Fixed Income Investor Presentation

May 1, 2014

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 annual report on Form 10-K for the year ended December 31, 2013. You should also read the forward-looking disclaimers in our quarterly earnings release, particularly as it relates to estimated capital, leverage and liquidity ratios, risk-weighted assets, total assets and global core excess liquidity, and 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, May 1, 2014.

Enhancements to Goldman Sachs' Credit Profile

Key Improvements Across Processes and Structures

	1Q14 vs. 4Q07		
Balance Sheet	-18%	■ The evolution of our balance sheet has been material ■ Total assets are down significantly from peak levels	✓
Common Equity	+81%	■ Significantly improved equity capital position with +$32bn of common equity since 4Q07 ■ Strong capital ratios: advanced transitional Basel III Common Equity Tier 1 Ratio of 11.3%	✓
Leverage	-56%	■ Leverage down to 11.6x from 26.2x at 4Q07 ■ Quality of funding up considerably as equity, long-term unsecured debt and deposits now represent 35% of our balance sheet, up from 20% in 4Q07 ■ New regulation will limit re-leveraging across the industry	✓
Liquidity	+2.9x	■ We continue to enhance our risk models ■ Enhanced capability to dynamically stress and gauge liquidity outflows ■ Investing in technology to track risk and regulatory metrics	✓
Level 3 Assets	-41%	■ Level 3 assets of $41bn reflect 4.5% of total assets, down from a high of 7.5% at year-end 2008 ■ Level 3 assets as a percentage of total shareholders' equity has fallen to 51.7%	✓
Firmwide Stress Testing	+	■ Significant firmwide risk reduction across a variety of key internal risk metrics and stress tests ■ Continue to enhance our robust stress testing processes ■ Average Daily VaR for the quarter down 46% vs. 4Q07	✓

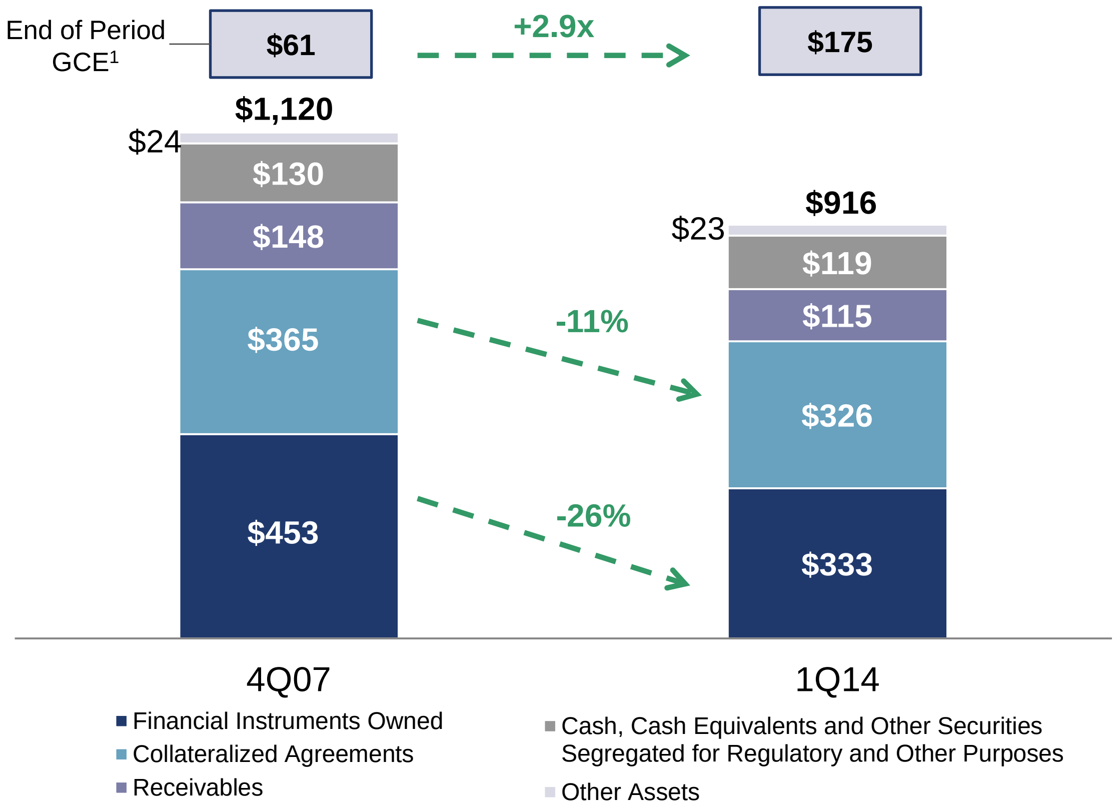
Goldman Sachs' credit profile has substantially improved and conservative risk management processes are designed to ensure continued stability and sound financial health

