



Cautionary Note on Forward-Looking Statements

Today's presentation may include forward-looking statements. These statements represent the Firm's belief regarding future events that, by their nature, are uncertain and outside of the Firm's control. The Firm's actual results and financial condition may differ, possibly materially, from what is indicated in those forward-looking statements. For a discussion of some of the risks and factors that could affect the Firm's future results and financial condition, please see the description of "Risk Factors" in our current annual report on Form 10-K for our fiscal year ended December 2009.

You should also read the information on the calculation of non-GAAP financial measures that is posted on the Investor Relations portion of our website: www.gs.com.

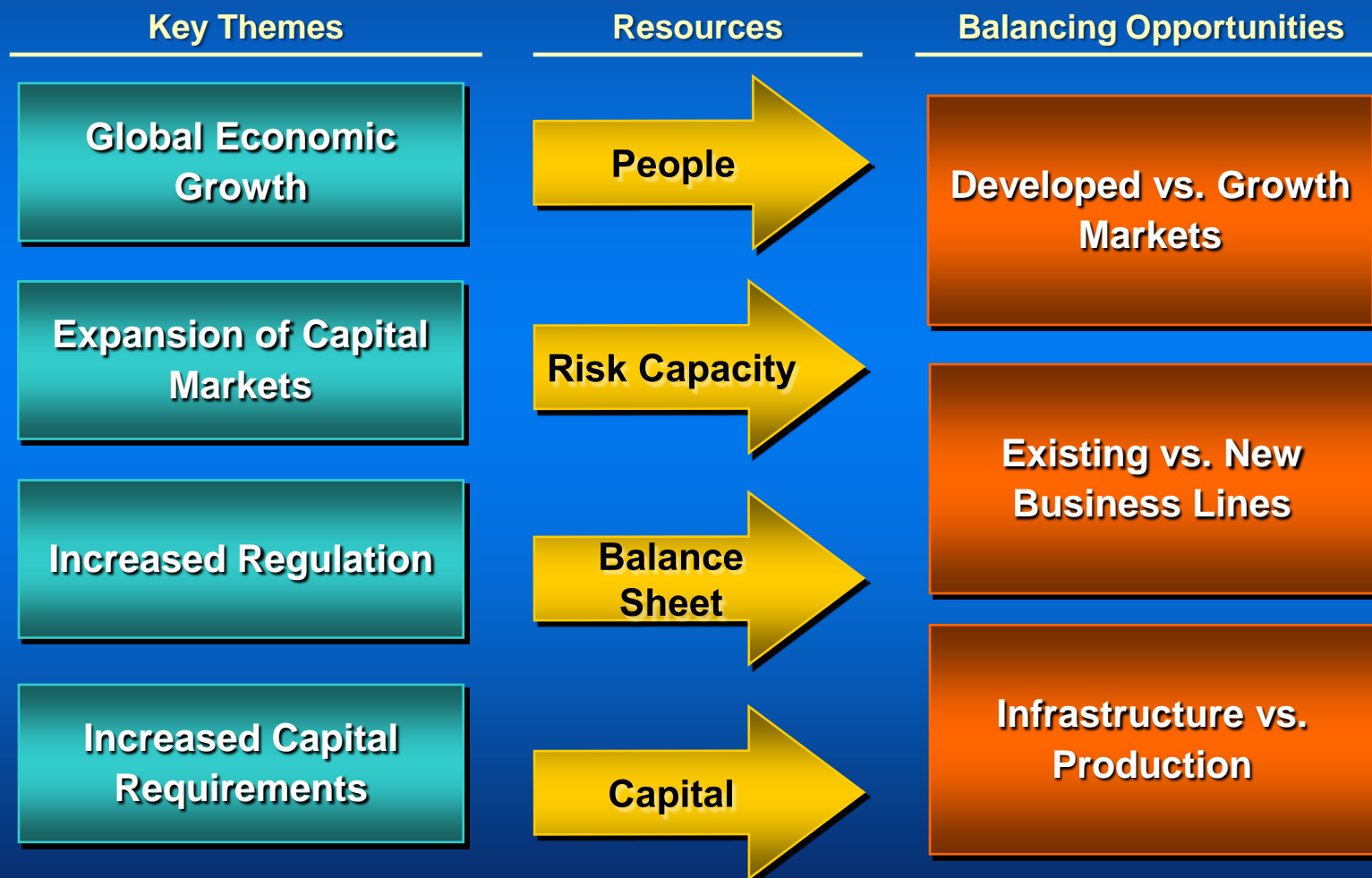
The statements in the presentation are current only as of its date, February 9, 2011.



