

Cautionary Note on Forward-Looking Statements

Today's presentation may include forward-looking statements. These statements represent the Firm's belief regarding future events that, by their nature, are uncertain and outside of the Firm's control. The Firm's actual results and financial condition may differ, possibly materially, from what is indicated in those forward-looking statements.

For a discussion of some of the risks and factors that could affect the Firm's future results, please see the description of "Risk Factors" in our current annual report on Form 10-K for our fiscal year ended November 2007. You should also read the information on the calculation of non-GAAP financial measures that is posted on the Investor Relations portion of our website: www.gs.com.

The statements in the presentation are current only as of its date, November 11, 2008.

Goldman Sachs Presentation to 2008 Merrill Lynch Financial Services Conference

**Lloyd C. Blankfein
Chairman & CEO
November 11, 2008**

Goldman Sachs

“They still have the Goldman reputation and history, but they will not be unique anymore.”

Bloomberg News
January, 20 1999

“...something bolder might be needed, such as a merger...”

The Economist
June 20, 1998

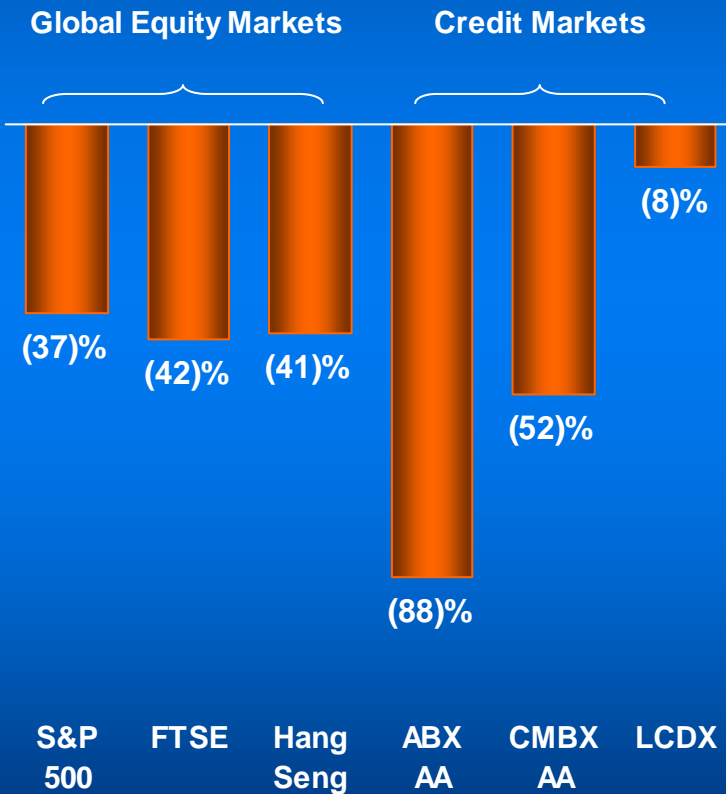
“Goldman’s earnings have grown more dependent than most people think on proprietary trading”