Balance Sheet Evolution

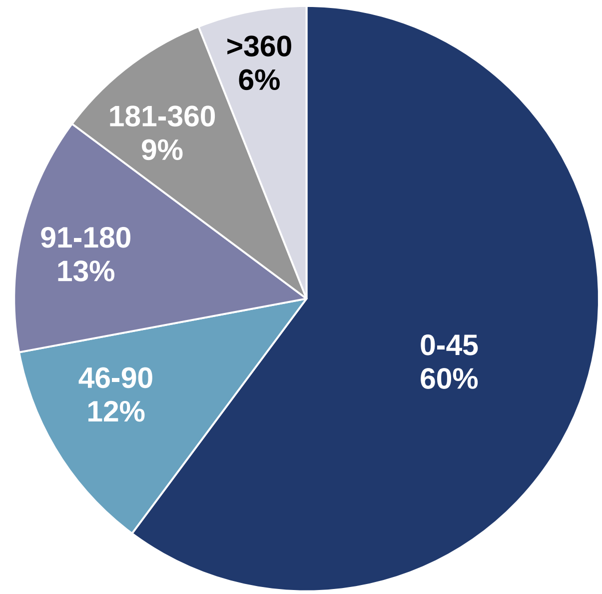
Reduced Risk and Substantial Increase in Liquidity

The balance sheet has declined 18% since 2007 while our Global Core Excess has nearly tripled

Balance Sheet Comparison ($bn)



1Q14 Inventory Turnover (days)[2]



- Since 4Q07, we have significantly cut risk on the balance sheet, reducing inventory and increasing our liquidity reserves
  - Over that time we have reduced financial instruments owned by 26% and simultaneously grown our Global Core Excess 2.9x, now representing 19% of total assets
- Meanwhile, our balance sheet has remained high velocity with 85% of our market-making inventory aged less than 6 months
- Additionally, our businesses are subject to conservative balance sheet limits that are reviewed regularly to manage risk

[1] *4Q07 GCE reflects loan value and 1Q14 reflects fair value*

[2] *Reflects turnover on cash inventory primarily held by our market-making businesses within our Institutional Client Services segment; excludes derivatives*