Goldman Sachs Presentation to Credit Suisse Financial Services Conference

**David Viniar
Chief Financial Officer
February 9, 2011**

Nimble Allocation of Resources



Responding to Macro Themes

Macro Trends

Globalization

Decimalization

Market
Fragmentation

Volume Growth

Product
Innovation

Regulation



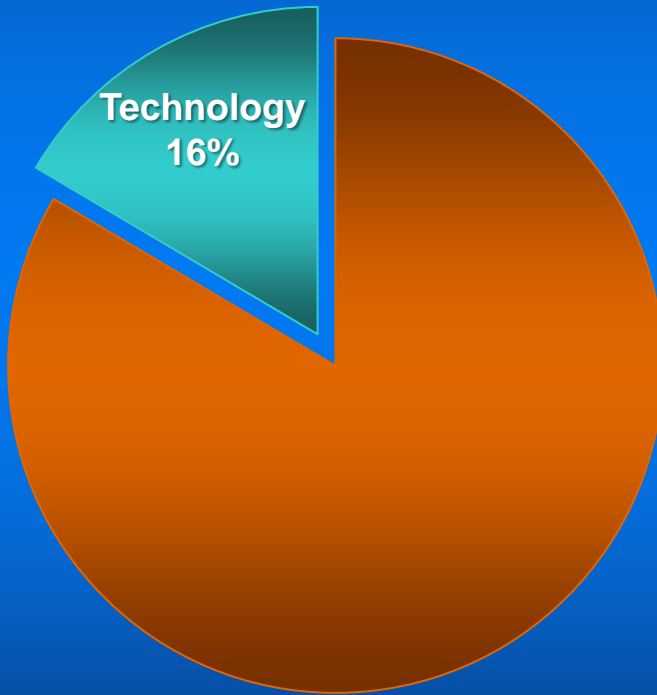
Investments

- Expanded execution capacity
- Front-to-back automation
- Ability to handle new product offerings
- New business infrastructure
- Enhanced client experience
- Investment in risk management and controls