The New York Times
June 6, 1998

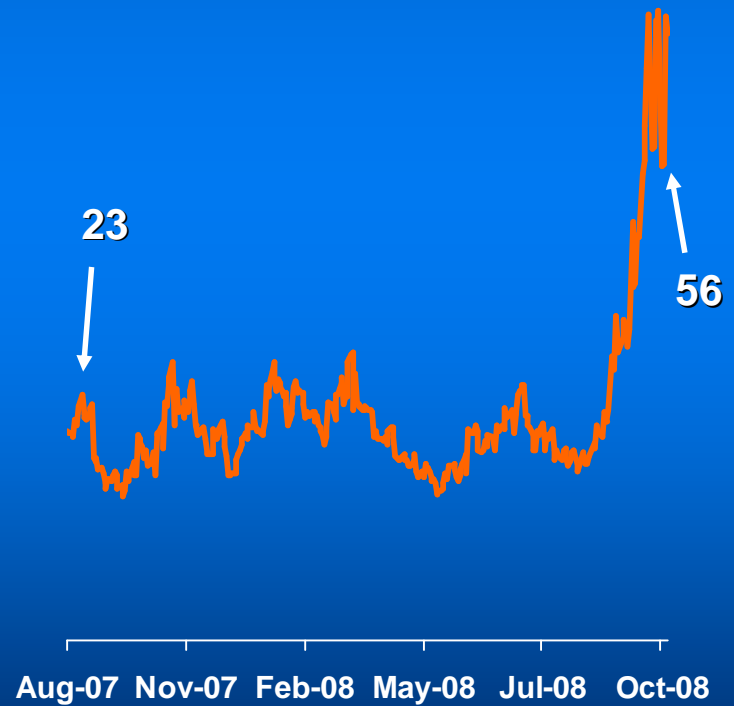
Market Dynamics

August 2007 to Present¹

Asset Price Performance



Volatility (VIX)



(1) Data through November 7, 2008

Bank Holding Company

■ Why now?

- Regulation inevitable
- Market perception
 - Safety of the Fed
 - Funding Availability

■ How will this impact Goldman's strategy?

- No impact on existing strategy
- Provides optionality in a dislocated market
 - Bank Deposits could lower cost of funding over time

