracts between two counterparties.

- **Market-Making.** As a market maker, the firm enters into derivative transactions to provide liquidity to clients and to facilitate the transfer and hedging of their risks. In this role, the firm typically acts as principal and is required to commit capital to provide execution, and maintains inventory in response to, or in anticipation of, client demand.
- **Risk Management.** The firm also enters into derivatives to actively manage risk exposures that arise from its market-making and investing and lending activities in derivative and cash instruments. The firm's holdings and exposures are hedged, in many cases, on either a portfolio or risk-specific basis, as opposed to an instrument-by-instrument basis. In addition, the firm may enter into derivatives that are used to manage interest rate exposure in certain fixed-rate unsecured long-term and short-term borrowings, and deposits, and to manage foreign currency exposure on the net investment in certain non-U.S. operations.

The firm enters into various types of derivatives, including futures, forwards, swaps and options.

For information about the firm's derivative exposures and hedging activities, see "Note 7. Derivatives and Hedging Activities" in Part I, Item 1 "Financial Statements" in our Quarterly Report on Form 10-Q.

Derivative Net Cash Outflows

The LCR Rule requires that derivative NCOs reflect outflows and inflows resulting from contractual settlements related to derivative transactions occurring over a 30 calendar-day period. These outflows and inflows can generally be netted at a counterparty level if subject to a valid qualifying master netting agreement. In addition, the LCR Rule requires NCOs to reflect certain contingent outflows related to a firm's derivative positions that may arise during a 30 calendar-day stress scenario, including:

- Incremental collateral required as a result of a change in a firm's financial condition;
- Legal right of substitution of collateral posted to a firm for less liquid or non-HQLA collateral;
- Collateral required as a result of market movements. The LCR Rule requires a firm to reflect in its NCOs calculation the absolute value of the largest net cumulative collateral outflow or inflow in a 30 calendar-day period over the last two years; and
- Excess collateral greater than the current collateral requirement under the governing contract that a firm may be contractually required to return to a counterparty.

In the table below, "Outflows related to derivative exposures and other collateral requirements" reflects contractual derivative settlements as well as contingent derivative outflows, calculated in accordance with the LCR Rule. "Net derivative cash inflow" reflects contractual derivative settlements. The LCR Rule does not recognize contingent derivative inflows.

The table below presents a summary of the firm's derivative NCOs, calculated in accordance with the LCR Rule.

Table 6: Derivative Net Cash Outflows

	Three Months Ended June 2017	
$ in millions	Average Unweighted	Average Weighted
Outflows		
Outflows related to derivative exposures and other collateral requirements	$32,273	$30,477
Inflows		
Net derivative cash inflow	12,432	12,432
Net derivative cash outflows/(inflows)[1]	$19,841	$18,045

1. Net derivative cash outflows/(inflows) reflects the subtraction of the inflow amount from the outflow amount shown in the table above and is included for illustrative purposes.

Unfunded Commitments

Overview

The firm extends commercial lending commitments to investment-grade and non-investment-grade corporate borrowers. Commitments to investment-grade corporate borrowers are principally used for operating liquidity and general corporate purposes. The firm also extends lending commitments in connection with contingent acquisition financing and other types of corporate lending as well as commercial real estate financing. Commitments that are extended for contingent acquisition financing are often intended to be short-term in nature, as borrowers often seek to replace them with other funding sources.

In addition, the firm provides financing to clients who warehouse financial assets. These arrangements are secured by the warehoused assets, primarily consisting of consumer and corporate loans.

Unfunded Commitments Net Cash Outflows

The LCR Rule applies outflow rates to the undrawn portion of committed credit and liquidity facilities that a firm has extended based on counterparty type and purpose. The undrawn portion is defined as the amount of the facility that could be drawn upon within 30 calendar days under the governing agreement, less the fair value of any Level 1 or Level 2A liquid assets that serve as collateral, after recognizing the applicable haircut for those assets. Commitments extended to retail counterparties are prescribed an outflow rate of 5-10%, non-financial sector entities an outflow rate of 10-30%, financial sector entities an outflow rate of 40-100% and all others an outflow rate of 100%.