Goldman Sachs

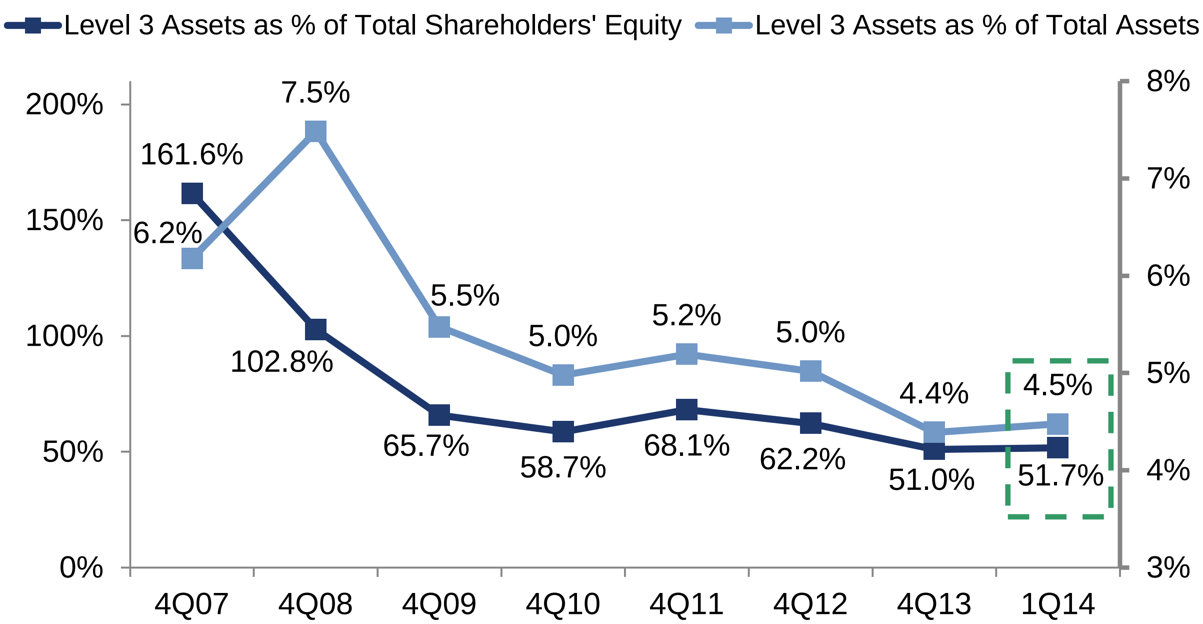
Balance Sheet Evolution

Improvements in Asset Quality

Asset quality has significantly improved since 4Q07

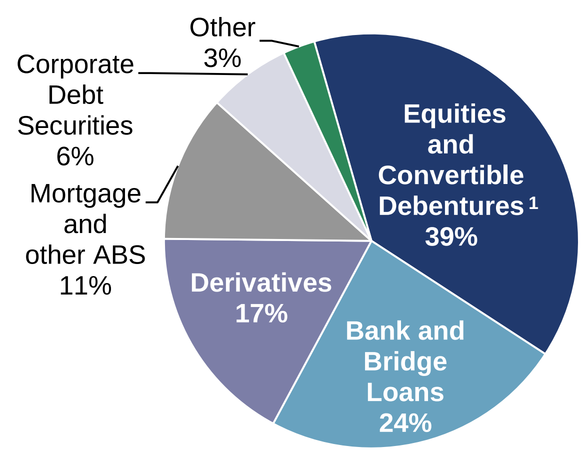
- Subject to rigorous mark-to-market review, Level 3 assets have declined 41% since 4Q07 to $41bn as of 1Q14 and the mix has shifted towards equities and convertible debentures from mortgage-related products and derivatives
- In addition to reducing less liquid assets, they are also backed by a much larger equity base
  - — Level 3 assets relative to both equity and as a percentage of total assets have fallen to near record lows

Asset Quality Trends 4Q07–1Q14



1Q14 Level 3 Asset Breakdown

1Q14 Level 3 Assets: $41bn

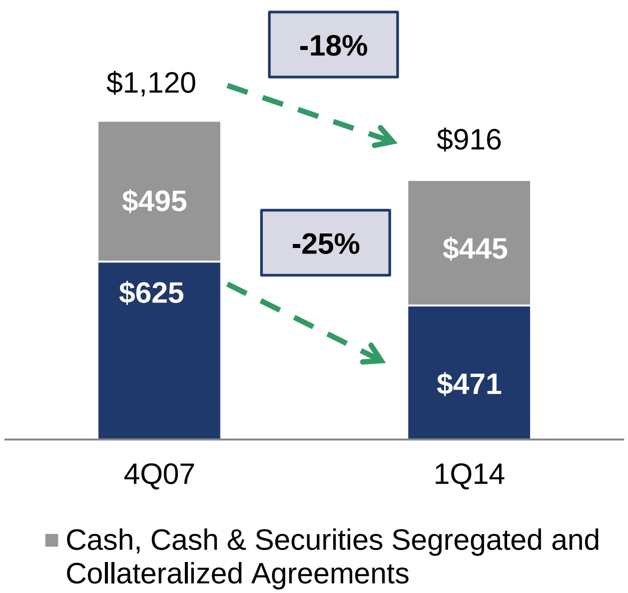


[1] *Equities and convertible debentures is largely comprised of private equity investments*