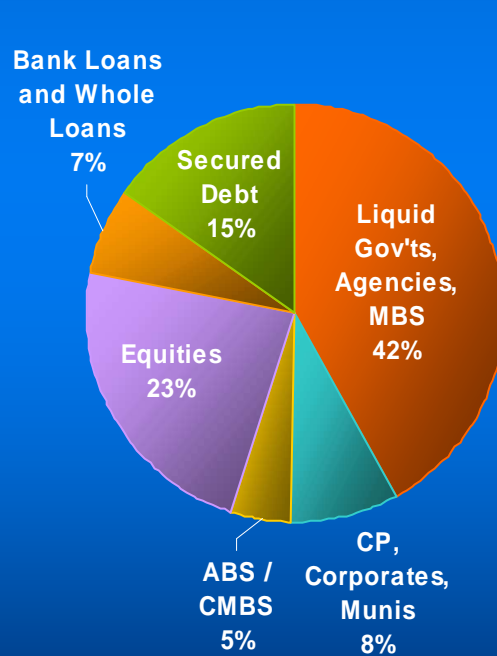
■ Near-term impact

- New Regulator
- \$130bn - \$150bn of assets being moved into the bank

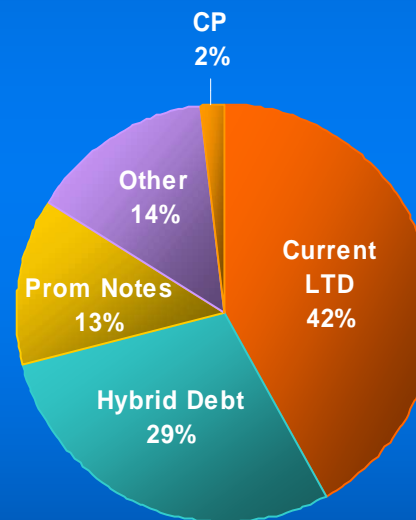
Wholesale Funding

3Q08

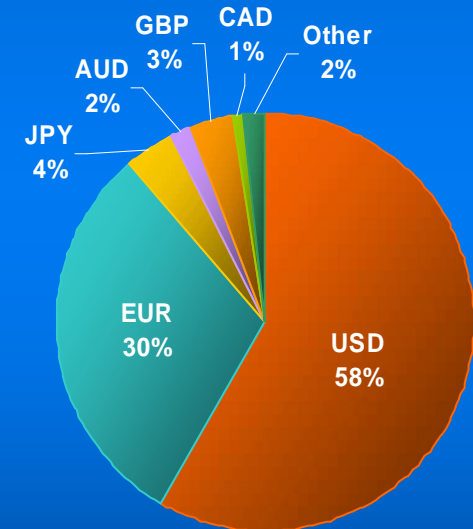
Secured Funding: \$192bn



Unsecured Short-Term Funding: \$65bn

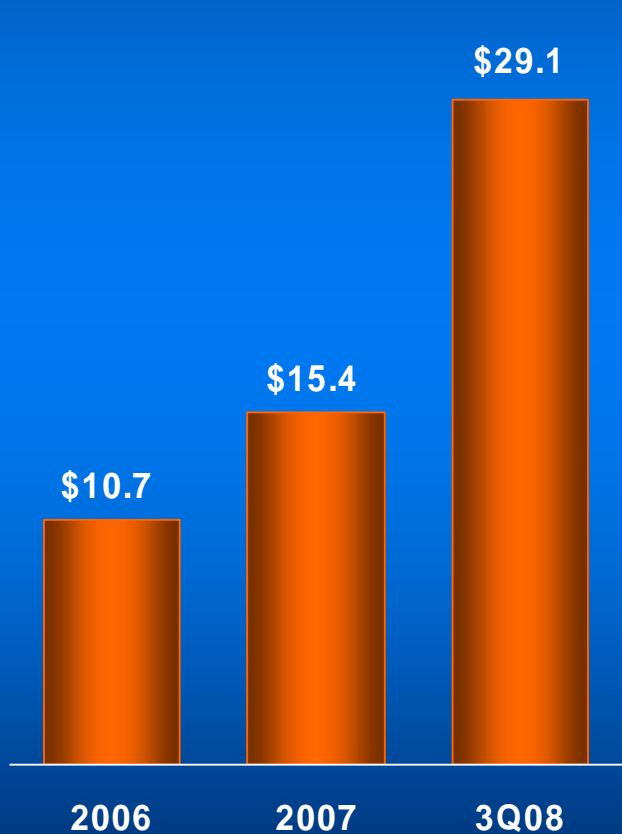


Unsecured Long-Term Funding: \$176bn



Deposit Building Alternatives

Historic Deposit Growth (\$bn)