The table below presents a summary of the firm's NCOs related to our unfunded commitments, calculated in accordance with the LCR Rule.

Table 7: Unfunded Commitments Net Cash Outflows

	Three Months Ended June 2017	
$ in millions	Average Unweighted	Average Weighted
Outflow related to credit and liquidity facilities including unconsolidated structured transactions and mortgage commitments	$121,294	$32,263

Table 8: Liquidity Coverage Ratio Summary

$ in millions		Three Months Ended June 2017[1] Average unweighted	Average weighted
High-Quality Liquid Assets:			
	Total high-quality liquid assets (HQLA)	$214,531	$210,923
High-Quality Liquid Assets:			
1	Total eligible high-quality liquid assets (HQLA), of which[2]:	$159,193	$158,477
2	Eligible level 1 liquid assets	157,416	157,416
3	Eligible level 2A liquid assets	493	419
4	Eligible level 2B liquid assets	1,284	642
Cash Outflow Amounts:			
5	Deposit outflow from retail customers and counterparties, of which:	$101,179	$ 24,007
6	Stable retail deposit outflow	262	8
7	Other retail funding outflow	20,097	4,104
8	Brokered deposit outflow	80,820	19,895
9	Unsecured wholesale funding outflow, of which:	45,358	36,292
10	Operational deposit outflow	0	0
11	Non-operational funding outflow	42,590	33,524
12	Unsecured debt outflow	2,768	2,768
13	Secured wholesale funding and asset exchange outflow	339,899	166,438
14	Additional outflow requirements, of which:	153,567	62,740
15	Outflow related to derivative exposures and other collateral requirements	32,273	30,477
16	Outflow related to credit and liquidity facilities including unconsolidated structured transactions and mortgage commitments	121,294	32,263
17	Other contractual funding obligation outflow	2,838	2,838
18	Other contingent funding obligations outflow	216,530	7,252
19	**Total cash outflow**	$859,371	$299,567
Cash Inflow Amounts:			
20	Secured lending and asset exchange cash inflow	$394,542	$137,331
21	Retail cash inflow	209	104
22	Unsecured wholesale cash inflow	11,240	10,633
23	Other cash inflows, of which:	31,377	30,696
24	Net derivative cash inflow	12,432	12,432
25	Securities cash inflow	772	91
26	Broker-dealer segregated account inflow	18,173	18,173
27	Other cash inflow	0	0
28	**Total cash inflow**	$437,368	$178,764

		Average Amount[3]
29	**HQLA amount**	$158,477
30	**Total net cash outflow amount excluding the maturity mismatch add-on**	120,803
31	**Maturity mismatch add-on**	2,871
32	**Total net cash outflow amount**	$123,674
33	**Liquidity coverage ratio (%)**	128%

1. Period beginning April 3, 2017, and ending June 30, 2017.
2. Eligible HQLA excludes certain HQLA held at subsidiaries after accounting for the LCR Rule's restrictions related to the transferability of HQLA across subsidiaries.
3. The amounts reported in this column may not equal the calculation of those amounts using component amounts reported in rows 1-28 due to technical factors such as the application of the Level 2 liquid asset caps and the total inflow cap.

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" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. 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 conditions and may relate to our future plans and objectives and results, among other things, and may also include statements about the objectives and effectiveness of our liquidity and funding policies, statements about trends in or growth opportunities for our business, statements about our stressed outflows and inflows as reported in our NCOs and our primary sources of funding, and statements about our future status, activities or reporting under U.S. or non-U.S. banking and financial regulation.

It is possible that our actual cash outflows and inflows in a stressed environment, liquidity sources, contingent commitments, exposures, results and financial condition may differ, possibly materially, from the reported outflows and inflows, liquidity sources, contingent commitments, exposures, results and financial condition indicated in these forward-looking statements. Important factors that could cause our actual outflows and inflows, liquidity sources, contingent commitments, exposures, results and financial condition to differ from those indicated in the forward-looking statements include, among others, those discussed in "Risk Factors" in Part I, Item 1A in our Annual Report on Form 10-K for the year ended December 31, 2016.