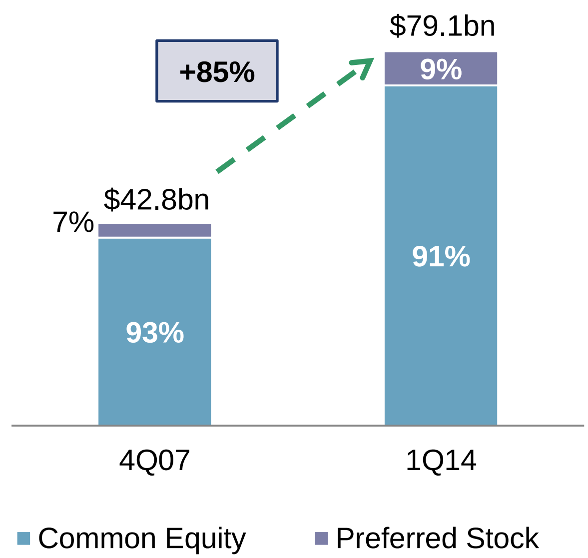
Capital

Balance Sheet has improved, Capital has grown, Leverage has fallen

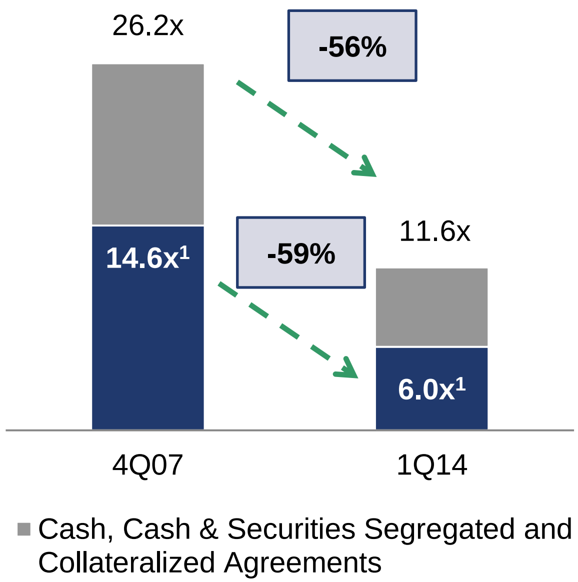
Total Assets ($bn)



Total Shareholders' Equity ($bn)



Leverage



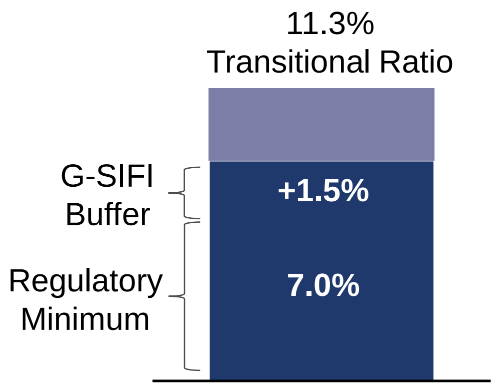
- As the balance sheet has declined the quality of funding has increased considerably as equity, long-term unsecured debt and deposits now represent 35% of our balance sheet, up from 20% in 4Q07
- Capital has increased materially from 4Q07 with total shareholders' equity now equal to 9% of total assets and the mix continues to be predominantly common equity
- Our leverage of 11.6x is significantly lower than 2007 levels and excluding lower risk assets of cash, cash and securities segregated and collateralized agreements, leverage is down nearly 60% since 4Q07

[1] *Reflects assets excluding cash, cash & securities segregated and collateralized agreements divided by total shareholders' equity*

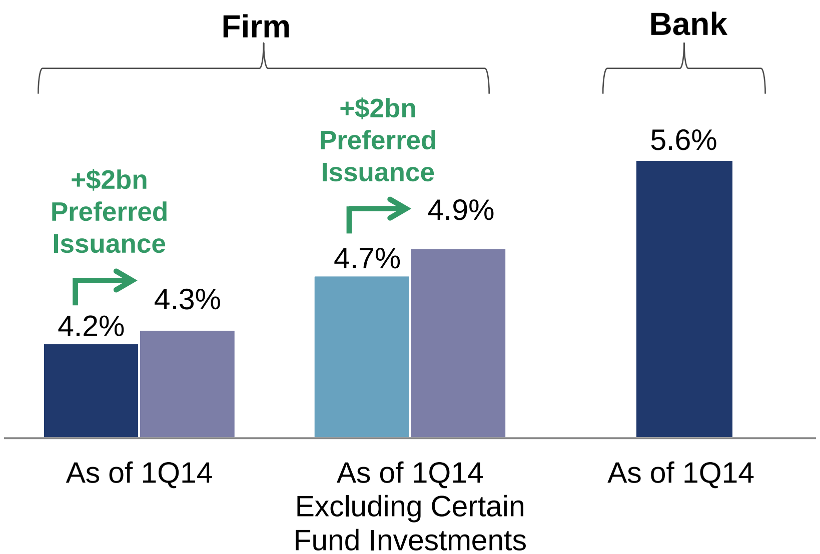
Regulatory Capital Ratios

1Q14

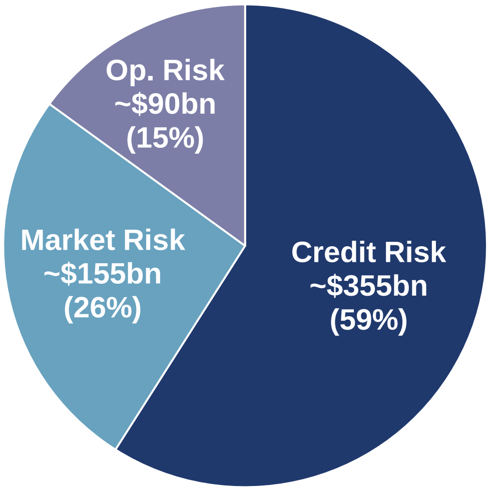
Basel III Common Equity Tier 1 Ratio Advanced Approach[1]



