

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

January 29, 2020

**The Goldman Sachs Group, Inc.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction  
of incorporation)

No. 001-14965  
(Commission  
File Number)

No. 13-4019460  
(IRS Employer  
Identification No.)

200 West Street, New York, N.Y.  
(Address of principal executive offices)

10282  
(Zip Code)

Registrant's telephone number, including area code: (212) 902-1000  
N/A

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Exchange on which registered
Common stock, par value \$.01 per share	GS	NYSE
Depository Shares, Each Representing 1/1,000th Interest in a Share of Floating Rate Non-Cumulative Preferred Stock, Series A	GS PrA	NYSE
Depository Shares, Each Representing 1/1,000th Interest in a Share of Floating Rate Non-Cumulative Preferred Stock, Series C	GS PrC	NYSE
Depository Shares, Each Representing 1/1,000th Interest in a Share of Floating Rate Non-Cumulative Preferred Stock, Series D	GS PrD	NYSE
Depository Shares, Each Representing 1/1,000th Interest in a Share of 5.50% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series J	GS PrJ	NYSE
Depository Shares, Each Representing 1/1,000th Interest in a Share of 6.375% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series K	GS PrK	NYSE
Depository Shares, Each Representing 1/1,000th Interest in a Share of 6.30% Non-Cumulative Preferred Stock, Series N	GS PrN	NYSE
5.793% Fixed-to-Floating Rate Normal Automatic Preferred Enhanced Capital Securities of Goldman Sachs Capital II	GS/43PE	NYSE
Floating Rate Normal Automatic Preferred Enhanced Capital Securities of Goldman Sachs Capital III	GS/43PF	NYSE
Medium-Term Notes, Series A, Index-Linked Notes due 2037 of GS Finance Corp.	GCE	NYSE Arca
Medium-Term Notes, Series B, Index-Linked Notes due 2037	GSC	NYSE Arca
Medium-Term Notes, Series E, Index-Linked Notes due 2028 of GS Finance Corp.	FRLG	NYSE Arca

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 under the Securities Act (17 CFR 230.405) or Rule 12b-2 under the Exchange Act (17 CFR 240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 7.01 Regulation FD Disclosure.**

On January 29, 2020, beginning at 8:00 a.m. (ET), David M. Solomon, Chairman and Chief Executive Officer of The Goldman Sachs Group, Inc. (Group Inc. and, together with its consolidated subsidiaries, the firm), and the senior leadership team will deliver presentations on the firm's strategic priorities at the Goldman Sachs 2020 Investor Day.

The presentations are attached as Exhibit 99.1 to this Report on Form 8-K. The presentations are also available on the firm's website at <http://www.goldmansachs.com>, along with a live audio and video webcast. A replay of the webcast will be available after the event on the same website.

The presentations are being furnished pursuant to Item 7.01 of Form 8-K and the information included therein shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (Exchange Act) or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of Group Inc. under the Securities Act of 1933 or the Exchange Act.

**Cautionary Note on Forward-Looking Statements**

For more information regarding the forward-looking statements included in this Report on Form 8-K (including Exhibit 99.1 attached hereto), see the Cautionary Note on Forward-Looking Statements included in Exhibit 99.1.

**Item 9.01 Financial Statements and Exhibits.**

**(d) Exhibits.**

- 99.1 [Presentations, dated January 29, 2020, at the Goldman Sachs 2020 Investor Day.](#)
- 101 Pursuant to Rule 406 of Regulation S-T, the cover page information is formatted in iXBRL (Inline eXtensible Business Reporting Language).
- 104 Cover Page Interactive Data File (formatted in iXBRL in Exhibit 101).

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

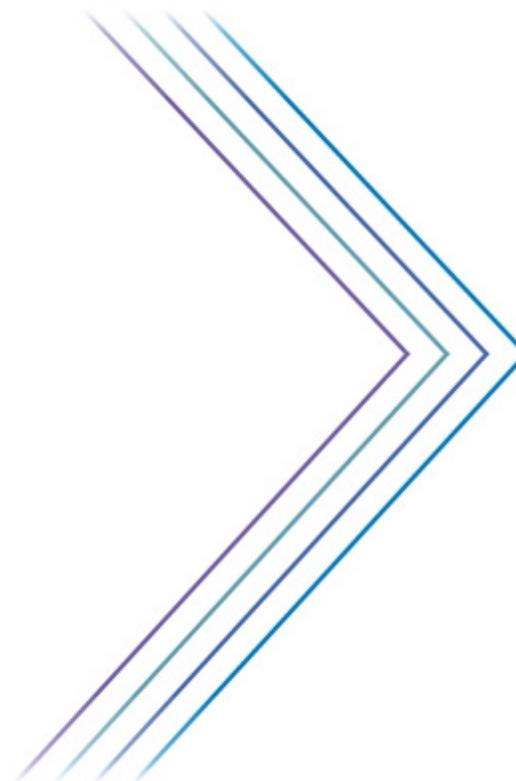
THE GOLDMAN SACHS GROUP, INC.  
(Registrant)

Date: January 29, 2020

By: /s/ Stephen M. Scherr  
Name: Stephen M. Scherr  
Title: Chief Financial Officer

# **Goldman Sachs Investor Day**

January 29, 2020



## Today's Presenters



Beth Hammack



Eric Lane



Karen Seymour



Stephen Scherr



Jim Esposito



Gregg Lemkau



Heather Miner



Marco Argenti



Carey Hallo



Julian Salisbury



Stephanie Cohen



David Solomon



Sarah Smith



Tim O'Neill



Sheara Fredman



John Waldron



Asahi Pompey



Richard Gnodde



Amy Hong



Ashok Varadhan



Rajashree Datta



Liz Martin



John Goldstein



Margaret Anadu



Ezra Nahum



Brian Lee

Goldman  
Sachs

# Investor Day Agenda

7:30 AM	BREAKFAST & REGISTRATION	
8:00 AM	Welcome Remarks	Heather Miner, Head of Investor Relations
	Strategic Roadmap and Goals	David Solomon, Chairman & CEO
	Executing our Strategy	John Waldron, President & COO
	Financial Roadmap	Stephen Scherr, CFO
	BREAK	
10:00 AM	Investment Banking	Gregg Lemkau
	Global Markets	James Esposito and Ashok Varadhan
	Asset Management	Tim O'Neill and Julian Salisbury
	Consumer & Wealth Management	Eric Lane
12:15 PM	LUNCH (SKY LOBBY)	
1:15 PM	International Strategy	Richard Gnodde
	Innovation	Marco Argenti and Stephanie Cohen
	A Conversation with David Solomon	David Solomon
2:50 PM	Fixed Income Investor Relations	
	The Future of Market Structure	
3:30 PM	Risk Management	
	Sustainability	
4:00 PM	RECEPTION WITH MANAGEMENT	

# Our Strategic Direction

**David Solomon**  
Chairman and Chief Executive Officer

January 29, 2020



# Who We Are



OUR PURPOSE

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**We advance sustainable economic growth  
and financial opportunity**

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**Drawing on over 150 years of experience working with the world's leading businesses, entrepreneurs and institutions, we mobilize our people, culture, technologies and ideas to advance the success of our clients, broaden individual prosperity and accelerate economic progress for all**

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**Successfully delivering on our purpose  
will drive shareholder returns**

## **Our Core Values**

**Our core values have endured  
for 150 years, driven by  
a spirit of partnership**



**Partnership  
Client Service  
Integrity  
Excellence**

## **Our Competitive Advantages**

**Poised to execute  
from a position of strength**



**Global Presence**

**Deep Client Relationships**

**Exceptional Talent**

**Innovation**

**World-Class Brand**

**Risk Management**

# Our Evolution

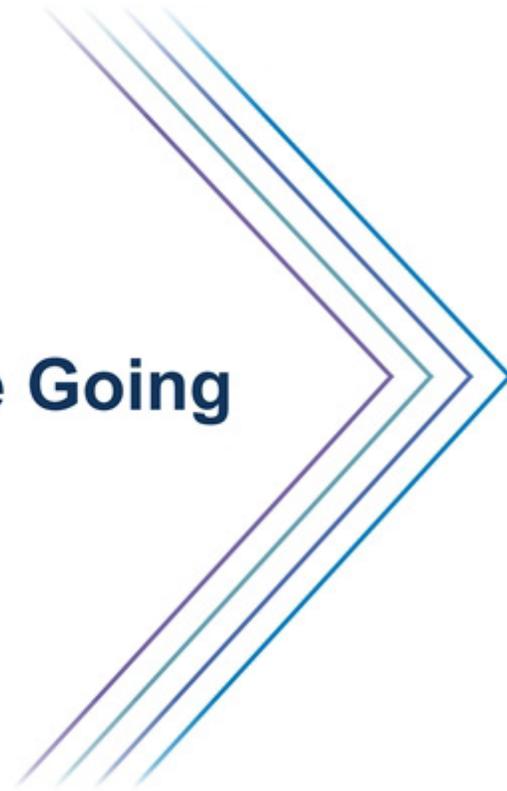


Transparent  
Open  
Dynamic  
Long-term

## Our Client Focus: Deliver One Goldman Sachs



**Where We Are Going**



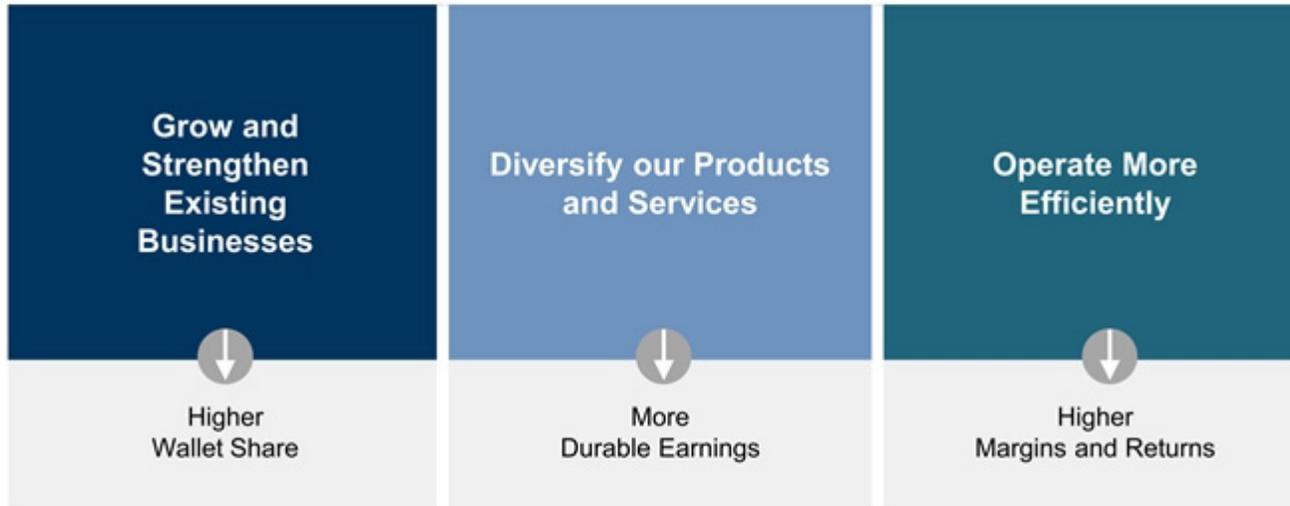
# An Era of Transformation and Opportunity

Digitization	Consumerization	Global Complexity	Corporate Stewardship
			

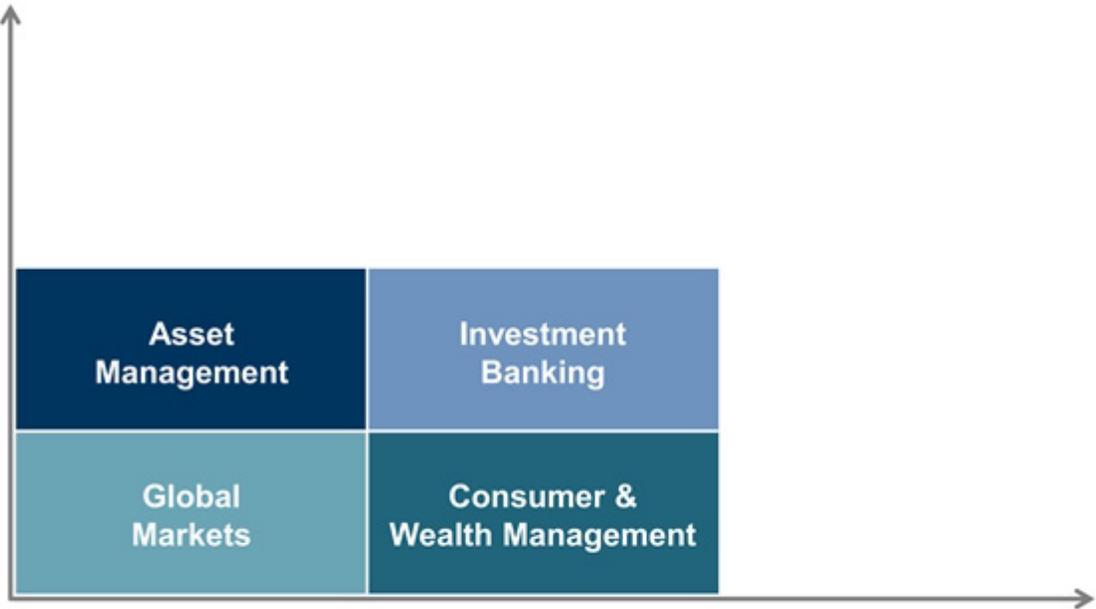
## A New Operating Approach



## Clear Strategic Direction



# Strong Foundation



## Strengthening Our Core



## Evaluating Opportunities for Growth

### Strategic Criteria

- ✓ Address a client need

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- ✓ Capitalize on our foundational advantages

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- ✓ Leverage adjacencies to incumbent businesses

### Financial Criteria

- ✓ Produce more durable revenues

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- ✓ Improve capital efficiency

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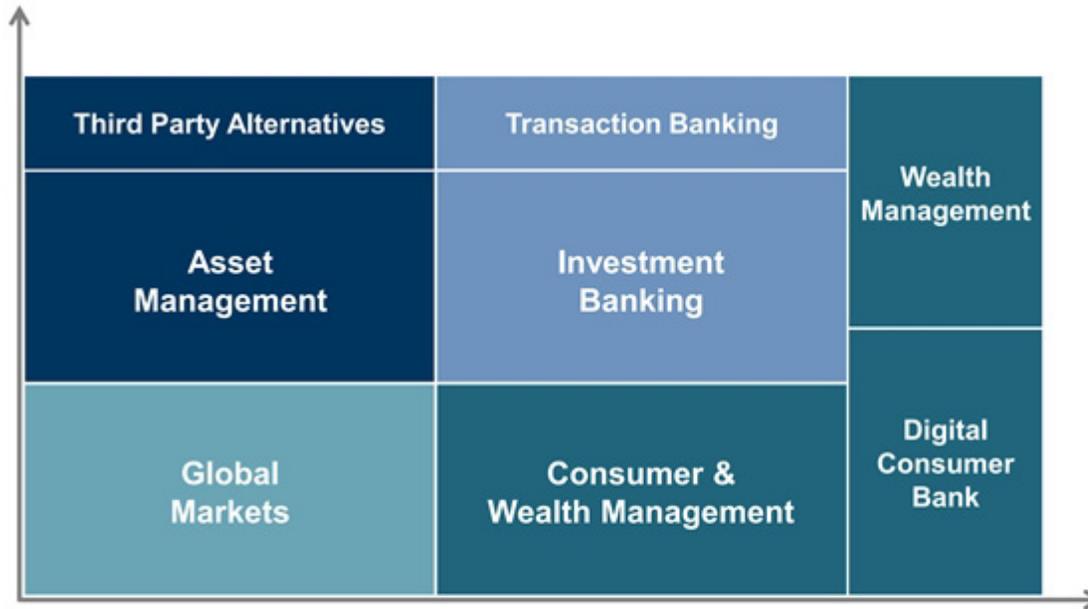
- ✓ Enhance our funding profile

**Driving a more durable and higher returning business mix**

## Four Areas of Focus



## Leveraging Adjacencies to Expand Our Addressable Market



## A Commitment to Driving Value

### Medium-term<sup>1</sup> Financial Targets

ROE / ROTE

>13% / >14%

Efficiency Ratio

~60%

CET1 Ratio

13-13.5%

New business growth positions Goldman Sachs to generate mid-teens or higher returns over longer-term<sup>2</sup>

# **Why We Will Be Successful**



# Our People are our Greatest Asset



# Diversity is a Strategic Imperative

Our clients care about the diversity of our organization and our efforts to advance diversity

**2019: Our Most Diverse Campus Analyst Class**

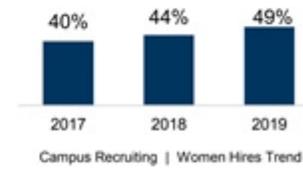
<b>49%</b>	<b>63%</b>
Women	Asian /Black/ Hispanic/Latino

**2019: Our Most Diverse Managing Director Class**

<b>29%</b>	<b>32%</b>
Women	Asian /Black/ Hispanic/Latino

**2018: Our Most Diverse Partner Class**

<b>26%</b>	<b>26%</b>
Women	Asian /Black/ Hispanic/Latino



# Risk Management



## EVOLVING RISK PROFILE

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**Reputational**

**Consumer Credit**

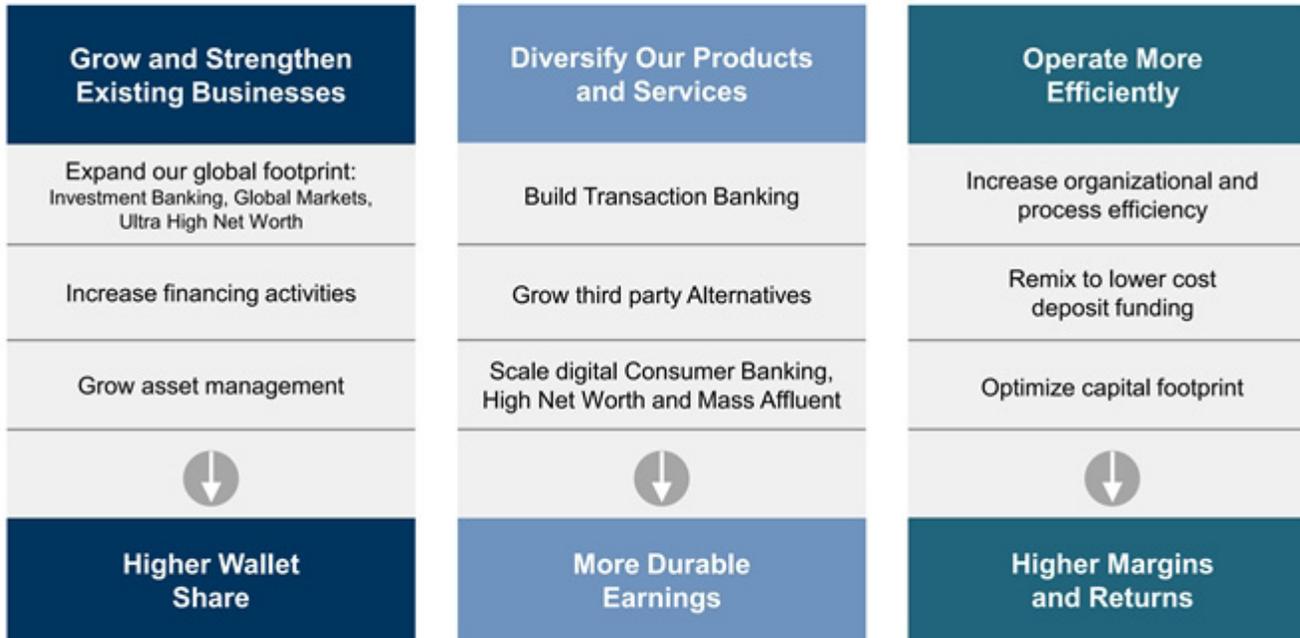
**Cybersecurity**

**Geopolitical**

## Track Record of Change and Innovation

					Banking-as-a-Service
					Transaction Banking
				Credit Card	Credit Card
				Digital Wealth	Digital Wealth
			Consumer Banking	Consumer Banking	Consumer Banking
		Financial Counseling	Financial Counseling	Financial Counseling	Financial Counseling
	Alternatives	Alternatives	Alternatives	Alternatives	Alternatives
	UHNW <sup>2</sup> Wealth	UHNW Wealth	UHNW Wealth	UHNW Wealth	UHNW Wealth
	Commodities	Commodities	Commodities	Commodities	Commodities
	M&A Advisory <sup>3</sup>	M&A Advisory	M&A Advisory	M&A Advisory	M&A Advisory
Debt & Equity U/W <sup>1</sup>	Debt & Equity U/W	Debt & Equity U/W	Debt & Equity U/W	Debt & Equity U/W	Debt & Equity U/W
Market Making	Market Making	Market Making	Market Making	Market Making	Market Making
1960s	1980s	2000s	2010s	Current	2020s

## Clear Strategic Direction



## Our Strategic Direction

**David Solomon**  
Chairman and Chief Executive Officer



## End Notes

These notes refer to the financial metrics and/or defined term presented on:

Slide 18:

1. Medium-term refers to 3 year time horizon
2. Longer-term refers to 5+ year time horizon

Slide 20:

1. Source: Universum 2019
2. For incoming 2020 class

Slide 23:

1. U/W refers to underwriting
2. UHNW refers to ultra-high-net-worth clients (currently defined as >\$10mm in investable assets)
3. M&A refers to mergers and acquisitions

## Cautionary Note on Forward-Looking Statements

Statements about the firm's target metrics, including its target ROE, ROTE, efficiency ratio and CET1 capital ratios, and how they can be achieved, and statements about future operating expense (including future litigation expense), amount and composition of future Assets under Supervision, planned debt issuances, growth of deposits and associated interest expense savings, future geographic location of its employees, and the timing and profitability of its business initiatives, including its launch of new businesses or new activities, its ability to increase its market share in incumbent businesses and its ability to achieve more durable revenues and higher returns from these initiatives, are forward-looking statements, and it is possible that the firm's actual results may differ, possibly materially, from the targeted results indicated in these statements.

Forward looking statements, including those about the firm's target ROE, ROTE, efficiency ratio, and expense savings, and how they can be achieved, are based on the firm's current expectations regarding its business prospects and are subject to the risk that the firm may be unable to achieve its targets due to, among other things, changes in the firm's business mix, lower profitability of new business initiatives, increases in technology and other costs to launch and bring new business initiatives to scale, and increases in liquidity requirements. Statements about the firm's target ROE, ROTE and CET1 capital ratios, and how they can be achieved, are based on the firm's current expectations regarding the capital requirements applicable to the firm and are subject to the risk that the firm's actual capital requirements may be higher than currently anticipated because of, among other factors, changes in the regulatory capital requirements applicable to the firm resulting from changes in regulations or the interpretation or application of existing regulations or changes in the nature and composition of the firm's activities. Statements about the timing and benefits of business and expense savings initiatives, the level and composition of more durable revenues and increases in market share are based on the firm's current expectations regarding its ability to implement these initiatives and may change, possibly materially, from what is currently expected. Due to the inherent uncertainty in these forward-looking statements, investors should not place undue reliance on the firm's ability to achieve these results.

For a discussion of some of the risks and important factors that could affect the firm's future business, results and financial condition, see "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2018. You should also read the cautionary notes on forward-looking statements in our Form 10-Q for the period ended September 30, 2019 and Earnings Results Presentation for the Full Year and Fourth Quarter 2019. For more information regarding non-GAAP financial measures such as ROTE, refer to the footnotes in the Earnings Release and Earnings Presentation for the Full Year and Fourth Quarter 2019 and information on the calculation of non-GAAP financial measures that is posted on the Investor Relations portion of our website: [www.goldmansachs.com](http://www.goldmansachs.com).

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# Executing Our Strategy

**John Waldron**  
President and Chief Operating Officer

January 29, 2020



## Executing Our Strategy

### Operating Approach



Execution in the  
Core Franchise



Investing  
for Growth



Operating  
Efficiency

Brand • One Goldman Sachs • Engineering • Talent

# Investment Banking



Narrow Wallet Share Gaps

Expand Client Footprint

Source Firmwide Opportunities

Invest in Talent

## MEASURING OUR PROGRESS

- Top 3 M&A and Equity ranking in every subsector globally
- Relationship status improvement
- Narrow ECM and DCM wallet share gaps
- Coverage of >1,700 new corporates
- Track sourcing of investment opportunities
- #1 in IB fees
- #1 in M&A Market Share
- #1 in Equity Market Share
- Top 4 Debt Market Share

# Global Markets



Deepen Relationships with Institutional Clients

Increase Client Financing

Deploy Technology to Improve Client Experience

Enhance Corporate Offerings

Optimize Resource Utilization

## MEASURING OUR PROGRESS

- Top 3 position with Top 100 clients
- Increasing FICC financing revenues
- Narrow Systematic/Quant wallet share gap
- Measure utilization of key platforms
- \$700mm OpEx reduction in 3 years
- \$250mm funding cost savings in 3 years
- ROE expansion from 7% to 10%+ in 3 years

# Asset Management



Partner with Asset Allocators

Deliver Holistic Solutions

Innovate to  
Serve Client Needs

Invest in  
Institutional Sales Force

## MEASURING OUR PROGRESS

- Consistent strong investment performance
- Organic long-term fee-based AUS growth
- Morningstar rankings
- Advisory / outsourced CIO revenues
- Measure quality of institutional client relationships
- +\$250bn of firmwide Traditional AUS inflows in 5 years

# Consumer & Wealth Management



## MEASURING OUR PROGRESS

Organic Advisor Growth  
in Americas

Source Experienced  
PWA Hires in EMEA / APAC

Increase Lending to  
Private Wealth Clients

- +20% Advisor headcount in Americas
- +50% Advisor headcount in EMEA / APAC
- Measure Advisor productivity
- PWM lending penetration
- UHNW market share
- C&WM margin to 20%+ at scale

## Investing for Growth: Four Areas of Focus

**Transaction  
Banking**

**Third Party  
Alternatives**

**Digital  
Consumer Bank**

**Wealth  
Management**

# Build Transaction Banking

## 5+ Year Opportunity

**\$50bn**  
Deposit Balances

**\$1bn**  
in Revenues

## Strong Client Value Proposition

- ✓ Analytics and actionable insights
- ✓ Fast and easy onboarding
- ✓ Modern tools and simple processes
- ✓ Scalable client customization

## Progress and Forward Plan

- Built 350 Person Team
- Processed >\$3tn for Goldman Sachs in 5 Currencies
- Opened Deposit Accounts with over 25 Clients
- Full Platform Launch – 1H 2020

# Grow Third Party Alternatives

## 5-Year Opportunity

**\$100bn**  
Alternative Net Inflows<sup>1</sup>

**\$4bn**  
Capital Reduction<sup>2</sup>

## Strong Client Value Proposition

- ✓ Global multi-asset class franchise
- ✓ Unique sourcing capabilities
- ✓ Experienced investment team
- ✓ Strong long-term track record

## Progress and Forward Plan

- Unified 5 Investing Platforms
- Established Investing Teams Across Asset Classes
- Created Alternatives Capital Markets + Strategy Group
- Optimizing Capital Efficiency

# Scale Digital Consumer Banking

## 5-Year Opportunity

Grow to  
**\$125bn+**  
Consumer  
Deposit Balances

Grow to  
**\$20bn+**  
Consumer  
Loan/Card Balances

## Strong Client Value Proposition

Building products that are:



Simple



Transparent



Valuable



Personal



Secure

## Progress and Forward Plan

Launched Marcus Deposits,  
Lending and Apple Card

Building Integrated Digital Bank  
and Wealth Platform

Growing Deposits, Lending  
and Card Balances

Pursue Additional Products  
and Partnership Opportunities

# Expand Wealth Offering

## 5-Year Opportunity

**30**  
Corporate clients  
added annually

**300k**  
Employees added  
annually

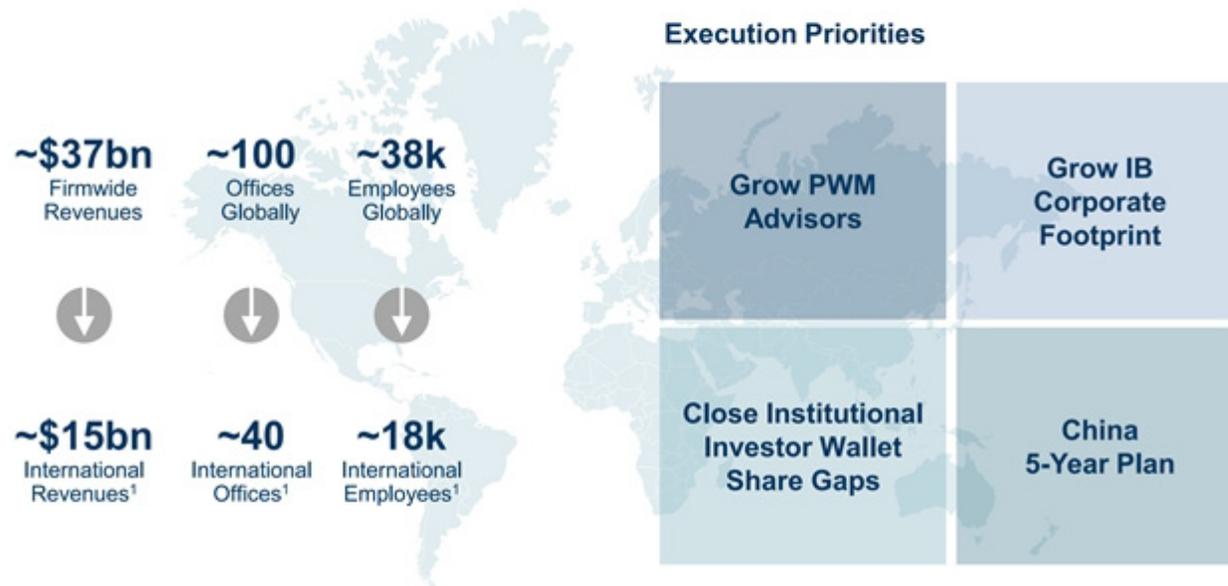
## Strong Client Value Proposition

- ✔ Advice-driven solutions
- ✔ Innovative digital capabilities
- ✔ Holistic offering
- ✔ Tailored to client needs

## Progress and Forward Plan

- Complete Integration of United Capital
- Drive Synergies Between Ayco and United Capital
- Launch New Marcus Products
- Increase Digital Utilization

## Deep Global Network of Client Relationships



# Track Record of Building Businesses

## Debt Underwriting

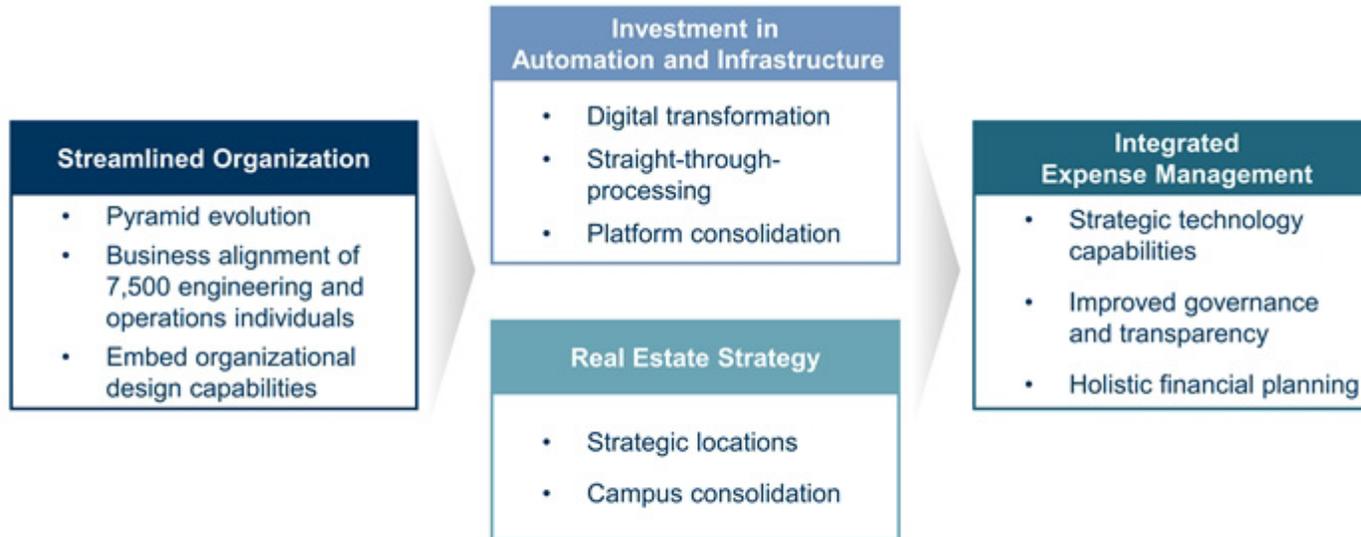


## Asset and Wealth Management



# \$1.3bn Run-rate Expense Savings in 3 Years

## Drives Capacity for Investment



## One Goldman Sachs



**Client-centricity drives everything we do – from organizational structure to talent deployment**

## One Goldman Sachs



# One Goldman Sachs



## Client Coverage

- Increasing collaboration
- Institutionalizing incentives
- Leveraging sourcing network

## Thought Leadership

- Best-in-class intellectual capital
- Curated content
- Dedicated senior leadership

## Digital Client Experience

- Digital delivery channels
- Unified platform experience
- Harmonized client analytics