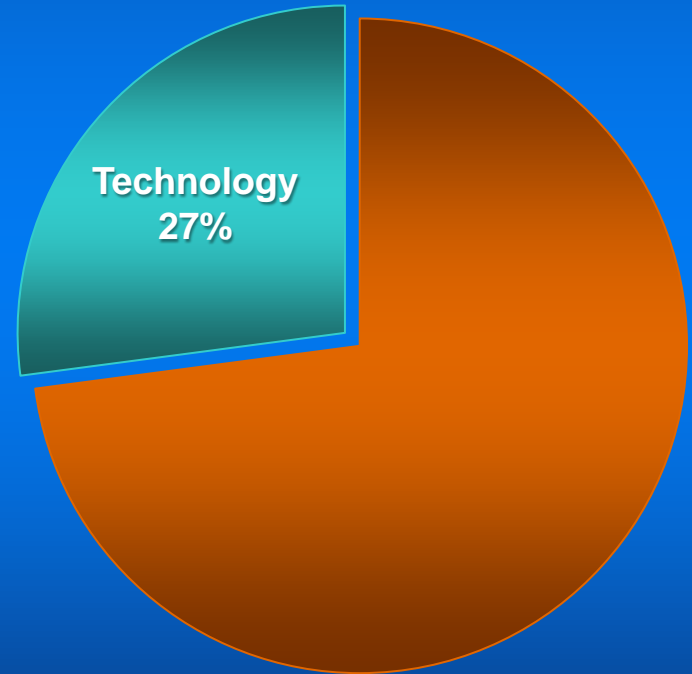


Technology Headcount Percentage of Total Staff

2000



2010

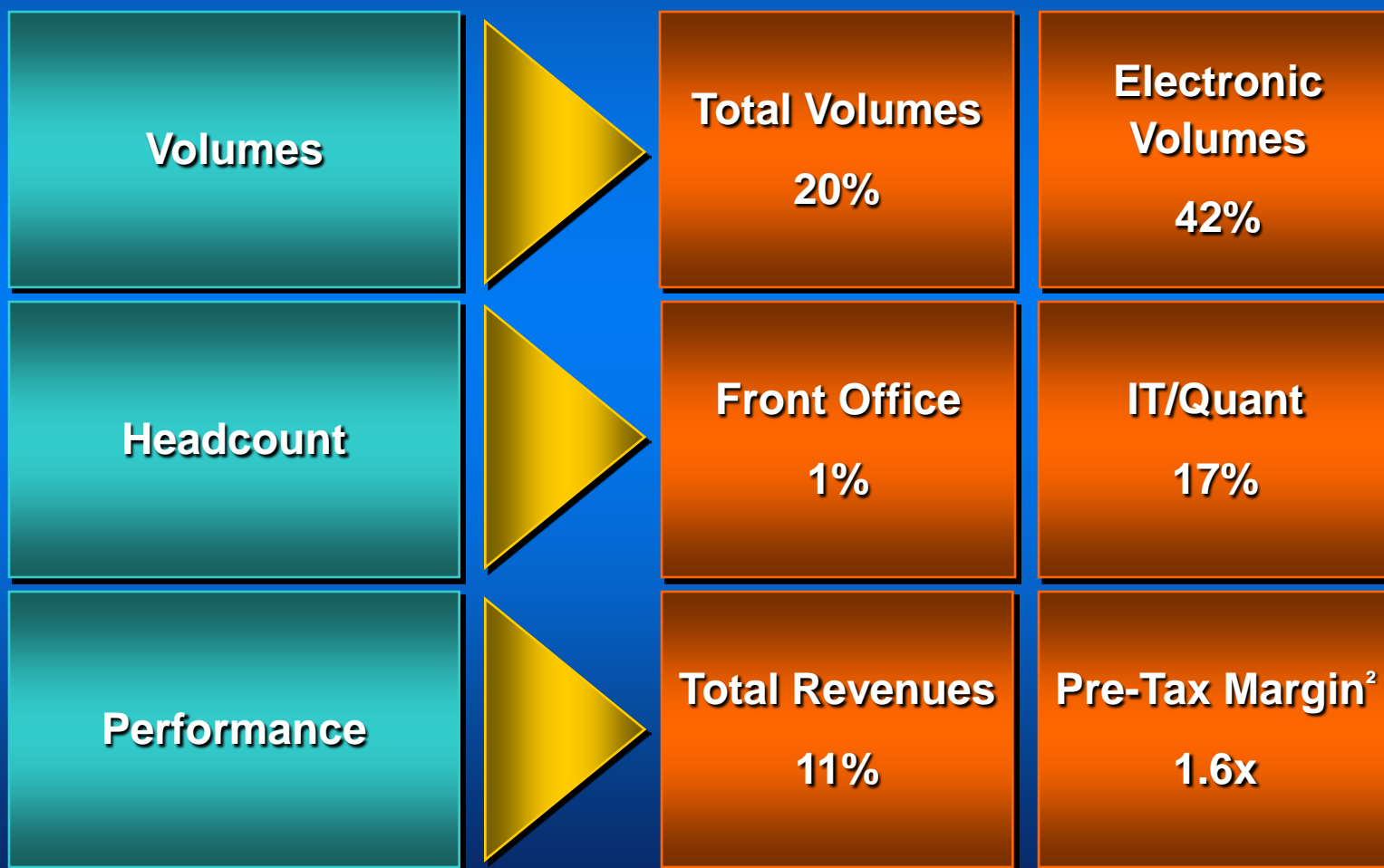


Note: Total staff excludes Affiliates and Consolidated Investment Entities

Resource Allocation Case Study

FX Business¹ Trends

2005 – 2010 CAGR Trends

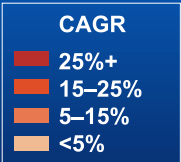


¹ FX Business includes G10 Currencies

² Represents the 2010 pre-tax margin as a multiple of 2005 pre-tax margin

Headcount Trends

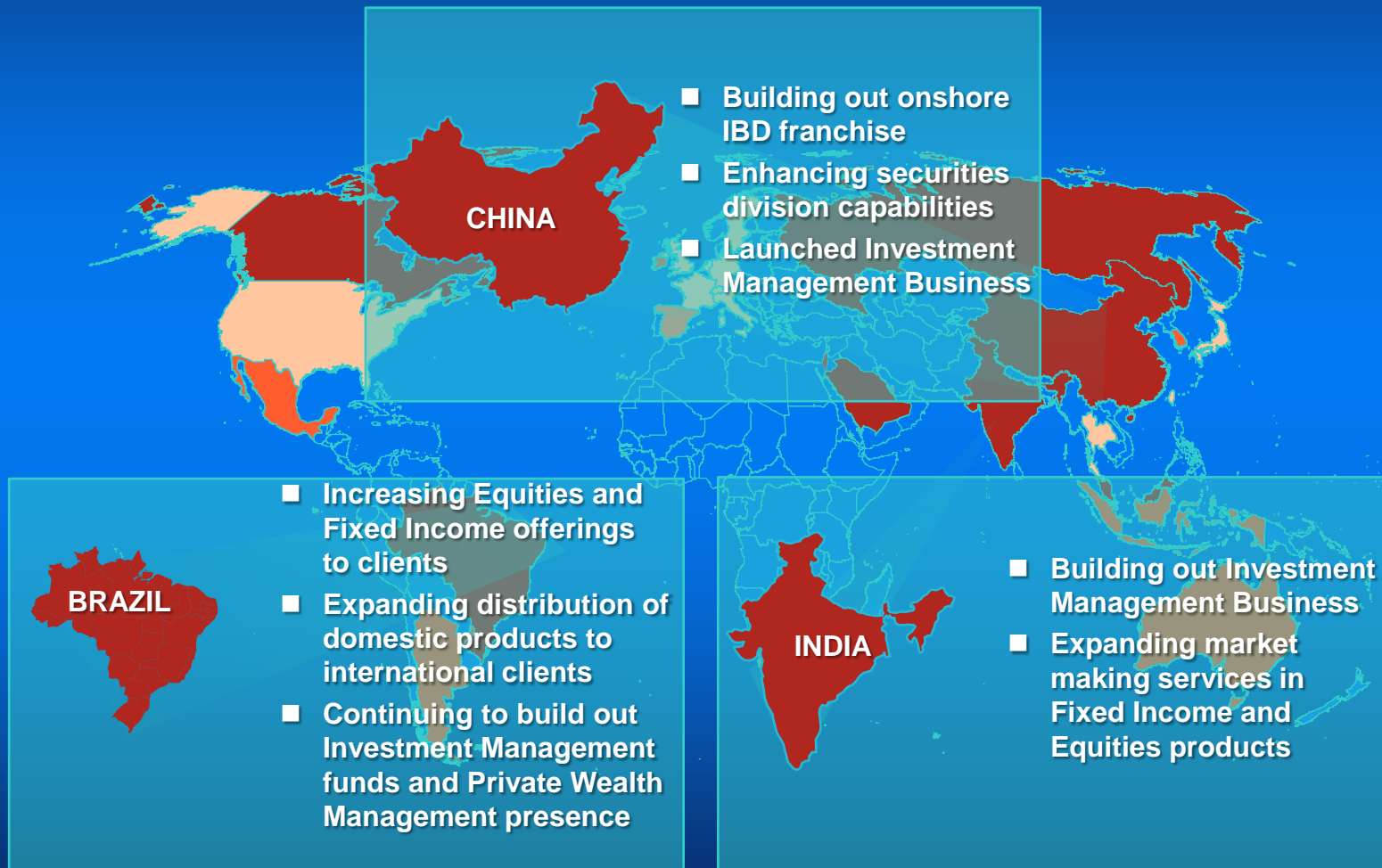
Focus on High Growth Markets



Note: Total staff excludes Affiliates and Consolidated Investment Entities; China excludes Hong Kong; CAGR calculated from 2005 through 2010

Headcount Trends

Focus on High Growth Markets



Note: Total staff excludes Affiliates and Consolidated Investment Entities; China excludes Hong Kong; CAGR calculated from 2005 through 2010

Risk Management Framework

<p>Aged Inventory</p>	<ul style="list-style-type: none"> ■ Balance sheet cost increases with time ■ ~80% of our inventory turns over within 6 months on average
<p>Value at Risk (VaR) Stress Tests</p>	<ul style="list-style-type: none"> ■ ~300 VaR and stress test limits allocated
<p>Balance Sheet</p>	<ul style="list-style-type: none"> ■ \$911 billion assets ■ ~80 balance sheet limits allocated
<p>Counterparty</p>	<ul style="list-style-type: none"> ■ ~32,000 counterparty credit limits allocated
<p>Sector</p>	<ul style="list-style-type: none"> ■ ~24,000 sector credit limits allocated
<p>Geography</p>	<ul style="list-style-type: none"> ■ ~24,000 geographic credit limits allocated
<p>Product</p>	<ul style="list-style-type: none"> ■ ~31,000 product credit limits allocated

