

Goldman Sachs Presentation to Credit Suisse Financial Services Conference

Lloyd C. Blankfein
Chairman and Chief Executive Officer

February 7, 2017

Cautionary Note on Forward-Looking Statements

Today's presentation may include forward-looking statements. These statements are not historical facts, but instead represent only the Firm's beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside of the Firm's control. It is possible that the Firm's actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements.

For a discussion of some of the risks and important factors that could affect the Firm's future results and financial condition, see "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2015. You should also read the forward-looking disclaimers in our Form 10-Q for the period ended September 30, 2016, particularly as it relates to capital and leverage ratios, and information on the calculation of non-GAAP financial measures that is posted on the Investor Relations portion of our website: www.gs.com.

The statements in the presentation are current only as of its date, February 7, 2017.

Committed to Meeting the Needs of Our Clients

Strong position in each of our businesses

Investment Banking

21% of 2016 Net Revenues

- #1 ranked global M&A advisor
- Over 8,000 clients globally ~100 countries across a broad range of industries
- Advice, capital raising, hedging and risk management solutions; leading merger defense franchise

Institutional Client Services

47% of 2016 Net Revenues

- Among the few global players with leading FICC and Equities franchises, with ~7,000 active clients
- Focused on increasing penetration with Asset Managers and Corporates
- Diversified client mix and robust ROAE framework

Investing & Lending

13% of 2016 Net Revenues

- Strong track record of risk-adjusted returns over the past 5 years
 - Private Equity
 - Corporate, PWM and Real Estate Lending
 - Middle Market and Specialty Financing
- Adaptable in response to regulation and business environment

Investment Management

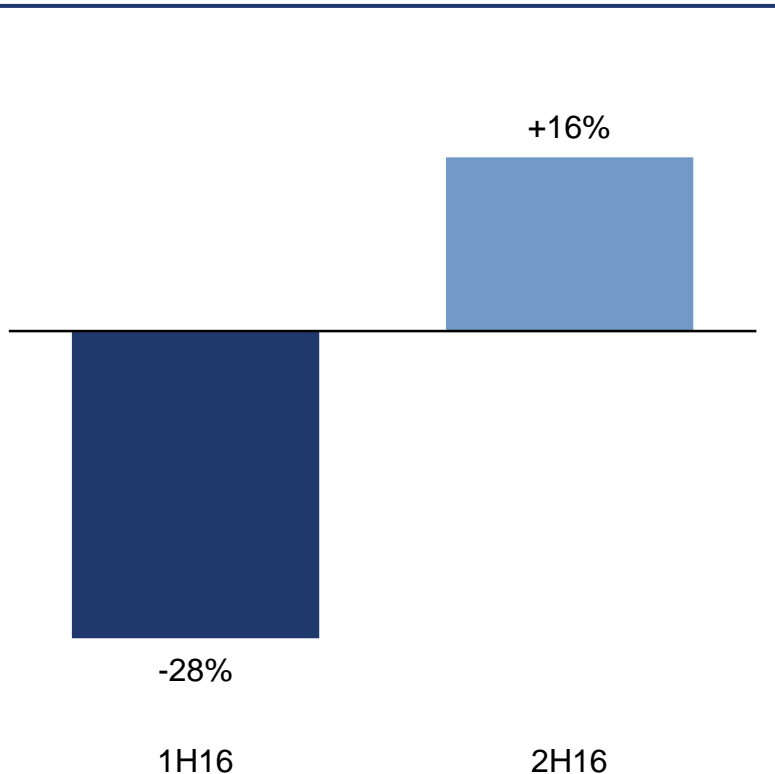
19% of 2016 Net Revenues

- Uniquely positioned in an industry increasingly driven by holistic advice, solutions, implementation and service
- Focused on performing well for our clients
- ~15,000 PWM, Institutional and Third-party Distribution clients; over 5mm GSAM mutual fund investors