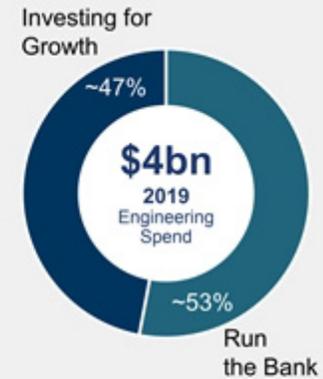
# Engineering Core to Execution Strategy

## Investing for Growth

- Build, scale and operate new platform businesses
- Develop and extend differentiated services via API<sup>1</sup> ecosystem
- Shape and enable One Goldman Sachs capabilities
- Ignite the innovative capacity of our people

## Run the Bank

- Enhance foundational shared services
- Promote secure, flexible and resilient infrastructure
- Drive platform simplification



## Metrics

Platform Engagement • Resiliency • APIs • Productivity • Cloud Usage

## Enhancing Our World-Class Engineering Team



## Incentives Align to Long-Term Shareholder Value

Management Committee	✓ Increased use of performance-based equity
Partnership	✓ Long-term compensation closely tied to performance
One Goldman Sachs	✓ Incentivizing a client-centric and collaborative culture
Firmwide	✓ Pay-for-performance philosophy with long-term orientation

## Executing Our Strategy

### Operating Approach



Execution in the  
Core Franchise



Investing  
for Growth



Operating  
Efficiency

Brand • One Goldman Sachs • Engineering • Talent

# Executing Our Strategy

**John Waldron**  
President and Chief Operating Officer

January 29, 2020



# End Notes

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Slide 8:

1. Growth shown net of realizations
2. Capital efficiencies across Alternatives in Asset Management

Slide 11:

1. Excludes the US and Canada from total international figures

Slide 12:

1. High Yield per Dealogic, Institutional Loans per Bloomberg
2. Data as of 3Q19. Competitor data compiled from publicly available Quarterly Earnings Releases and Supplements, eVestment database and Morningstar Direct. Where product classification (e.g. fixed income vs. alternatives) and portfolio management style (passive vs. active) were not explicit in competitors' publicly available data, GS applied certain assumptions for purposes of making comparisons. Peer population represents key competitors tracked internally by product classification and portfolio management style

Slide 17:

1. Application programming interface

Slide 18:

1. Refers to acceptance rate for 2020 full-time positions as of January 2020
2. Includes Engineers and Strats

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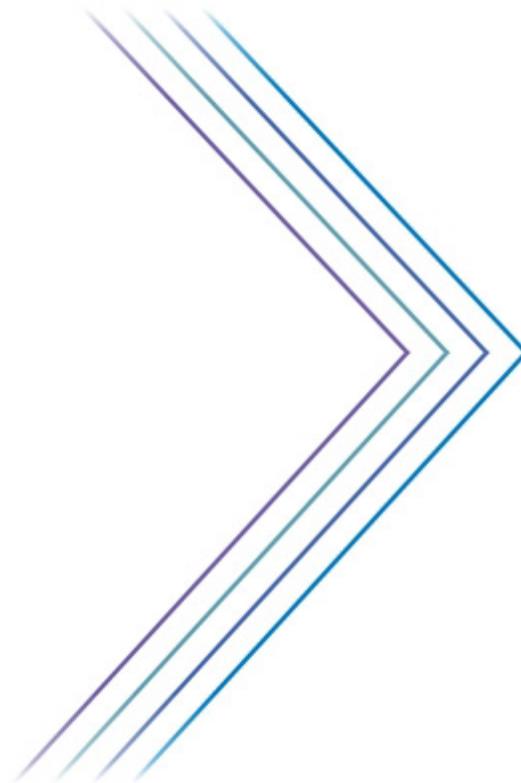
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# Financial Roadmap

**Stephen Scherr**  
Chief Financial Officer

January 29, 2020



# Agenda

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## 1 Targets

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## 2 Drivers of Improved Profitability

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- Revenue expansion opportunities

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- Funding optimization

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- Expense management

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- Dynamic capital management

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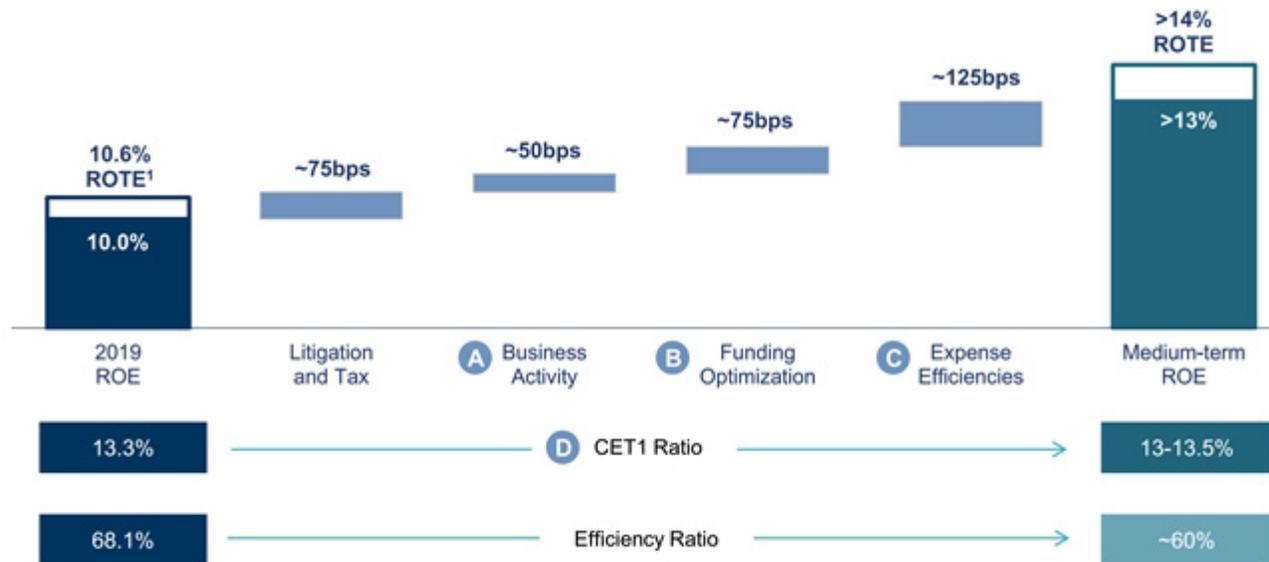
## 3 Key Takeaways

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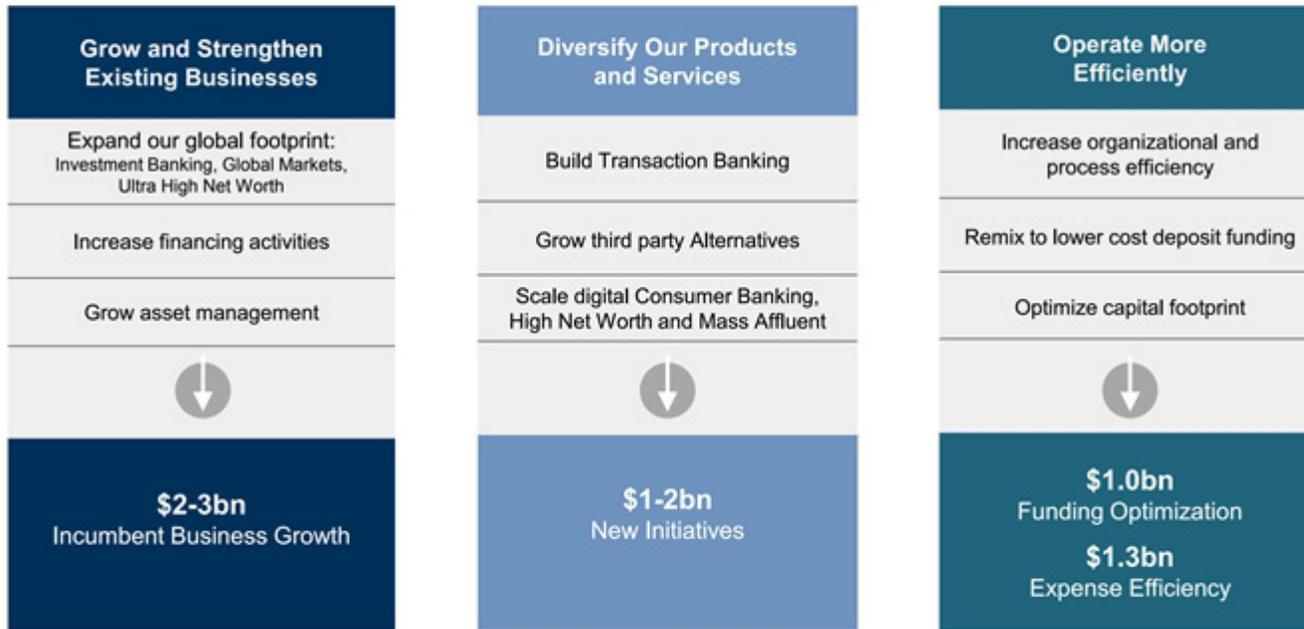
# A Commitment to Driving Value



## Drivers of Improved Profitability

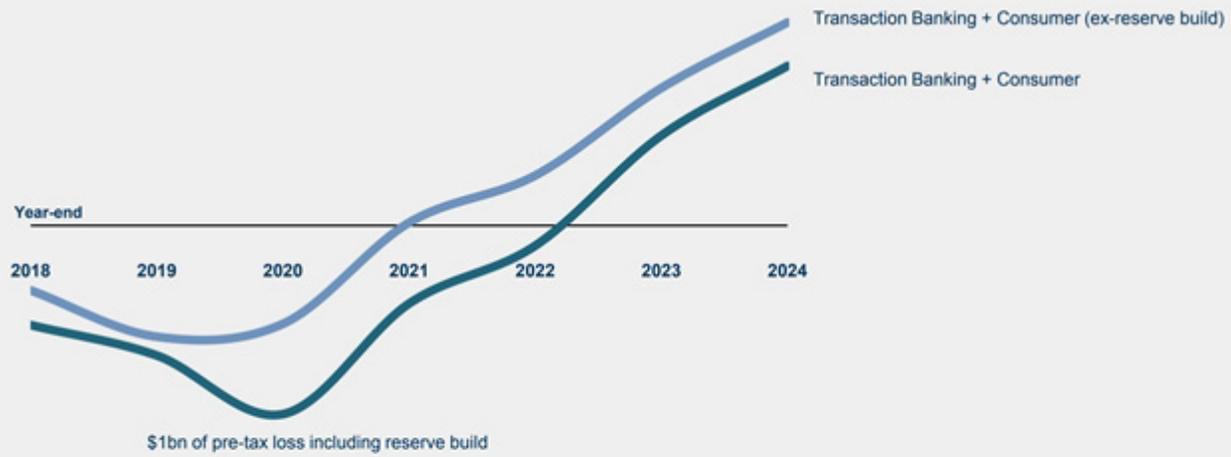


# Clear Strategic Direction Will Drive Business Growth



## A Growth Initiatives to Generate Positive Returns

Forward Estimates: Pre-tax Income



# A Disciplined Return on Investment Framework

## Investment Philosophy

▪ Addresses a client need
▪ Capitalizes on our foundational advantages
▪ Leverages adjacencies to incumbent businesses
▪ Produces more durable revenues
▪ Enhances our funding profile
▪ Improves capital efficiency

Initiative Type	Select Initiatives	Time Horizon	Financial Evaluation <sup>1</sup>
<b>Existing Business</b>	<ul style="list-style-type: none"> <li>▪ Growth in Investment Banking coverage</li> <li>▪ Expansion of Private Wealth Management coverage</li> </ul>	<ul style="list-style-type: none"> <li>▪ Up to 3 years</li> </ul>	<ul style="list-style-type: none"> <li>▪ Return on risk-adjusted capital</li> <li>▪ Cumulative and steady state PTI</li> </ul>
<b>Adjacent / New Business</b>	<ul style="list-style-type: none"> <li>▪ Transaction Banking</li> <li>▪ Consumer Banking</li> </ul>	<ul style="list-style-type: none"> <li>▪ 3 to 5+ years</li> </ul>	<ul style="list-style-type: none"> <li>▪ NPV analysis</li> </ul>

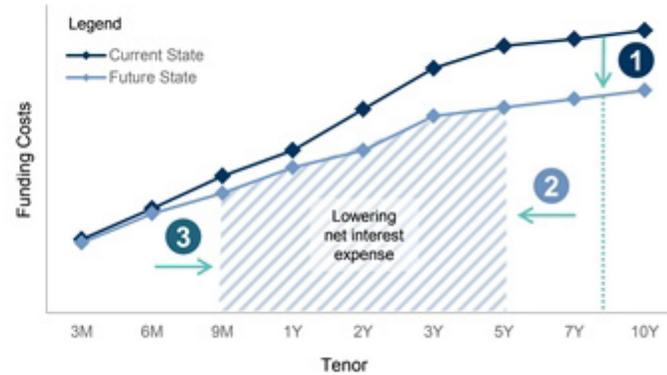
## B Funding Optimization to Drive Improved Returns

Increasing high-quality deposits to improve funding diversification and generate \$1.0bn in revenues through lower interest expense

### Key Tenets of our Strategy

- 1 Further diversify funding mix via deposits
- 2 Enhance Asset-Liability Management
- 3 Optimize liquidity pool

### Target State



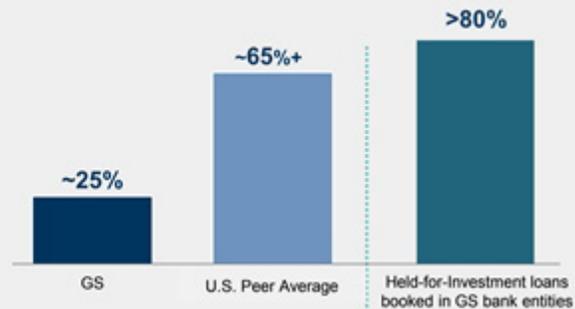
## B Embracing the Bank Model

### Increase Utilization of Bank Entities

- Capture lower cost funding
- Continue migration of businesses into bank entities
- Grow diversifying businesses with more durable revenues
- Facilitate increase in firmwide lending

### Significant Asset Growth Opportunity

Percent of Total Assets in Bank Entities<sup>1</sup>

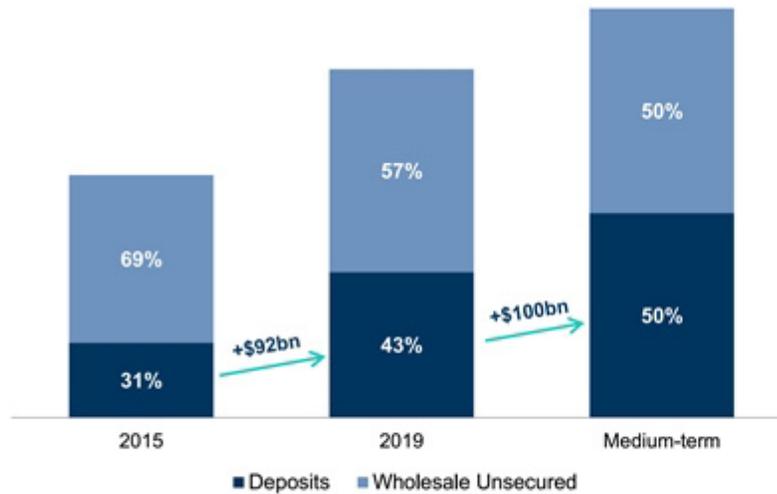


~\$250bn in total assets across  
all Goldman Sachs' bank entities

## B Optimizing our Unsecured Funding Mix via Deposit Growth

Improvement in unsecured funding mix to drive higher returns

Interest expense savings reflected in revenue growth



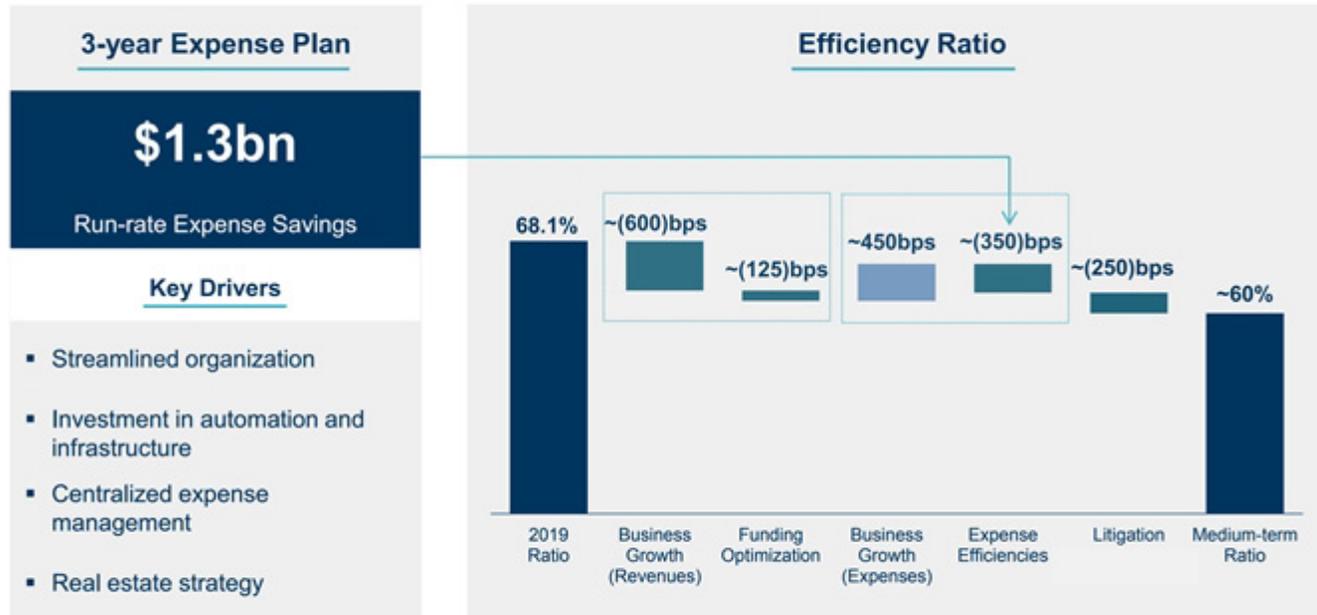
**\$100bn**

Growth in deposits across channels

**~30bps**

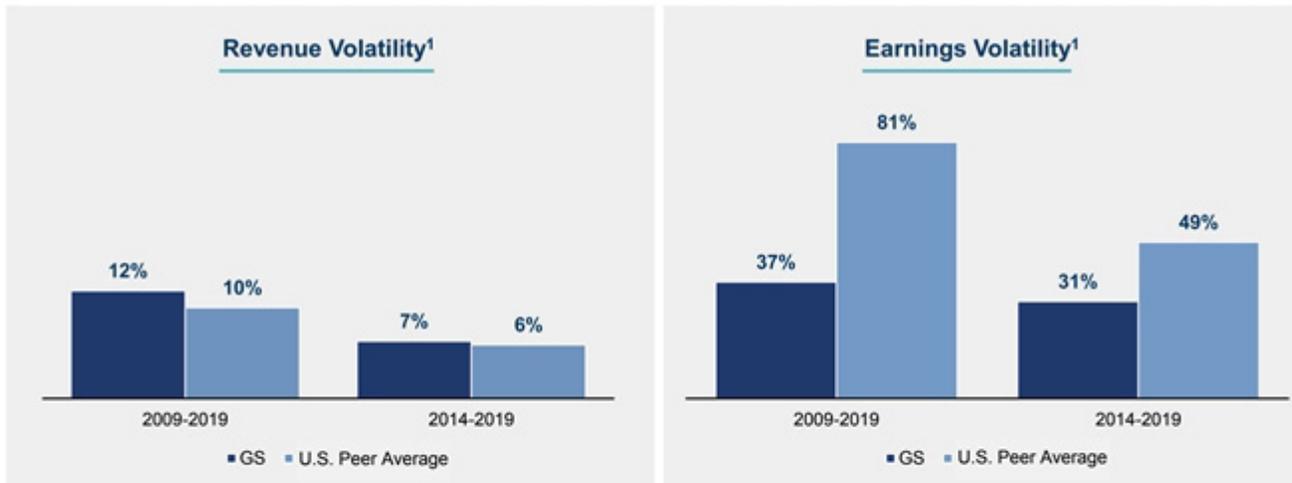
Expected improvement in cost of funds<sup>1</sup>

## C Expense Savings Creating Capacity to Fund Future Growth



## C Dynamic Expense Management Drives Earnings Stability

Alignment of expenses with revenues through pay-for-performance discipline results in low earnings volatility



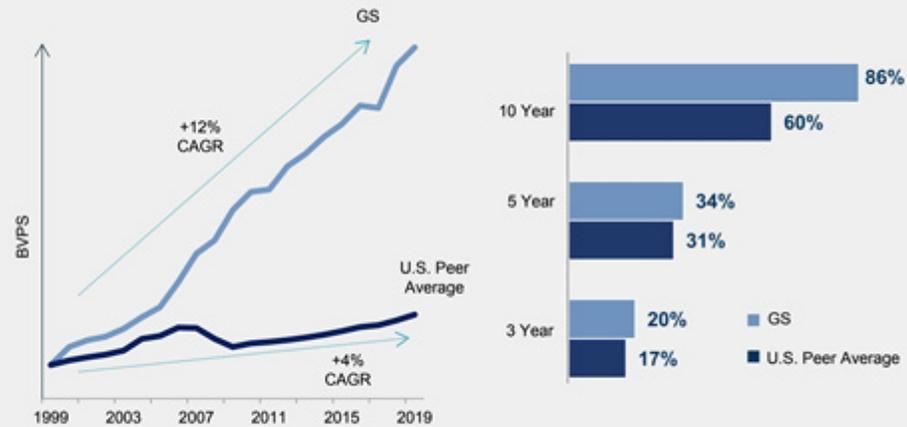
## D Proven History of Prudent Capital Management

In the last 5 years, Goldman Sachs returned over \$30bn of capital, 90%+ of the firm's net income and grew BVPS more than peers

### Capital Management Philosophy

- Prudent capital management with evolving regulatory landscape
- Prioritize deploying capital to support client activity and grow our businesses
- Return excess capital in the form of dividends and buybacks

### BVPS Growth vs. Peers<sup>1</sup>



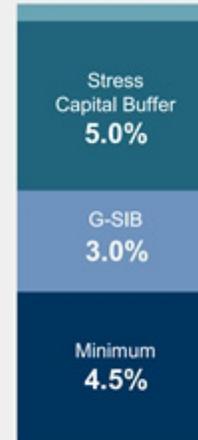
## D Disciplined and Dynamic Capital Management

### Key Forward Drivers

- **Stress Capital Buffer**  
Improvement due to capital efficiencies of 50bps across Alternatives in Asset Management
- **G-SIB**  
Expected surcharge of 3% as we continue to grow balance sheet to support client financing activity
- **Management Buffer**  
Estimated buffer of 50-100bps to account for uncertainties, including potential volatility in the Stress Capital Buffer

### CET1 Ratio<sup>1</sup>

Target:  
**13-13.5%**



## D Capital Attribution and Segment Returns

### Capital Framework

- Governed by regulatory constraints and internal risk measures
- Dynamically managed and responsive to changing binding constraints
- Active reallocation of capital towards higher-returning growth opportunities
- Fully cost-out businesses; no corporate center

### Capital Attribution and Returns

	Capital Attribution (\$bn)		2019 Returns
	Avg. 2019	Δ vs. 2017	ROE
Investment Banking	\$11	+28%	18%
Global Markets	\$40	-10%	7%
Asset Management	\$22	+28%	14%
Consumer & Wealth Management	\$6	+36%	3%
<b>Total</b>	<b>\$79</b>		<b>10.0%</b> <i>(ROTE<sup>1</sup>: 10.6%)</i>

## D Capital Deployment Opportunities for Global Markets

### Global Markets Returns

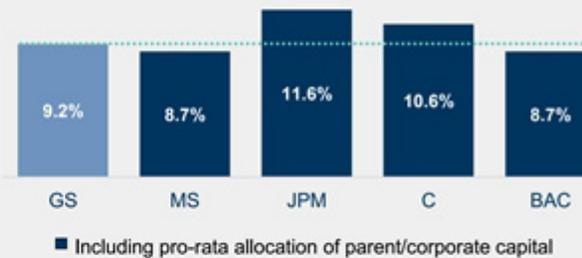
Higher returns over the medium-term driven by:

- + Resource optimization including funding, expense and capital efficiencies
- + Redeployment of capital into ROE accretive activities including client financing



### Global Markets and Investment Banking 2019 ROE<sup>1</sup>

- ✓ Synergies with Investment Banking in delivering integrated execution solutions for clients
- ✓ Goldman Sachs' ROE was burdened in 2019 by elevated litigation expenses



# Prudently Managing Risk

## Comprehensive Risk Management Infrastructure

### Culture of Risk Management

- Disciplined risk-reward approach
- Deep bench of risk managers
- Consensus-driven decision making

### Process and Structural Oversight

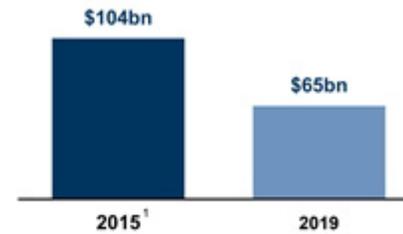
- Independent controls and governance
- Comprehensive stress testing
- Mark-to-market discipline

### Continuous Improvement

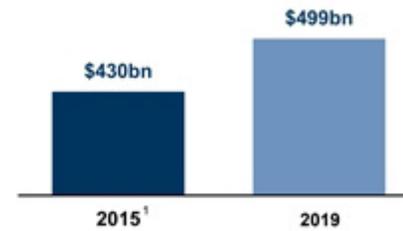
- Cycle preparedness
- Reputational risk and compliance
- Cyber risk

## Evolving Risk Profile

### Market RWAs



### Credit RWAs



# Evolving Risk Profile

Continuous investment in risk management to address evolving business mix

	<u>Key Areas of Risk</u>	<u>Mitigation</u>
<b>Consumer</b>	<ul style="list-style-type: none"><li>+ Credit</li><li>+ Fraud</li><li>+ Increased cyber footprint</li></ul>	<ul style="list-style-type: none"><li>✓ Robust credit underwriting framework and processes</li><li>✓ Strong talent pool augmented by select hiring</li><li>✓ Best-in-class technology infrastructure and analytics</li></ul>
<b>Transaction Banking</b>	<ul style="list-style-type: none"><li>+ Operational resiliency</li><li>+ Privacy</li></ul>	<ul style="list-style-type: none"><li>✓ Modern tools with no legacy platforms and streamlined processes</li><li>✓ Continuous innovation and investments to mitigate cyber risk</li></ul>

## Key Takeaways



Committed to  
Delivering on Our  
Financial Targets



Leading Businesses  
with Multiple  
Opportunities  
for Revenue  
Growth Across  
the Franchise



Optimizing  
Expenses and  
Capital



Prudently  
Managing Risk

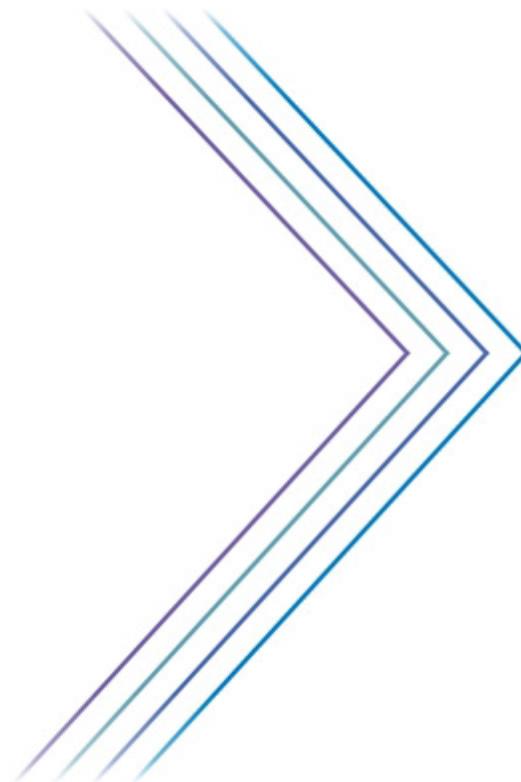


Providing Investors  
Tools to Hold us  
Accountable

# Financial Roadmap

**Stephen Scherr**  
Chief Financial Officer

January 29, 2020



# End Notes

These notes refer to the financial metrics and/or defined term presented on:

Slide 2:

1. Medium-term refers to 3 year time horizon
2. Longer-term refers to 5+ year time horizon

Slide 3, 14:

1. Return on average common shareholders' equity (ROE) is calculated by dividing net earnings applicable to common shareholders by average monthly common shareholders' equity. Return on average tangible common shareholders' equity (ROTE) is calculated by dividing net earnings applicable to common shareholders by average monthly tangible common shareholders' equity (tangible common shareholders' equity is calculated as total shareholders' equity less preferred stock, goodwill and identifiable intangible assets). Management believes that ROTE is meaningful because it measures the performance of businesses consistently, whether they were acquired or developed internally, and that tangible common shareholders' equity is meaningful because it is a measure that the firm and investors use to assess capital adequacy. ROTE and tangible common shareholders' equity are non-GAAP measures and may not be comparable to similar non-GAAP measures used by other companies.  
The table below presents average equity and a reconciliation of average common shareholders' equity to average tangible common shareholders' equity:

Unaudited, \$ in millions	AVERAGE FOR THE	
	YEAR ENDED DECEMBER 31,	
	2019	
Total shareholders' equity	\$	90,297
Preferred stock		(11,203)
Common shareholders' equity		79,094
Goodwill and identifiable intangible assets		(4,464)
Tangible common shareholders' equity	\$	74,630

Slide 6: 1. PTI refers to pre-tax income; NPV refers to Net Present Value

Slide 8:

1. Source: SNL; includes U.S. bank entities for peers BAC, C, JPM, MS as of 3Q19; GS as of 4Q19, excludes affiliate assets

Slide 9:

1. Relative value of shift to deposits will change as credit spreads and overnight/term interest rates change

## End Notes

- Slide 11:
1. Annual revenue volatility calculated by dividing standard deviation of reported revenues by the average revenues over the period. Annual earnings volatility calculated by dividing standard deviation of reported net income to common by the average net income to common over the period. U.S. peers include BAC, C, JPM, MS
- Slide 12:
1. Compares 3-year, 5-year, 10-year BVPS growth vs. 2019 BVPS; data per SNL
- Slide 13:
1. Targets may change as regulatory landscape and firm business mix evolve; SCB reflects current proposal
- Slide 15:
1. Compiled using publicly available information from peer filings
- Slide 16:
1. As of December 31, 2015, the firm's risk-weighted assets in accordance with the Standardized capital rules on a fully phased-in basis was a non-GAAP measure and may not be comparable to similar non-GAAP measures used by other companies. Management believes that the firm's risk-weighted assets in accordance with the Standardized capital rules on a fully phased-in basis is meaningful because it is a measure that the firm and investors use when assessing capital adequacy. The table below presents reconciliations for the firm's market and credit risk-weighted assets in accordance with the Standardized capital rules on a transitional basis to a fully phased-in basis as of December 31, 2015 (unaudited, \$ in billions):

Unaudited, \$ in billions	As of December 31, 2015	
	Standardized	
Market risk-weighted assets, transitional and fully phased-in basis		\$104
Credit risk-weighted assets, transitional basis		\$420
Credit risk transitional adjustments		\$10
Credit risk-weighted assets, fully phased-in basis		\$430

## Cautionary Note on Forward-Looking Statements

Statements about the firm's target metrics, including its target ROE, ROTE, efficiency ratio and CET1 capital ratios, and how they can be achieved, and statements about future operating expense (including future litigation expense), amount and composition of future Assets under Supervision, planned debt issuances, growth of deposits and associated interest expense savings, future geographic location of its employees, and the timing and profitability of its business initiatives, including its launch of new businesses or new activities, its ability to increase its market share in incumbent businesses and its ability to achieve more durable revenues and higher returns from these initiatives, are forward-looking statements, and it is possible that the firm's actual results may differ, possibly materially, from the targeted results indicated in these statements.

Forward looking statements, including those about the firm's target ROE, ROTE, efficiency ratio, and expense savings, and how they can be achieved, are based on the firm's current expectations regarding its business prospects and are subject to the risk that the firm may be unable to achieve its targets due to, among other things, changes in the firm's business mix, lower profitability of new business initiatives, increases in technology and other costs to launch and bring new business initiatives to scale, and increases in liquidity requirements. Statements about the firm's target ROE, ROTE and CET1 capital ratios, and how they can be achieved, are based on the firm's current expectations regarding the capital requirements applicable to the firm and are subject to the risk that the firm's actual capital requirements may be higher than currently anticipated because of, among other factors, changes in the regulatory capital requirements applicable to the firm resulting from changes in regulations or the interpretation or application of existing regulations or changes in the nature and composition of the firm's activities. Statements about the timing and benefits of business and expense savings initiatives, the level and composition of more durable revenues and increases in market share are based on the firm's current expectations regarding its ability to implement these initiatives and may change, possibly materially, from what is currently expected. Due to the inherent uncertainty in these forward-looking statements, investors should not place undue reliance on the firm's ability to achieve these results.