Supplementary Leverage Ratio (SLR)[2]



Basel III Advanced Approach RWAs: ~$600bn[1]



- The Federal Reserve Board has approved the firm to exit the parallel run, and therefore starting in 2Q14 our capital ratios will be calculated under the transitional provisions of Basel III
- Our Basel III Common Equity Tier 1 ratio as of 1Q14 under the advanced approach was 11.3% on a transitional basis and 9.7% on a fully phased-in basis
- With regard to the SLR, although proposed rules have not been finalized and will not take effect until 2018 we believe we are well positioned to comply
- Including the capital impact of reducing our fund investments to comply with the Volcker Rule, we estimate the 1Q14 pro-forma SLR, including the $2bn of preferred stock issuance, would be 4.9%

[1] Basel III Transitional Ratio and Basel III RWAs are estimated under the Advanced approach on a transitional basis based on the Federal Reserve Board's final Basel III rules
[2] SLR reflects our best estimate based on the U.S. Federal bank regulatory agencies' April 2014 NPR and is subject to change depending on regulatory clarifications and final rules. We issued $2bn of preferred stock in April 2014

Stress Testing Underpins our Risk Management Framework

Stress testing is an integral part of Goldman Sachs' risk management culture

- The firm has a long history of stress testing and it plays an integral role in quantifying the firm's risk appetite and assessing our liquidity and capital adequacy
- To further bolster our governance on stress testing initiatives, the firm formed the Firmwide Stress Test Committee in 2013 to oversee certain stress test-related matters
- We have made significant investments in technology and infrastructure to support increasingly sophisticated analyses
- The firm consistently performs a wide range of comprehensive stress tests across market, credit, capital and liquidity risks

Market and Credit Risk	Trading VaR Credit Stress Equity Stress Sovereign Stress	Jump to Default Commodity Stress Interest Rate Stress Currency Stress	Event-Driven Stress Multi-Factor Stress
Capital	Internally developed stress tests Dodd-Frank Act Stress Test (DFAST) / Comprehensive Capital Analysis and Review (CCAR)		
Liquidity	Modeled Liquidity Outflow (MLO) Funding at Risk (FaR)		Currency Matched book

Robust and comprehensive stress testing is a critical component of our risk management framework and has helped to improve the firm's credit profile across a broad array of risks

Conservative and Comprehensive Liquidity Risk Management

Excess Liquidity

- Our most important liquidity policy is to prefund estimated potential liquidity needs in a stressed environment
- Our "Global Core Excess" (GCE) consists of cash and highly-liquid government and agency securities that would be readily convertible to cash in a matter of days
- GCE size is based on:
  - Modeled assessment of the firm's liquidity risks, including contractual, behavioral and market-driven outflows
  - Qualitative assessment of the conditions of the financial markets and the firm

Asset-Liability Management

- Conservative asset and liability management to ensure stability of financing
- Focus on size and composition of assets to determine appropriate funding strategy
- Secured and unsecured financing sufficiently long-term relative to the liquidity profile of our assets in order to withstand a stressed environment without relying on asset sales
- Consistently manage overall characteristics of liabilities, including term, diversification and excess capacity

Rigorous and conservative stress tests underpin our excess liquidity and asset-liability management frameworks

Excess Liquidity

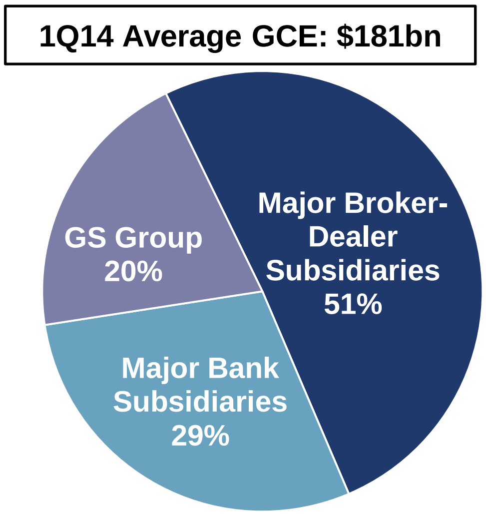
We maintain material liquidity reserves

- Our liquidity resources are substantial, reflecting 19% of our balance sheet in 1Q14
- Roughly 75% of our liquidity pool is made up of U.S. government obligations, overnight cash deposits (which are mainly at the Federal Reserve) and U.S. federal agency obligations, with the balance in high quality foreign governments
- Our GCE is held at our parent company and each of our major bank and broker-dealer subsidiaries to ensure that liquidity is available to meet entity requirements