Growth Alternatives

- Organic
 - PWM
 - Ayco

- Third party distribution
 - Brokered CDs

- Acquisition
 - Distressed opportunities
 - Institutional and retail

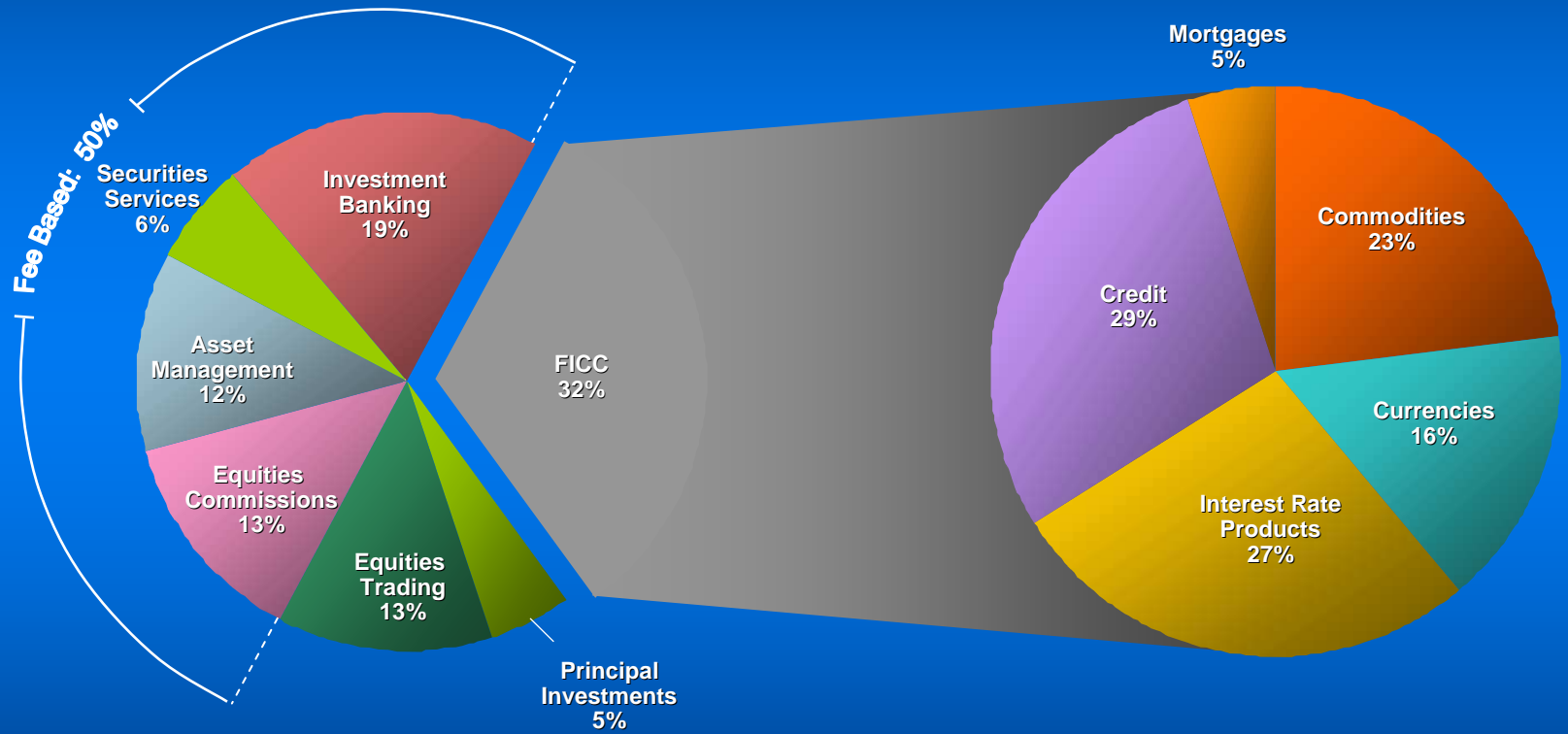
Core Attributes That Define GS

Validated

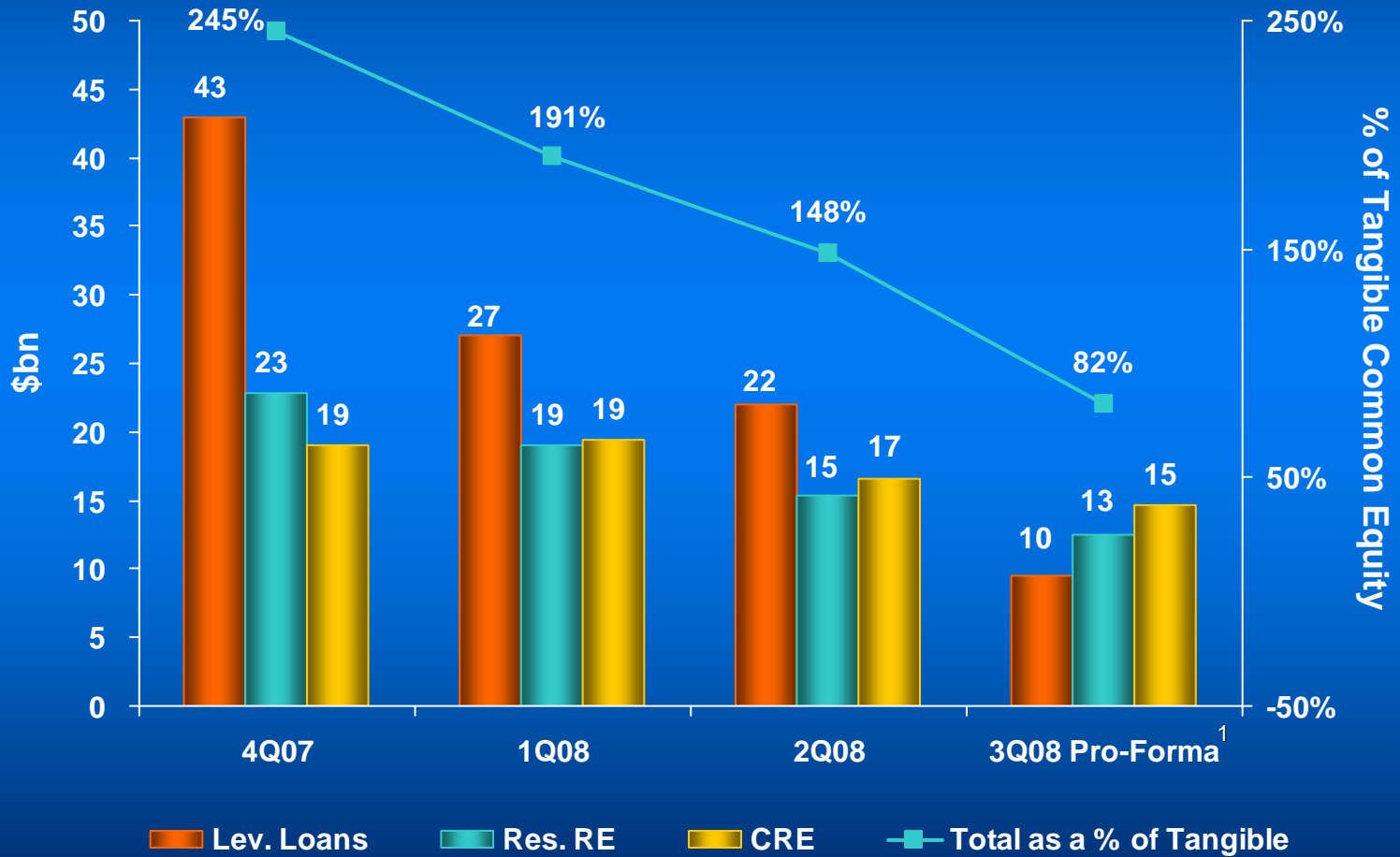