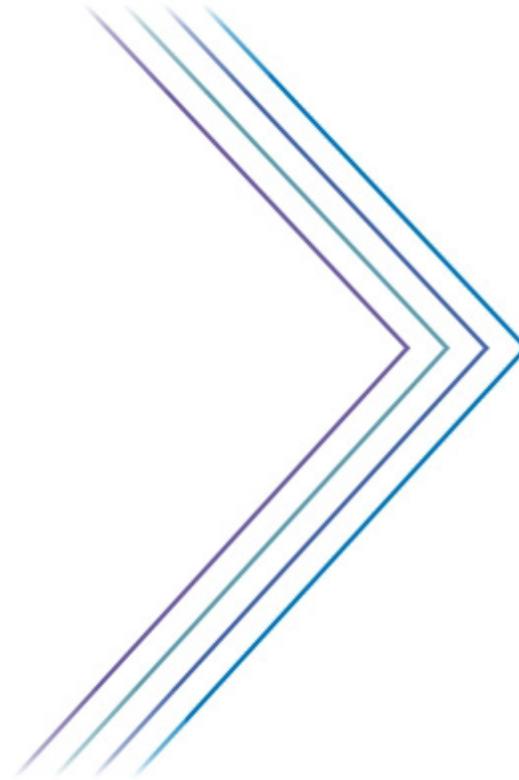
For a discussion of some of the risks and important factors that could affect the firm's future business, results and financial condition, see "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2018. You should also read the cautionary notes on forward-looking statements in our Form 10-Q for the period ended September 30, 2019 and Earnings Results Presentation for the Full Year and Fourth Quarter 2019. For more information regarding non-GAAP financial measures such as ROTE, refer to the footnotes in the Earnings Release and Earnings Presentation for the Full Year and Fourth Quarter 2019 and information on the calculation of non-GAAP financial measures that is posted on the Investor Relations portion of our website: [www.goldmansachs.com](http://www.goldmansachs.com).

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# Investment Banking

Gregg Lemkau

January 29, 2020



## What Drives Our Success

**#1 Investment Bank**  
in the world<sup>1</sup>, built through  
decades of investment in  
people, clients and culture

Trusted Advisor of Choice

World-Class Talent and Culture

Unparalleled Brand of  
Excellence

Highest-Quality Execution

Global Scale and Reach

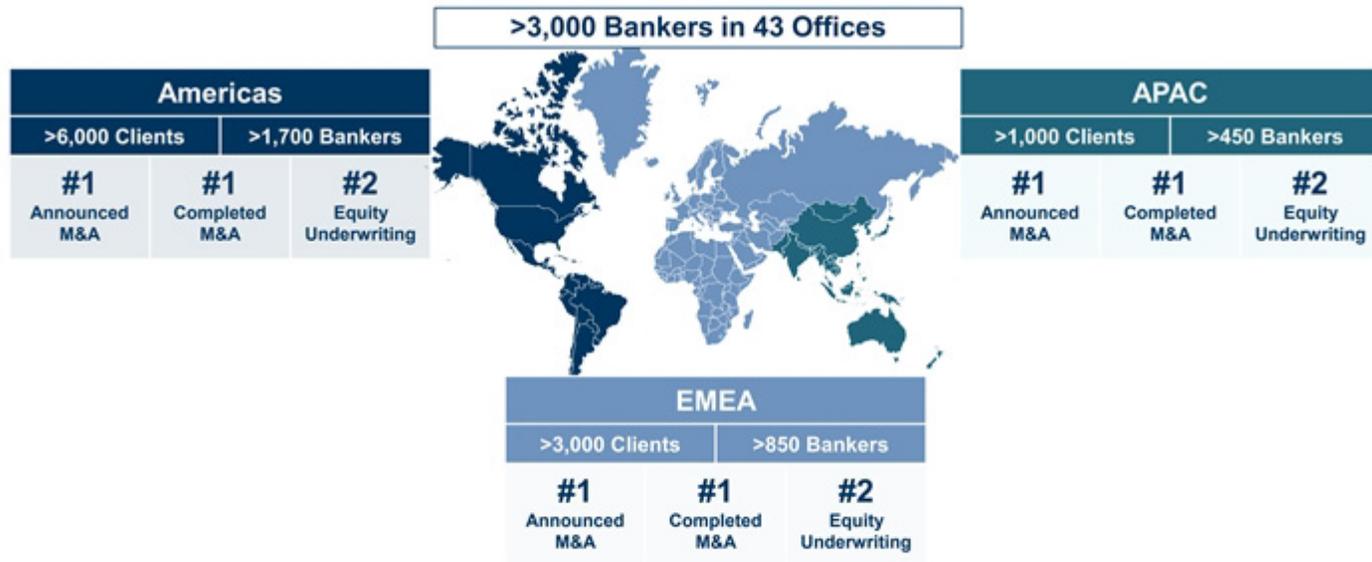
# Leadership Reinforced by Breadth, Depth and Consistency



## Global League Table Ranking<sup>1</sup>

2010		2019
#2	Announced M&A	#1
#1	Completed M&A	#1
#2	Equity Underwriting	#1
#2	Common Stock Offerings	#1
#6	High-Yield Debt	#2
#6	Institutional Loans	#2
#6	Investment-Grade Debt (\$+€)	#6

# Global Scale and Leadership Drive Opportunity



## Broad Sector Leadership and Deep Expertise

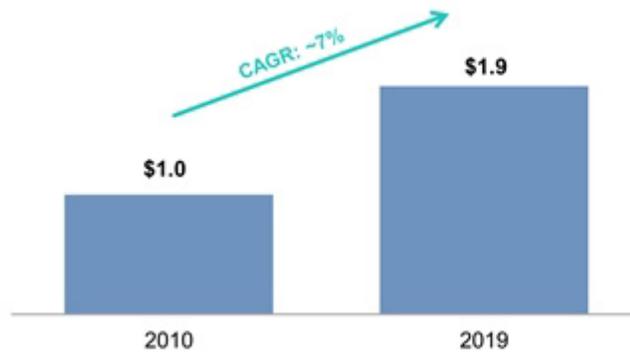
Consumer and Retail			Real Estate			Tech, Media and Telecom			Financial Institutions		
#1 Announced M&A	#1 Completed M&A	#2 Equity Underwriting	#1 Announced M&A	#1 Completed M&A	#2 Equity Underwriting	#1 Announced M&A	#1 Completed M&A	#2 Equity Underwriting	#1 Announced M&A	#1 Completed M&A	#1 Equity Underwriting

Natural Resources			Healthcare			Industrials		
#1 Announced M&A	#1 Completed M&A	#2 Equity Underwriting	#2 Announced M&A	#1 Completed M&A	#2 Equity Underwriting	#1 Announced M&A	#1 Completed M&A	#1 Equity Underwriting

# Best-in-Class Financial Sponsor Relationships

Investment Banking Revenue from Financial Sponsor Clients (\$bn)<sup>1</sup>



# #1

Ranking with Financial Sponsor Clients<sup>2</sup>

- ✓ M&A
- ✓ Equity Underwriting
- ✓ High-Yield Bonds

Holding period creates regular cadence of M&A and Issuance activity

## World-Class Talent Underpinned by a Culture of Excellence



“What distinguishes Goldman Sachs from your competitors is the quality and talent of the individuals working on the account”  
– Client Survey Feedback

# Financial Advisory: Cornerstone of our Client Franchise

**Undisputed dominant M&A advisor<sup>1</sup>**

Cumulative Advisory Revenues Since 2010 (\$bn)<sup>2</sup>



Leadership in Largest and Most Complex Transactions

**20 of 25**  
Largest announced M&A transactions in 2019

**#1**  
In cross border deals since 2010

**103**  
Spin-offs since 2010,  
27% more than the next advisor

**~225**  
Public activism defense situations since 2010,  
1.7x next advisor<sup>3</sup>

# Equity Underwriting: Leadership Driven by Innovation

Leading global franchise across products and regions<sup>1</sup>

Cumulative Equity and Equity-Related Volume Since 2010 (\$bn)<sup>2</sup>



Consistent Leadership



Landmark Transactions



IPO Underwriter of Choice<sup>3</sup>

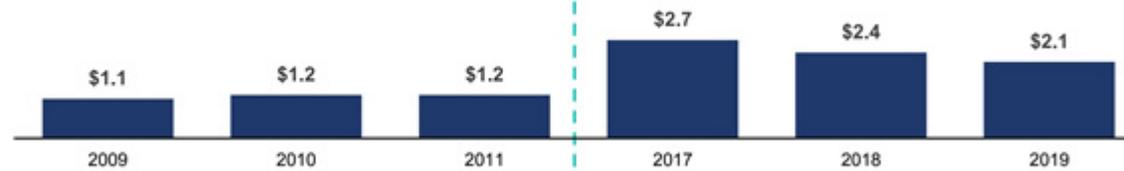


Underpinned by Continuous Innovation

# Debt Underwriting: Delivering Growth on Strength of Franchise

Execution of strategic focus driving revenue growth and improved competitive position

Debt Underwriting Net Revenues (\$bn)



League Table Rankings<sup>1</sup>



# Franchise-Enhancing Corporate Lending

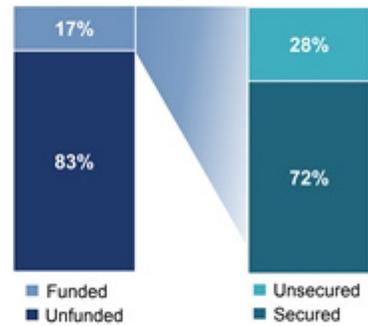
Lending generates significant franchise benefits and is underpinned by diligent risk management

Relationship lending to build and deepen client relationships

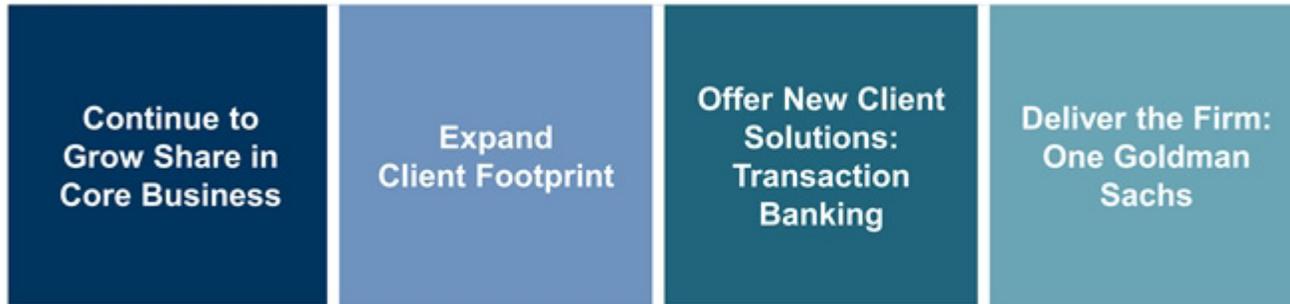
World-class acquisition finance franchise to enable client transactions

Financing for smaller companies, with focus on risk-adjusted returns

Corporate Lending Total Credit Exposure<sup>1</sup>

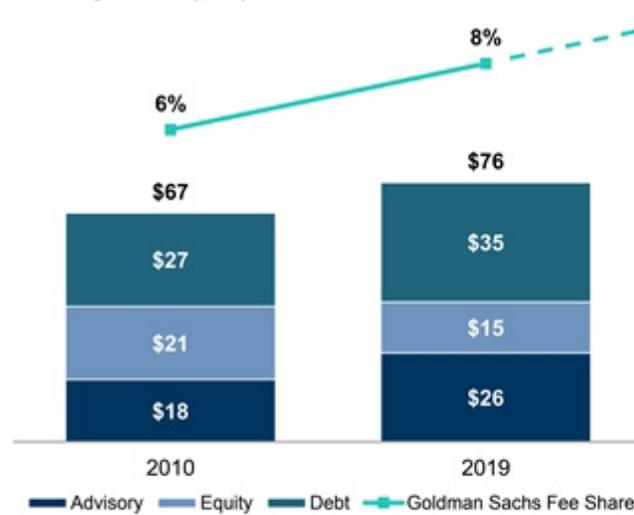


## Executing a Clear Strategy for Growth



## Continue to Grow Share in Core Business

Industry Wallet (\$bn) and Goldman Sachs Fee Share<sup>1</sup>



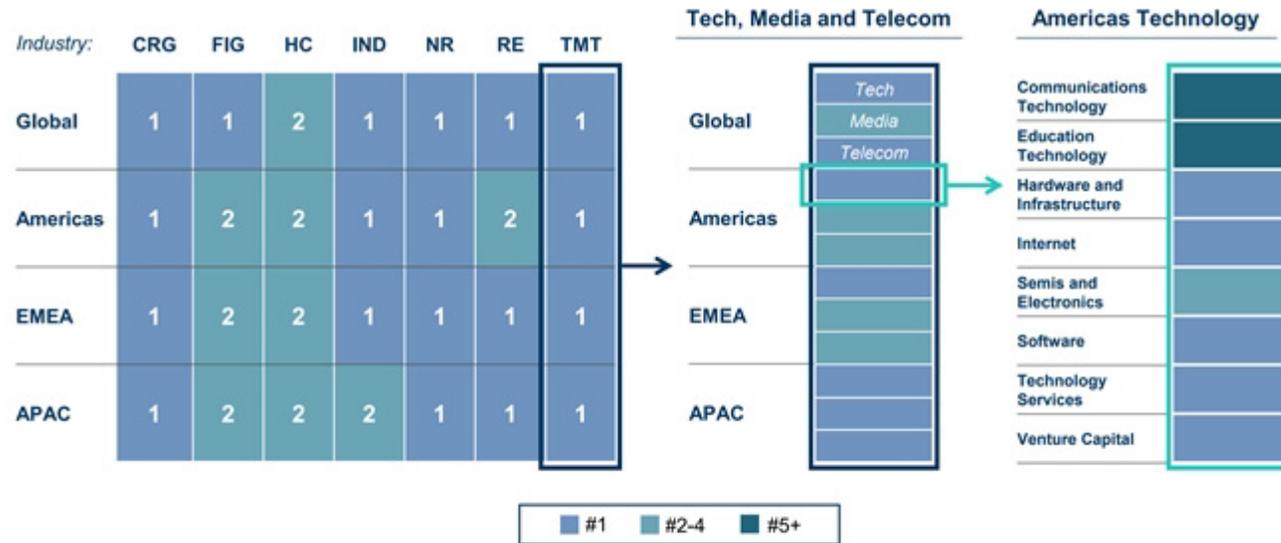
### Focus on Growing Wallet Share

Each incremental 1% share is worth  
~\$750mm annual revenues<sup>2</sup>

- Improve share in underpenetrated sectors and regions
- Drive market share across volumes, deal count and revenues
- Increase equity underwriting wallet share
- Opportunistically capture acquisition financing wallet share

# Despite Leadership Position, Continued Room to Grow Share

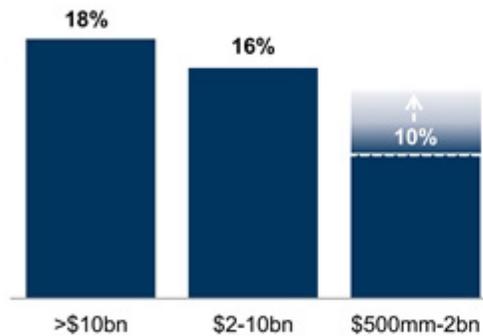
Announced M&A League Table Ranking<sup>1</sup>



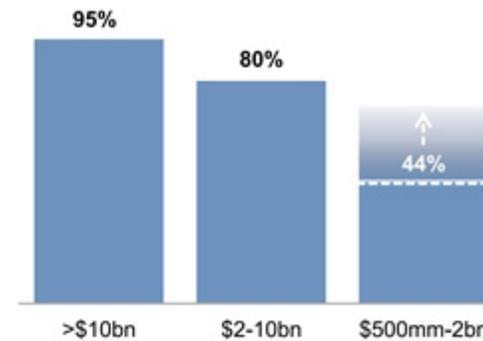
# Expanding Our Client Footprint

Opportunity to improve fee share by increasing coverage

Goldman Sachs M&A Fee Share by Deal Size<sup>1</sup>

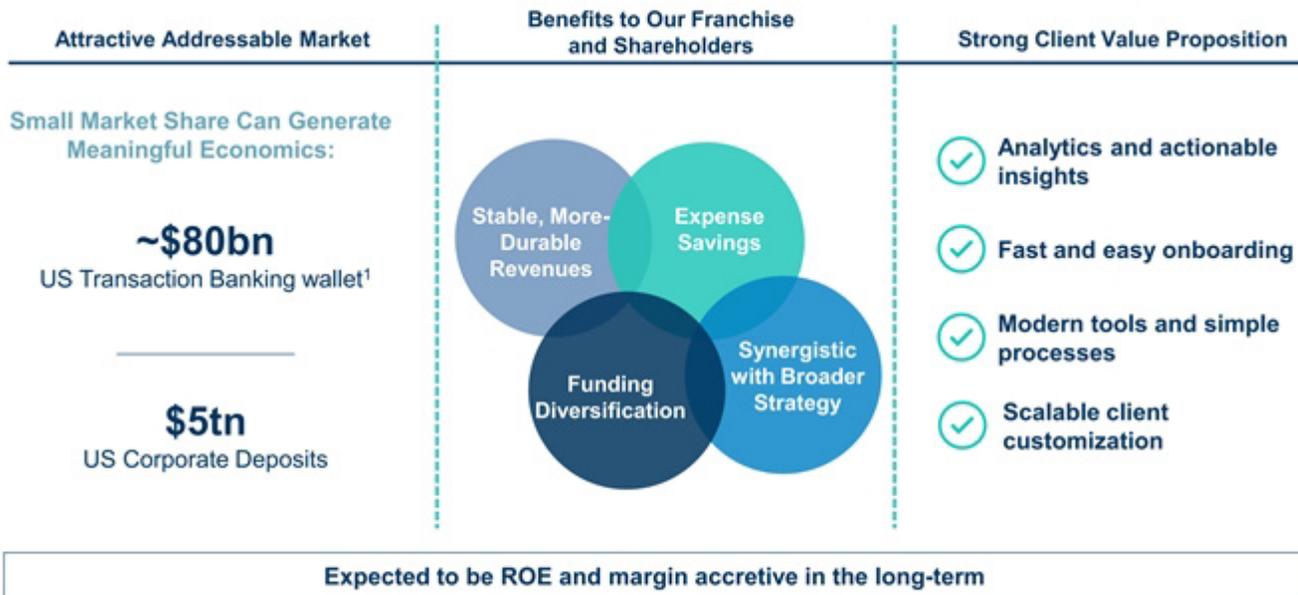


Goldman Sachs Americas/EMEA Coverage Rate by Client Size<sup>2</sup>

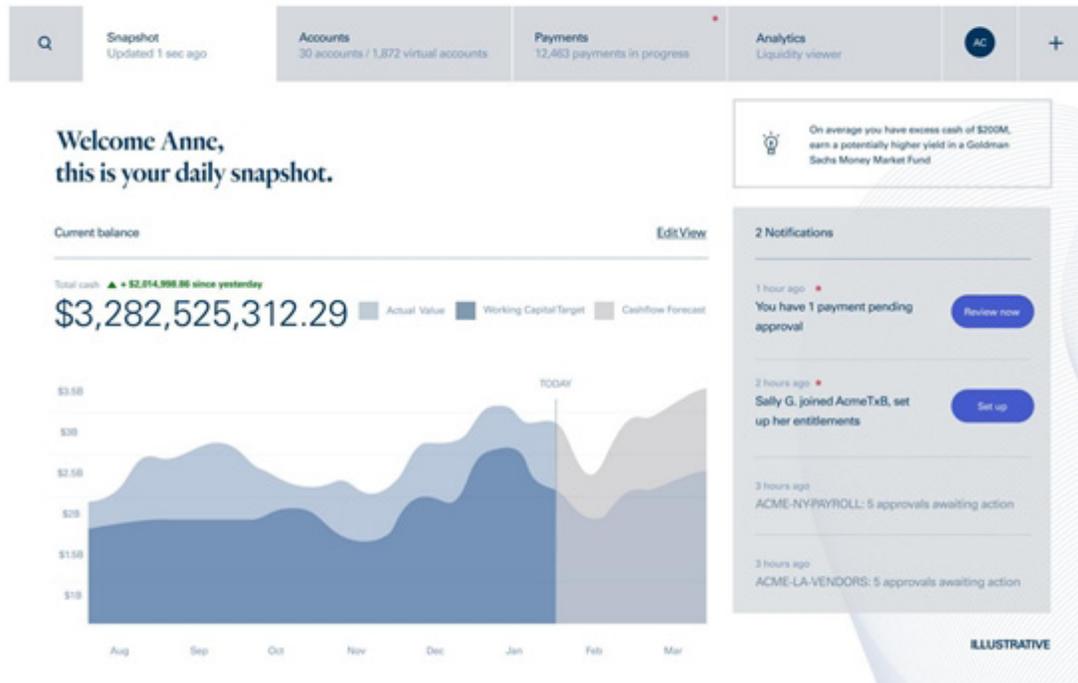


Our fee share for sufficiently-covered clients<sup>3</sup> is consistent across all size segments

# Offer New Client Solutions: Transaction Banking



# Offer New Client Solutions: Transaction Banking



## Deliver the Firm: One Goldman Sachs



“Spotify and I have been fortunate to have Goldman as partners every step of the way, from early days raising capital to going public to advice on strategic transactions”

– Daniel Ek, Founder and CEO

## Core Competitive Advantages Driving Future Growth

Trusted Advisor of Choice

World-Class Talent and Culture

Unparalleled Brand of Excellence

Highest-Quality Execution

Global Scale and Reach

### Forward Goals

**#1**

Investment Banking Fees<sup>1</sup>

**#1**

M&A Market Share

**#1**

Equity Market Share

**Top 4**

Debt Market Share

**Expand Share**

with \$500mm-2bn Clients

**Deliver Transaction Banking**

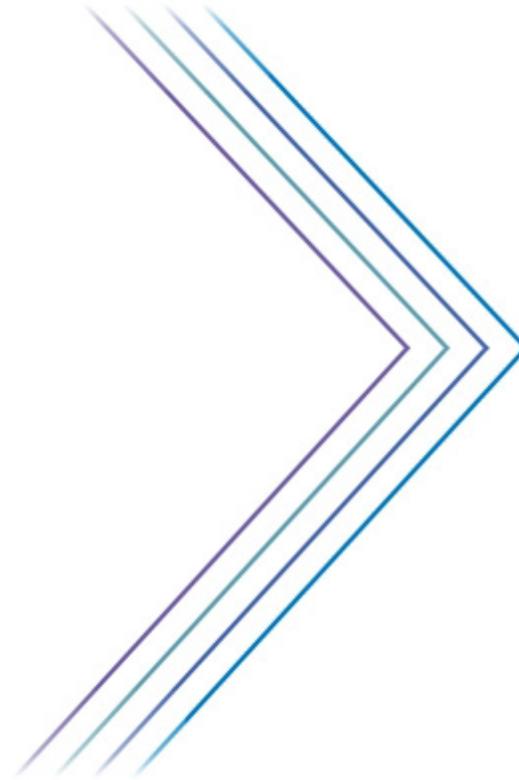
**\$1bn Revenues**  
in 5+ years

**\$50bn Deposits**  
in 5+ years

# Investment Banking

Gregg Lemkau

January 29, 2020



# End Notes

These notes refer to the financial metrics and/or defined term presented on:

Slide 1:

1. Based on cumulative publicly-disclosed Investment Banking revenues since 2015, per competitor public filings. Peers include Bank of America, Barclays, Citi, Credit Suisse, Deutsche Bank, JPMorgan, Morgan Stanley and UBS. GS excludes Corporate Lending for comparability

Slide 2:

1. Source: Dealogic; Institutional Loans per Bloomberg. Equity Underwriting refers to Equity and Equity-Related Offerings

Slide 3:

Source: Dealogic 2015 – 2019. Equity Underwriting refers to Equity and Equity-Related Offerings

Slide 4:

Source: Dealogic 2015 – 2019. Based on GS internal industry classifications. Equity Underwriting refers to Equity and Equity-Related Offerings

Slide 5:

1. Represents Advisory, Equity Underwriting and Debt Underwriting revenues; excludes Corporate Lending and Asset Management revenues
2. Source: Dealogic 2015 – 2019. Equity Underwriting refers to Equity and Equity-Related Offerings

Slide 7:

Source: Dealogic

1. Ranked #1 in Announced M&A 17 of 21 years since GS' IPO and #1 in Completed M&A 20 of 21 years
2. Source: Company filings; GS Investment Research 4Q19 estimates used for Deutsche Bank and Credit Suisse, who have not yet reported FY2019 results; all revenues and estimates converted to USD
3. Activism market share per Factset SharkWatch

Slide 8:

1. Only bank ranked #1 or #2 in Americas, EMEA and Asia since 2010
2. Source: Dealogic
3. Source: Dealogic; ranked #1 for initial public offerings of ≥\$100mm since GS' IPO

Slide 9:

1. High Yield and Investment Grade per Dealogic, Institutional Loans per Bloomberg

# End Notes

These notes refer to the financial metrics and/or defined term presented on:

Slide 10:

1. Represents total notional commitments. Other includes special purpose vehicles and funds

Slide 12:

1. Source: Dealogic
2. Based on 2019 fee pool

Slides 13:

1. Source: Dealogic 2015 – 2019. Based on target industry using Goldman Sachs internal industry classifications. CRG = Consumer and Retail, FIG = Financial Institutions, HC = Healthcare, IND = Industrials, NR = Natural Resources, RE = Real Estate and TMT = Technology, Media and Telecom

Slide 14:

1. Source: Dealogic 2015 – 2019
2. Represents coverage rate of public companies as of January 25, 2020 per internal Goldman Sachs coverage database, with client size measured by market capitalization
3. Internal Goldman Sachs classification based on frequency of GS coverage banker engagement

Slide 15:

1. McKinsey Global Cash Management Revenue Pools as of 2019

Slide 17:

Note: Third-party brands used in this presentation are the property of their respective owners and are not intended to imply an affiliation with or endorsement of Goldman Sachs or its products/services

Slide 18:

1. Sum of Advisory, Equity Underwriting and Debt Underwriting revenues

## Cautionary Note on Forward-Looking Statements

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# Global Markets

**Jim Esposito and Ashok Varadhan**

January 29, 2020



## What Drives Our Success

Our ambition is to have the preeminent Global Markets client franchise with industry leading returns

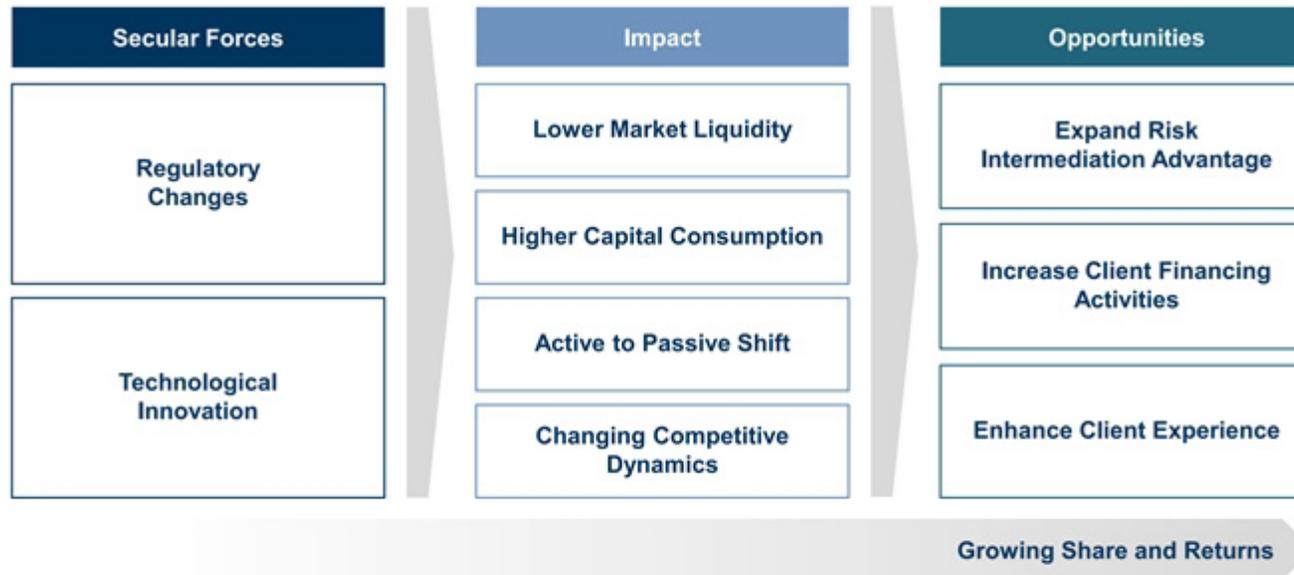
We are one of three market franchises with deep and consistent global scale across both FICC and Equities

- ✓ #2 in Institutional Client Franchise<sup>1</sup>
- ✓ #3 in reported revenues

Exceptional and experienced talent enables:

- ✓ Global and deep client relationships
- ✓ Superior risk intermediation
- ✓ Scalable, client-centric technology platforms

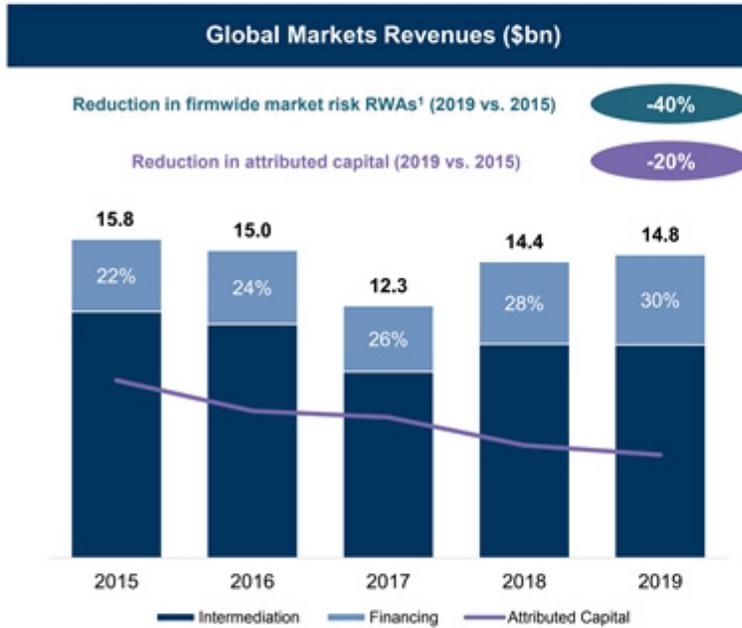
## Global Markets Opportunities Arising from Secular Change



# Adapting, Evolving, Improving

Historical Business Model	New Business Model
Business selection guided by measuring returns on a per trade basis	→ Build holistic, long-term client relationships by adopting a portfolio approach to generating higher returns 
Skewed focus towards a portion of a client's risk intermediation wallet	→ Grow our financing capabilities across FICC and Equities 
Concentrated on servicing the most complicated needs of sophisticated clients	→ Pair bespoke derivative intermediation with cash and electronic capabilities 
Limited client access to our market leading risk analytics and pricing tools used by our own traders (e.g. SecDb)	→ Goldman Sachs Marquee 

# Disciplined Response to Change Drives Top 3 Ranking



**Competitive Landscape**

	Rank	2019E Revenues (\$bn) <sup>2</sup>
J.P.Morgan	1	18.3
citi	2	15.4
Goldman Sachs	3	14.8
Morgan Stanley	4	13.7
Bank of America	5	12.9
<hr/>		
BARCLAYS	6	6.4
CREDIT SUISSE	7	6.2
BNP PARIBAS	8	6.0
Deutsche Bank	9	5.9
UBS	10	5.0

## Action Plan



# Optimize Resource Consumption

## Reduce Operating Expenses

### Progress since 2015

**-\$300mm**

Reduction in expenses  
excl. litigation

### Our medium-term plan

**-\$700mm**

Identified expense opportunities

## Optimize Funding

**-\$200mm**

2019 funding efficiencies

**-\$250mm**

Further funding optimization

## Deliver Capital Efficiencies

**-40%**

Reduction in  
firmwide market  
risk RWAs

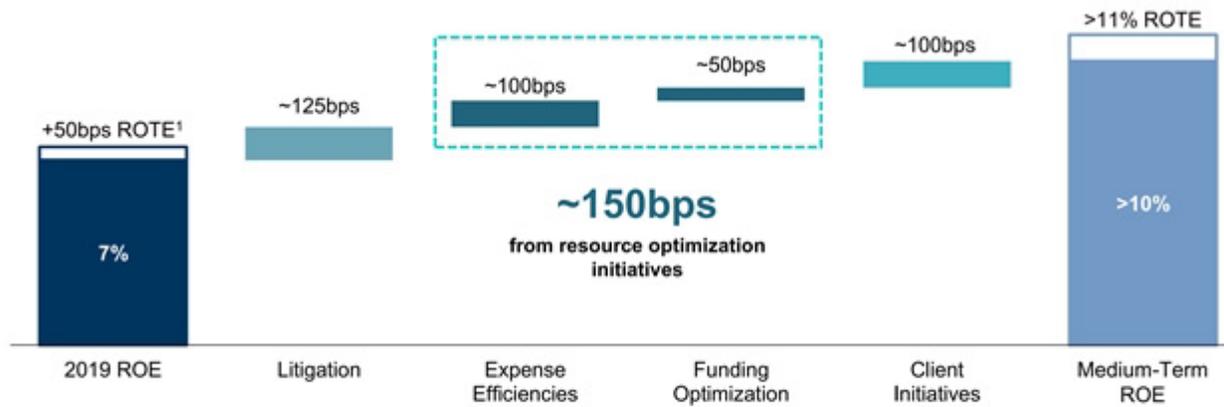
**-20%**

Reduction in  
attributed  
capital

**~\$2bn**

Capital reallocated to  
accretive opportunities

## Path to Higher Returns



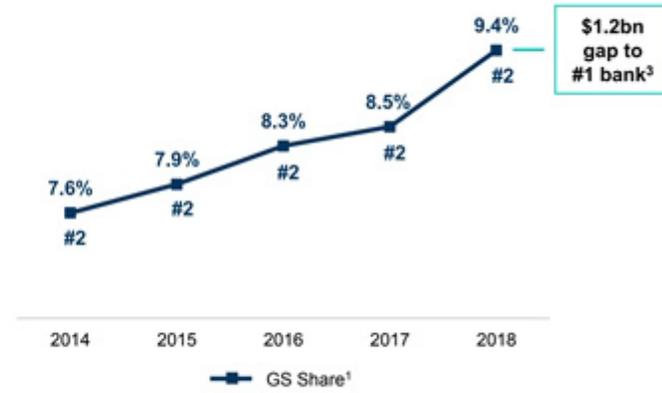
# Deepen and Broaden Client Base

Goldman Sachs Ranked #2 Globally<sup>1</sup>

	Overall	Asset Managers	Hedge Funds	Banks & pSE <sup>2</sup>	Insurance
Overall	#2				
Equities	#3				
Cash					
Derivatives					
Prime					
Futures					
FICC	#2				
G10 Rates					
G10 FX					
Emerging Markets					
Securitized Products					
G10 & EM Flow Credit					
Commodities					