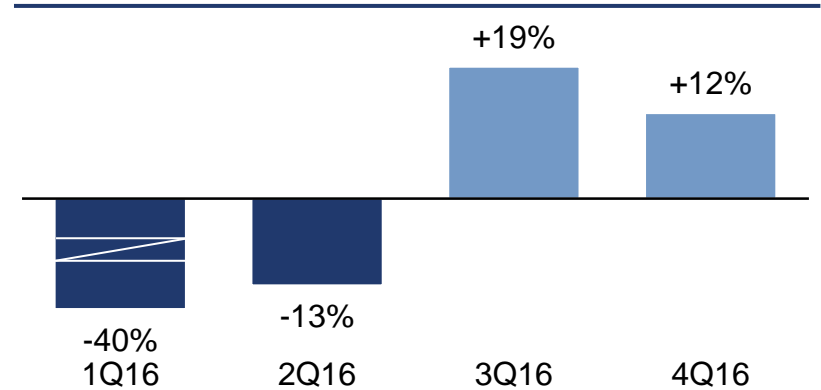
2016 Performance Review

Positive momentum heading into 2017

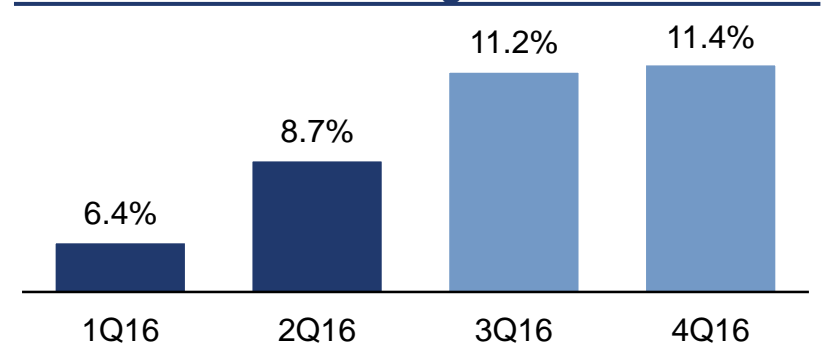
A tale of two halves
YoY Net Revenues (% Δ)



Two consecutive quarters of YoY Net Revenues growth (% Δ)