- Revenue Diversification ✓
- Risk Management/Fair Value ✓
- Liquidity/Capital Management ✓
- Franchise ✓
- Culture ✓

Diversified Revenue Mix

Average Since 1999



Risk Management



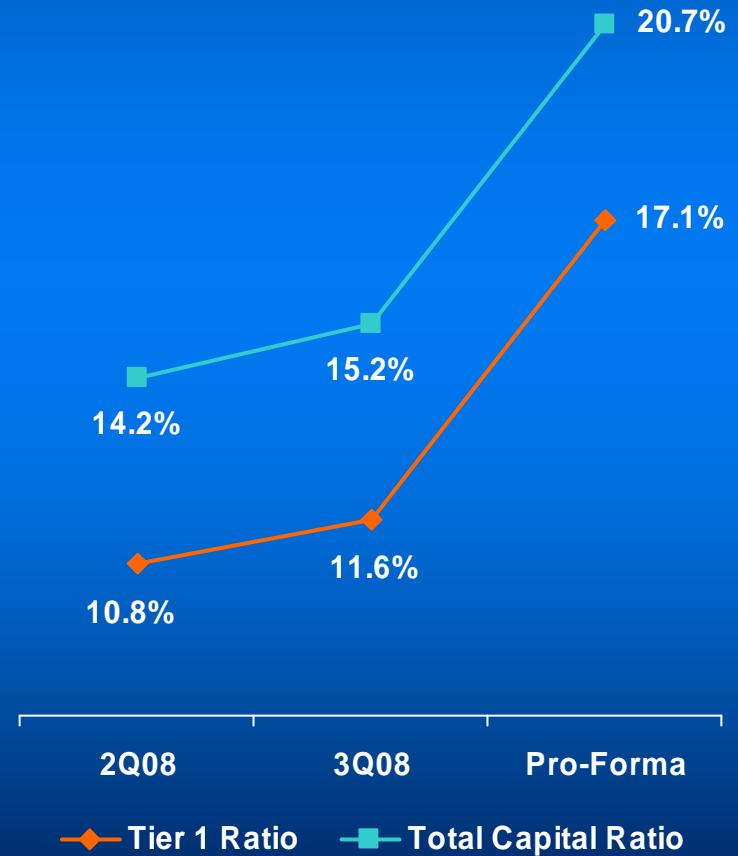
(1) 3Q08 Tangible Common Equity is pro-forma for our recent \$20.75bn in capital raises