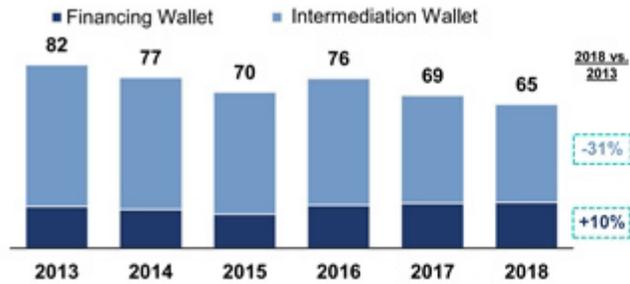
■ Top 3   ■ 4-7   □ 8+

Significant Upside in Closing Client Gaps

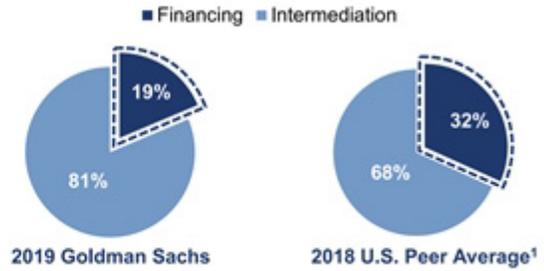


# Increase Client Financing in FICC

## Industry Wallet Composition<sup>1</sup> (\$bn)



## Financing Percent of Total Revenues



**\$1.4bn**  
Revenue gap to U.S. peer average in 2018<sup>1</sup>

**Opportunity to grow FICC financing revenues**

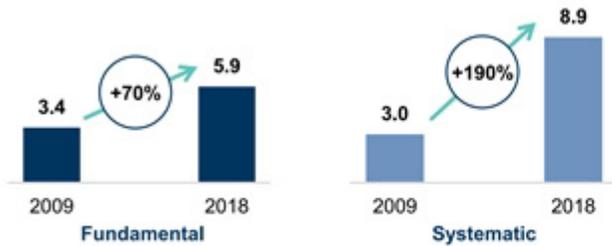
Mortgage warehouse lending

Repurchase agreements

Secured lending

# Increase Client Financing in Equities

Industry Gross Balances<sup>1</sup> (\$tn)



Systematic Wallet Growth<sup>2</sup> (\$bn)



Building a strategic platform to execute in 50 global markets

Cash or Synthetic

Direct Market Access or Algorithmic

99%+ Straight-Through-Processing Rate

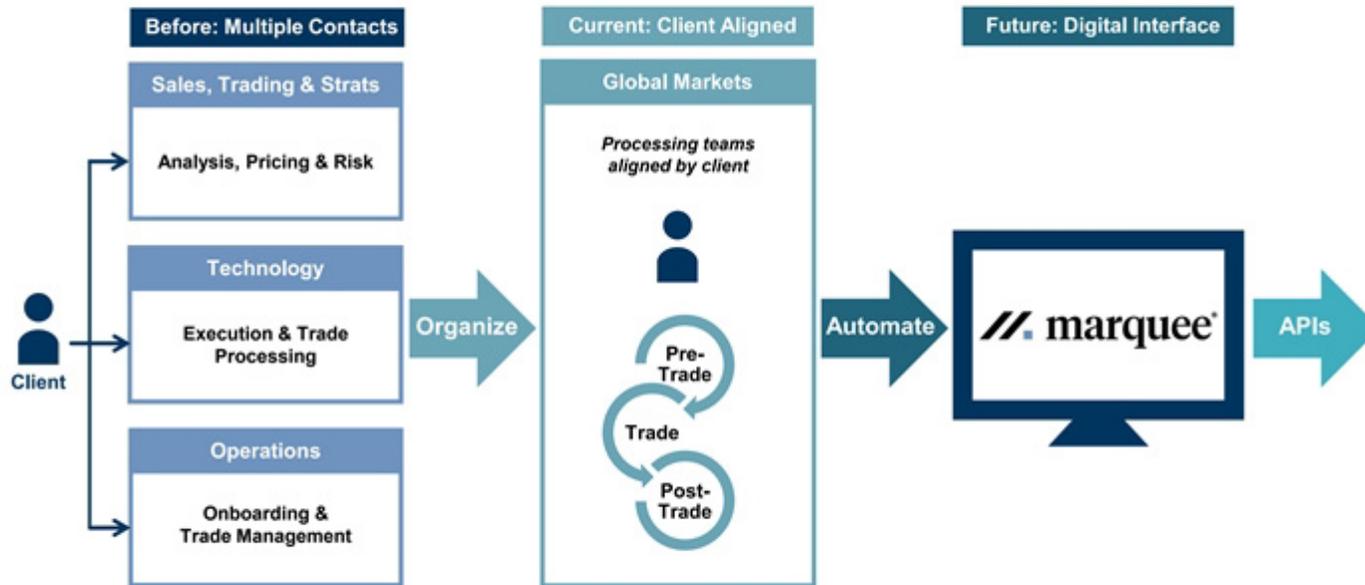
# Leverage Risk Expertise to Provide Scalable Liquidity

Combining Historical Strengths with Client-Focused Technology

	Client Challenge	Solution	Result
<b>Corporate Bonds</b> <i>~75% Electronic<sup>1</sup></i>	Pre-trade transparency Execution certainty Liquidity mismatch	Systematic Credit	<b>#1 IG Systematic</b> A Market Leader in Portfolio Trading (\$120bn+ executed since inception)
<b>Commodities</b> <i>~80% Electronic<sup>1</sup></i>	Liquidity fragmentation Minimal aggregation Limited algorithms & analytics	eAron	<b>Unique Offering</b> Combined Goldman Sachs Liquidity, Algorithms & Market Access
<b>Equities</b> <i>~99.9% Electronic<sup>1</sup></i>	Liquidity fragmentation Transaction costs	Institutional Principal Facilitation	<b>#1</b> Provider of Institutional Principal Liquidity <sup>2</sup> (>\$2tn of liquidity supplied in 2019)

# Enhance Client Experience

Holistic Client Coverage through the Trade Lifecycle



# Enhance Client Experience

Marquee Unlocks the Power of Goldman Sachs

## What is Marquee?

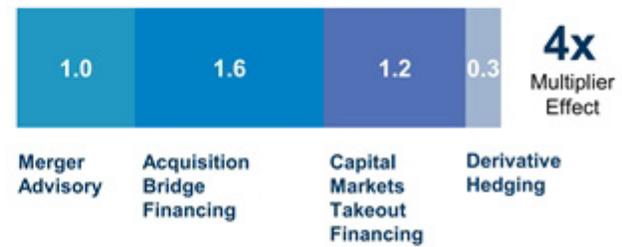
- Marquee is Goldman Sachs' digital storefront for institutional client services
- Powered by a cross-asset infrastructure and informed by decades of innovation, this intuitive platform unlocks the power of Goldman Sachs to deliver access to global financial markets and risk management capabilities, content and data



# Leading Market Maker Delivering One Goldman Sachs



## Global Markets-Enabled Product Multiplier Case Study



## Exceptional Talent and Client Focus

### Experienced Leadership



### Diverse and Talented Community<sup>1</sup>



### Goldman Sachs Client

**“Our GS team is so good it's like they work for us: they're part of our investment process”**

## Path Forward: Keys To Success



# Global Markets

**Jim Esposito and Ashok Varadhan**

January 29, 2020



# End Notes

These notes refer to the financial metrics and/or defined terms presented on:

Slide 1:

1. Source: Coalition institutional client analytics for FY2018. Institutional clients only. Analysis excludes captive and non-core products

Slide 4:

1. RWAs are risk weighted assets
2. US banks: externally reported revenues adjusted for disclosed one-off items (Tradeweb gains of ~\$335mm in JPM and \$355mm in C) and fully-taxable equivalent adjustments of \$2,259mm in JPM. European banks: externally reported revenues adjusted for disclosed one-off items for 9M19 and FY2019 for UBS (Tradeweb gains of \$38mm in UBS, €101mm in DB and £126mm in BARC, £90mm gain from the net impact of treasury operations and hedging counterparty risk in BARC and a change in the valuation of an investment of €(37)mm in 3Q19 and €36mm in 1Q19 in DB); DB excludes Equities revenues generated in 1H19; Goldman Sachs Global Investment Research trading revenue estimates used for 4Q19, except for UBS; all revenue estimates have been converted to dollars for consistency, using a quarterly average of their respective conversion rates

Slide 7:

1. Return on average common shareholders' equity (ROE) is calculated by dividing net earnings applicable to common shareholders by average monthly attributed common shareholders' equity. Attributed tangible common shareholders' equity is calculated as attributed common shareholders' equity less attributed goodwill and identifiable intangible assets. Return on average tangible common shareholders' equity (ROTE) is calculated by dividing net earnings applicable to common shareholders by average monthly attributed tangible common shareholders' equity. Management believes that ROTE is meaningful because it measures the performance of businesses consistently, whether they were acquired or developed internally. Attributed tangible common shareholders' equity and ROTE are non-GAAP measures and may not be comparable to similar non-GAAP measures used by other companies. The table below presents a reconciliation of average attributed common shareholders' equity to average attributed tangible common shareholders' equity:

Unaudited, \$ in millions	Average for the year ended	
	December 31, 2019	
Attributed common shareholders' equity		40,060
Attributed goodwill and identifiable intangible assets		(2,803)
Attributed tangible common shareholders' equity		37,257

# End Notes

These notes refer to the financial metrics and/or defined terms presented on:

Slide 8:

1. Source: Coalition institutional client analytics for FY2018. Institutional clients only. Analysis excludes captive, and non-core products. Client and product universe not always consistent across years
2. PSE includes Pensions, Sovereigns and Endowments
3. JPM Investor Day, February 26, 2019

Slide 9:

1. Source: Coalition competitor analytics. Industry wallet includes the Coalition index banks (BAC, BARC, BNPP, C, CS, DB, GS, HSBC, JPM, MS, SG, UBS). Analysis according to the Coalition standard taxonomy

Slide 10:

1. Gross balances calculation based upon estimated industry AUM published by Hedge Fund Research, Inc. (HFR) multiplied by leverage estimated from the Goldman Sachs client universe. Fundamental fund balances vary with market conditions
2. Source: Coalition institutional client analytics. Wallet includes cash execution and cash and synthetic financing wallet for leading systematic clients
3. Source: Coalition institutional client analytics, 2018. Wallet includes equities revenues for leading systematic clients

Slide 11:

1. Goldman Sachs electronic tickets as a percentage of total:
  - ~75% of US credit
  - ~80% of principal delta one trades in energy and metals
  - ~99.9% of US cash equities
2. US over-the-counter equities trades, 10,000+ shares and \$200,000+ notional. Source: FINRA, October – November 2019

Slide 15:

1. Includes sales, trading, strats and cross-divisional roles

## Cautionary Note on Forward-Looking Statements

Statements about the firm's target metrics, including its target ROE, ROTE, efficiency ratio and CET1 capital ratios, and how they can be achieved, and statements about future operating expense (including future litigation expense), amount and composition of future Assets under Supervision, planned debt issuances, growth of deposits and associated interest expense savings, future geographic location of its employees, and the timing and profitability of its business initiatives, including its launch of new businesses or new activities, its ability to increase its market share in incumbent businesses and its ability to achieve more durable revenues and higher returns from these initiatives, are forward-looking statements, and it is possible that the firm's actual results may differ, possibly materially, from the targeted results indicated in these statements.

Forward looking statements, including those about the firm's target ROE, ROTE, efficiency ratio, and expense savings, and how they can be achieved, are based on the firm's current expectations regarding its business prospects and are subject to the risk that the firm may be unable to achieve its targets due to, among other things, changes in the firm's business mix, lower profitability of new business initiatives, increases in technology and other costs to launch and bring new business initiatives to scale, and increases in liquidity requirements. Statements about the firm's target ROE, ROTE and CET1 capital ratios, and how they can be achieved, are based on the firm's current expectations regarding the capital requirements applicable to the firm and are subject to the risk that the firm's actual capital requirements may be higher than currently anticipated because of, among other factors, changes in the regulatory capital requirements applicable to the firm resulting from changes in regulations or the interpretation or application of existing regulations or changes in the nature and composition of the firm's activities. Statements about the timing and benefits of business and expense savings initiatives, the level and composition of more durable revenues and increases in market share are based on the firm's current expectations regarding its ability to implement these initiatives and may change, possibly materially, from what is currently expected. Due to the inherent uncertainty in these forward-looking statements, investors should not place undue reliance on the firm's ability to achieve these results.

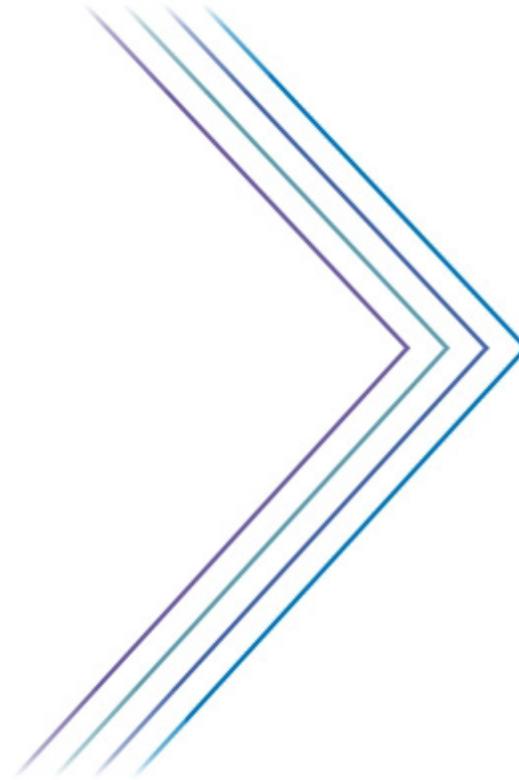
For a discussion of some of the risks and important factors that could affect the firm's future business, results and financial condition, see "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2018. You should also read the cautionary notes on forward-looking statements in our Form 10-Q for the period ended September 30, 2019 and Earnings Results Presentation for the Full Year and Fourth Quarter 2019. For more information regarding non-GAAP financial measures such as ROTE, refer to the footnotes in the Earnings Release and Earnings Presentation for the Full Year and Fourth Quarter 2019 and information on the calculation of non-GAAP financial measures that is posted on the Investor Relations portion of our website: [www.goldmansachs.com](http://www.goldmansachs.com).

The statements in the presentation are current only as of January 29, 2020 and the firm does not undertake to update forward-looking statements to reflect the impact of subsequent events or circumstances.

# Asset Management

Tim O'Neill and Julian Salisbury

January 29, 2020



## What Drives Our Success

World-class active asset manager providing holistic solutions to a wide array of investors

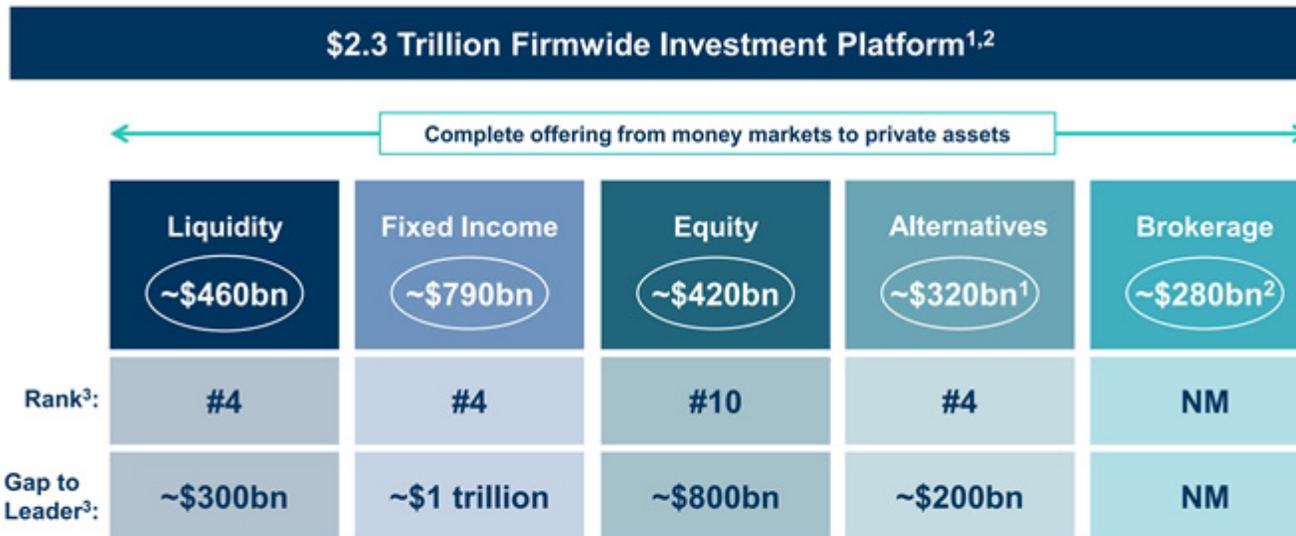
Global scale across full spectrum of asset classes

Power of Goldman Sachs sourcing and distribution

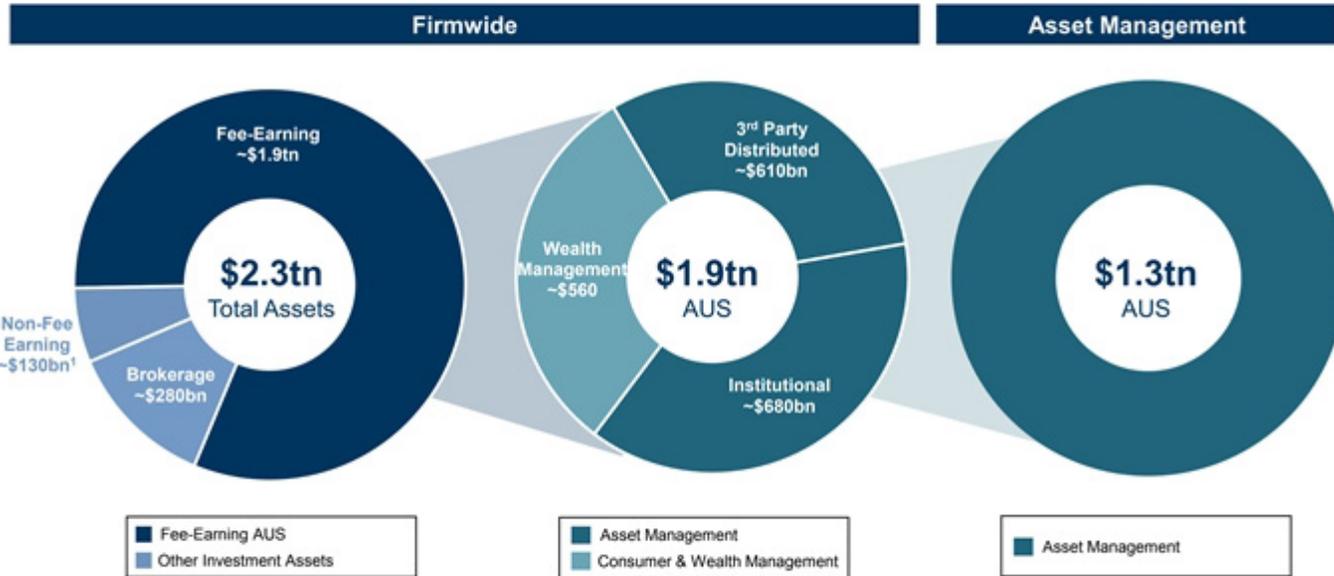
Strong investment performance track record

Ability to leverage balance sheet

## Global Scale Across Traditional and Alternatives



# Delivered Through Broad Distribution Channels



## Franchise Built Over 30+ Years; Difficult to Replicate Breadth and Depth

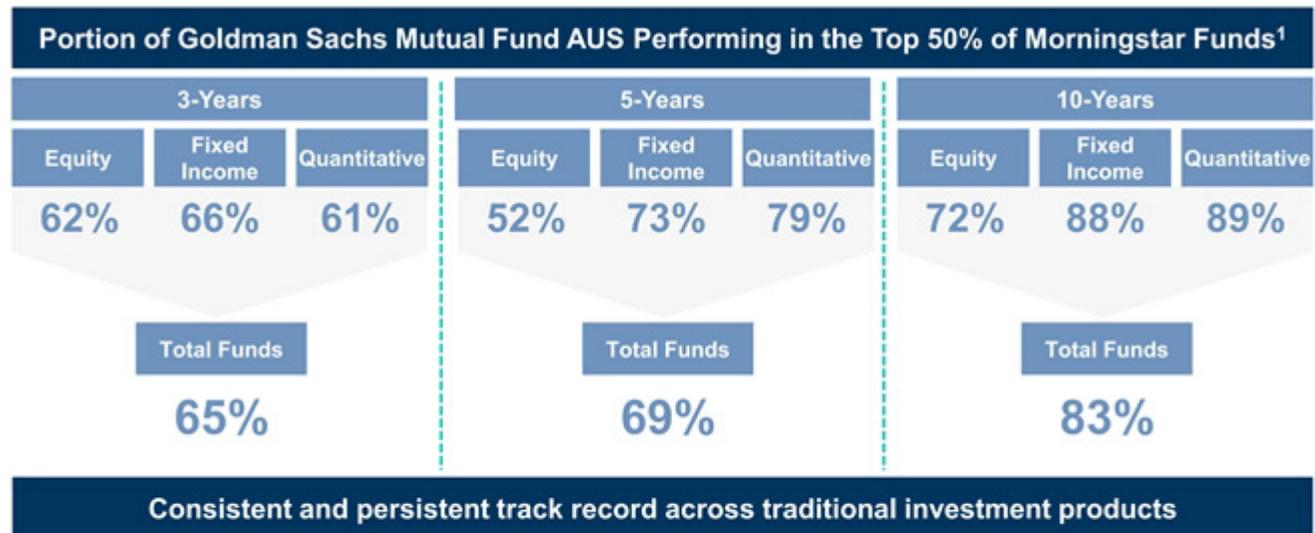


## Global Presence Driving Unique Opportunities

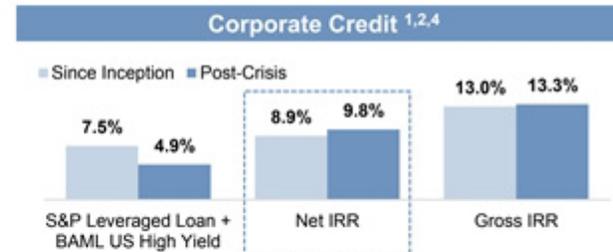
Average Partner tenure of ~19 years



## Track Record of Generating Strong Investment Returns: Traditional



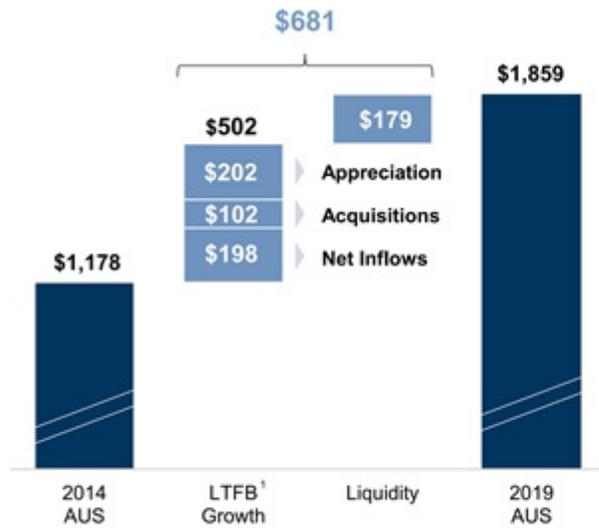
# Track Record of Generating Strong Investment Returns: Alternatives (Principal Strategies)



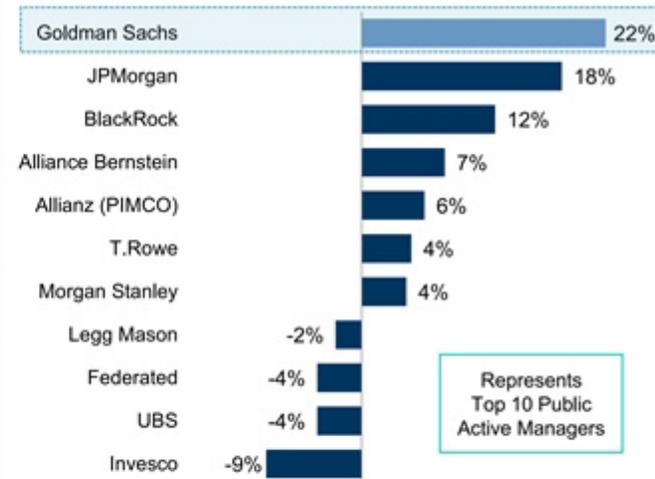
Note: Past performance does not guarantee future results, which may vary.

# Resulting in Significant Asset Growth as We Deepen Client Relationships

Significant Firmwide AUS Growth Over the Past 5 Years  
\$ in billions



Active LTFB Organic Growth<sup>2</sup> (2014 - 2019)



# One Goldman Sachs: Power of our Investment Sourcing Network



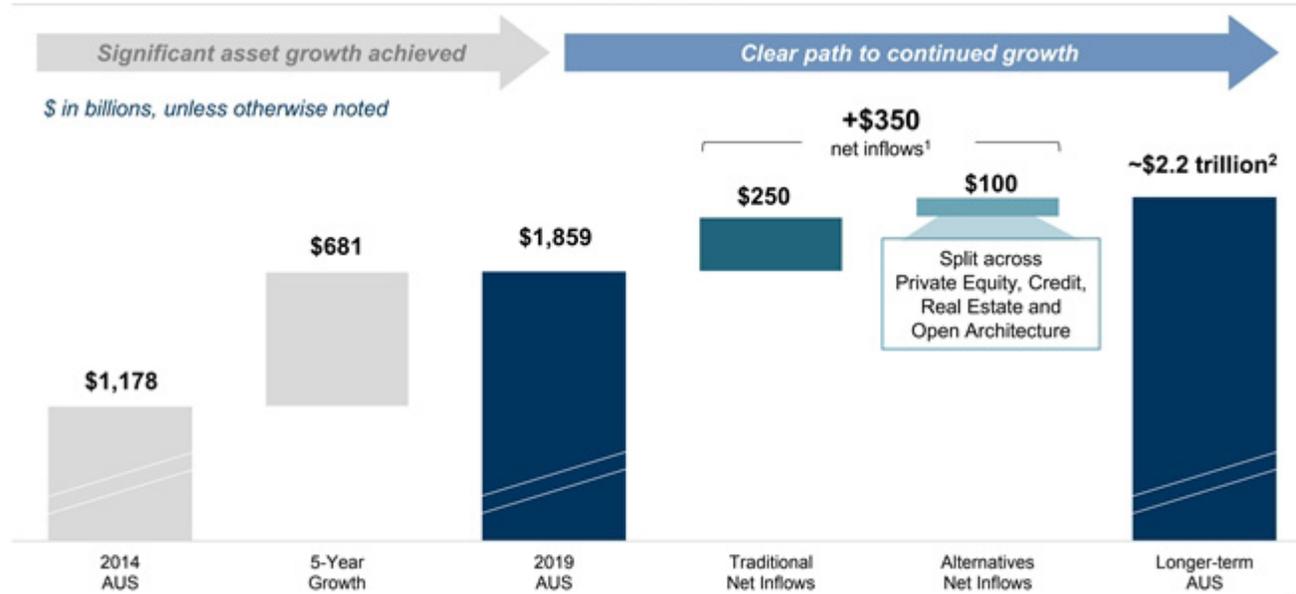
<b>Access to Capital</b>	UHNW Clients
	Institutional Clients
	Goldman Sachs
<b>Investment Sourcing</b>	Corporate Relationships
	Partnering with Clients
	Global Footprint
<b>Intellectual Capital</b>	Operational Expertise
	Market Insights
	Exit Strategies

## Executing a Clear Strategy for Growth

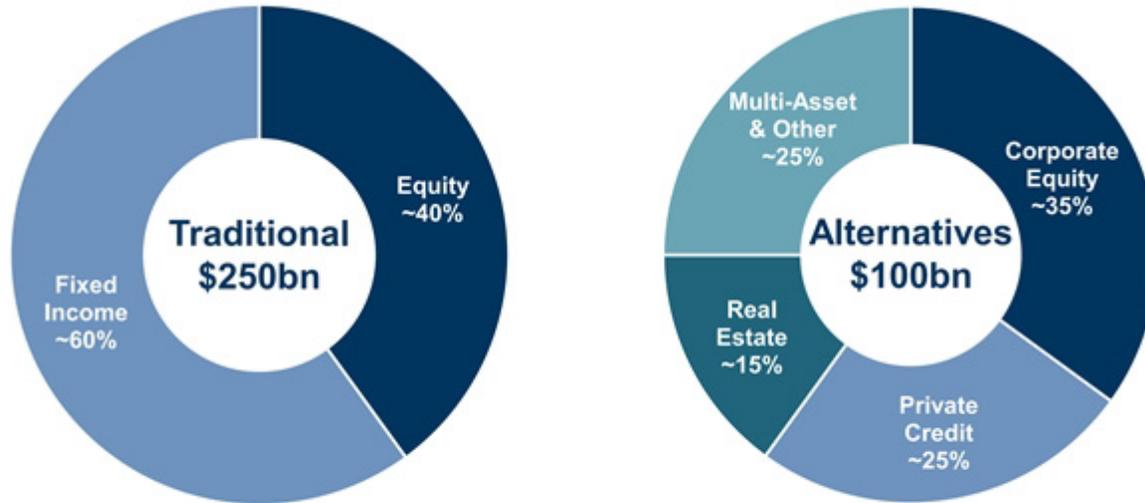


# Continuing to Deliver for Our Clients, Fueling Continued AUS Growth

Firmwide View



## 5-Year Growth Plan: Diversified Capabilities Support Broad-Based Growth



## Partnering with Asset Allocators to Deliver Holistic Solutions



## Continue to Innovate to Serve Evolving Client Needs



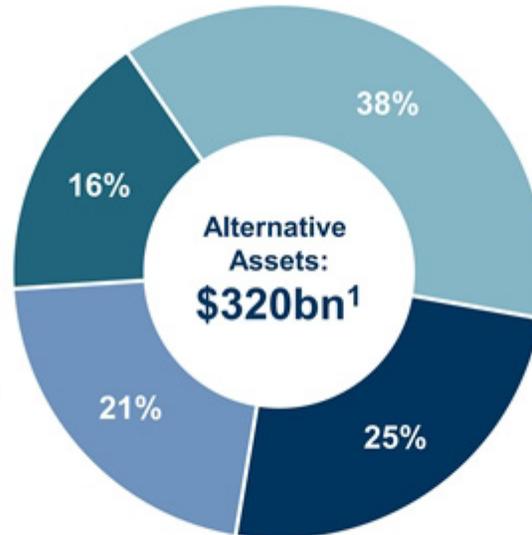
## Top 5 Alternative Asset Manager with Full Asset Class Capabilities

### Real Estate

- ✓ Real Estate Equity (Core to Opportunistic)
- ✓ Real Estate Credit

### Credit

- ✓ Senior Secured Lending
- ✓ Mezzanine Financing
- ✓ Special Situations



### Private Equity

- ✓ Mid-to-Large Cap Buyouts
- ✓ Growth Equity
- ✓ Infrastructure
- ✓ Secondaries

### Hedge Funds / Multi-Asset

- ✓ Firm-Managed Strategies
- ✓ Manager Selection
- ✓ Outsourced CIO

# Prudently Leveraging Our Balance Sheet

## Benefitting Our Clients

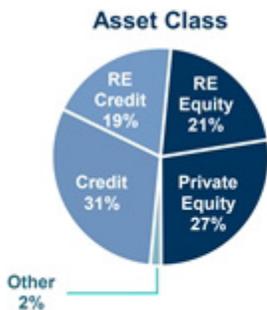
- ✓ Aligned Interests
- ✓ Investment Sourcing