Two consecutive quarters of double-digit ROE

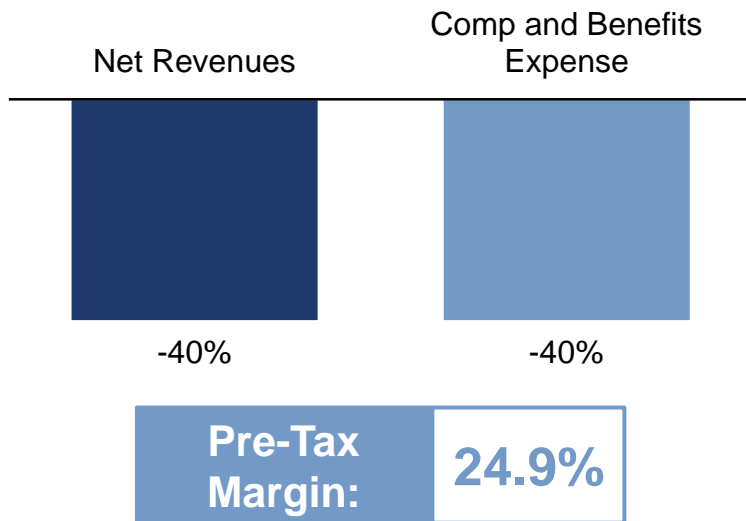


Continued improvement relative to a very challenging start of the year

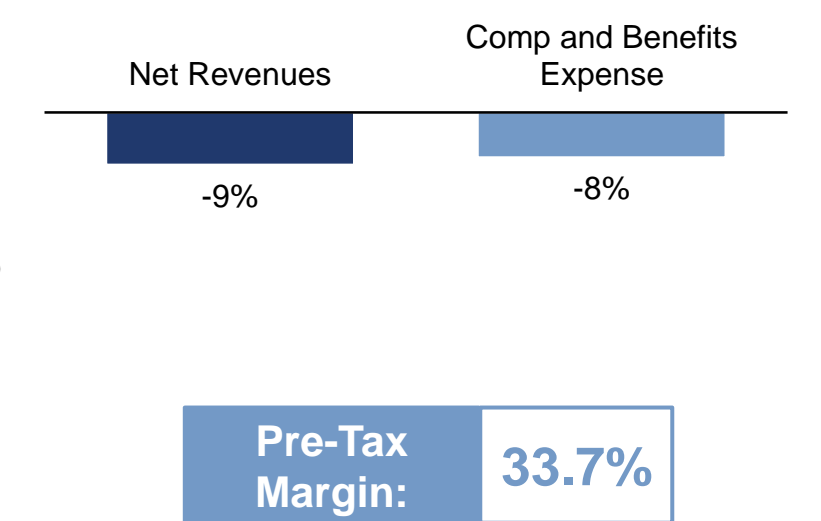
Operating Leverage

Committed to deliver positive operating leverage as the environment improves

1Q16 YoY % Δ



2016 YoY % Δ



- Established track record of adapting to changes in the operating environment
- Undertook and completed a \$700mm expense initiative in 1H16
- Efforts continued in 2H16, generating \$900mm of total run-rate savings
- Focused on finding the right balance; protecting near-term results without impacting long-term prospects

Variable cost structure mitigating the impact of a difficult operating environment

Optimizing Costs and Efficiency

Continued focus on operating efficiency over the past five years

Announced expense initiatives

\$0.9
billion

Run-rate savings
announced in 2016

\$1.9
billion

Run-rate savings
through 2011-2012¹

\$2.8bn
Announced and
completed initiatives

Finding the right balance

Responsive to current
environment & protecting
near-term results

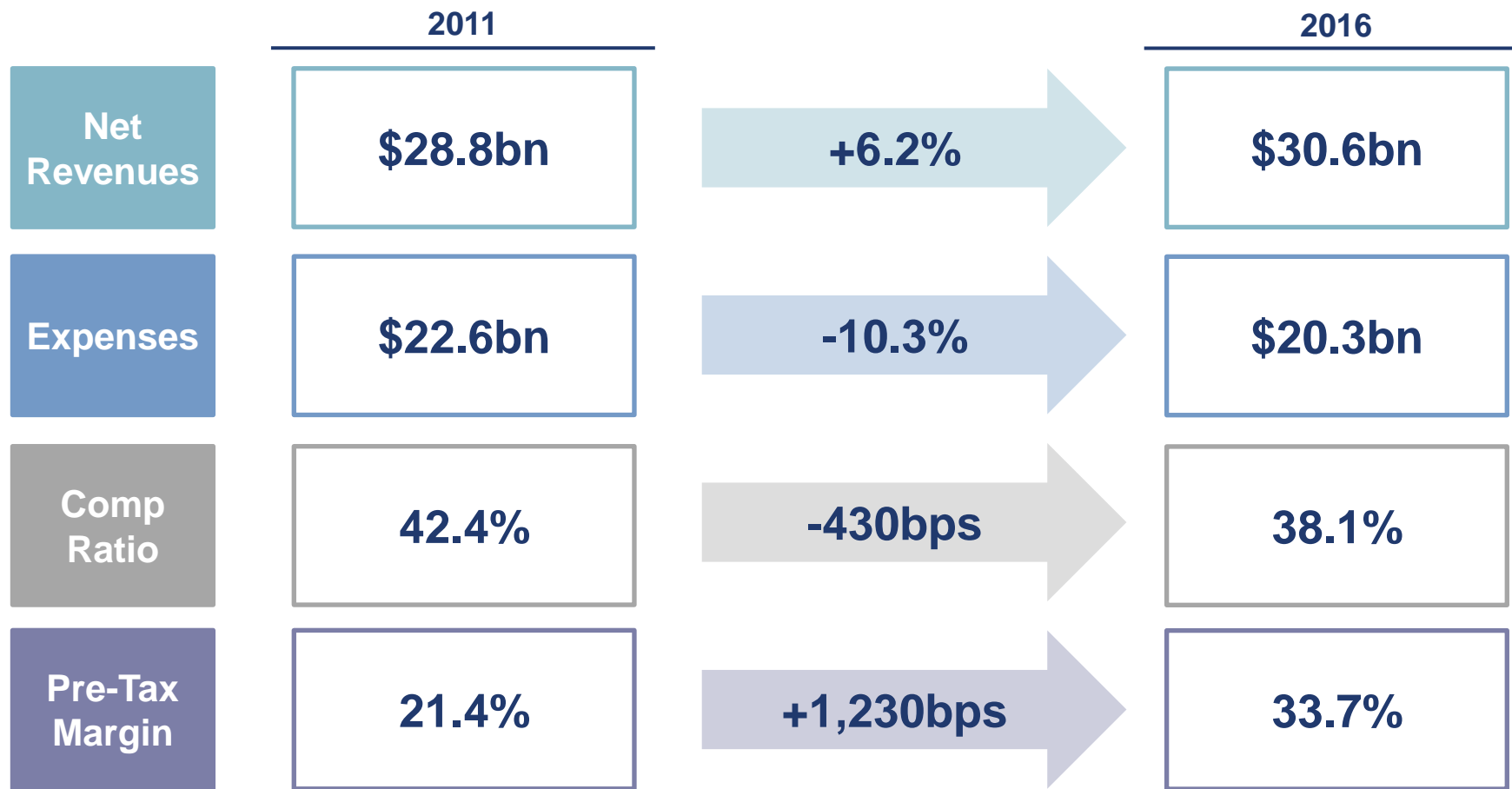
Supported continued
strategic investment &
improved operating
leverage