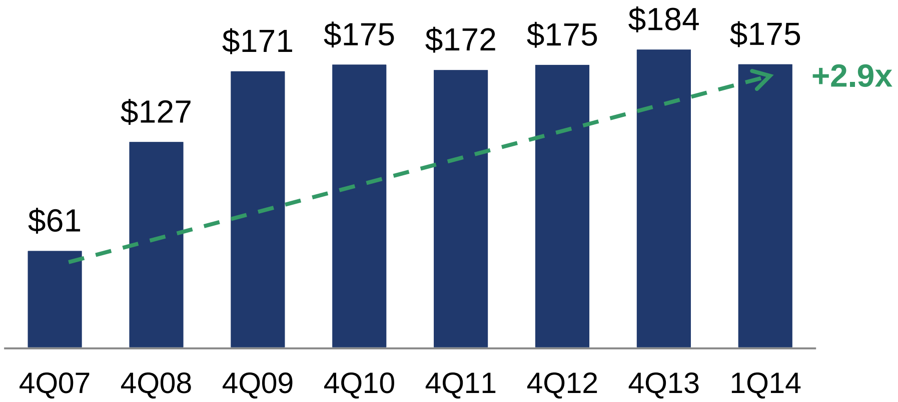
We continually enhance the models that drive the size of our GCE

- Our MLO reflects potential contractual and contingent outflows of cash or collateral
- We continue to make improvements to our models and can more granularly assess idiosyncratic risks in our businesses

1Q14 Average GCE by Entity



End of Period GCE Trend ($bn)[1]



While the rule is not yet finalized, we estimate that we currently exceed the fully phased-in 100% LCR requirement

[1] *Prior to 4Q09, GCE reflects loan value and subsequent periods reflect fair value*

Asset-Liability Management

- We actively manage and monitor our asset base, with particular focus on liquidity and potential holding period
- Through our dynamic balance sheet management process, we use actual and projected asset balances to determine our funding requirements
- We conservatively manage the overall characteristics of our funding book, with a focus on maintaining long-term, diversified sources of financing with tenors appropriate for the anticipated holding period of our assets
- Our plans are reviewed by the firmwide Finance Committee as well as senior managers in our independent control and support functions

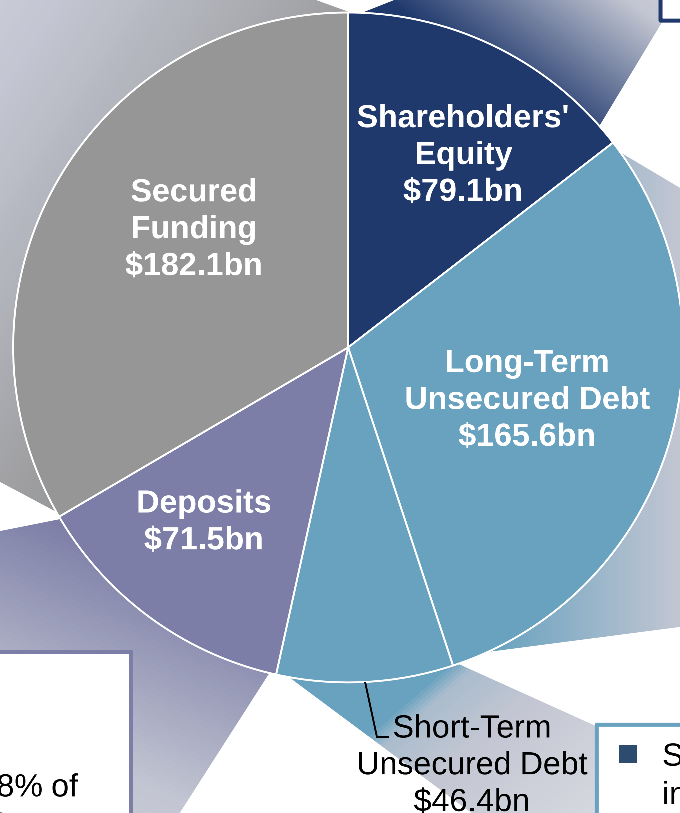
		Principal Sources of Funding			
As of 1Q14	**% of Total Assets**	**Equity and Long-term Debt**	**Deposits**	**Secured Funding**	**Trading Liabilities**
Excess Liquidity and Cash	20%	✓	✓		
Secured Client Financing	29%			✓	✓
Institutional Client Services	41%	✓	✓	✓	✓
Investing & Lending Assets	7%	✓	✓		
Other Assets	3%	✓			
Total Assets	**$915.7bn**				