## Benefitting Our Shareholders

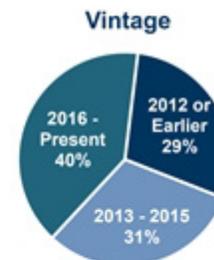
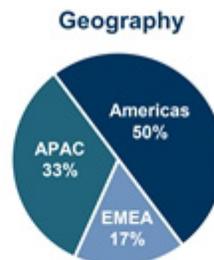
- ✓ Incubation of New Strategies
- ✓ Meaningful Revenue Contribution

## Diversified Across Various Dimensions

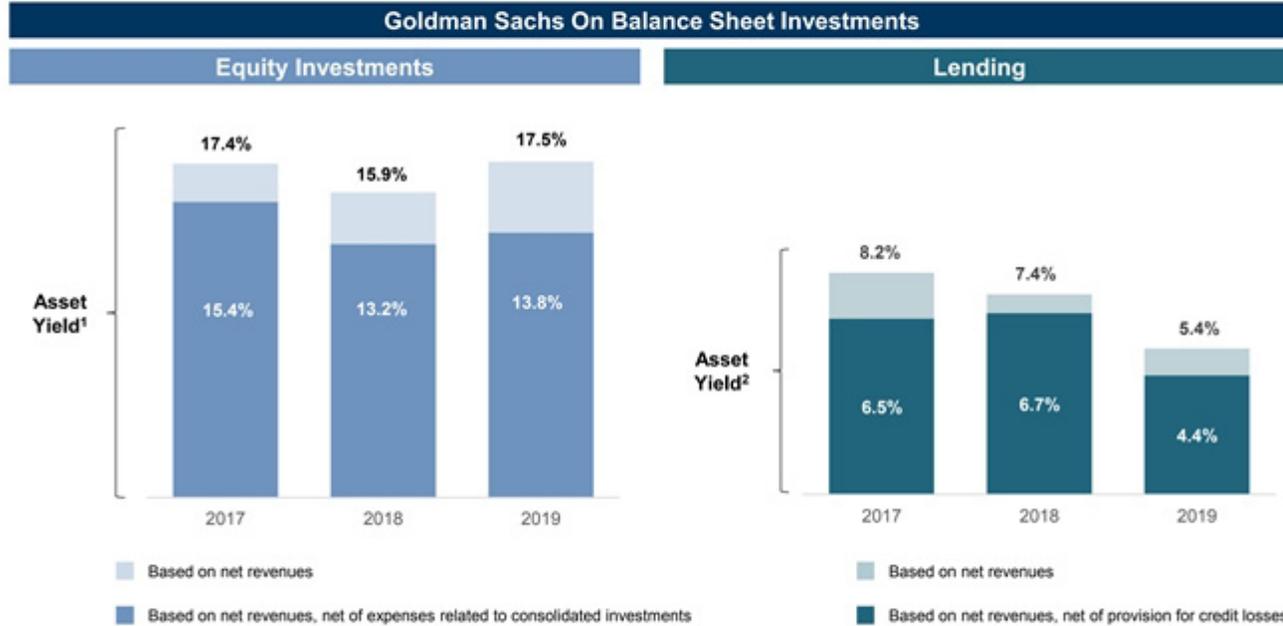
Total Portfolio (\$62bn)<sup>1</sup>



Equity Portfolio excluding CIEs (\$22bn)<sup>2</sup>

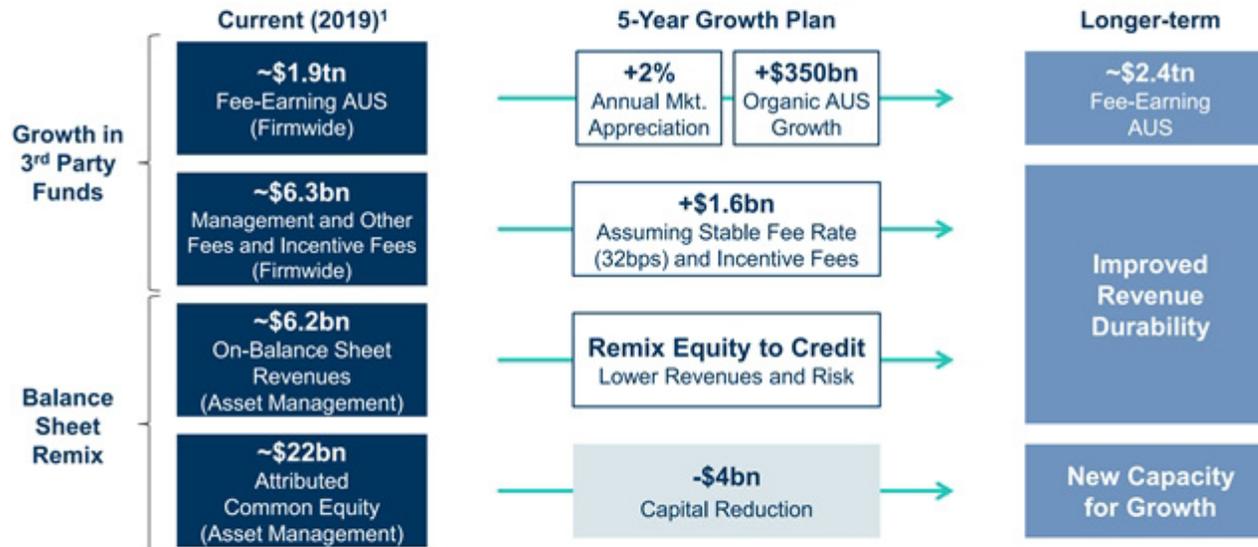


# Strong On Balance Sheet Investment Performance



# 3<sup>rd</sup> Party Growth and Balance Sheet Remix Opportunity

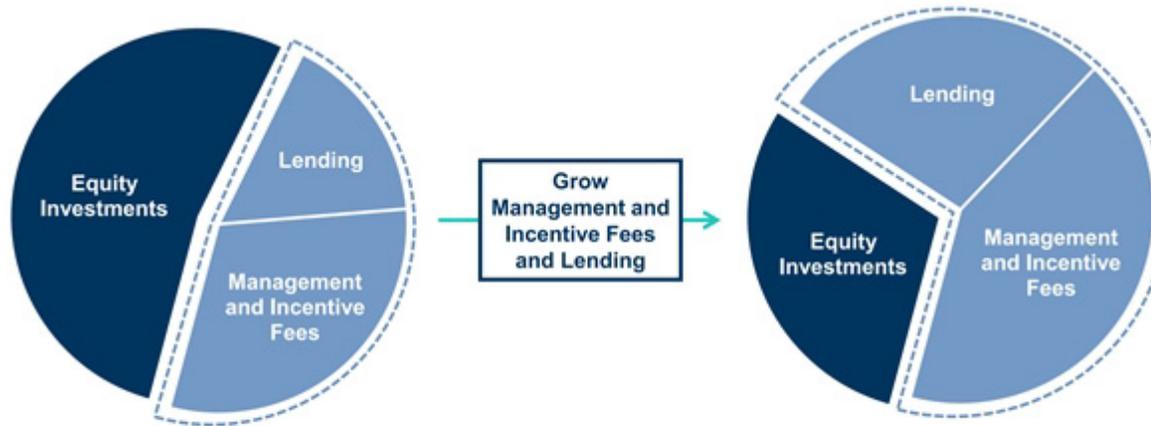
(Pro Forma Simulation)



# Improving Revenue Durability and Returns Over Time

FY 2019 AM Segment Revenue Composition

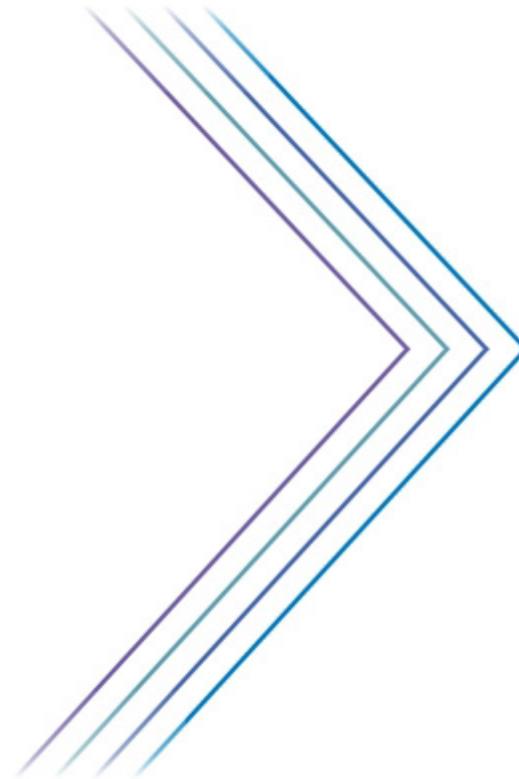
Longer-Term AM Segment Revenue Composition (Illustrative)



# Asset Management

Tim O'Neill and Julian Salisbury

January 29, 2020



# End Notes

These notes refer to the financial metrics and/or defined term presented on:

Slide 2:

Note: Values reflect firmwide investment assets, including assets in Asset Management and Consumer & Wealth segments

1. Includes non-fee-earning assets in Alternatives of ~\$130bn, which are not included in reported Assets Under Supervision
2. Includes brokerage assets of ~\$280bn, which are not included in reported Assets Under Supervision
3. Data as of 3Q19. Competitor data compiled from publicly available Quarterly Earnings Releases and Supplements, eVestment database, and Morningstar Direct. Where product classification (e.g. fixed income vs. alternatives) and portfolio management style (passive vs. active) were not explicit in competitors' publicly available data, GS applied certain assumptions for purposes of making comparisons. Peer population represents key competitors tracked internally by product classification and portfolio management style

Slide 3:

1. Non-fee earning assets of ~\$130bn includes Goldman Sachs balance sheet investments, employee funds, leverage, cost vs. fair value on Alternatives funds, and unfunded capital commitments

Slide 4:

1. ESG refers to Environmental, Social, and Governance

Slide 5:

1. Regional AUS includes Asset Management and Consumer & Wealth Management segments, excluding brokerage and non-fee earning assets

Slide 6:

Note, past performance does not guarantee future results, which may vary

1. Represents global funds. Source: Morningstar. Data of December 31, 2019

## End Notes

These notes refer to the financial metrics and/or defined term presented on:

Slide 7:

Note: Past performance does not guarantee future results, which may vary.

1. Performance is based on net asset values as of 9/30/19 for Corporate Equity, Corporate Credit, and Real Estate Credit strategies. Performance is calculated by pooling the cash flows and calculating the IRR of the resulting cash flow stream on a capital-weighted basis for fee-paying investors. The information on which this performance is based is unaudited and reflects best available estimates, and therefore may be subject to change. Gross performance is based on aggregated cash flows without deduction for fees, carried interest, or fund expenses and includes leverage from fund-level credit facilities (which may enhance investor returns). Net performance is based on aggregated cash flows with deduction for fees, carried interest and fund expenses and includes leverage from fund-level credit facilities (which may enhance investor returns)
2. Index performance is calculated using the Modified PME approach, net of reasonable index transaction costs proxied to ETF expense ratios. Public Market Equivalent (PME), or the Index Comparison Method, is a methodology for calculating private market benchmark returns by using private fund cash flows and public market index returns. It is not possible to invest directly in an index, and the simulation seeks to provide a basis for comparing index returns with fund returns by mirroring the timing and amounts of cash flows of the fund to the index. The indices chosen for comparison were selected because we believe that they represent the closest public market alternative to investing in each of the applicable principal strategies
3. Reflects weighted average performance of Corporate Equity strategy since 2000 and specifically includes GSCP 2000, GSCP V, GSCP VI, the Pre-CPVII portfolio and WSCP VII. The Pre-CPVII portfolio represents all investments over \$100mm made by the balance sheet and managed accounts between 2012 and 2016 (post-GSCP VI, but pre-WSCP VII). The benchmark is MSCI World Total Return Index
4. Reflects weighted average performance of all Senior Credit and Mezzanine vehicles managed by MBD since inception and since post-crisis, as applicable. Post-crisis reflects the following vehicles that were raised since 2009: BSLP 2013, BSLP III, SCP, SCP II, GSMP VI and GSMP VII. Senior Credit and Mezzanine strategies are benchmarked separately against S&P Global Leveraged Loan and BAML US High Yield Master II Total Return indices before aggregation
5. Reflects weighted average performance of all Real Estate Credit funds managed by MBD since inception and since post-crisis, as applicable. Post-crisis reflects the following funds that were raised since 2009: RECP II and RECP III. The benchmark is Bloomberg Barclays CMBS Total Return Index
6. Open Architecture Private Assets performance reflects all commingled client vehicles of the Private Equity Partners (first fund 1997), Private Equity Manager (first fund 2011), Vintage (first fund 1998), Petershill (first fund 2007), and Private Equity Co-investment Partners (first fund 2014) series of funds raised since 2000. These funds are closed to new investors. Performance is calculated by pooling the asset-weighted cash flows and 6/30/2019 asset valuations and calculating the IRR of the resulting cash flow stream. The information on which this performance is based is unaudited and reflects best available estimates, and therefore may be subject to change. Gross performance is based on the cash flows between the funds and their investments and do not deduct GSAM-related fees, carried interest, or GSAM vehicle expenses, but do deduct any management fees, carried interest, or expenses from third-party managers. Net performance is based on the aggregated cash flows of the fee-paying investors in the funds and includes GSAM-related fees, carried interest and vehicle expenses. Net performance figures also reflect the impact of all GSAM fund-level and underlying manager-level credit facilities, the reinvestment of proceeds from the sale of underlying funds and/or portfolio companies, cash management, and hedging, which may enhance investor returns. Investor returns may be lower without these activities, but leverage will magnify the loss of capital to investors if investments experience negative performance

# End Notes

These notes refer to the financial metrics and/or defined term presented on:

Slide 8:

1. LTFB refers to long-term fee based assets, including equity, fixed income, and alternatives
2. Reflects cumulative organic growth from YE2014 through YE2019 where applicable (excluding acquisitions), calculated as active LTFB net sales divided by 2014 LTFB AUS. Competitor data compiled from publicly available Quarterly Earnings Releases and Supplements, eVestment database, and Morningstar Direct. Competitor data reflects most recently available Quarterly Earnings Releases as of 1/22/2020; eVestment data as of Q3 2019; Morningstar Direct data as of 12/31/2019 for US-Domiciled Funds and 11/30/2019 for Non-US Domiciled Funds. Where product classification (e.g. fixed income vs. alternatives) and portfolio management style (passive vs. active) were not explicit in competitors' publicly available data, GS applied certain assumptions for purposes of making comparisons. Peer population represents key competitors tracked internally by product classification and portfolio management style

Slide 11:

1. Growth shown net of realizations
2. Plus or minus net market appreciation, acquisitions, dispositions, and changes in Goldman Sachs' on balance sheet investments

Slide 14:

1. ESG and impact investing AUS includes mandates where there is an explicit ESG or impact objective in the investment guidelines

Slide 15:

1. Includes non-fee-earning assets in Alternatives

Slide 16:

1. Total asset management investment portfolio includes \$71bn of balance sheet assets less ~\$9bn of non-recourse debt, primarily attributable to our Consolidated Real Estate Equity Investments
2. Equity portfolio of \$22bn excludes all Consolidated Investment Entities, which total ~\$17bn and are funded with liabilities of ~\$9bn, substantially all of which were non-recourse

Slide 17:

1. Asset yield equals net revenues related to equity investments divided by average on balance sheet equity investments. A second version of this metric reflects a deduction for expenses related to Consolidated Investment Entities
2. Asset yield equals lending-related net revenues divided by average on balance sheet credit investments. A second version of this metric reflects a deduction for provision for credit losses

Slide 18:

1. Assets Under Supervision, Management and Other Fees, and Incentive fees reflect aggregate of Asset Management and Consumer & Wealth Management. On balance sheet revenues reflect 2019 Equity Investments and Lending revenues in Asset Management

## Cautionary Note on Forward-Looking Statements

Statements about the firm's target metrics, including its target ROE, ROTE, efficiency ratio and CET1 capital ratios, and how they can be achieved, and statements about future operating expense (including future litigation expense), amount and composition of future Assets under Supervision, planned debt issuances, growth of deposits and associated interest expense savings, future geographic location of its employees, and the timing and profitability of its business initiatives, including its launch of new businesses or new activities, its ability to increase its market share in incumbent businesses and its ability to achieve more durable revenues and higher returns from these initiatives, are forward-looking statements, and it is possible that the firm's actual results may differ, possibly materially, from the targeted results indicated in these statements.

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# Consumer & Wealth Management

Eric Lane

January 29, 2020



## What Drives Our Success

We provide unparalleled advice and product experience to help individuals through all stages of their financial journeys

**Our Brand Signifies  
Credibility and Excellence**

**Unwavering Commitment  
to Serving Our Clients**

**Our Ability to Deliver  
the Entire Firm**

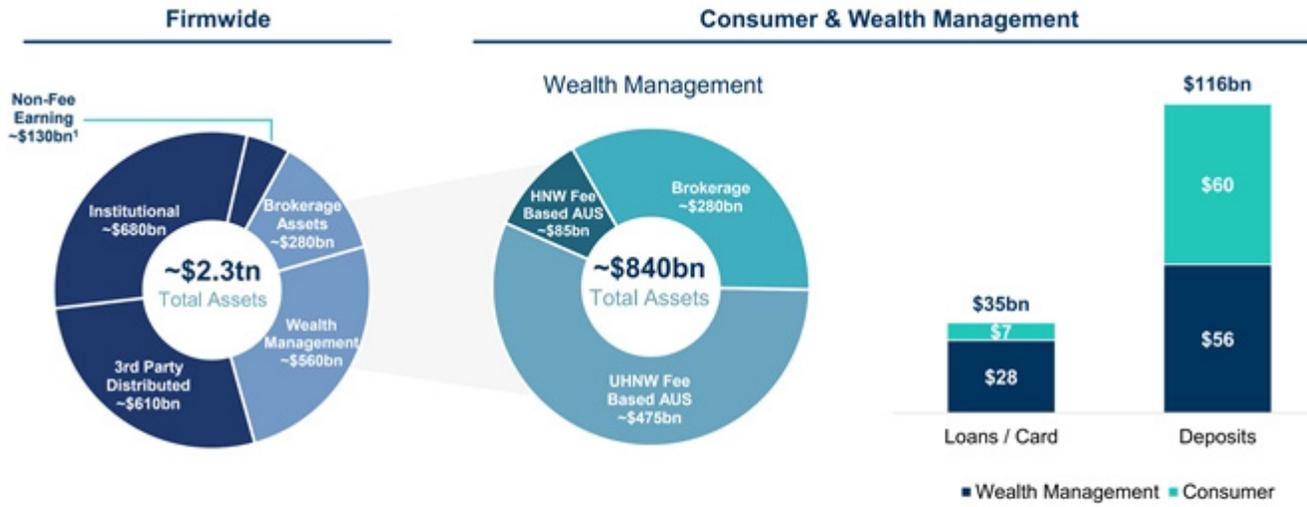
**Advice-Led Technology-Enabled  
Client Solutions**

## Serving Clients Across the Wealth Spectrum to Expand Our Addressable Market

	Wealth Management		Consumer
Customer Segment	Ultra-High Net Worth (UHNW)	High Net Worth (HNW)	Mass Affluent
Assets / Avg. Income	>\$10mm (investable assets)	\$1-10mm (investable assets)	<\$1mm / \$100K (investable assets / income)
U.S. Market Size <sup>1</sup> (investable assets / deposits)	\$10tn / \$1.5tn	\$18tn / \$3.1tn	\$13tn / \$3.5tn
Goldman Sachs Wealth Market Share <sup>1</sup>	~7%	<1%	NA

← Advisor-Led
Digitally-Enabled →

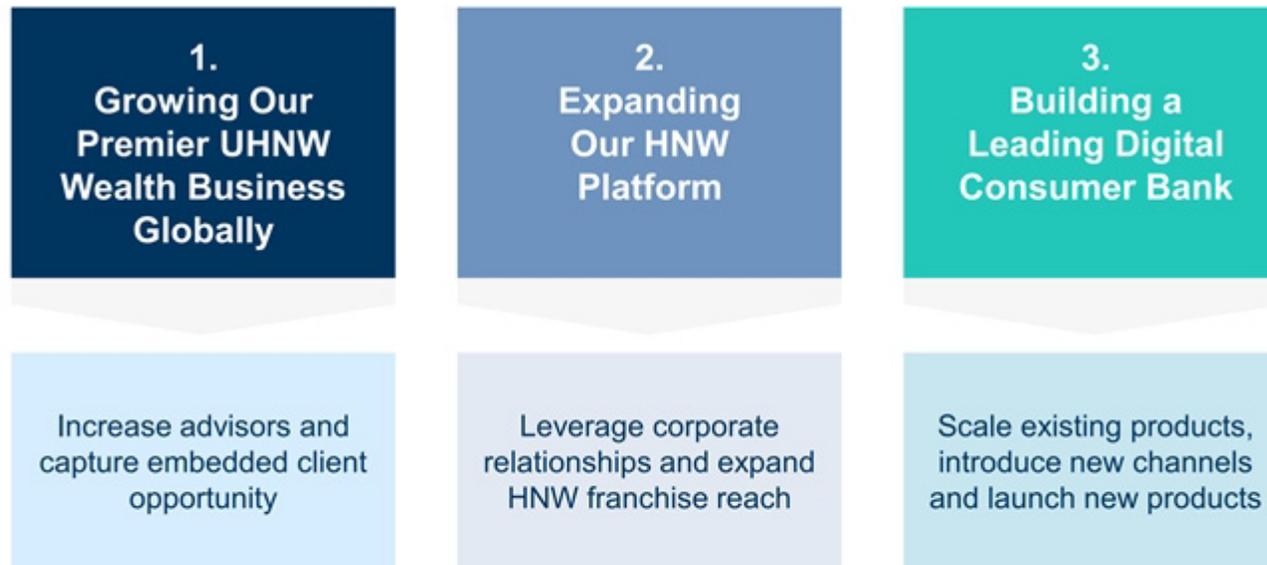
# Our Client and Firm Investment Assets



## Long-Term Track Record of Growth



## Executing a Clear Strategy for Growth



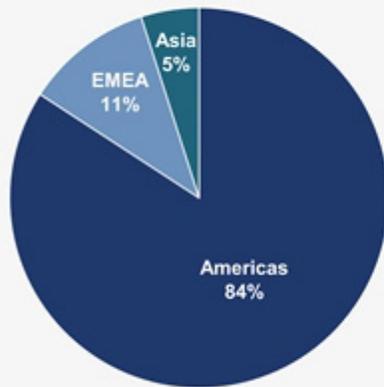
# 1 Leading Ultra-High Net Worth Platform



# 1 Increase Scale via Global Advisor Growth

Targeting 3-Year Global Advisor Growth of ~30% via ~250 new Private Wealth Advisors<sup>1</sup>

Goldman Sachs  
UHNW AUS Mix



Americas

Advisors  
**+20%**



Organic talent development

EMEA

Advisors  
**+50%**



Experienced lateral hires with significant existing client business

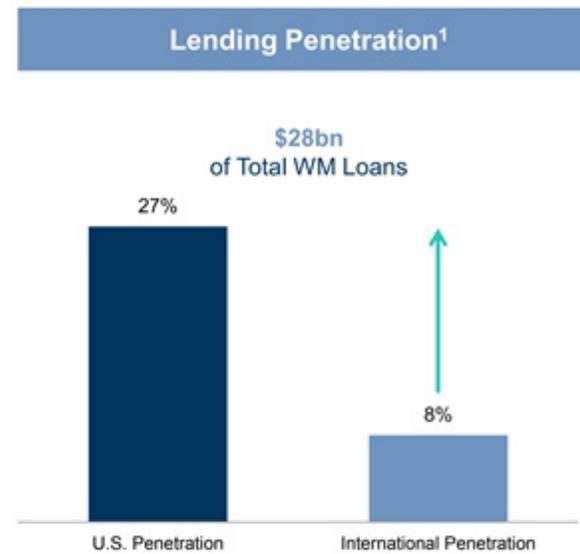
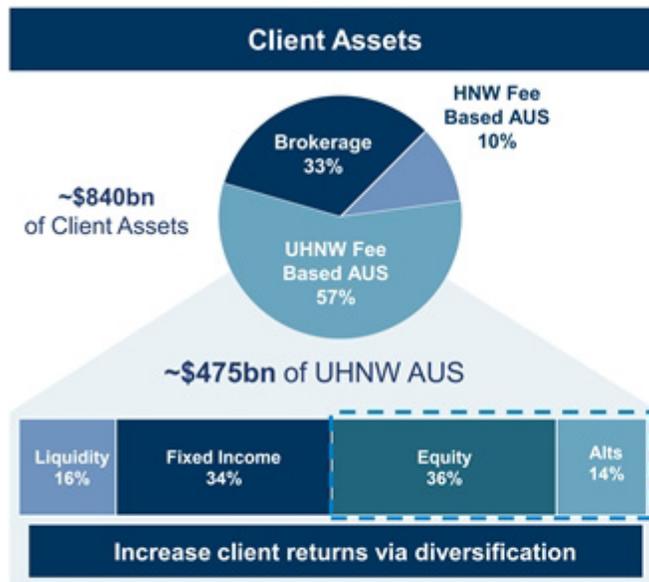
APAC

Advisors  
**+50%**



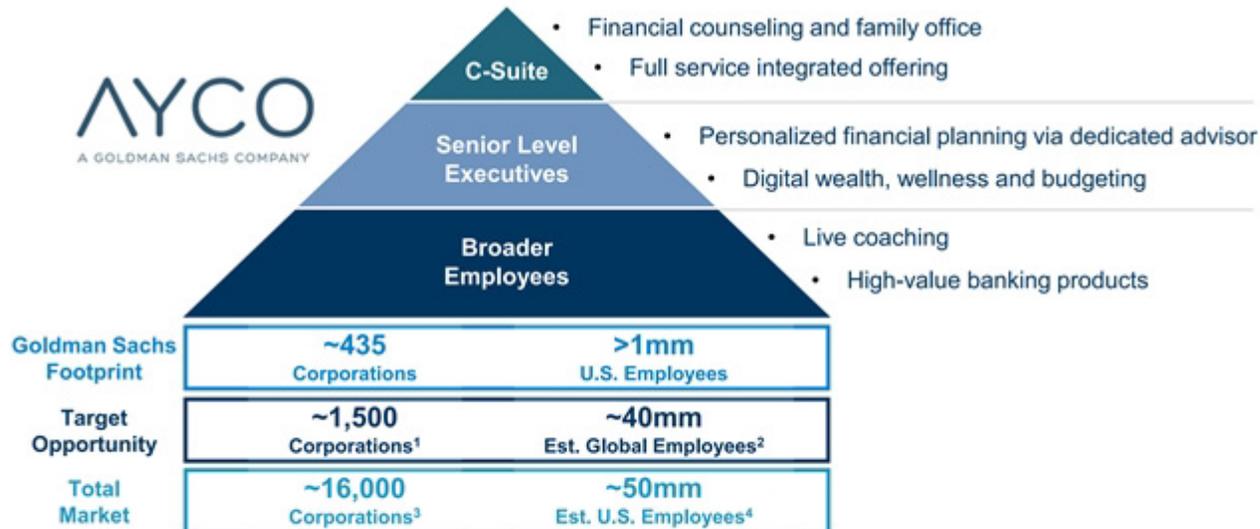
Sourcing experienced hires with high growth potential

# 1 Capturing Embedded Opportunity with Existing Clients



## 2 Integrated Corporate Client Service through Ayco

Providing corporate clients and their employees a holistic wealth offering



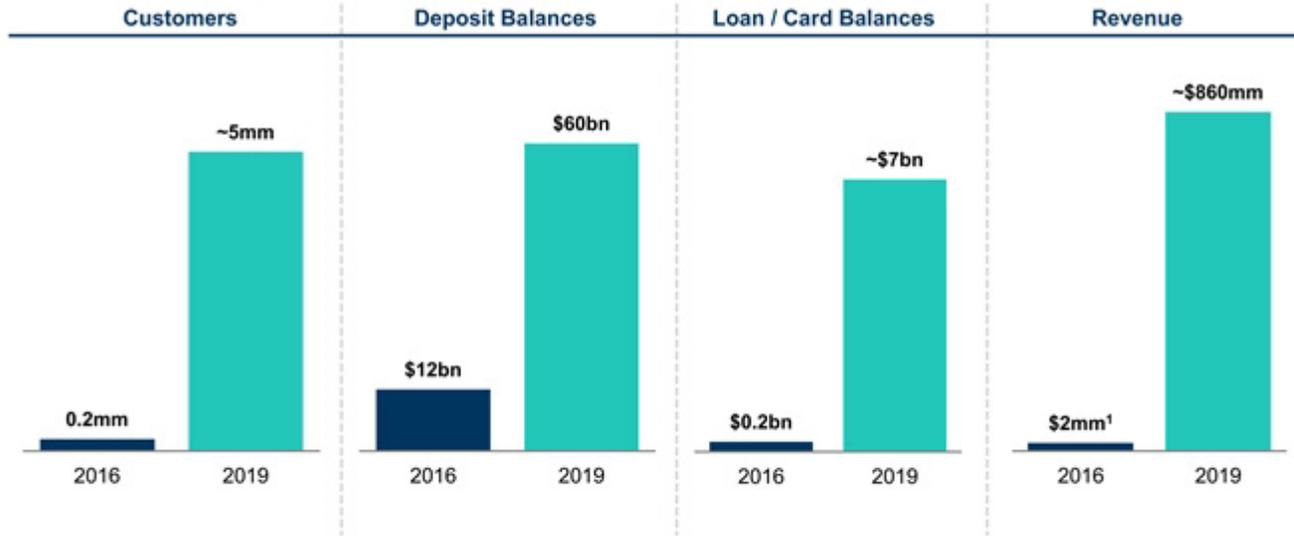
## 2 High Net Worth Expansion



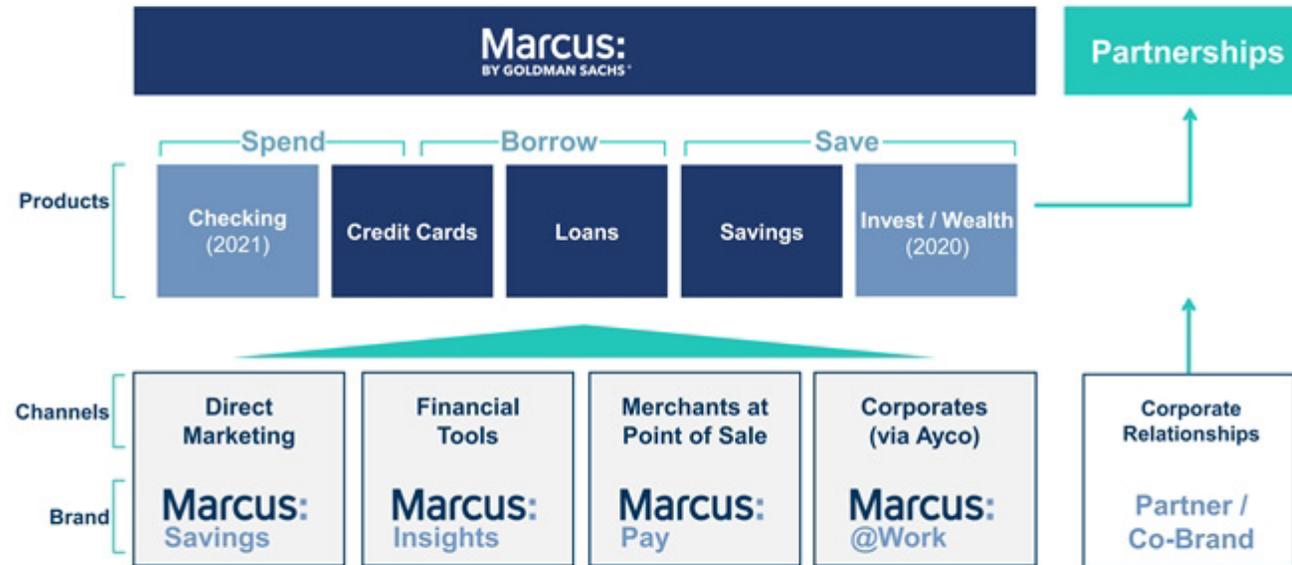
### 3 Building a Leading Digital Consumer Bank