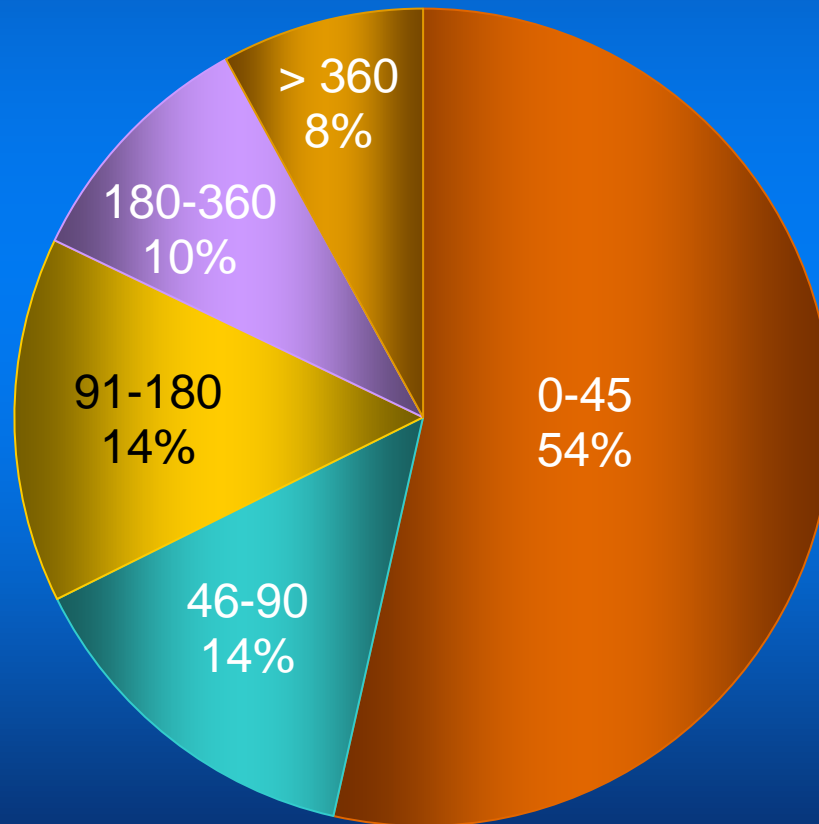
Note: This illustration does not reflect the comprehensive suite of risk limits and metrics that are utilized by Goldman Sachs



Aged Inventory

Number of Days before Turnover

1Q07 - 3Q10 Quarterly Average Days as % of Balance Sheet



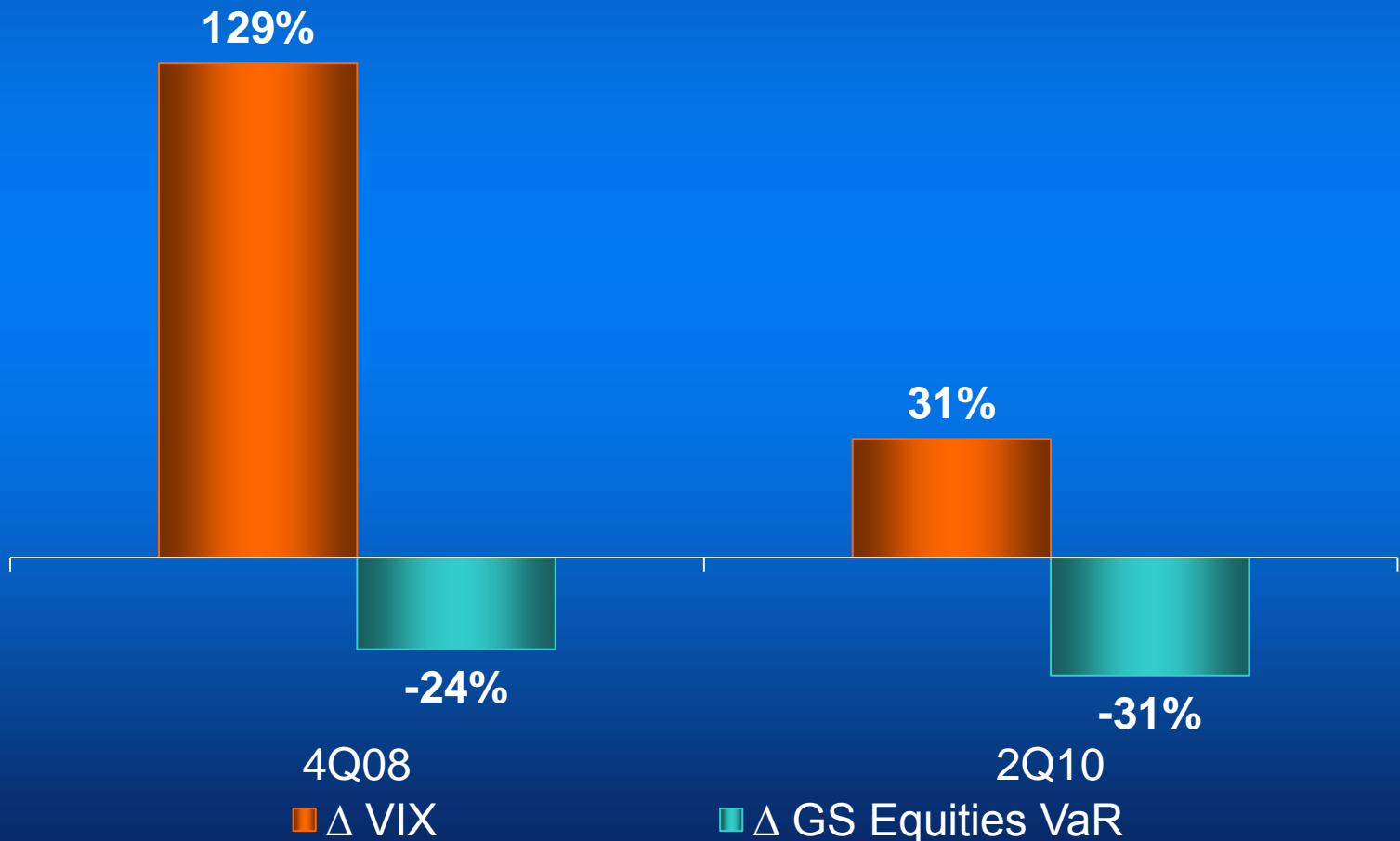
Note: Inventory composition includes cash inventory and some listed derivatives; excludes OTC derivatives



