

GOLDMAN SACHS GROUP INC
Form 10-Q
May 10, 2012
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

X **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2012

or

.. **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____
Commission File Number: 001-14965

The Goldman Sachs Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)
200 West Street,
New York, N.Y.
(Address of principal executive offices)

13-4019460
(I.R.S. Employer
Identification No.)
10282
(Zip Code)

(212) 902-1000

(Registrant's telephone number, including area code)

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

As of April 27, 2012, there were 491,877,148 shares of the registrant's common stock outstanding.

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THE GOLDMAN SACHS GROUP, INC.

QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 2012

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THE GOLDMAN SACHS GROUP, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Earnings**(Unaudited)**

	Three Months	
	Ended March	
<i>in millions, except per share amounts</i>	2012	2011
Revenues		
Investment banking	\$1,160	\$ 1,269
Investment management	1,105	1,174
Commissions and fees	860	1,019
Market making	3,905	4,462
Other principal transactions	1,938	2,612
Total non-interest revenues	8,968	10,536
Interest income	2,833	3,107
Interest expense	1,852	1,749
Net interest income	981	1,358
Net revenues, including net interest income	9,949	11,894
Operating expenses		
Compensation and benefits	4,378	5,233
Brokerage, clearing, exchange and distribution fees	567	620
Market development	117	179
Communications and technology	196	198
Depreciation and amortization	433	590
Occupancy	212	267
Professional fees	234	233
Insurance reserves	157	88
Other expenses	474	446
Total non-compensation expenses	2,390	2,621
Total operating expenses	6,768	7,854
Pre-tax earnings	3,181	4,040
Provision for taxes	1,072	1,305
Net earnings	2,109	2,735
Preferred stock dividends	35	1,827
Net earnings applicable to common shareholders	\$2,074	\$ 908
Earnings per common share		
Basic	\$ 4.05	\$ 1.66
Diluted	3.92	1.56
Dividends declared per common share	\$ 0.35	\$ 0.35
Average common shares outstanding		
Basic	510.8	540.6
Diluted	529.2	583.0

The accompanying notes are an integral part of these condensed consolidated financial statements.

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THE GOLDMAN SACHS GROUP, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Comprehensive Income**(Unaudited)**

<i>in millions</i>	Three Months Ended March	
	2012	2011
Net earnings	\$2,109	\$2,735
Other comprehensive income/(loss), net of tax:		
Currency translation adjustment, net of tax	(28)	(22)
Pension and postretirement liability adjustments, net of tax	7	1
Net unrealized gains/(losses) on available-for-sale securities, net of tax	30	(23)
Other comprehensive income/(loss)	9	(44)
Comprehensive income	\$2,118	\$2,691

The accompanying notes are an integral part of these condensed consolidated financial statements.

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THE GOLDMAN SACHS GROUP, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Financial Condition**(Unaudited)**

	As of	
	March	December
	2012	2011
<i>in millions, except share and per share amounts</i>		
Assets		
Cash and cash equivalents	\$ 57,138	\$ 56,008
Cash and securities segregated for regulatory and other purposes (includes \$33,679 and \$42,014 at fair value as of March 2012 and December 2011, respectively)	53,099	64,264
Collateralized agreements:		
Securities purchased under agreements to resell and federal funds sold (includes \$181,050 and \$187,789 at fair value as of March 2012 and December 2011, respectively)	181,050	187,789
Securities borrowed (includes \$57,062 and \$47,621 at fair value as of March 2012 and December 2011, respectively)	169,092	153,341
Receivables from brokers, dealers and clearing organizations	16,886	14,204
Receivables from customers and counterparties (includes \$8,328 and \$9,682 at fair value as of March 2012 and December 2011, respectively)	65,211	60,261
Financial instruments owned, at fair value (includes \$67,404 and \$53,989 pledged as collateral as of March 2012 and December 2011, respectively)	385,506	364,206
Other assets	22,950	23,152
Total assets	\$ 950,932	\$923,225
Liabilities and shareholders' equity		
Deposits (includes \$5,524 and \$4,526 at fair value as of March 2012 and December 2011, respectively)	\$ 50,874	\$ 46,109
Collateralized financings:		
Securities sold under agreements to repurchase, at fair value	173,092	164,502
Securities loaned (includes \$550 and \$107 at fair value as of March 2012 and December 2011, respectively)	8,121	7,182
Other secured financings (includes \$28,367 and \$30,019 at fair value as of March 2012 and December 2011, respectively)	33,139	37,364
Payables to brokers, dealers and clearing organizations	3,678	3,667
Payables to customers and counterparties		