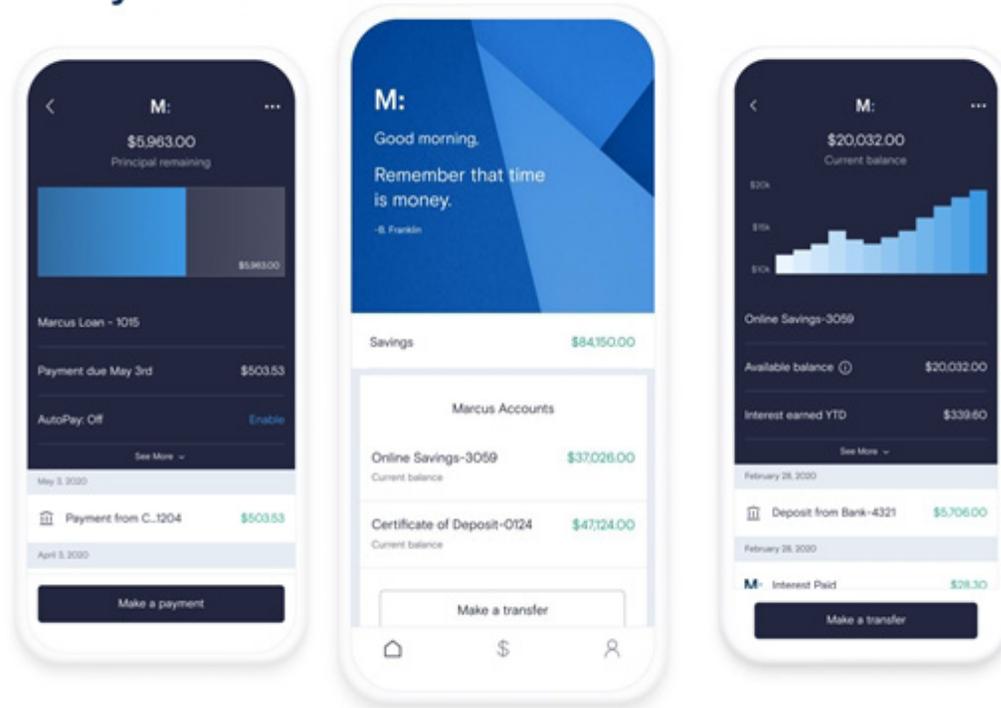
### 3 Progress Three Years In



### 3 Creating an Integrated Platform



### 3 Marcus by Goldman Sachs



### 3 Consumer Credit Risk Management

#### Holistic Approach



#### Disciplined Risk Appetite<sup>1</sup>

Offer Presentment / Approval Rate	~25-30%
Avg. FICO Score at Origination	~740
Current Balances	~\$7bn

Designed to drive resiliency and through-the-cycle performance

## Driving Higher Margins in Consumer & Wealth Management

C&WM Metrics (2019)	
Net Revenues	\$5.2bn
Pre-tax Earnings	\$0.2bn
Pre-tax Margin	5%

5-Year Consumer Opportunity
<b>Grow to \$125bn+</b> Consumer Deposit Balances
<b>Grow to \$20bn+</b> Loan / Card Balances
<b>\$700mm - \$900mm</b> Pre-tax Income ex-reserves



# Consumer & Wealth Management

Eric Lane

January 29, 2020



# End Notes

Note: Data as of 2019YE except where otherwise noted

These notes refer to the financial metrics and/or defined term presented on:

Slide 2:

1. UHNW market share reflects GS client assets in the Americas and personal financial assets of >\$30mm. HNW market share reflects GS client assets in the US and personal financial assets between \$1mm and \$10mm. Source: McKinsey Wealth Pools, 2018. Market share calculated using GS total client assets figures. Deposits are included in investable asset figures and include retail current account deposits, savings deposits and term deposits

Slide 3:

1. Non-Fee Earning assets of ~\$130bn includes Goldman Sachs balance sheet investments, employee funds, leverage, cost vs. fair value on Alternatives funds and unfunded capital commitments

Slide 4:

1. Client assets include Wealth Management AUS and brokerage assets

Slide 6:

1. Reflects both self-sustaining and non-self-sustaining advisors
2. Reflects self-sustaining advisors only
3. Based on total global UHNW market size of \$26tn in investable assets per McKinsey Wealth Pools, 2018. Market share calculated using GS UHNW client assets figures. Deposits are included in investable asset figures and include retail current account deposits, savings deposits and term deposits

Slide 7:

1. Targeted growth from 2019YE through 2022YE

Slide 8:

1. Loans include bank loans, mortgages and GS Select; excludes Margin. Penetration measures PWM accounts with bank loan / mortgage products vs. total accounts by region

Slide 9:

1. Target corporations include existing corporate clients and prospects
2. Due to limited data availability of U.S. employee count, global employee estimate is included. Ayco target market is U.S.-only today. Source: 2019 Fortune 1000 & Forbes America's Largest Private Companies 2019 Ranking
3. Number of U.S. firms that are Corporations or S-Corporations with 500+ employees. Source: U.S. Census Bureau, 2016 Statistics of U.S. Businesses (SUSB) Annual Data Tables by Establishment Industry
4. Employment for U.S. firms that are Corporations or S-Corporations with 500+ employees. Source: U.S. Census Bureau, 2016 Statistics of U.S. Businesses (SUSB) Annual Data Tables by Establishment Industry

## End Notes

These notes refer to the financial metrics and/or defined term presented on:

Slide 10:

1. Source: U.S. Census Bureau
2. Based on total U.S. HNW market size of \$18 trillion in investable assets per McKinsey Wealth Pools, 2018. Market share calculated using GS HNW client assets figures. Deposits are included in investable asset figures and include retail current account deposits, savings deposits and term deposits

Slide 12:

Note: Graphs not to scale

1. 2016 revenue does not include results from Consumer deposit-taking activities

Slide 15:

1. Metrics are across total loan and card portfolios and dollar-weighted; FICO at origination is account-weighted

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# International Strategy

**Richard Gnodde**

Chief Executive Officer | Goldman Sachs International

January 29, 2020



# Growth of International Footprint

A Remarkable, Organic Growth Story



REVENUES<sup>1</sup>

1990

**\$0.7bn**

HEADCOUNT<sup>1</sup>

1990

**~1,500**

OFFICES<sup>1</sup>

1990

**8**

# Growth of International Footprint

A Remarkable, Organic Growth Story



## REVENUES<sup>1</sup>

1990	2019	GROWTH
<b>\$0.7bn</b>	<b>~\$15bn</b>	<b>+22x</b>

## HEADCOUNT<sup>1</sup>

1990	2019	GROWTH
<b>~1,500</b>	<b>~17,800</b>	<b>+12x</b>

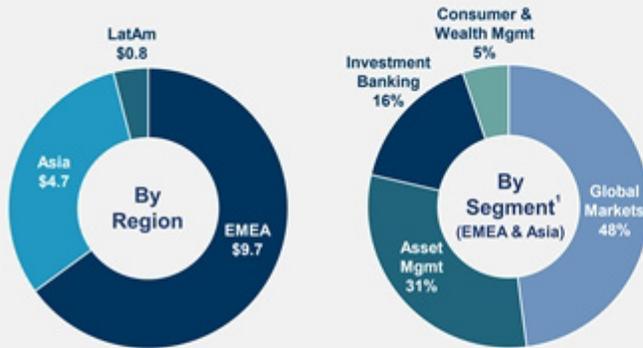
## OFFICES<sup>1</sup>

1990	2019	GROWTH
<b>8</b>	<b>41</b>	<b>+5x</b>

## Deep International Footprint: Differentiated in Reach and Share

The scale and breadth of our international businesses position us to better serve our clients

~40% Firmwide Revenues (\$bn)



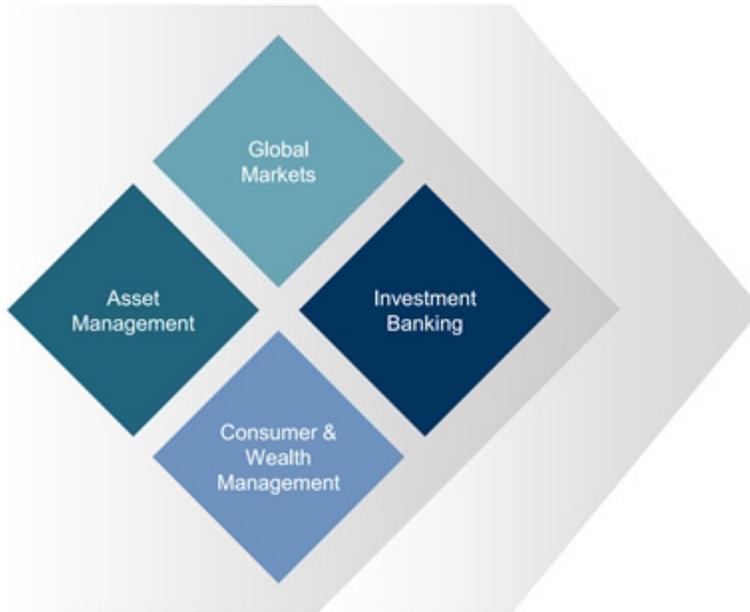
28% Pre-tax Margin<sup>1</sup>

~45% Headcount



# Deliver the Firm: One Goldman Sachs

A Local Client Accessing Global Capabilities

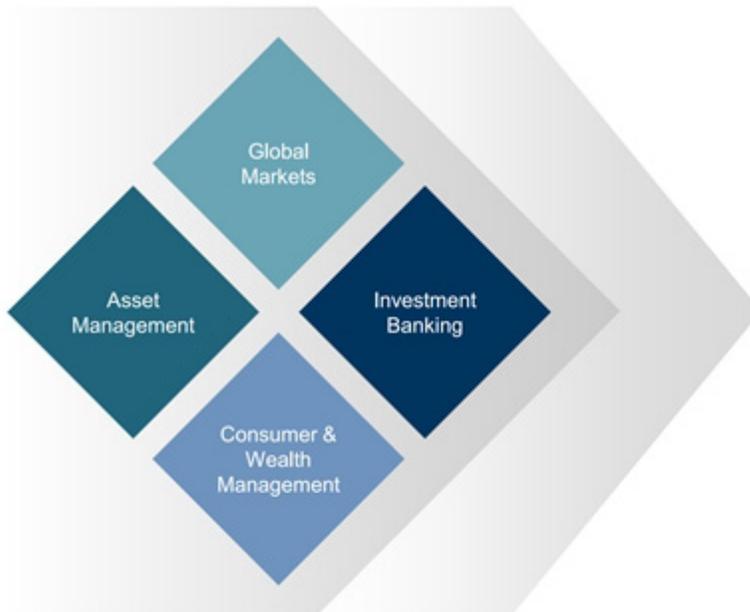


## Orsted

Financing	UHNW Clients
	Institutional Clients
	Goldman Sachs
Advisory & Underwriting	Asset Divestitures
	Green Bond Issuance
	Strategic Advice
Investing	Sustainable Investing Opportunity

## Deliver the Firm: One Goldman Sachs

A Global Client Accessing Local Capabilities



 長江和記實業有限公司  
CK HUTCHISON HOLDINGS LIMITED

<b>Trusted Advisor</b>	Cross-border Acquisitions
	Corporate Restructuring
	Asset Sales / Divestitures
	JV Formation
<b>Long-term Financier</b>	Lead IPO Underwriter
	Bond and Loan Issuance
<b>Provider of Intellectual Capital</b>	Market Insights
	Entry / Exit Strategies
	Strategic Advice

## Leading Global Investment Banking and Market Making Franchise Enabled by our International Footprint

		EMEA	Asia Pacific	Latin America
Investment Banking <sup>1</sup>	M&A	#1		
	Equity Underwriting	#2		
	High Yield Debt	#4		
Global Markets <sup>2</sup>	FICC	#2		
	Equities			
Asset Management	Alternatives	Leading Platform		
	GSAM	Growing Platform		
Consumer & Wealth Management	Private Wealth			
	Consumer			

## Firmwide Strategy Consistent Globally

<b>Grow and Strengthen Existing Businesses</b>	<b>Diversify Our Products and Services</b>	<b>Operate More Efficiently</b>
Investment Banking client expansion	Build Transaction Banking	Invest in automation and digitization
Grow in new geographies	Grow third party Alternatives	Streamline organizational structure
Wealth Management penetration	Scale Consumer Banking	Grow strategic locations

## Substantial and Growing Footprint in Developed Markets

### Continental Europe

Longstanding presence in large and diverse region – Goldman Sachs well positioned to benefit from competitive dynamics and development of EU capital markets

Evolving structure of European bank balance sheets creating commercial opportunities

Market share opportunities as large competitors reposition

Incremental push to complete EU Banking and Capital Markets Union, stimulating cross-border activity

Significant growth in EU-27 headcount, moving coverage closer to our clients



## Substantial and Growing Footprint in Developed Markets

### Japan

Japan is one of the highest revenue contributors in the APAC region with opportunity to grow our strong franchise

Leading international bank in well-developed and significant market

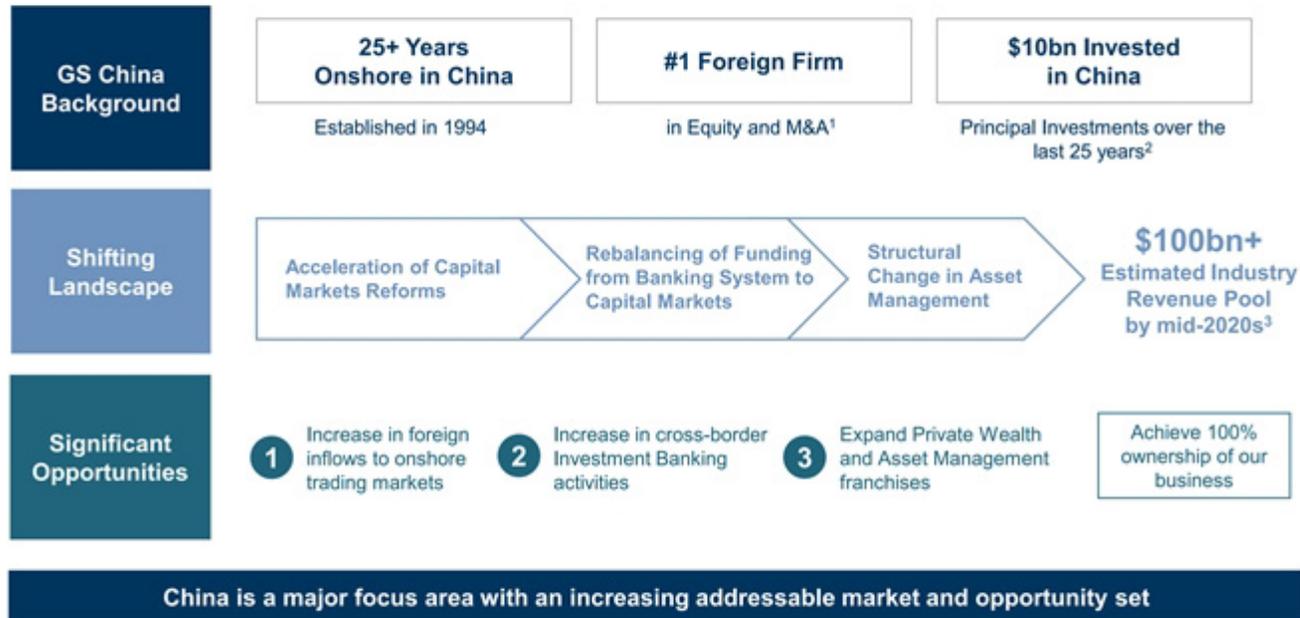
Engage in transformational domestic transactions, as well as cross-divisional focus on Alternatives products

Grow market share through rollout of systematic execution platform with competitive pricing

Facilitate transaction banking for global clients



## China: Expand Footprint Across Developing Markets



## Alternative Investment Platform Operating at Scale



Well-diversified portfolio and pipeline of alternative investments with track record of delivering strong returns

# Alternative Investment Platform



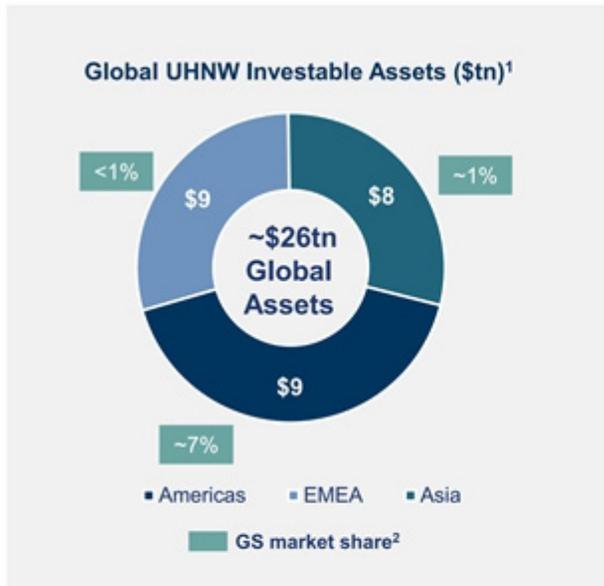
Private Equity	Real Estate
Private Credit	Infrastructure

Well-diversified portfolio and pipeline of alternative investments with track record of delivering strong returns

## Alternative Investment Platform to Scale Further



## Unique Wealth Management Capabilities with Room to Increase Share



## Key Takeaways

### Continue to grow longstanding franchises

Maintain leading position and strengthen our footprint in Europe, Japan, and China

### Scale Alternatives and Wealth Management Businesses

Focus on fundraising to scale our third party alternative assets under supervision and addressing the under-penetrated UHNW space

### Operating Efficiency

Continue to improve efficiency in line with the firm, including growth in strategic locations

# International Strategy

**Richard Gnodde**  
Chief Executive Officer | Goldman Sachs International

January 29, 2020



# End Notes

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Slide 1:

1. Excludes the U.S. and Canada from total international figures

Slide 2:

1. Excludes the U.S. and Canada from total international figures

Slide 3:

1. International revenues by segment and pre-tax margin are non-GAAP presentations and may not be comparable to similar non-GAAP presentations used by other companies. We believe that calculating these measures on this basis is meaningful because it is consistent with the way management views our international businesses. Pre-tax margin excludes U.S. and Canada figures and is calculated including \$820mm of total net revenues and \$254mm of total pre-tax earnings from Latin America, with Latin America using the pre-tax margin for the Americas

Slide 4:

Note: Third-party brands used in this presentation are the property of their respective owners and are not intended to imply an affiliation with or endorsement of GS or its products/services

Slide 5:

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Slide 6:

1. Source: Dealogic rankings for 2015 to 2019
2. Source: Coalition institutional client analytics for FY2018. Institutional clients only. Analysis excludes captive and non-core products

Slide 10:

1. Source: Dealogic; from 1994 to 2019
2. Includes investments in the firm and clients
3. Source: Based on GIR estimates; industry pool primarily domestic

Slide 11:

1. Includes 3<sup>rd</sup> party capital committed in recent MBD Funds. Recent MBD Funds include Loan Partners III, Real Estate Credit Partners III, Mezzanine Partners VII, Capital Partners VII, China Coop Fund and Infrastructure Partners III as of 3Q19; includes open architecture 3<sup>rd</sup> party capital as of 2Q19 from most recent completed fundraises for core funds currently earning management fees (PEM 2018, Vintage VII, Petershill Private Equity, Private Equity Co-Investment Partners II)

## End Notes

Slide 12:

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Slide 13:

1. Growth shown net of realizations

Slide 14:

1. Represents global personal financial assets >\$30mm Source: McKinsey Wealth Pools; includes cash deposits, investments, life insurance and pensions / retirement assets
2. GS market share reflects client assets from our Wealth Management business as of 2019YE

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# A Culture of Innovation

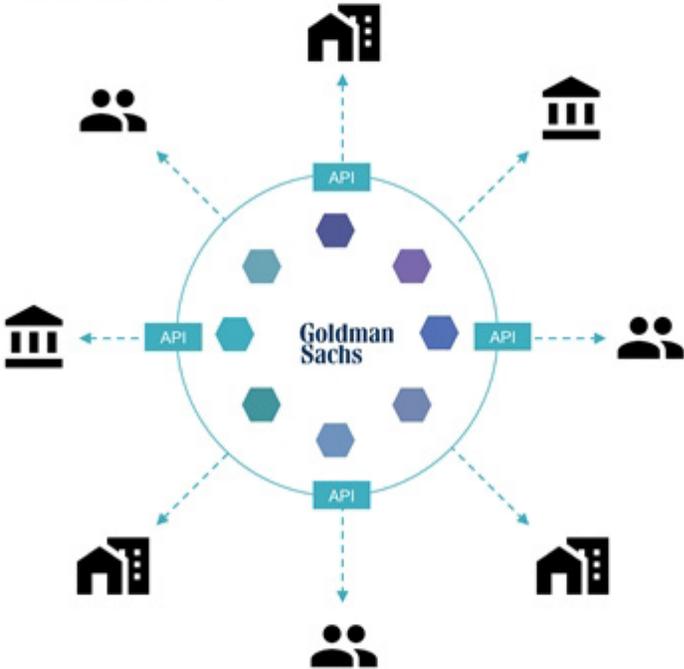
**Marco Argenti**  
Co-Chief Information Officer

**Stephanie Cohen**  
Chief Strategy Officer

January 29, 2020



# The Potential of Platforms



- ✓ Build leading technology
- ✓ Externalize these services
- ✓ Developers are first class citizens

# Innovation is Fundamental to Our Strategy



Unique Position in the Innovation Economy



Dynamic Approach



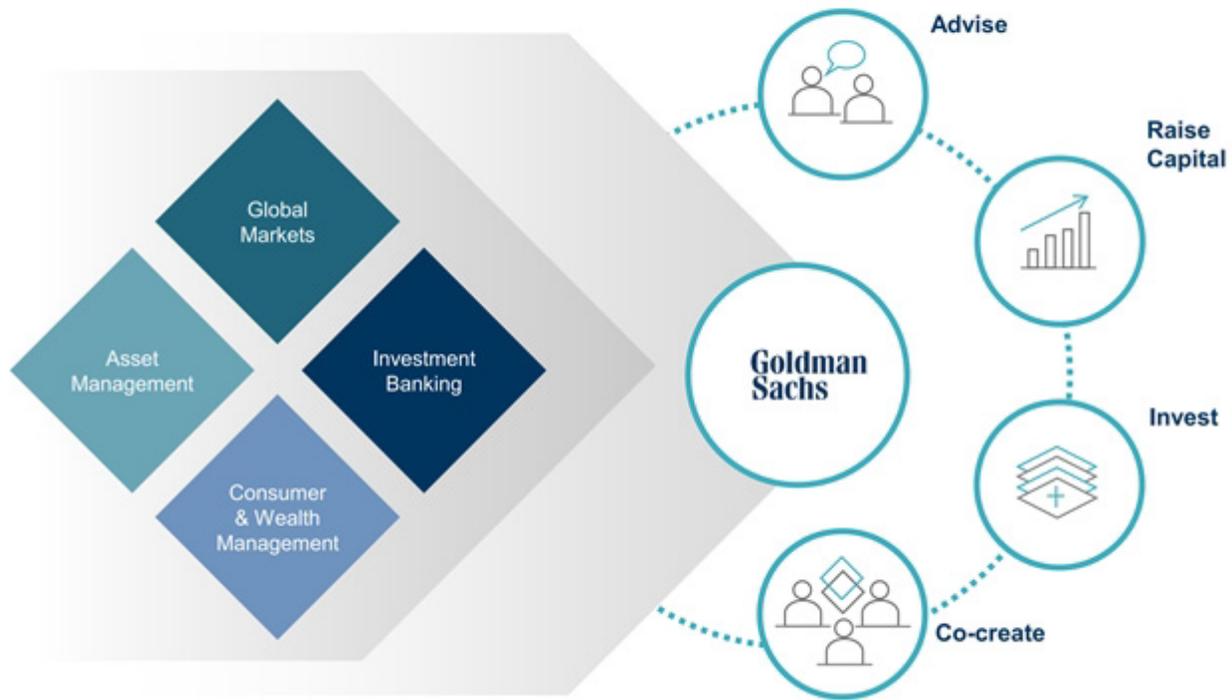
Strength in Execution

## Innovation is Fundamental to Our Strategy

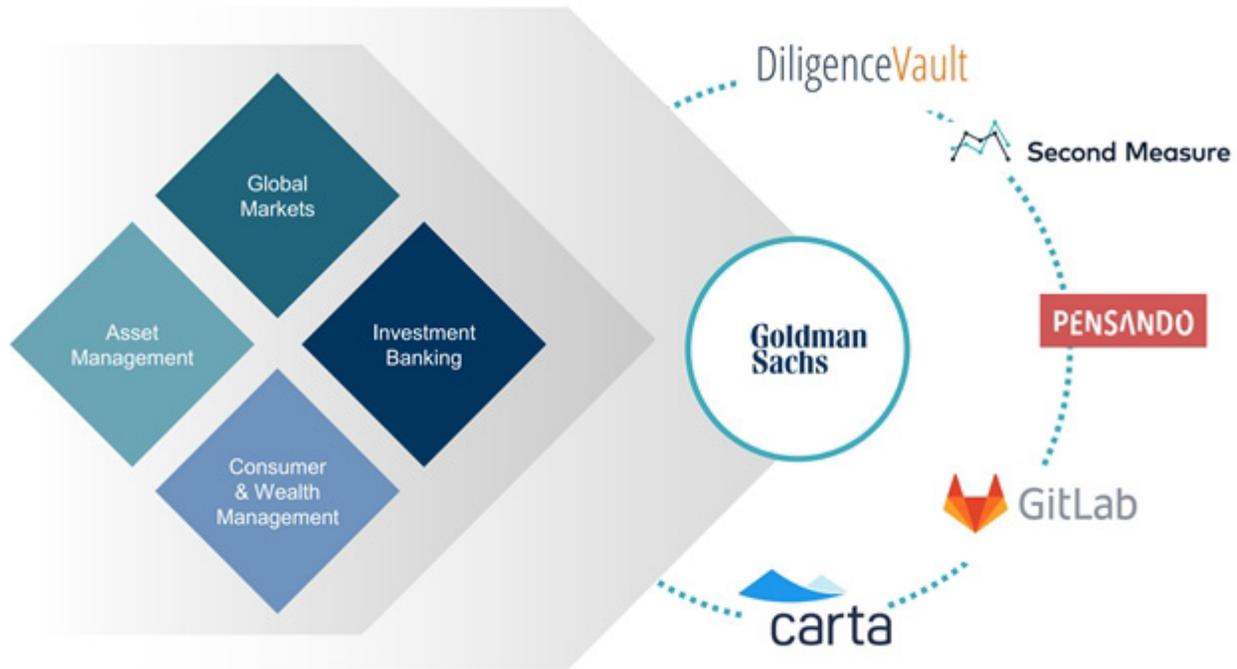


Building platforms that benefit the firm, our clients and our shareholders

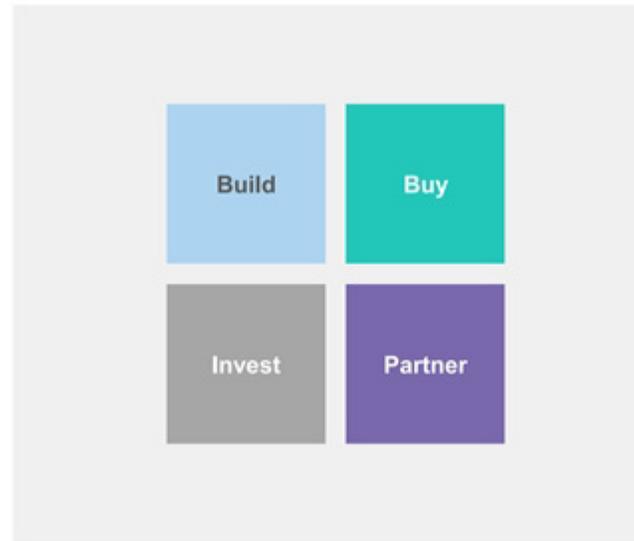
## Unique Position in the Innovation Economy



## Unique Position in the Innovation Economy

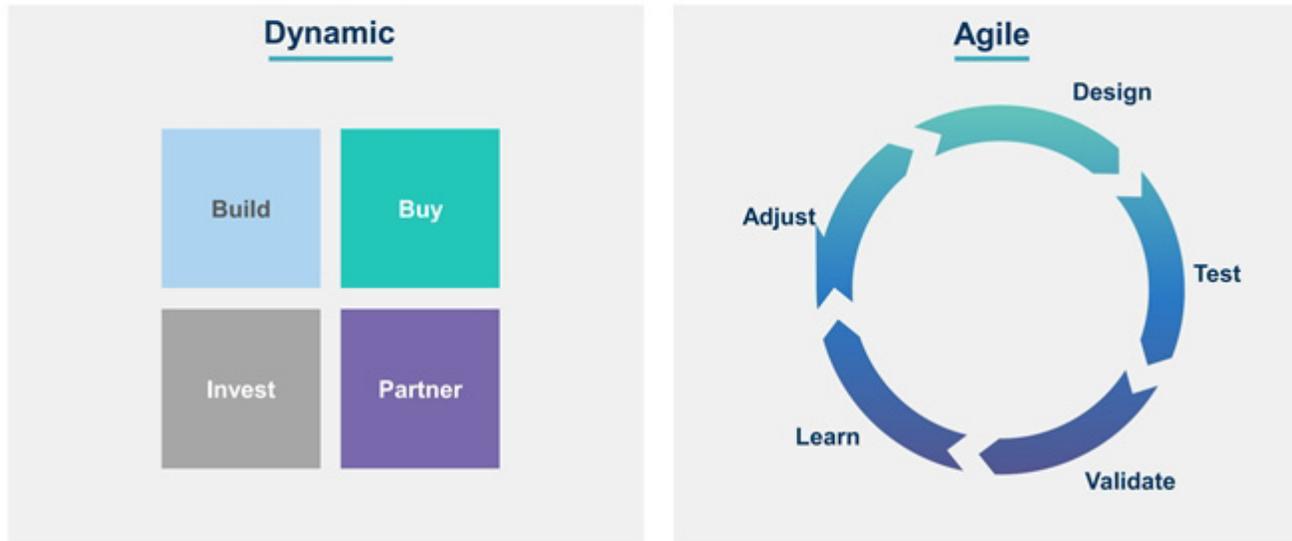


## Pace of Innovation Requires a Dynamic Approach



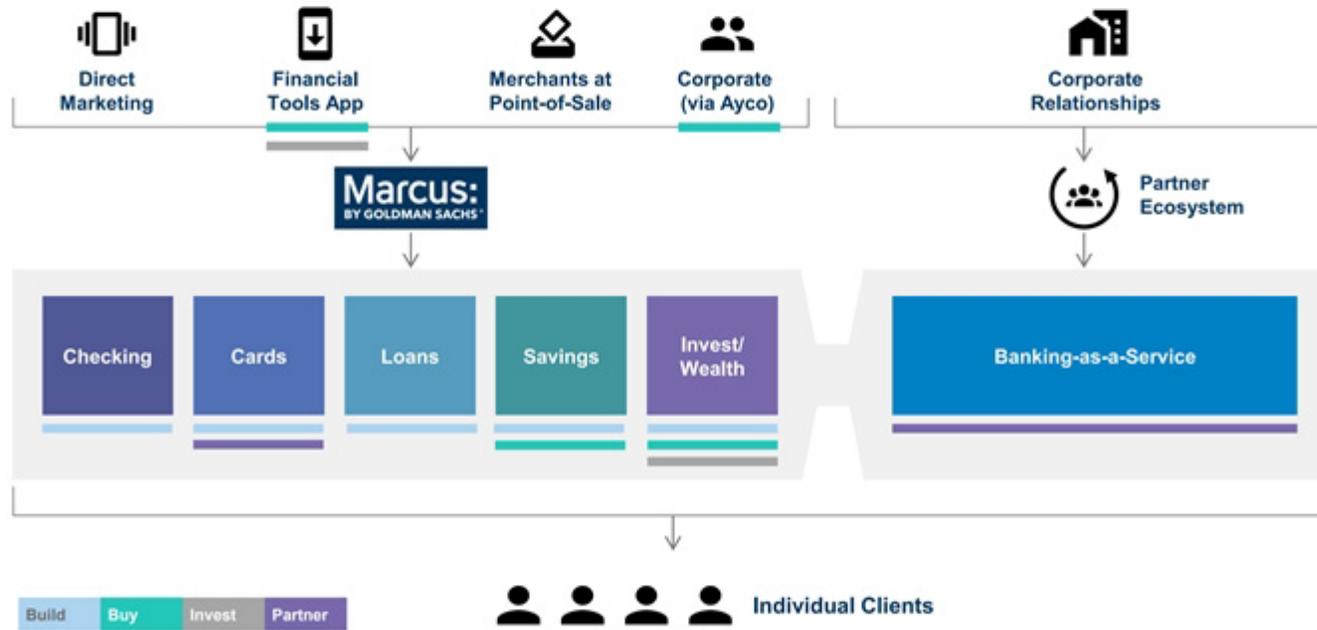
Driving a more durable and higher returning business mix

## Pace of Innovation Requires a Dynamic Approach



Driving a more durable and higher returning business mix

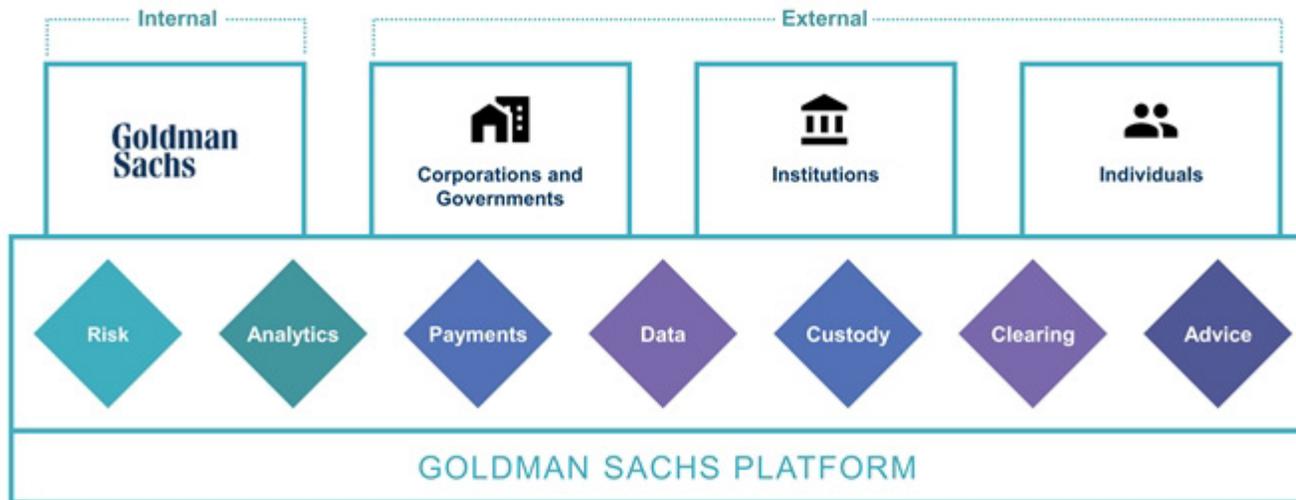
## Pace of Innovation Requires a Dynamic Approach