Value at Risk (VaR) Case Study

Average VIX vs. Average GS Equities VaR

Sequential Quarterly Change



The Role of Stress Tests

Credit Spreads Widening

Macroeconomic Tests

PB Margin Stressing

OTC Derivative Test

CVA Stress Testing

Reverse Stress Tests

Modeled Liquidity Outflow

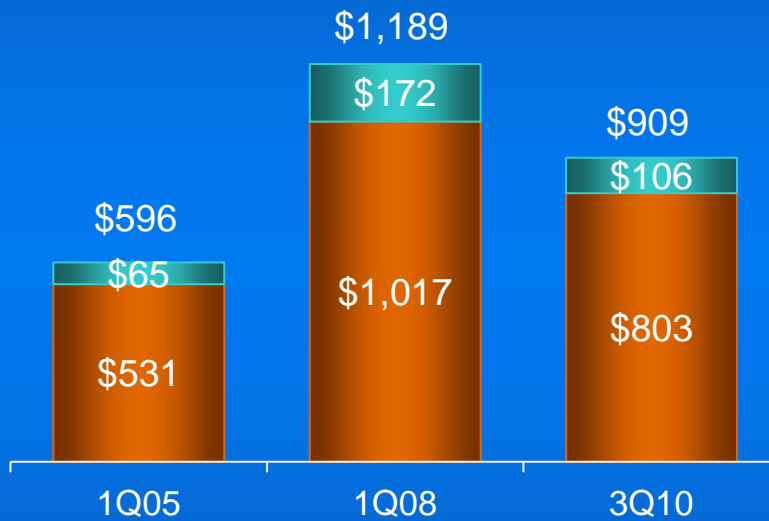
- Tail risk
- Concentration risk
- Basis risk
- Correlation risk
- Normalize for current environment
- Liquidity risk



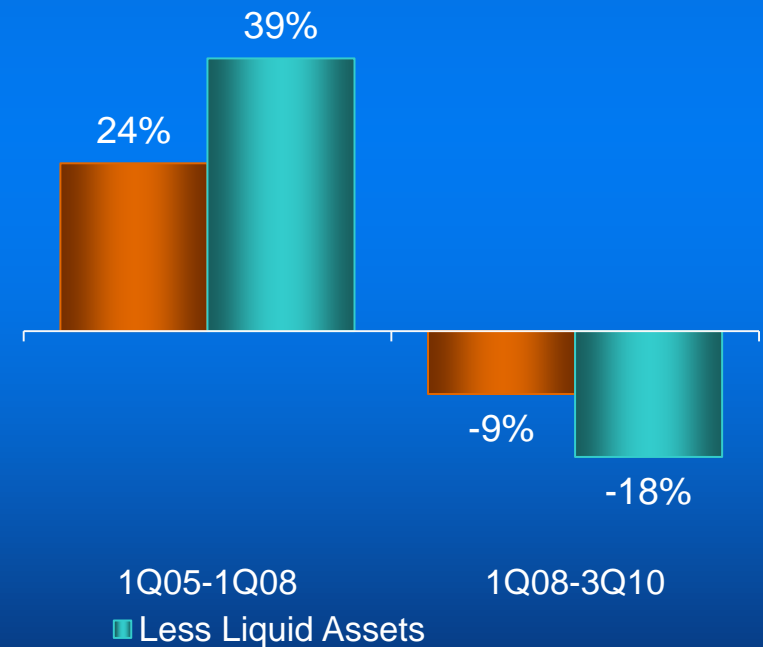
Balance Sheet Evolution

Asset Liquidity

Balance Sheet by Asset Type (\$bn)