Diversification of Core Funding Sources

1Q14

- Approximately one-half of our secured funding book is in GCE-quality collateral[1]
- Our secured funding book is diversified across:
  - Counterparties
  - Tenor
  - Geography
- Term is dictated by the composition of our fundable assets with longer maturities executed for less liquid assets

- A significant, stable and perpetual source of funding



- Well diversified across the tenor spectrum, currency, investors and geography
- Weighted average maturity of long-term debt of 8 years

- Deposits have become a larger source of funding
- We are focused on contractual term: 28% of our deposits are brokered CDs with a 3-year weighted average maturity

- Short-term unsecured debt includes $26.5bn of the current portion of our long-term unsecured debt

[1] *Based on gross secured funding trades*

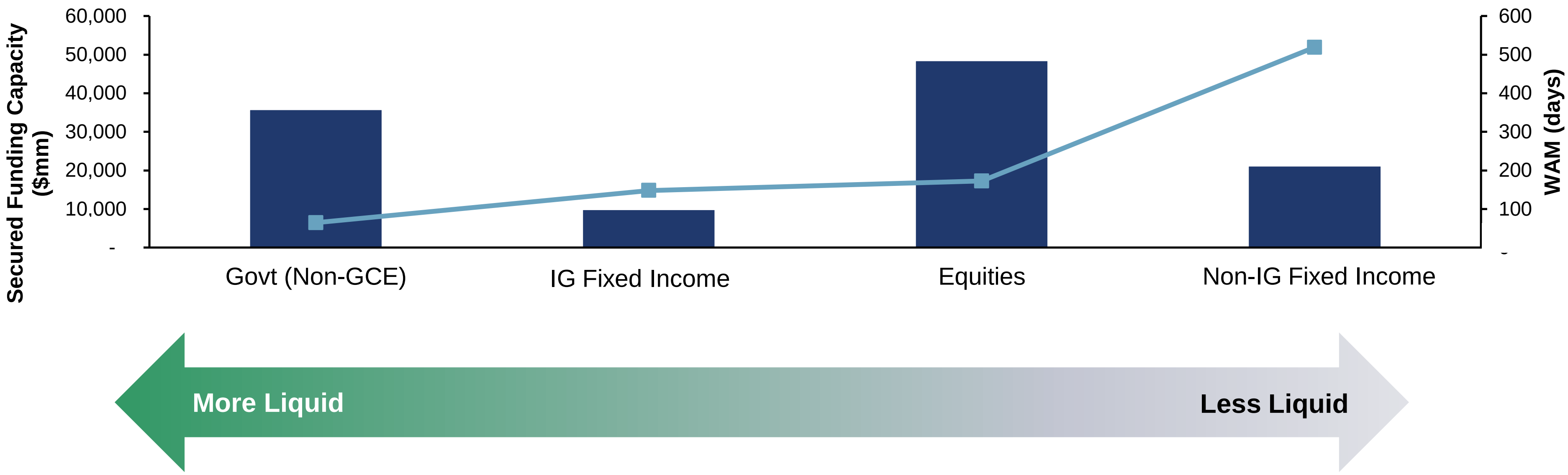
Secured Funding Principles

We manage our secured funding liquidity risk with:

1	**Term**	■ Extending initial trade tenors and managing maturities ■ Pre-rolling and negotiating tenor extensions with clients ■ Longer tenors targeted for less liquid assets
2	**Diversity**	■ Raising secured funding from a diverse set of funding counterparties
3	**Excess Capacity**	■ Raising excess secured funding to insure against rollover risk or growth in assets to finance
4	**GCE**	■ We raise excess unsecured funding and hold as GCE to mitigate any 1-month modeled liquidity losses
5	**Stress Tests**	■ Imposing stress test limits to ensure we do not have excessive liquidity risk even in a severe scenario — FaR uses various metrics over various time periods to evaluate the risks in the secured funding book — Matched book (“Cash gap”)

Secured Funding Metrics

1Q14 Non-GCE Secured Funding Book[1]