Liquidity and Capital Management

Average Global Core Excess (\$bn)



Prudent Capital Management¹



(1) Pro-forma for our recent \$20.75bn in capital raises

Franchise Drives Market Share Gains

Investment Banking – Strength of FIG Franchise¹

Advisory



\$15bn Acquisition



\$10bn Acquisition



\$8bn Acquisition

Financing



\$20bn IPO



\$8bn Common and Pref. Stock Offering



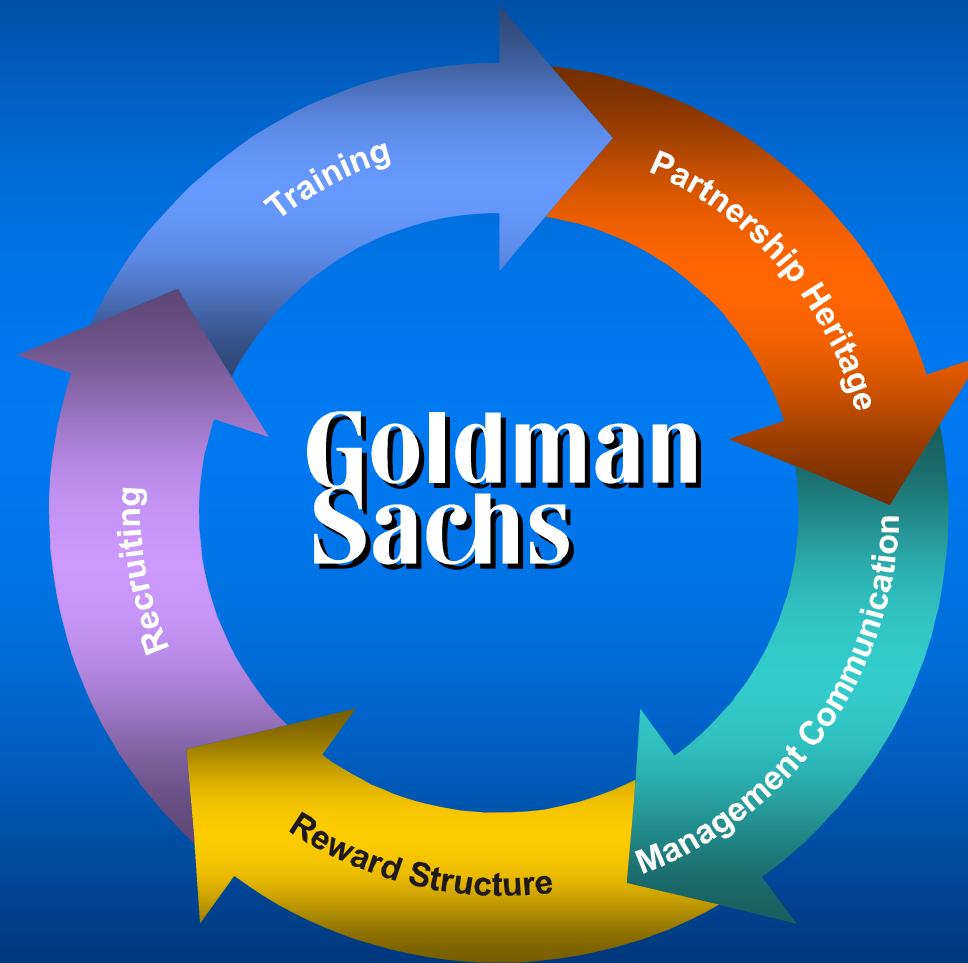
\$3bn Common Offering

Equities Commissions (\$bn)