# Strength in Execution | Global Markets



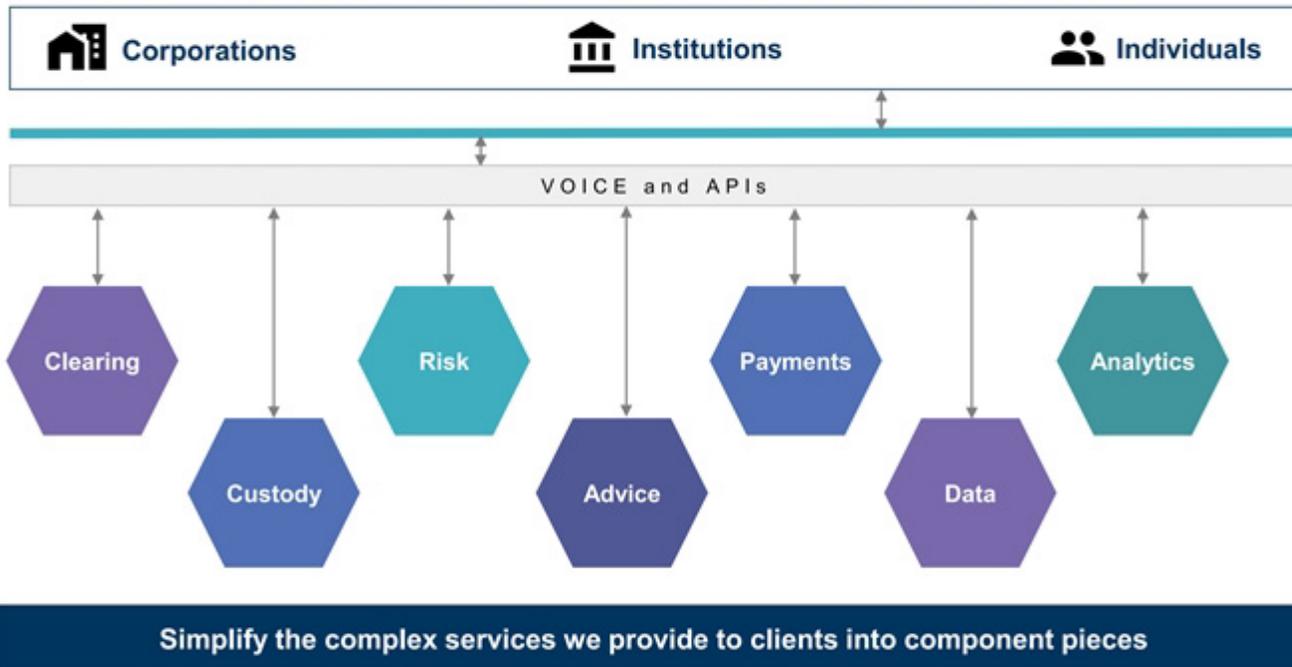
## One Goldman Sachs as a Platform



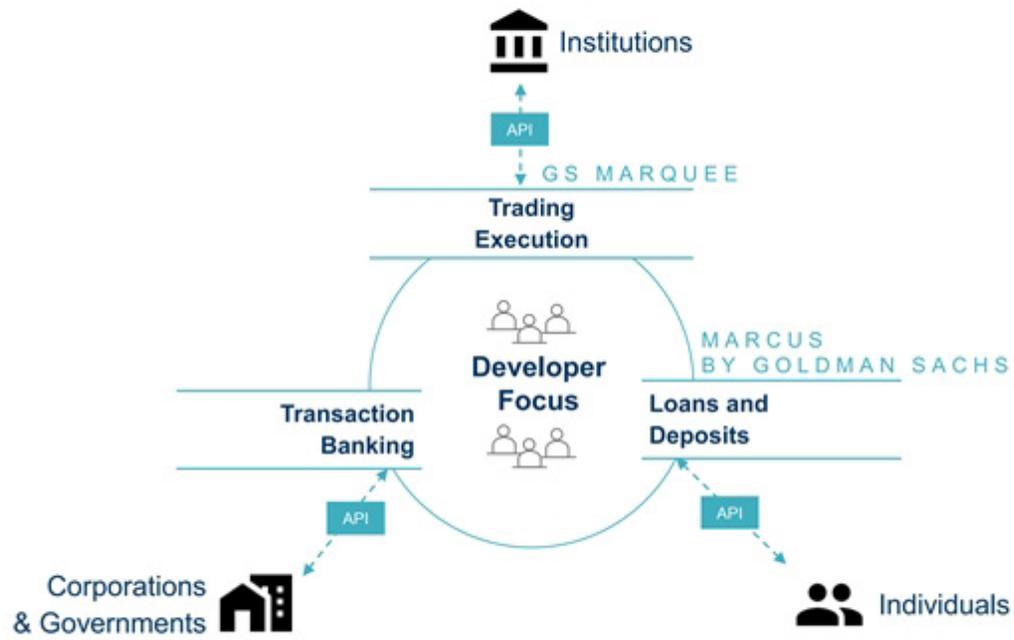
## Goldman Sachs | From Service Provider...



# Goldman Sachs | From Service Provider...to Platform



# Developers are Our Clients



# Driving Value for the Firm, Our Clients and Our Shareholders



## Innovation at Goldman Sachs – Key Takeaways

We have a  
unique position  
in the innovation  
economy

---

We have a  
dynamic framework  
and proven track  
record

---

We have a  
client-centric  
platform strategy

---

Innovation will drive value for our clients,  
communities and shareholders

# A Culture of Innovation

**Marco Argenti**  
Co-Chief Information Officer

**Stephanie Cohen**  
Chief Strategy Officer

January 29, 2020



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Slide 5:

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Slide 8:

Note: Includes products under development

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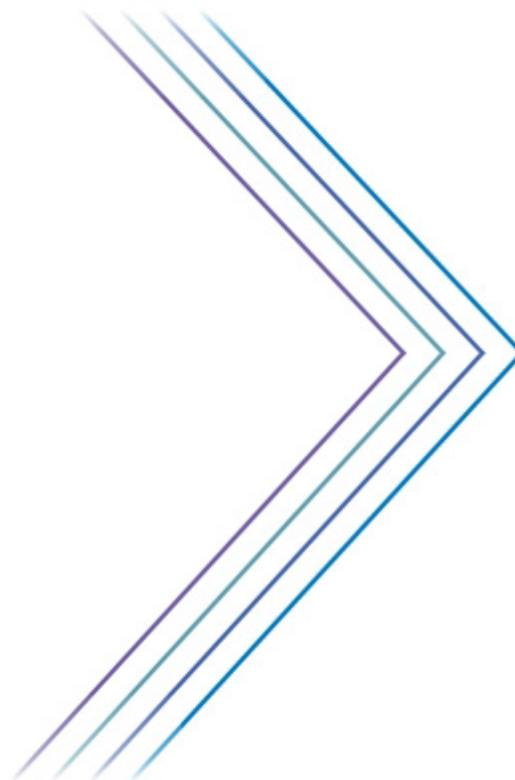
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# Fixed Income Investor Breakout Session

**Beth Hammack, Rajashree Datta,  
Carey Halio**

January 29, 2020



## Panelist Overview



**Beth Hammack**  
Global Treasurer



**Carey Halio**  
CEO of Goldman Sachs Bank USA  
and Deputy Treasurer



**Rajashree Datta**  
Global Head of Liquidity Risk

## Ask a Question

Submit a question via the app

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WITH SUBJECT:

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# Role of Corporate Treasury

Corporate Treasury supports the firm's strategic priorities



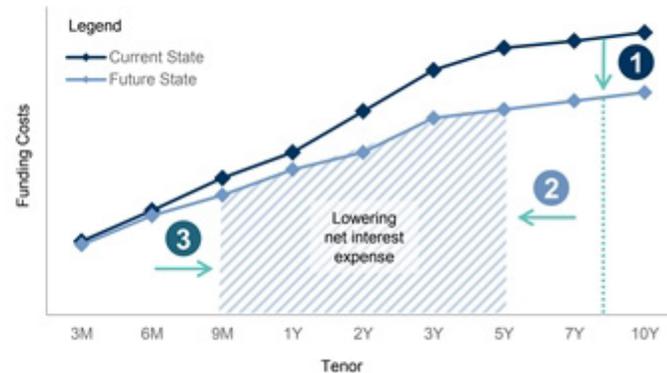
# Funding and Liquidity Management

Increasing high-quality deposits to improve funding diversification and generate \$1.0bn in revenues through lower interest expense

## Key Tenets of our Strategy

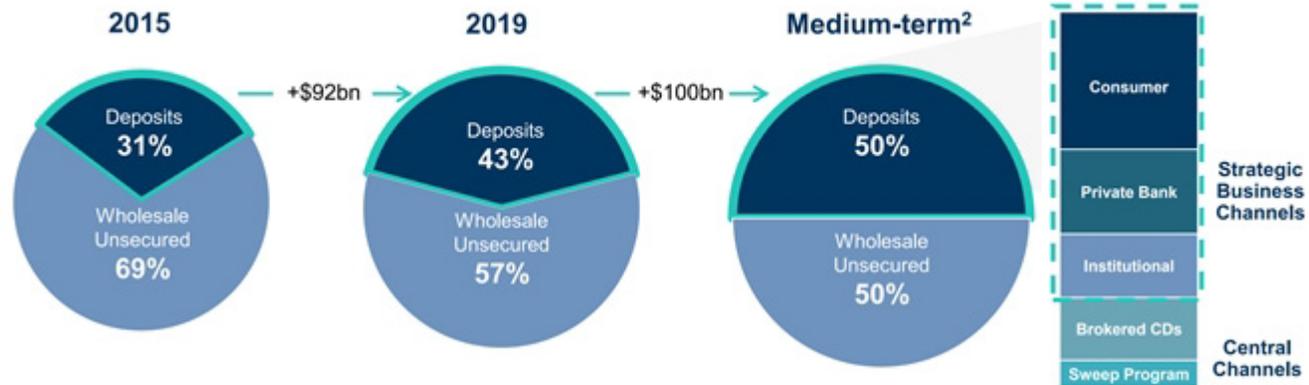
- 1 Further diversify funding mix via deposits
- 2 Enhance Asset-Liability Management
- 3 Optimize liquidity pool

## Target State



# Spotlight on Funding Mix Transformation

Strategic deposit growth will diversify mix and improve funding costs<sup>1</sup>



# Liquidity Risk Management

We maintain a conservative liquidity framework relative to peers

- ✓ Liquidity pool management based on our Modeled Liquidity Outflow (MLO)
  - MLO assesses the firm's potential liquidity risks under a combination of very conservative market-wide and firm-specific stressed scenarios
- ✓ Methodologies continuously refined to reflect changes in markets and our business mix
- ✓ Global Core Liquid Assets (GCLA<sup>2</sup>) are generally a subset of High Quality Liquid Assets (HQLA) as it reflects a more conservative set of assets

Average Liquidity Coverage Ratio<sup>1</sup> Trend



# LIBOR Transition

We are committed to ensuring a seamless transition for our clients, the marketplace and our firm

## Leadership Accountability

- ✓ Appointed a Chief LIBOR Transition Officer and established a centralized LIBOR transition program in early 2018

## Meeting Investor Needs

- ✓ Issued over \$2bn of floating rate notes which are not reliant on LIBOR

## Manageable LIBOR Exposure

- ✓ Majority of our LIBOR exposures in derivatives, where we expect a reasonably orderly transition given industrywide ISDA protocols

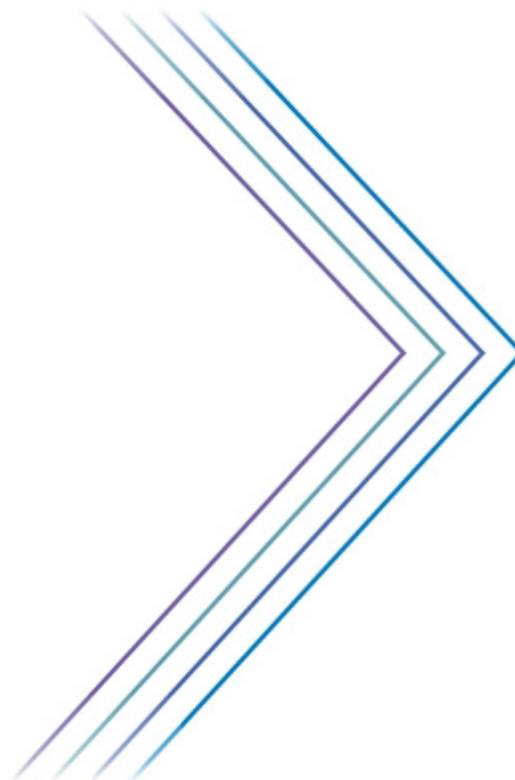
## Outstanding Vanilla Debt and Preferred Shares Referencing USD LIBORs (\$bn)<sup>1</sup>



# Fixed Income Investor Breakout Session

**Beth Hammack, Rajashree Datta,  
Carey Halio**

January 29, 2020



# End Notes

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Slide 5:

1. Relative value of shift to deposits will change as credit spreads and overnight/term interest rates change
2. Medium-term refers to 3 year time horizon

Slide 6:

1. 4Q19 liquidity coverage ratio (LCR) is preliminary
2. GCLA includes U.S. Treasuries and agencies and other highly liquid government bonds. HQLA, as defined by the U.S. Liquidity Coverage Ratio, includes additional sovereign bonds, equities, and corporate bonds, subject to criteria set forth in the rule
3. U.S. peers include commercial banking peers JPM, BAC, C and WFC

Slide 7:

1. Represents debt and preferred shares outstanding as of December 2019

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# The Future of Market Structure Breakout Session

**Ezra Nahum, Elizabeth Martin, Amy Hong**

January 29, 2020



## Panelist Overview



**Ezra Nahum**  
Head of Global  
Markets Engineering  
and Operations



**Elizabeth Martin**  
Global Head of  
Equities Electronic  
Execution Services



**Amy Hong**  
Global Head of  
Market Structure  
Strategy

## Ask a Question

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Submit a question via email

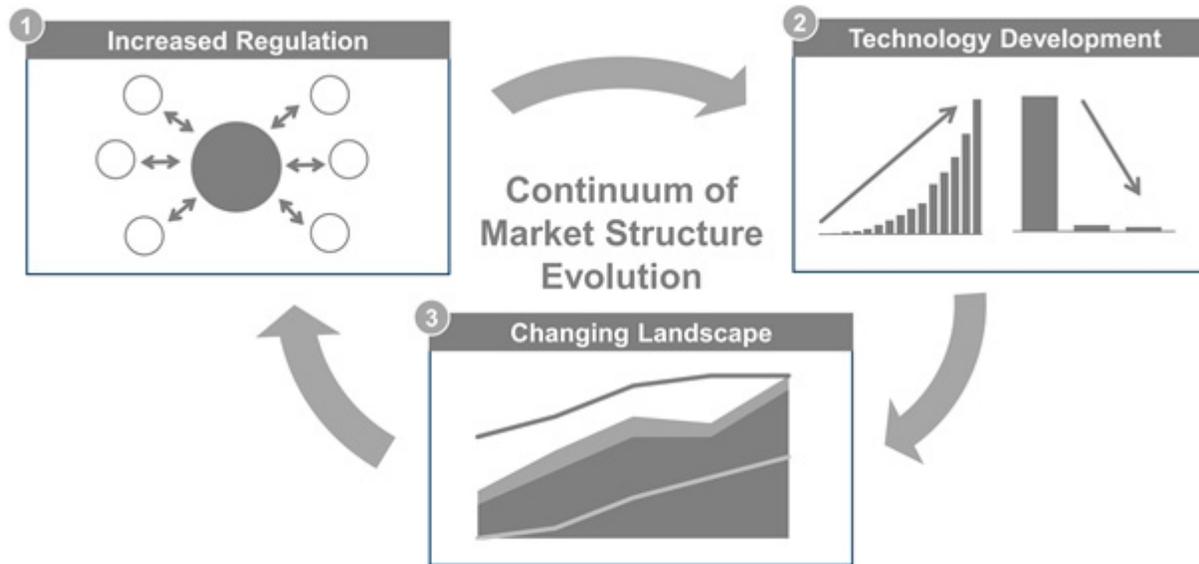
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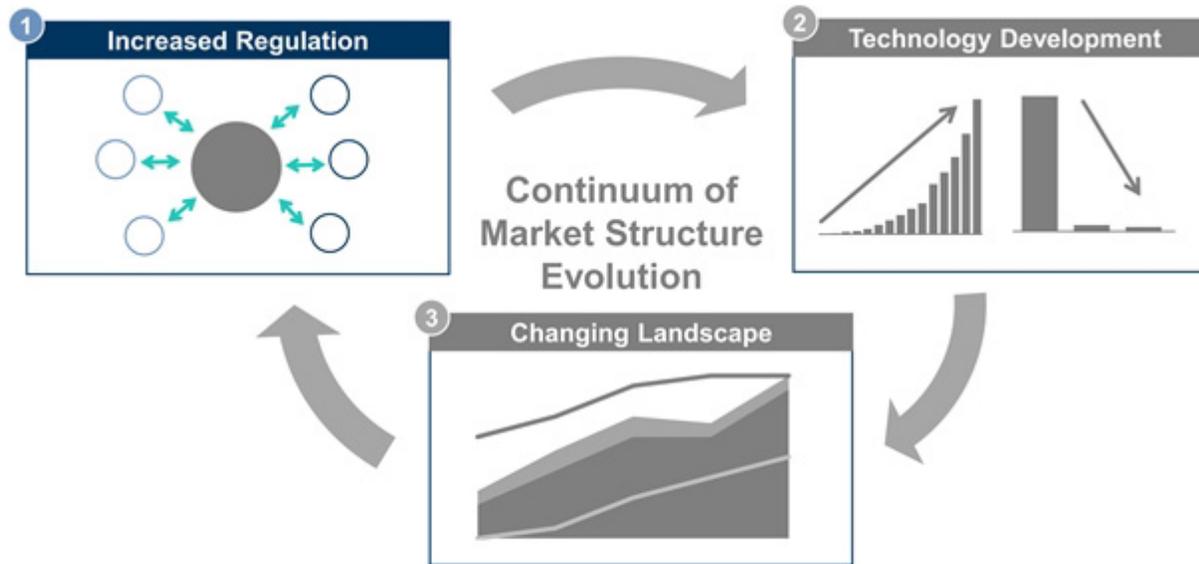
WITH SUBJECT:

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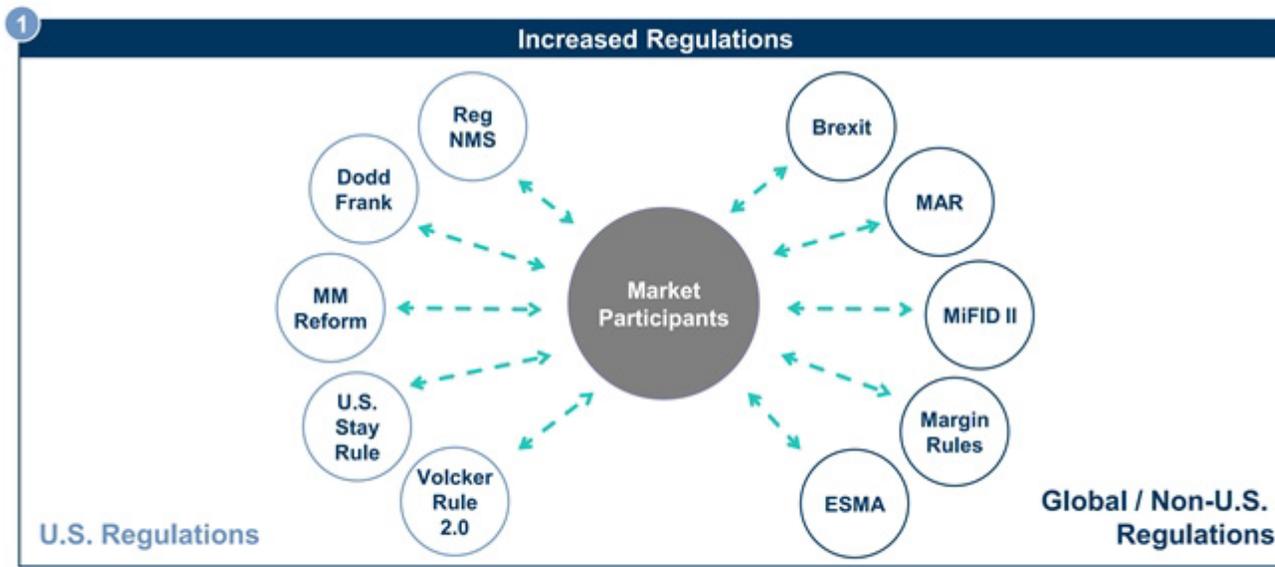
## Market Structure Evolution: Catalysts and Secular Trends



## Market Structure Evolution: Catalysts and Secular Trends



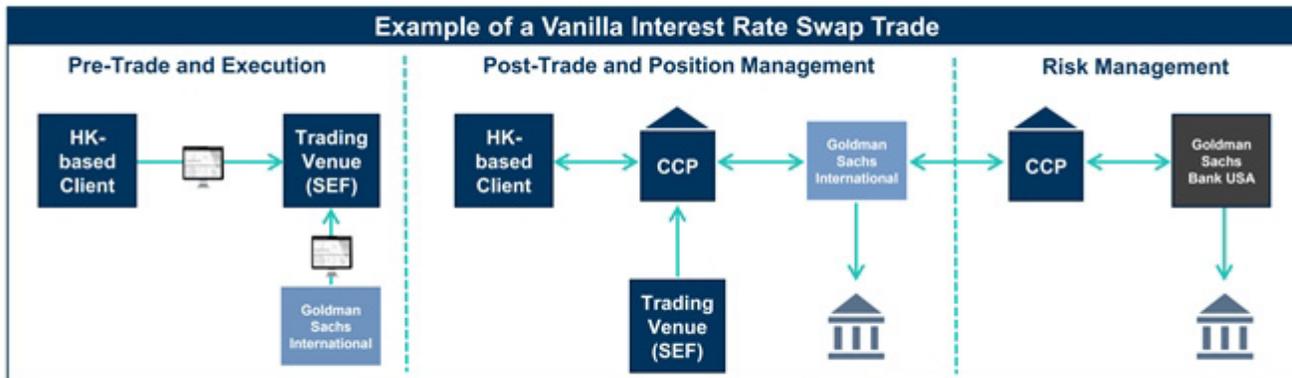
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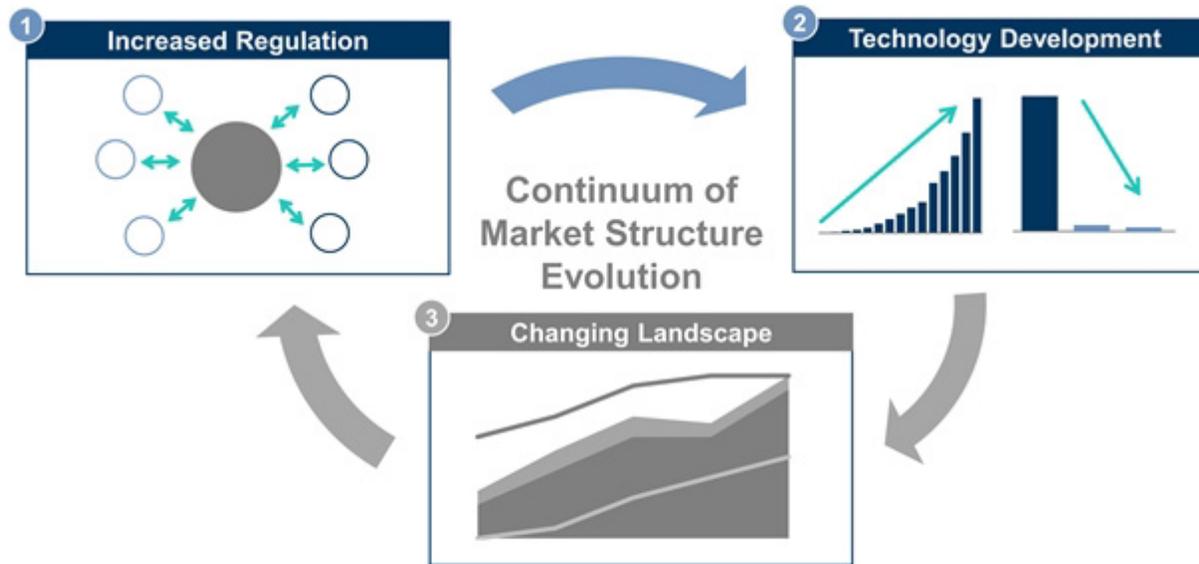
# Market Structure Evolution: Catalysts and Secular Trends

Increasingly complex and dynamic regulatory environment...

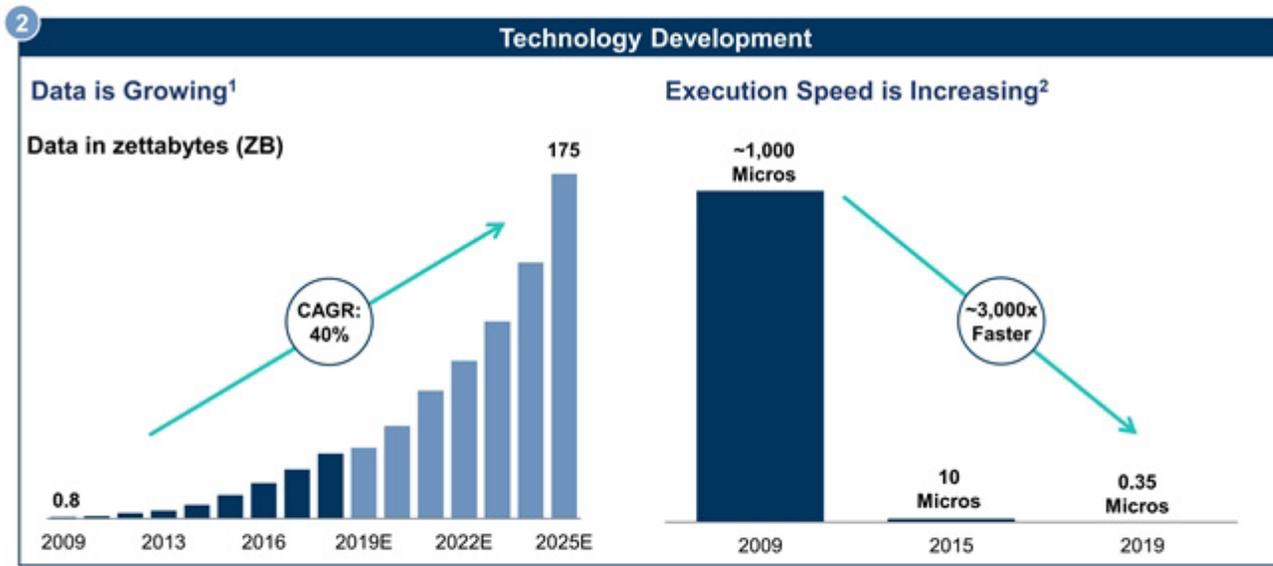
...driving the need for global scale in technology and efficiencies in execution and downstream services



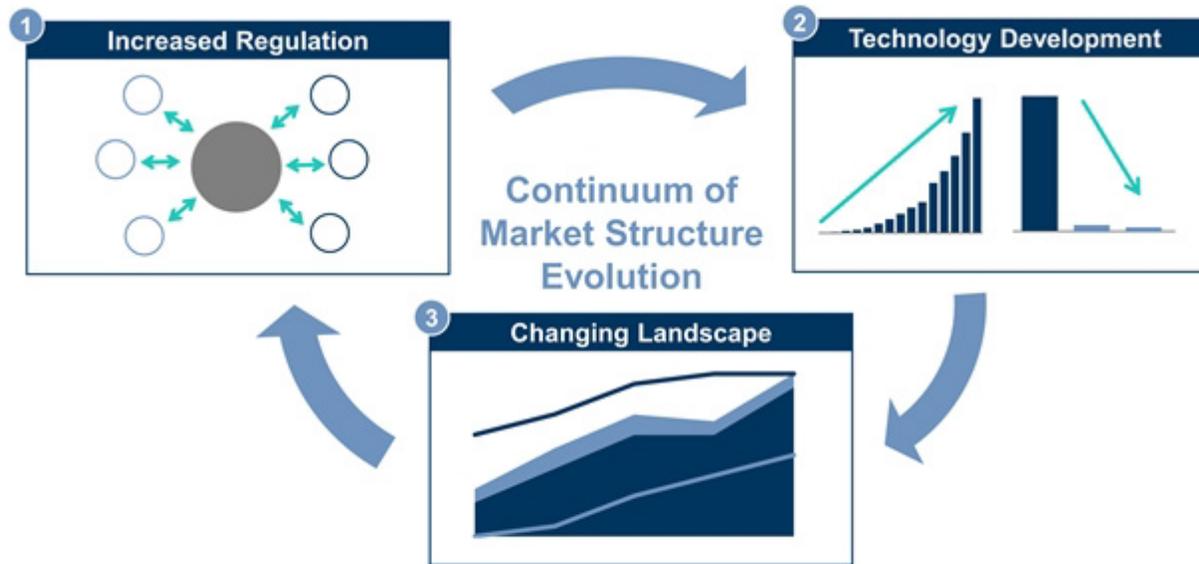
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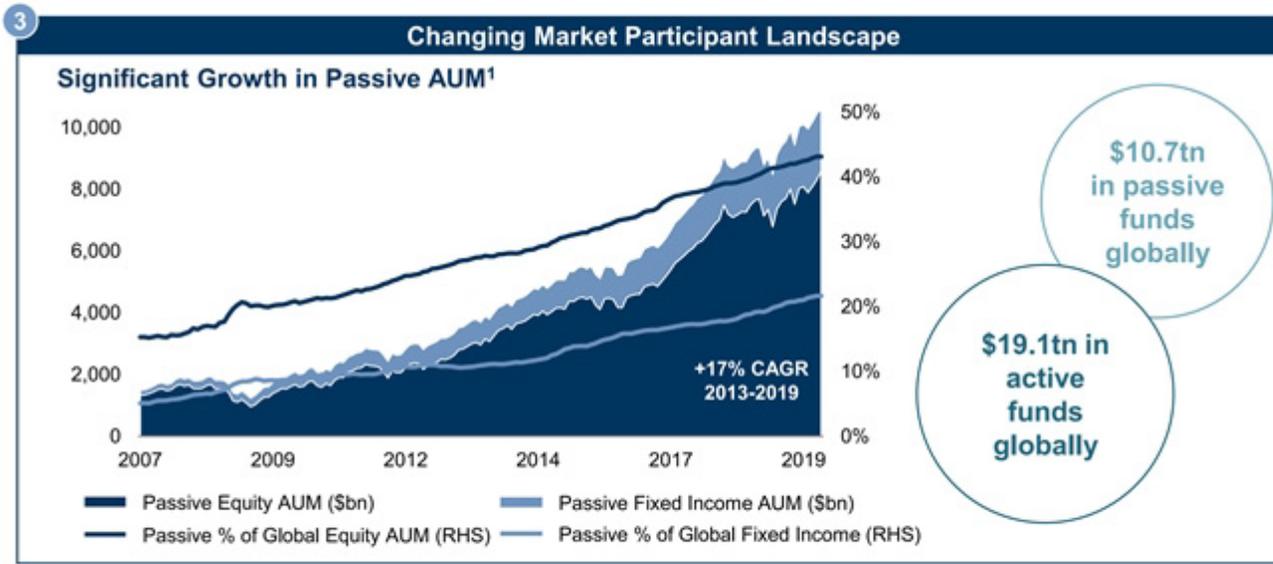
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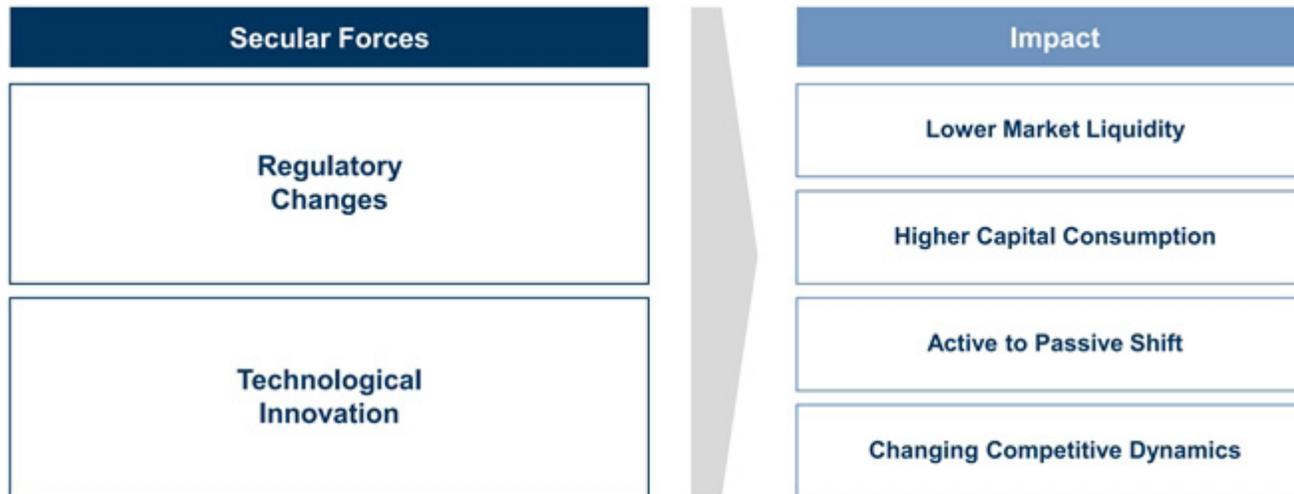
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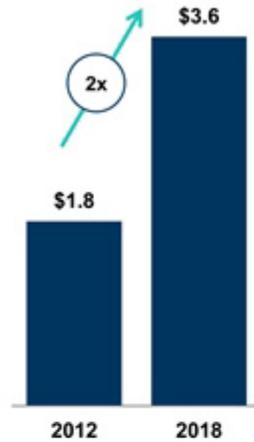