Maintained long-term focus
& optionality for better
environment

¹ Initial expense initiative of \$1.2bn announced in 2Q11 and increased by \$0.2bn in 4Q11 and by \$0.5bn in 2Q12

Improved Operating Efficiency

Disciplined expense management



Committed to delivering significant operating leverage

Continued Adjustment to Regulation

Track record of adaptability

Regulatory developments

GSIB-Surcharge

Basel III Risk-Based Capital

Dodd-Frank

CCAR

Liquidity Coverage Ratio

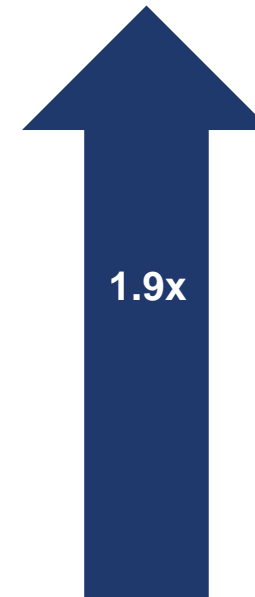
Supplementary Leverage Ratio

Improved risk profile (2007 – 2016)

\$226bn
Global Core
Liquid Assets¹



\$76bn
Common
Equity



9.9x
Gross
Leverage



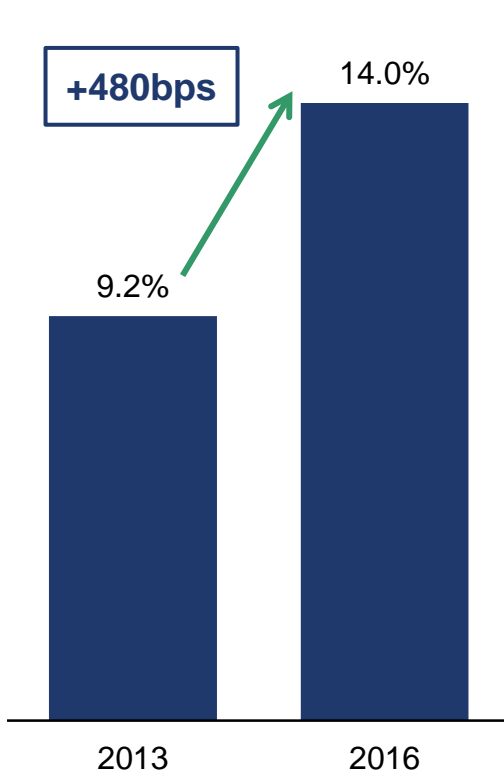
We've invested heavily to improve our financial profile and comply with regulations

¹ Prior to 4Q09, GCLA reflects loan value and subsequent periods reflect fair value