(1) Americas ex-self led/advised 2008YTD transactions as of November 4, 2008

Culture

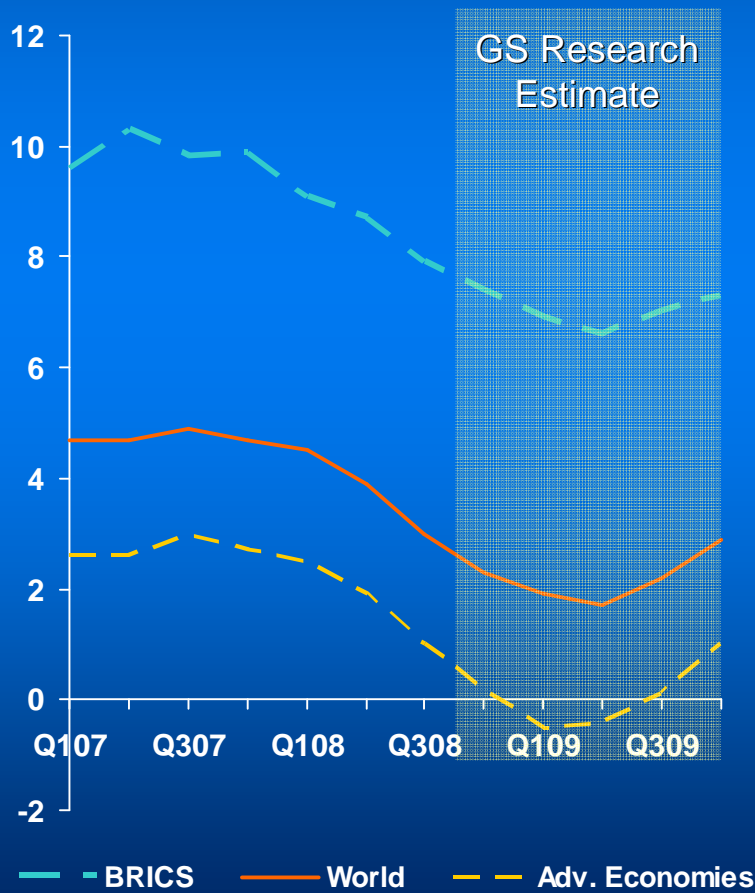




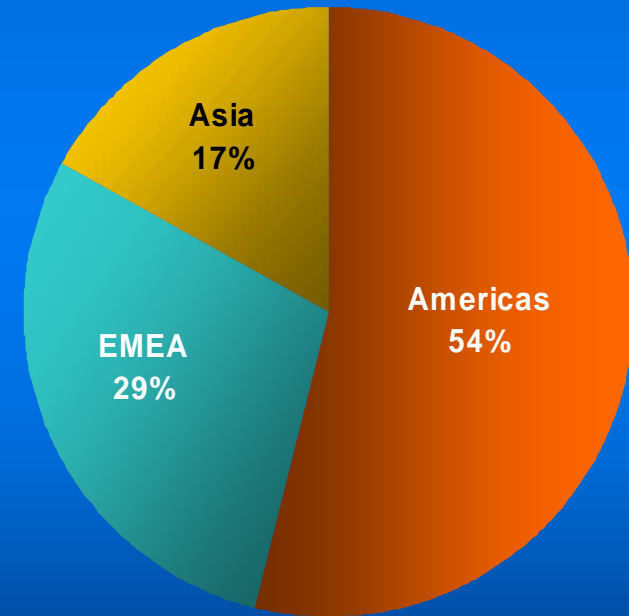
International Expansion Strategy

Positioned to Chase GDP Growth

Real GDP Growth by Region (YoY %)