## Evolving Our Business for the Future

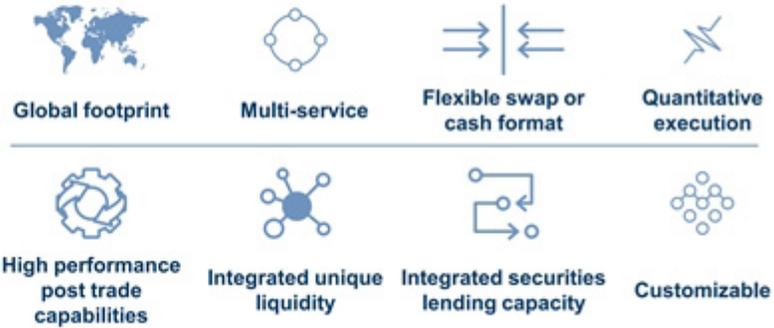


# Client-centric Global Equities Execution Platform

Growth in Systematic Systematic Wallet<sup>1</sup> (\$bn)



Client value drivers



Foundations



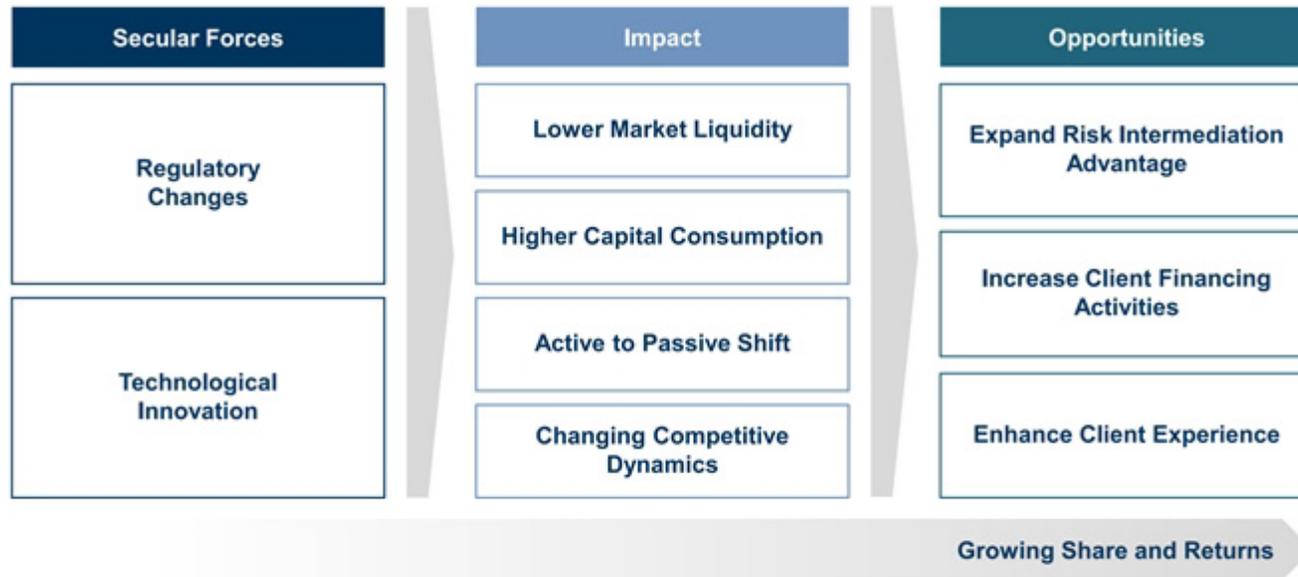
Leveling the playing field with a best in class technology foundation centered on delivering value to clients

# Pioneering a New Market Structure in Credit

## Goldman Sachs Ecosystem



## Evolving Our Business for the Future



# The Future of Market Structure Breakout Session

Ezra Nahum, Elizabeth Martin, Amy Hong

January 29, 2020



## End Notes

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Slide 8:

1. Source: IDC, "The Digital Universe in 2020" and "Data Age 2025"
2. Reflects internal execution speed for a vanilla US Cash Equity

Slide 10:

1. Source: Morningstar; Based on worldwide retail funds across Open-Ended and ETF investment types as of November 2019

Slide 12:

1. Source: Coalition institutional client analytics. Wallet includes cash execution and cash and synthetic financing wallet for leading systematic clients

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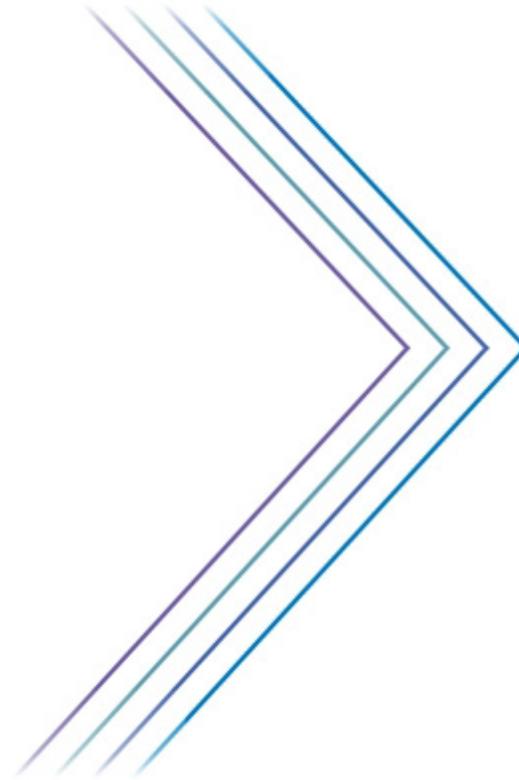
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# Risk Management Breakout Session

**Brian Lee, Sheara Fredman,  
Karen Seymour, Sarah Smith**

January 29, 2020



## Panelist Overview



**Brian Lee**  
Chief Risk Officer



**Karen Seymour**  
General Counsel



**Sarah Smith**  
Chair of Global Compliance



**Sheara Fredman**  
Chief Accounting Officer

## Ask a Question

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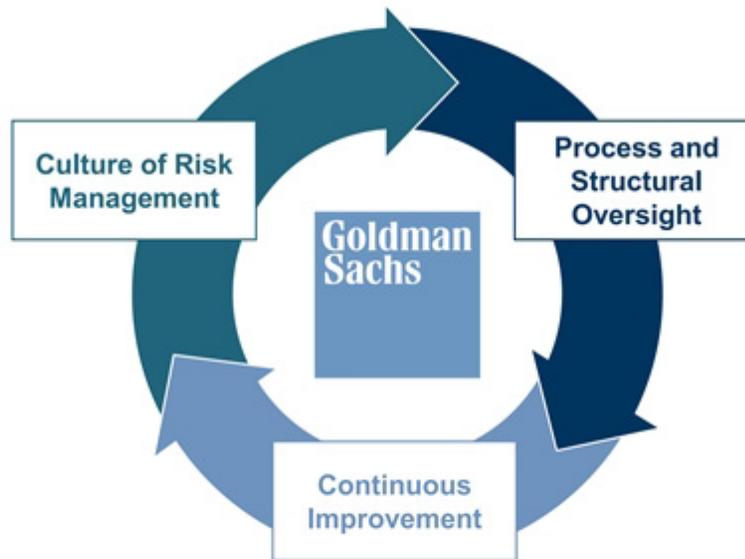
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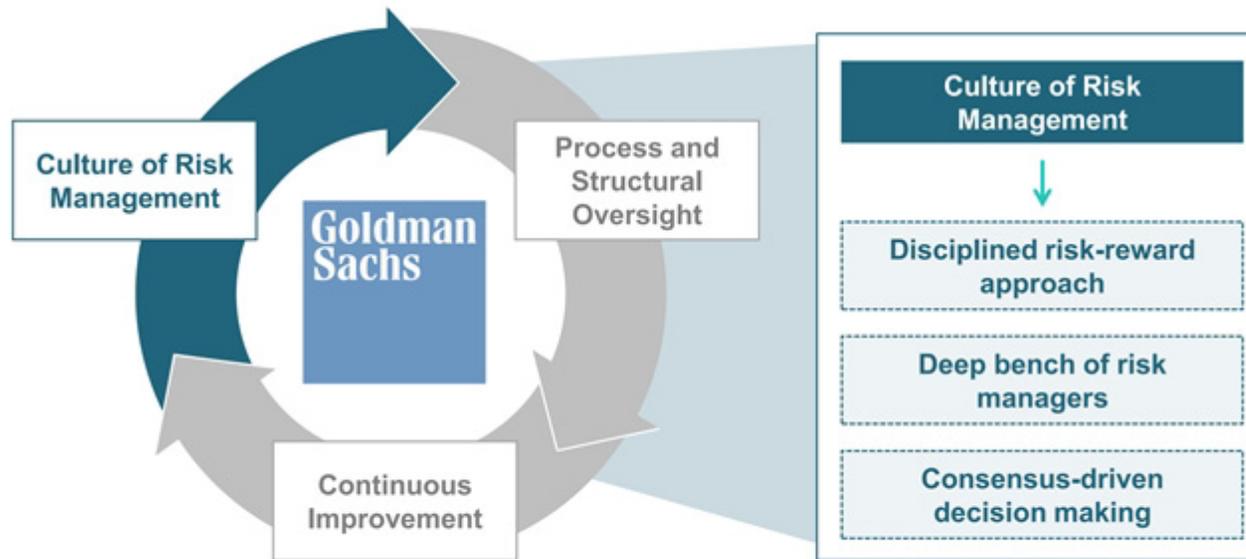
WITH SUBJECT:

**#gsrisk**

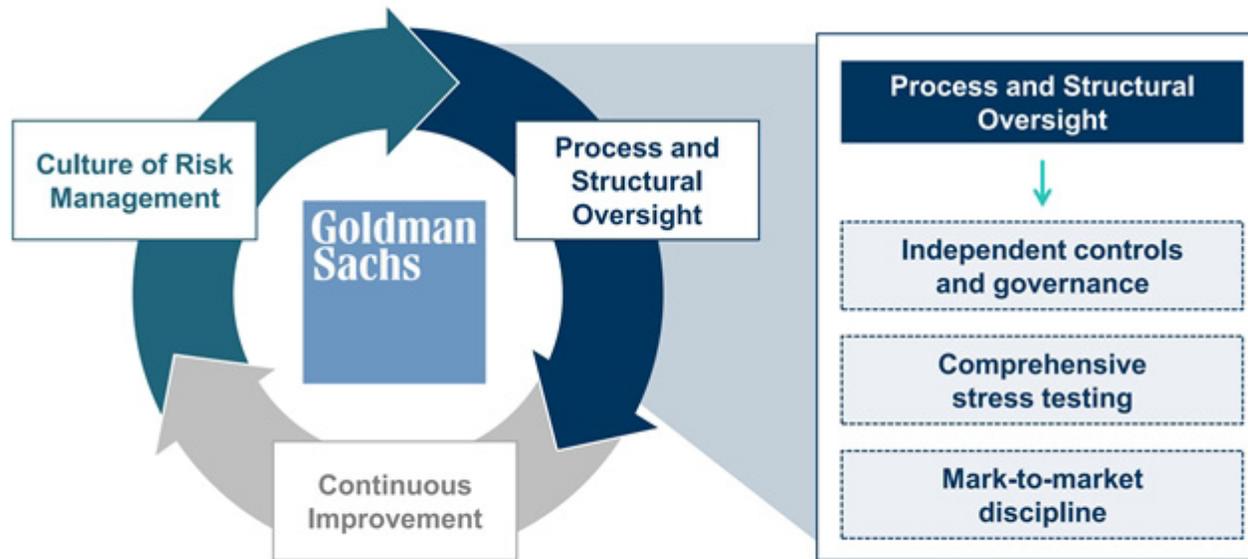
## Risk Management at Goldman Sachs



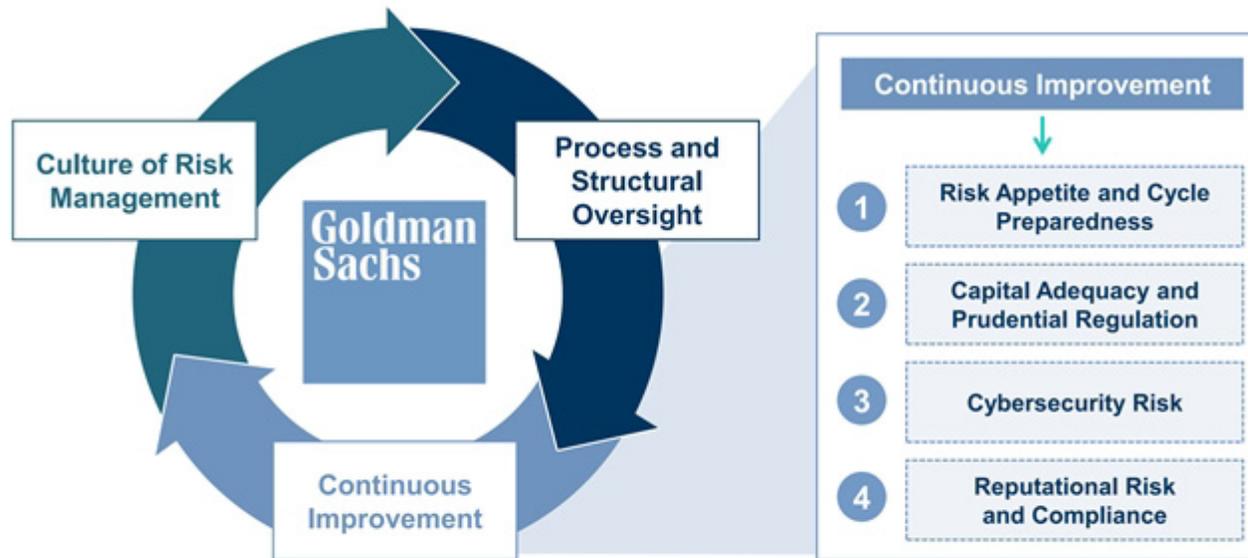
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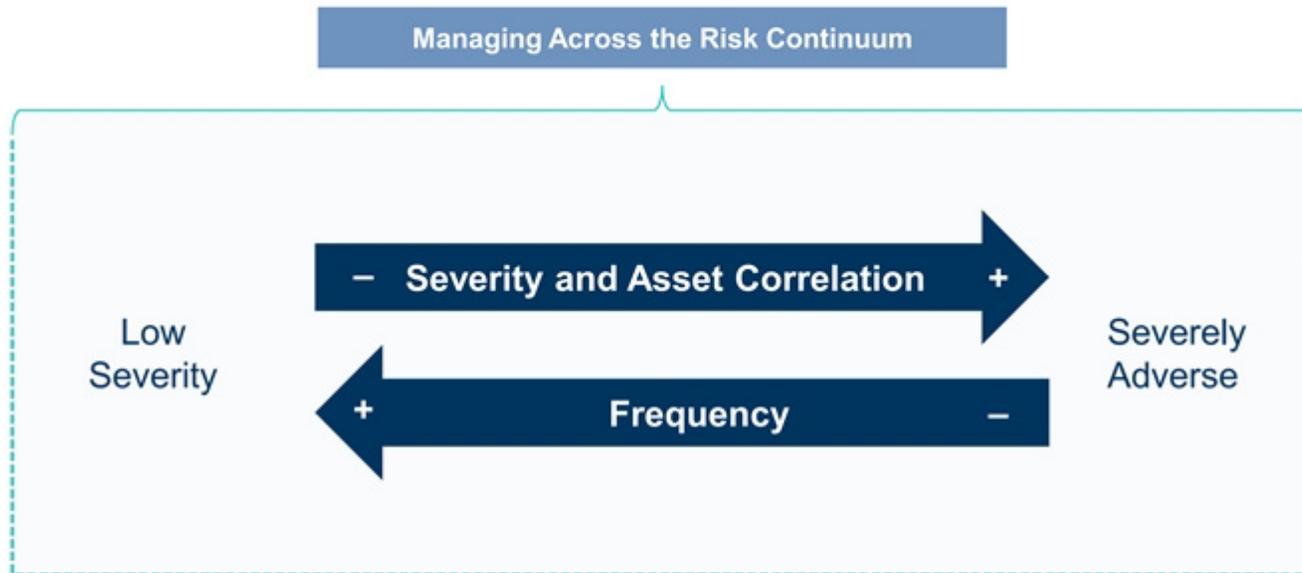
# Risk Management at Goldman Sachs



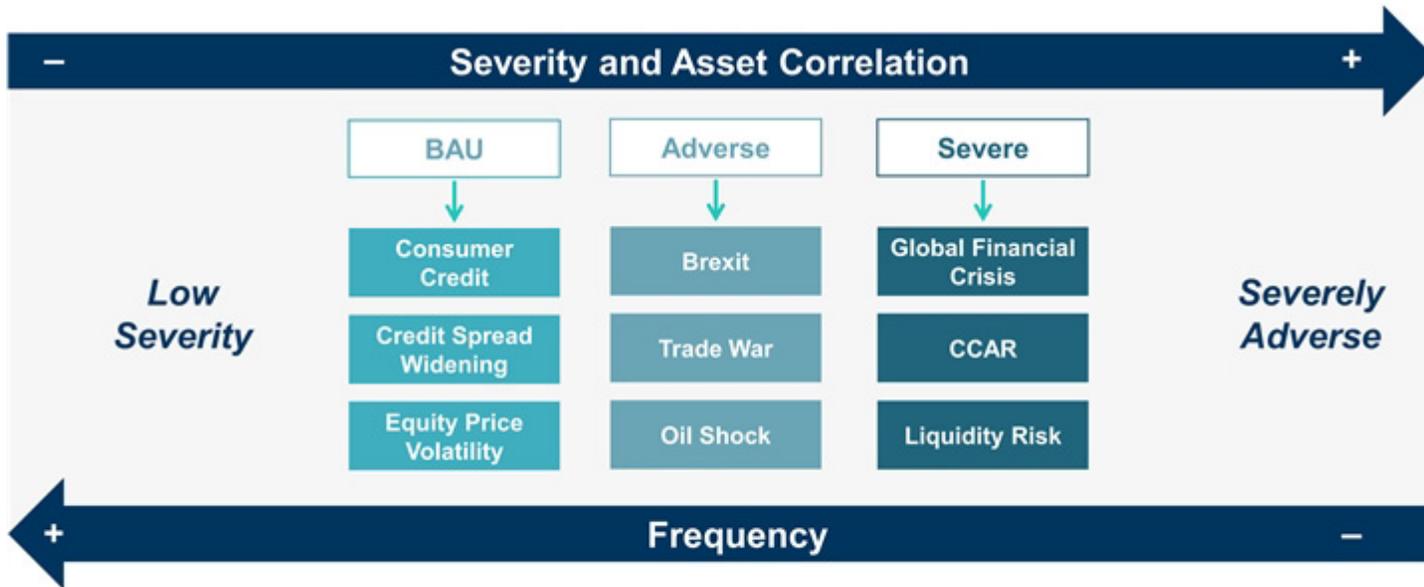
# Risk Management at Goldman Sachs



## 1 Risk Appetite and Cycle Preparedness



# 1 Risk Appetite and Cycle Preparedness



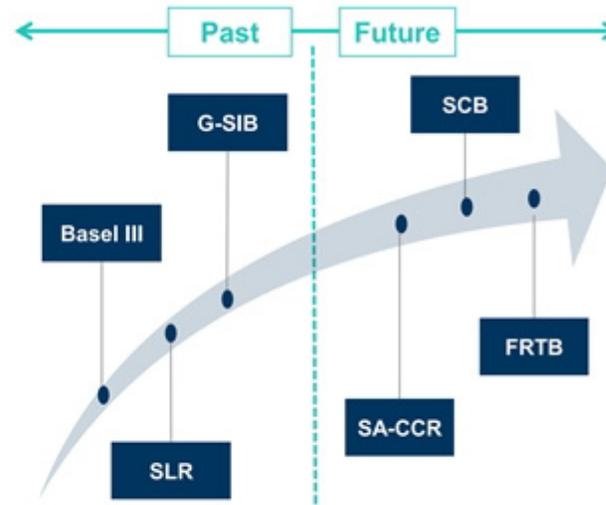
## 2 Prudently Managing Capital

Adapting to New Regulations and Conservatively Positioned for Growth

### Resilient Capital Ratios (Standardized CET1)<sup>1</sup>



### Continuous Adaptation to Capital Requirements



### 3 Mitigating Cyber Risks



## 4 Reputational Risk and Compliance

Continuously Improving from a Solid Foundation

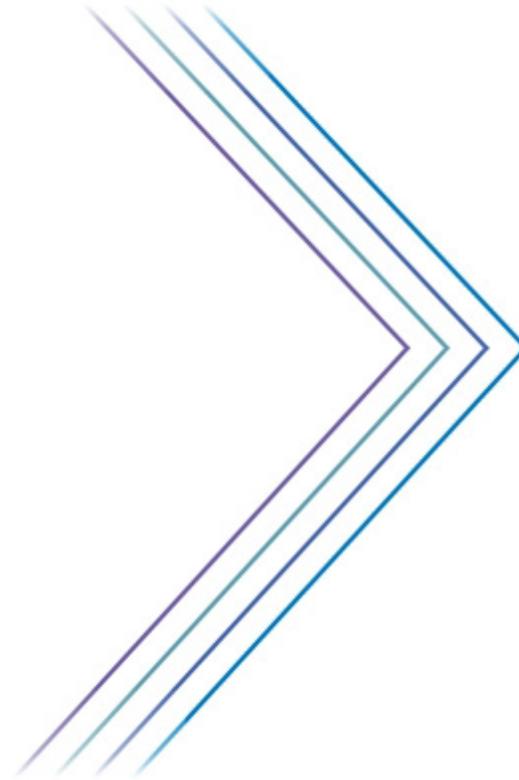
### Key Focus Areas



# Risk Management Breakout Session

**Brian Lee, Sheara Fredman,  
Karen Seymour, Sarah Smith**

January 29, 2020



## End Notes

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Slide 9:

- As of September 30, 2017 and December 31, 2017, the firm's capital ratios on a fully phased-in basis were non-GAAP measures and may not be comparable to similar non-GAAP measures used by other companies. Management believes that the firm's capital ratios on a fully phased-in basis are meaningful because they are the measures that the firm and investors use to assess capital adequacy. The table below presents reconciliations, for the Standardized approach, of common equity tier 1 and risk-weighted assets on a transitional basis to a fully phased-in basis as of September 30, 2017 and December 31, 2017 (unaudited, \$ in billions)

	Standardized CET1 Ratio	
	As of September 30, 2017	As of December 31, 2017
Common equity tier 1, transitional basis	\$ 71.9	\$ 67.1
Transitional adjustments	(0.2)	(0.1)
<b>Common equity tier 1, fully phased-in basis</b>	<b>\$ 71.7</b>	<b>\$ 67.0</b>
Risk-weighted assets, transitional basis	\$ 540	\$ 556
Transitional adjustments	13	8
<b>Risk-weighted assets, fully phased-in basis</b>	<b>\$ 553</b>	<b>\$ 564</b>
Common equity tier 1 ratio, transitional basis	13.3%	12.1%
Common equity tier 1 ratio, fully phased-in basis	13.0%	11.9%

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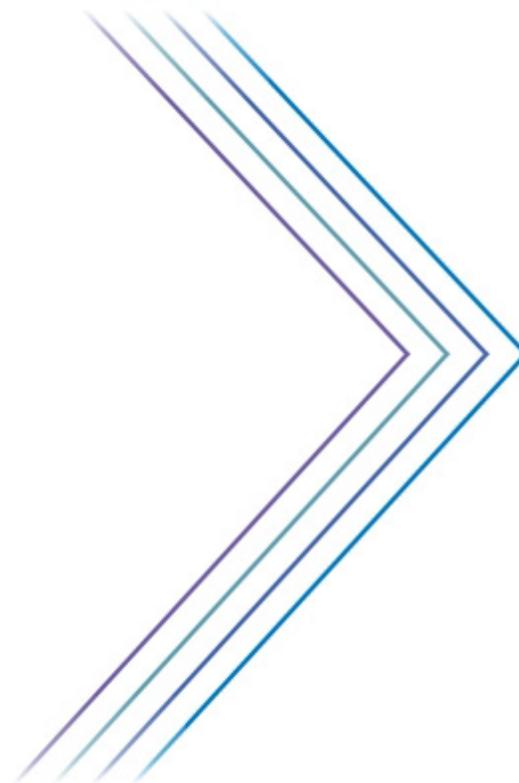
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# Sustainability Breakout Session

**Asahi Pompey, Margaret Anadu,  
John Goldstein**

January 29, 2020



## Panelist Overview



**Asahi Pompey**  
Global Head of Corporate  
Engagement and President of  
Goldman Sachs Foundation



**Margaret Anadu**  
Head of Urban  
Investment Group



**John Goldstein**  
Head of Sustainable  
Finance Group

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OUR PURPOSE

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**We advance sustainable economic growth  
and financial opportunity**

DRIVING OUR PURPOSE THROUGH FIVE KEY SUSTAINABILITY THEMES



# A Commercial Approach To Sustainable Finance

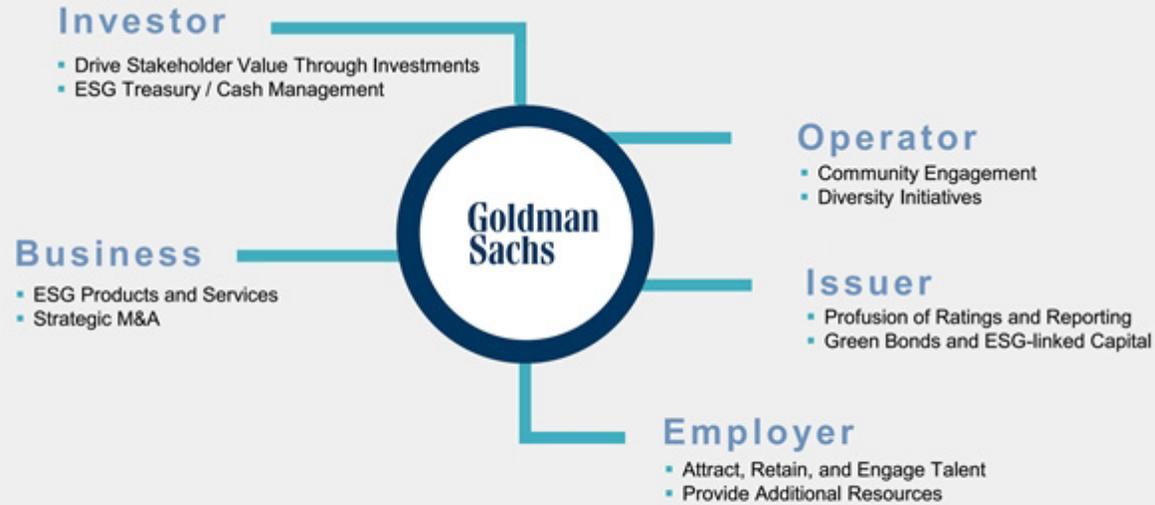
# \$750bn

Sustainable Finance by 2030



## Sustainable Finance Group: Mobilizing Expertise Across the Firm

Growing commercial opportunity to address full spectrum of our clients' ESG needs



# Urban Investment Group

UIG's unique commitment to building deep relationships within our communities creates differentiated commercial opportunities that are accretive to firmwide returns

## A Flexible Investing Approach Leads to...

- Equity
- Debt
- Tax Credit Equity

## ...A Wide Range of Impacts



# Urban Investment Group

1

Innovative Solutions for a Range of Clients

2

Experienced Team and a Proven Strategy

3

Well Positioned to be a First Mover



**\$8.5bn** Invested to date

**19 years** Of investing in underserved areas

**300+** Investments made to date

**\$2.8bn** development financed in opportunity zones

2017: financed public housing energy retrofits through largest ever energy performance contract

2016: financed world's largest indoor aeroponic farm

2012: lead investor in the first social impact bonds in the US

## Corporate Engagement: Unlocking Economic Empowerment

Focused efforts on two signature entrepreneurship programs, partner giving and employee volunteerism

**Community Engagement**

**452k**

Volunteer days through Community TeamWorks (CTW)

**\$350M**

Need-based scholarships through GS Gives

**10,000 Women**

**100+**

Countries

**\$1.4bn**

Capital catalyzed with partners

**10,000 Small Businesses**

**175k+**

U.S. Total employees

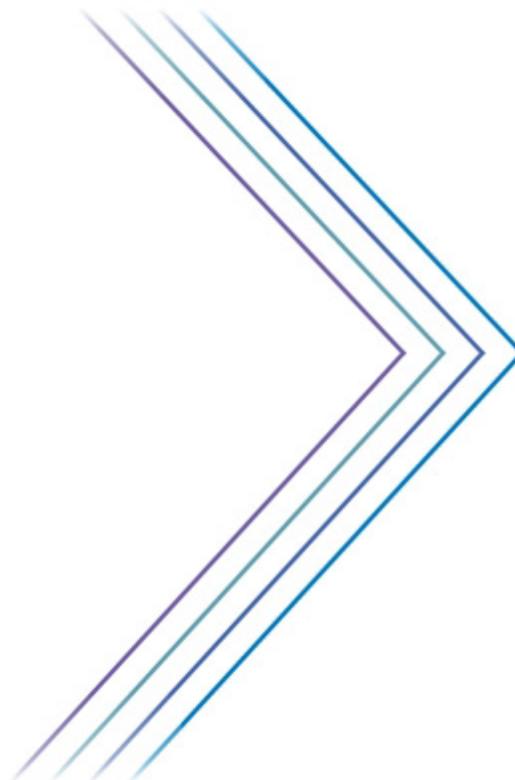
**\$12bn**

U.S. Total revenues

# Sustainability Breakout Session

**Asahi Pompey, Margaret Anadu,  
John Goldstein**

January 29, 2020



## End Notes

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Slide 4:

Note: The target includes financing, investing and advisory activity across our businesses

Slides 6 & 7:

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## Cautionary Note on Forward-Looking Statements

Statements about the firm's target metrics, including its target ROE, ROTE, efficiency ratio and CET1 capital ratios, and how they can be achieved, and statements about future operating expense (including future litigation expense), amount and composition of future Assets under Supervision, planned debt issuances, growth of deposits and associated interest expense savings, future geographic location of its employees, and the timing and profitability of its business initiatives, including its launch of new businesses or new activities, its ability to increase its market share in incumbent businesses and its ability to achieve more durable revenues and higher returns from these initiatives, are forward-looking statements, and it is possible that the firm's actual results may differ, possibly materially, from the targeted results indicated in these statements.

Forward looking statements, including those about the firm's target ROE, ROTE, efficiency ratio, and expense savings, and how they can be achieved, are based on the firm's current expectations regarding its business prospects and are subject to the risk that the firm may be unable to achieve its targets due to, among other things, changes in the firm's business mix, lower profitability of new business initiatives, increases in technology and other costs to launch and bring new business initiatives to scale, and increases in liquidity requirements. Statements about the firm's target ROE, ROTE and CET1 capital ratios, and how they can be achieved, are based on the firm's current expectations regarding the capital requirements applicable to the firm and are subject to the risk that the firm's actual capital requirements may be higher than currently anticipated because of, among other factors, changes in the regulatory capital requirements applicable to the firm resulting from changes in regulations or the interpretation or application of existing regulations or changes in the nature and composition of the firm's activities. Statements about the timing and benefits of business and expense savings initiatives, the level and composition of more durable revenues and increases in market share are based on the firm's current expectations regarding its ability to implement these initiatives and may change, possibly materially, from what is currently expected. Due to the inherent uncertainty in these forward-looking statements, investors should not place undue reliance on the firm's ability to achieve these results.

For a discussion of some of the risks and important factors that could affect the firm's future business, results and financial condition, see "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2018. You should also read the cautionary notes on forward-looking statements in our Form 10-Q for the period ended September 30, 2019 and Earnings Results Presentation for the Full Year and Fourth Quarter 2019. For more information regarding non-GAAP financial measures such as ROTE, refer to the footnotes in the Earnings Release and Earnings Presentation for the Full Year and Fourth Quarter 2019 and information on the calculation of non-GAAP financial measures that is posted on the Investor Relations portion of our website: [www.goldmansachs.com](http://www.goldmansachs.com).

The statements in the presentation are current only as of January 29, 2020 and the firm does not undertake to update forward-looking statements to reflect the impact of subsequent events or circumstances.