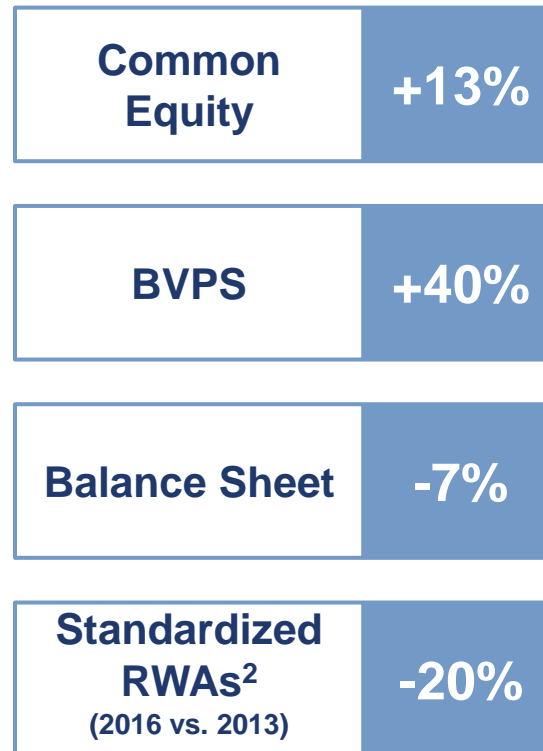
Strong Financial Profile

Capital ratios allowing for capital returns

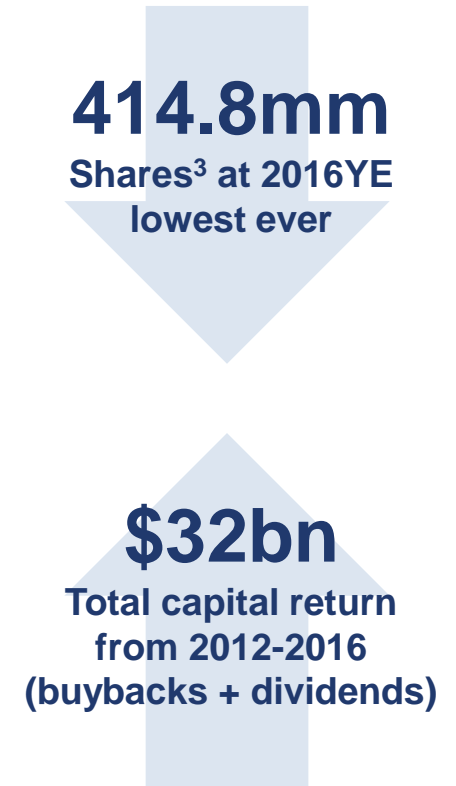
Strong capital ratios¹



2016 vs. 2011



Allowing capital returns



Strong capital ratios and capital generation positioned us to return significant capital to shareholders and reach a record low sharecount

¹ Common Equity tier 1 ratio computed on a fully phased-in basis under the standardized approach based on the Federal Reserve Board's final rule

² Calculated from 2013YE to 2016YE on a fully phased-in basis under the standardized approach based on the Federal Reserve Board's final rule

³ GS basic shares includes common shares outstanding and restricted stock units granted to employees with no future service requirements

Improving Macro Trends Driving Client Activity

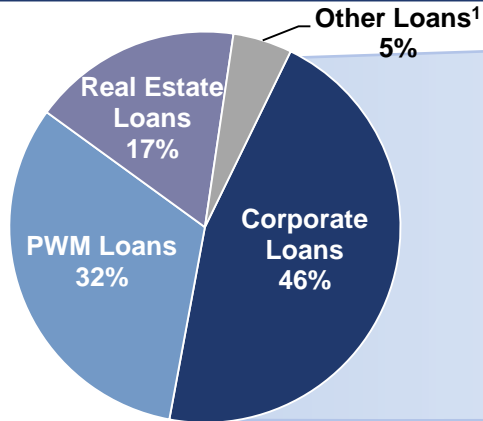
Numerous areas of robust dialogue across all our businesses