Asset Type CAGRs



■ Liquid Assets

■ Less Liquid Assets

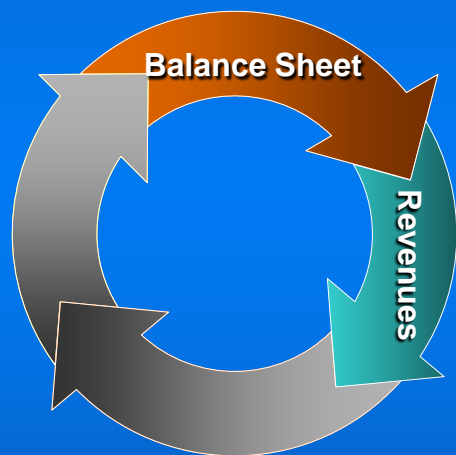
Note:

Liquid Assets include: Cash and segregated cash, Receivables, Resale Agreements / Securities Borrowed, U.S. Governments / Agencies and Sovereigns, Commercial Paper and Certificates of Deposit, Municipal and Investment Grade Corporate Bonds, and Non-restricted Public Equities

Less Liquid Assets include: Mortgage and other asset-backed loans and securities, Bank Loans and Bridge Loans, High Yield Corporate Bonds, Emerging Market Debt and Equity Securities, Investments in funds that the firm manages, Private and Restricted Equities, and the firm's Other Assets

Return Optimization Framework

Balance Sheet and Revenues



- Balance sheet monitored daily both by business unit and on a consolidated basis
- Assets allocated by business and movements resulting from new business activity as well as market fluctuations are analyzed
 - Assets only permitted to grow to the extent we believe we can source adequate funding and maintain appropriate funding and capital metrics
- Balance sheet limits set conservatively to promote routine escalation and discussion among business unit managers and risk managers

Return Optimization Framework

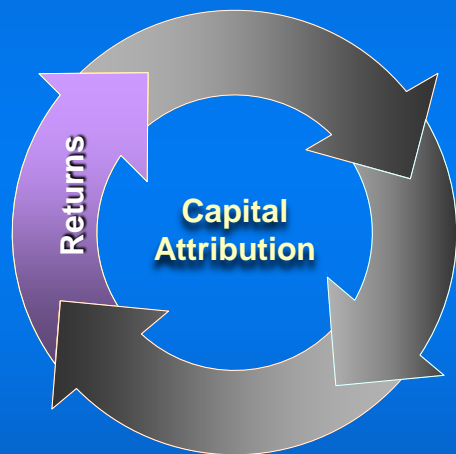
Cost of Carry



- Market value based
 - Charged on market value rather than the cost basis of individual positions
- Consistency
 - Based on asset type that is applied consistently across businesses
- Transparency
 - Rates updated regularly and available to businesses in real time
- Governance
 - Policies subject to firmwide committee oversight