WAM (days)	>60	>125	>150	>450
Counterparties[2]	50+	25+	25+	25+

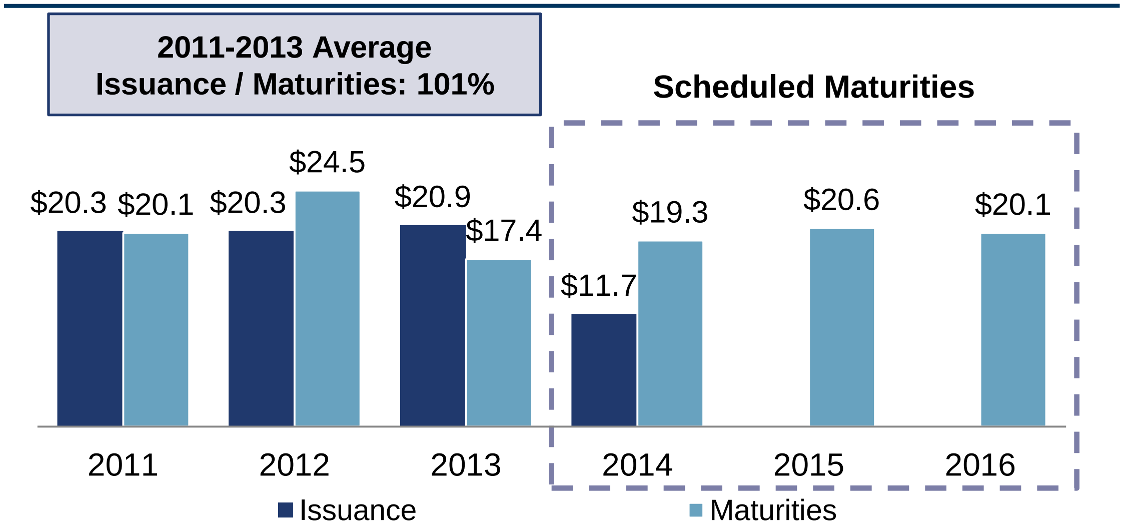
We source secured funding from more than 150 counterparties and as of 1Q14, the WAM of our secured funding, excluding GCE eligible securities, was greater than 120 days

[1] *Based on gross secured funding trades*
[2] *Some counterparties fund multiple asset classes*

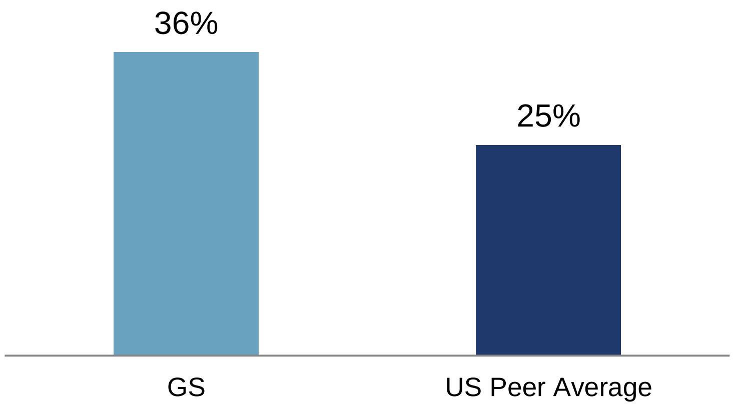
Unsecured Long-Term Issuance

- Year-to-date, we have raised $11.7bn of long-term unsecured vanilla funding, including $10.0bn of fixed-rate notes and $1.7bn of floating-rate notes
  - — 7.3 year weighted average initial maturity at issuance compared to the ~8 year WAM of the entire long-term debt portfolio
- Diversification across currency, channel and tenor remains a key focus
  - — 44% of our year-to-date issuance has been in non-USD currencies
  - — Issuance was conducted across the tenor spectrum, with 3, 5, 7, and 10 year maturities. Additionally, we issued several notes with non-round tenors to improve maturity diversification
- We also issued $2.0bn of perpetual preferred across two tranches in 2Q14
- Going forward we expect issuances to roughly match maturities over time, nevertheless, issuance targets will be revisited frequently depending on the size and composition of our balance sheet
- With respect to potential OLA bail-in requirements, we believe we are well positioned with estimated bail-in capital[1] equal to 36% of total Basel III Advanced RWAs

GS Group Long-Term Vanilla Benchmark Issuance vs. Maturities ($bn)



2013 Estimated Bail-In Capital as a % of Fully Phased-In Advanced Basel III RWAs[1,2]



[1] *Bail-in capital is defined as Basel 3 Tier 1 Capital, Holding Company long-term debt (due in >1yr) and Holding Company subordinated debt. Basel 3 Tier 1 Capital per company filings; Holding Company data per Bank Holding Company Performance Reports (BHCPRs) as of 4Q13*

[2] *US Peers include JP Morgan, Morgan Stanley, Bank of America and Citigroup*

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