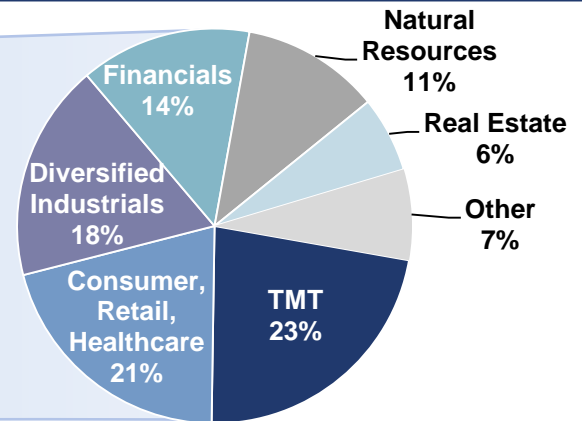
Lending Opportunity

Diversified sources of growth

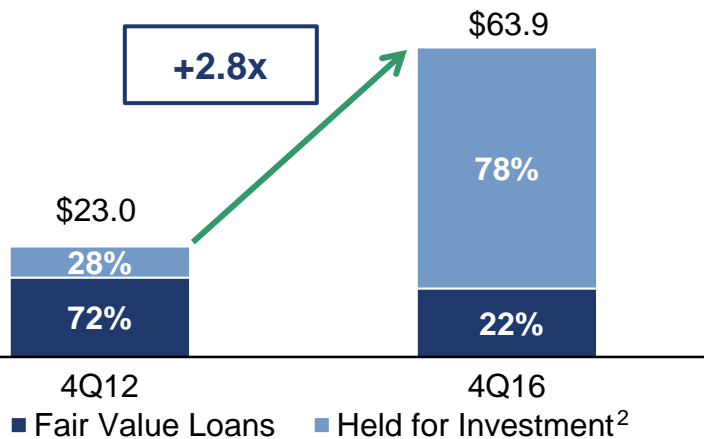
4Q16 Funded loan portfolio (\$63.9bn)



4Q16 Corporate loans by sector



Funded loan growth



Leveraging strengths for new offerings



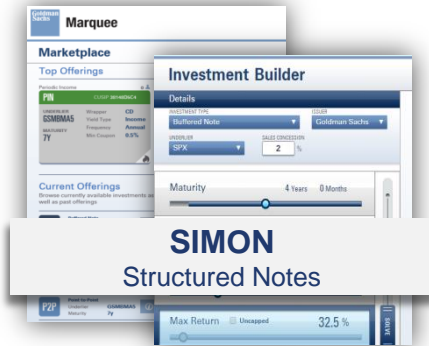
¹ Primarily reflects loans secured by consumer loans and other assets

² Reflects Loans Receivable

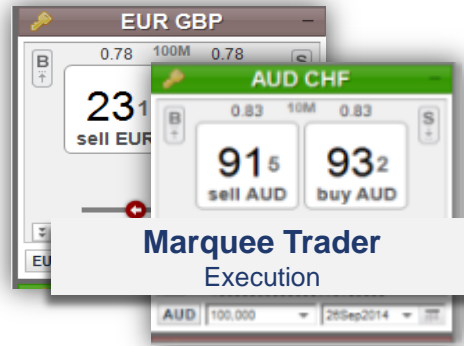
Leveraging Technology

Delivering GS technology to clients

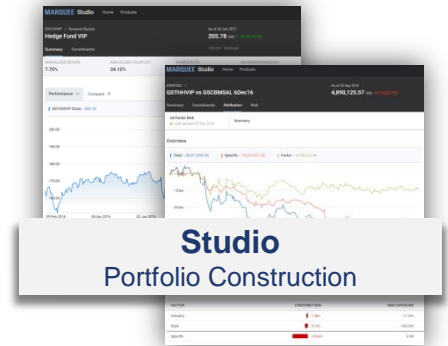
Marquee applications to enhance client experience



SIMON
Structured Notes



Marquee Trader
Execution



Studio
Portfolio Construction

E-trading capabilities

Other selected capabilities

Fixed Income: Systematic Market Making
Cross-product benefits

Commodities

Rates

Currencies

Credit

Equities
E-trading

Invested in electronic execution platform Pantor Engineering

ROAE
Framework

SecDB

- Provides dynamic top-down and bottom-up capital attribution
- Drives return-focused decision-making vs. appropriate hurdles
- Unified global securities database for pricing and risk management
- Supports stress testing analysis across assets globally

We embrace technology disruption and continually modernize our tech footprint

Our People and Franchise

Culture is a key to franchise success



Key highlights

- **131,000 applicants** (up 11% vs. 2015) for 5,000 summer internship and full-time campus roles in 2016. Hire rate of ~4% with ~8 out of 10 candidates accepting
- **Attracting strong technology talent:** Employ 9,000 individuals in various engineering roles; 37% of 2016 new campus analysts hired firmwide from STEM majors
- **Recruitment technology innovations** including video interviews to widen and diversify our talent pool. Interviewed candidates from over 900 schools for our 2017 intern class
- One of only five companies to be recognized on FORTUNE's "**100 Best Companies to Work For**" list every year since inception¹
- **Strong talent retention:** Nearly 60% of our partners and managing directors joined the firm as an analyst or an associate. **Median tenure of our partners and managing directors is 15 years at the firm**

Recruiting and retaining the best, most diverse employees allows us to serve our clients, grow our franchise and advance our culture

¹The Great Place to Work Institute began the list in 1984

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