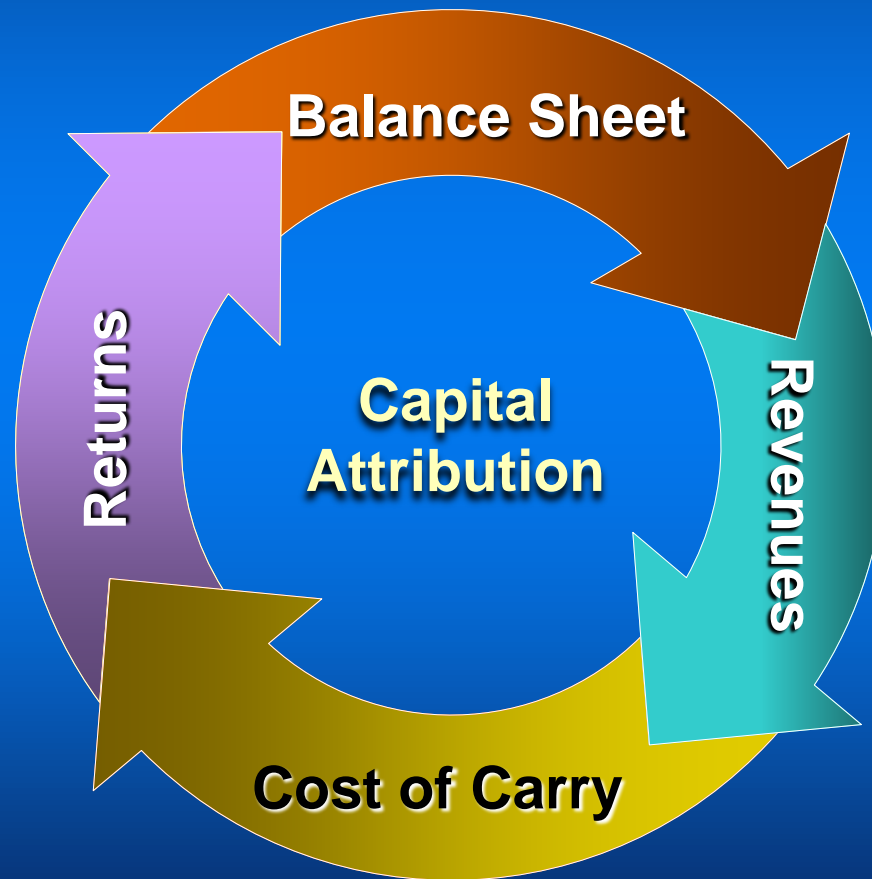
Return Optimization Framework

Capital Attribution and Returns



- Capital is calculated on a four walls basis attributing:
 - Market Risk
 - Credit Risk
 - Operational Risk
- Goldman Sachs attributes capital using different capital regimes including:
 - Basel 1
 - Basel 2
 - Basel 3
 - Internal Capital Adequacy Assessment Process

Return Optimization Framework

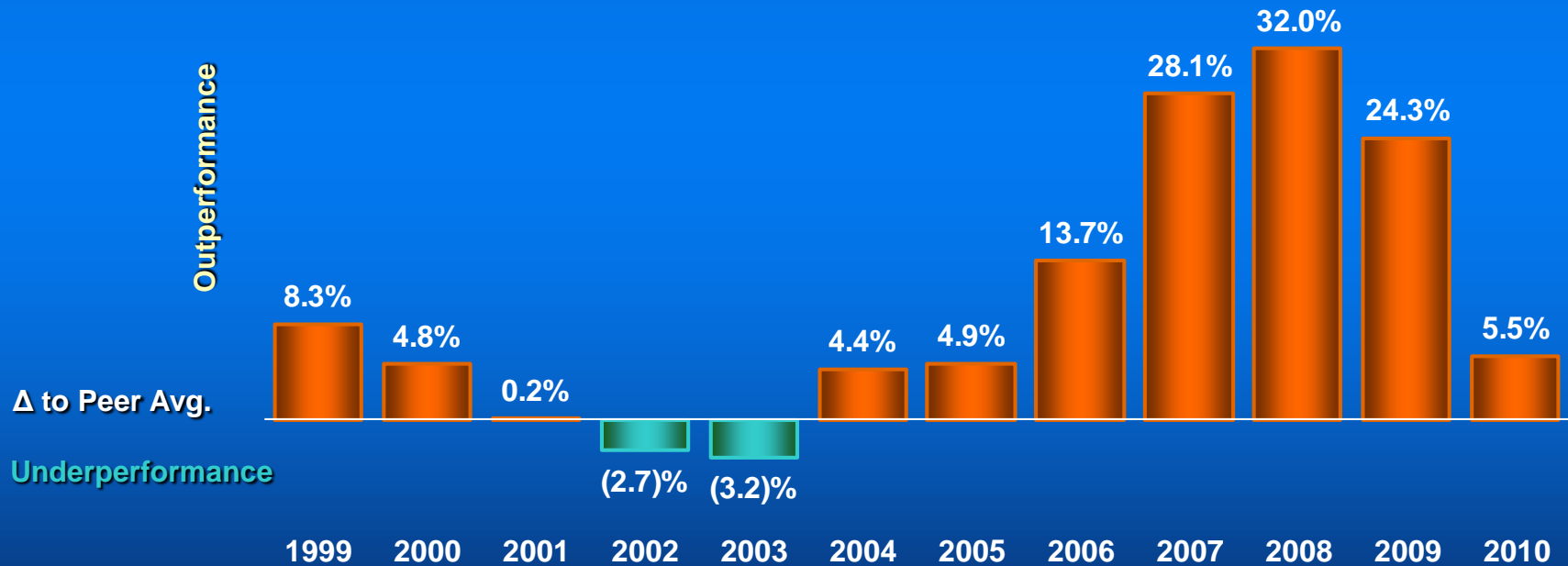




Over / Under Performance

GS ROE Relative to Peers¹

- GS Average ROE of 20.2% vs. Peer Average ROE of 10.2%
 - GS Premium to Peer Average: 10.0%
- Average ROE Outperformance of 2.0x
- Outperformance greatest in low industry-wide ROE environments



¹ Average ROEs calculated from 1999 through 2010, Represents GS' average annual Return on Equity (ROE) relative to peer group from 1999-2010; GS ROE equals net earnings applicable to common shareholders divided by average monthly common shareholders' equity; GS ROE for 1999 and 2000 are pro forma as previously publicly disclosed; Peer group includes JPM, MS, BAC, C, MER (excl. 2009-10), LEH (excl. 2009-10) and BSC (excl. 2009-10); Calculations based on reported data



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