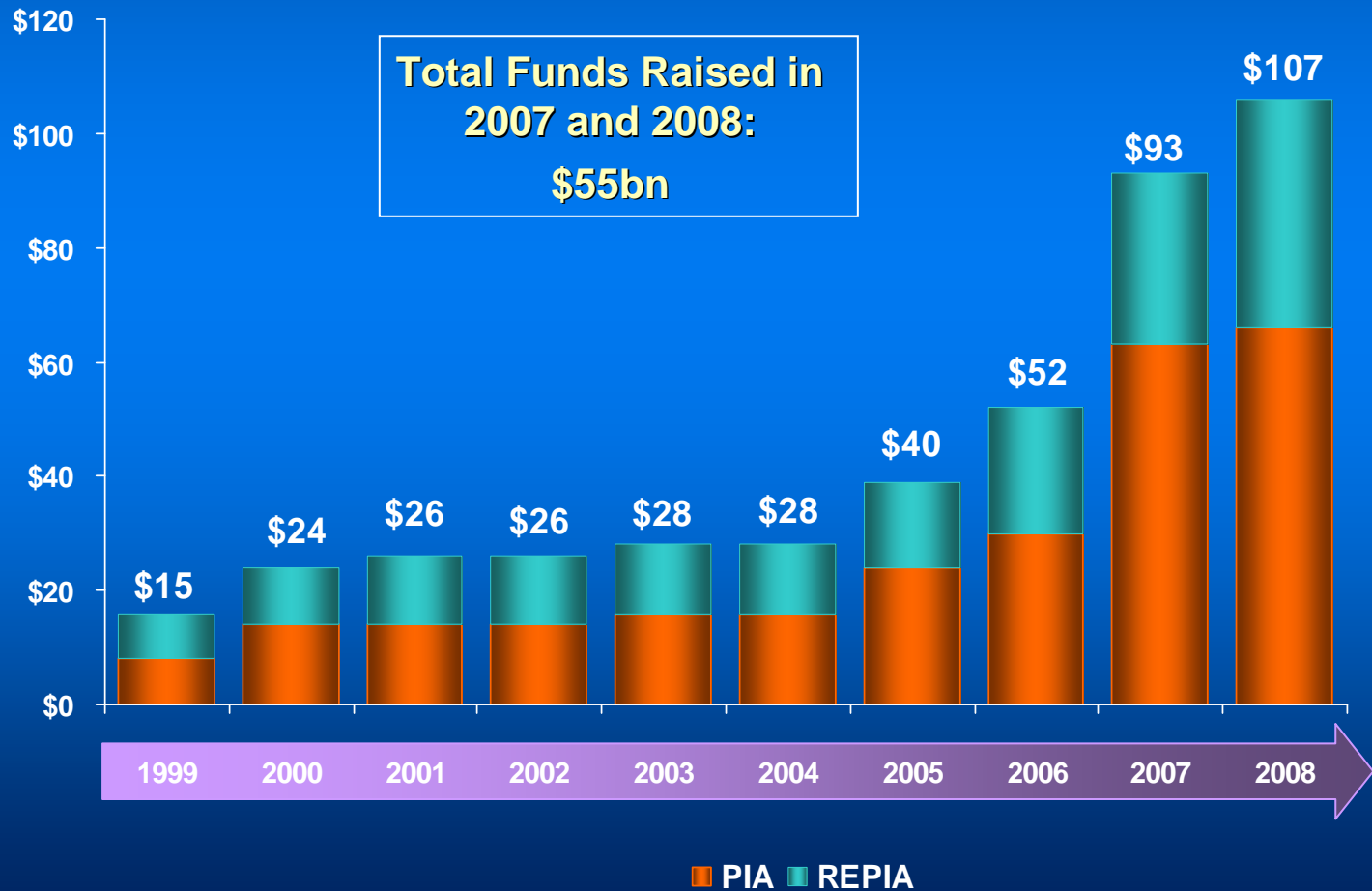
Revenue Contribution by Region¹



(1) Average revenue contribution from 2007 through 3Q08

Opportunistic Investing

Cumulative Funds Raised Over Time (\$bn)

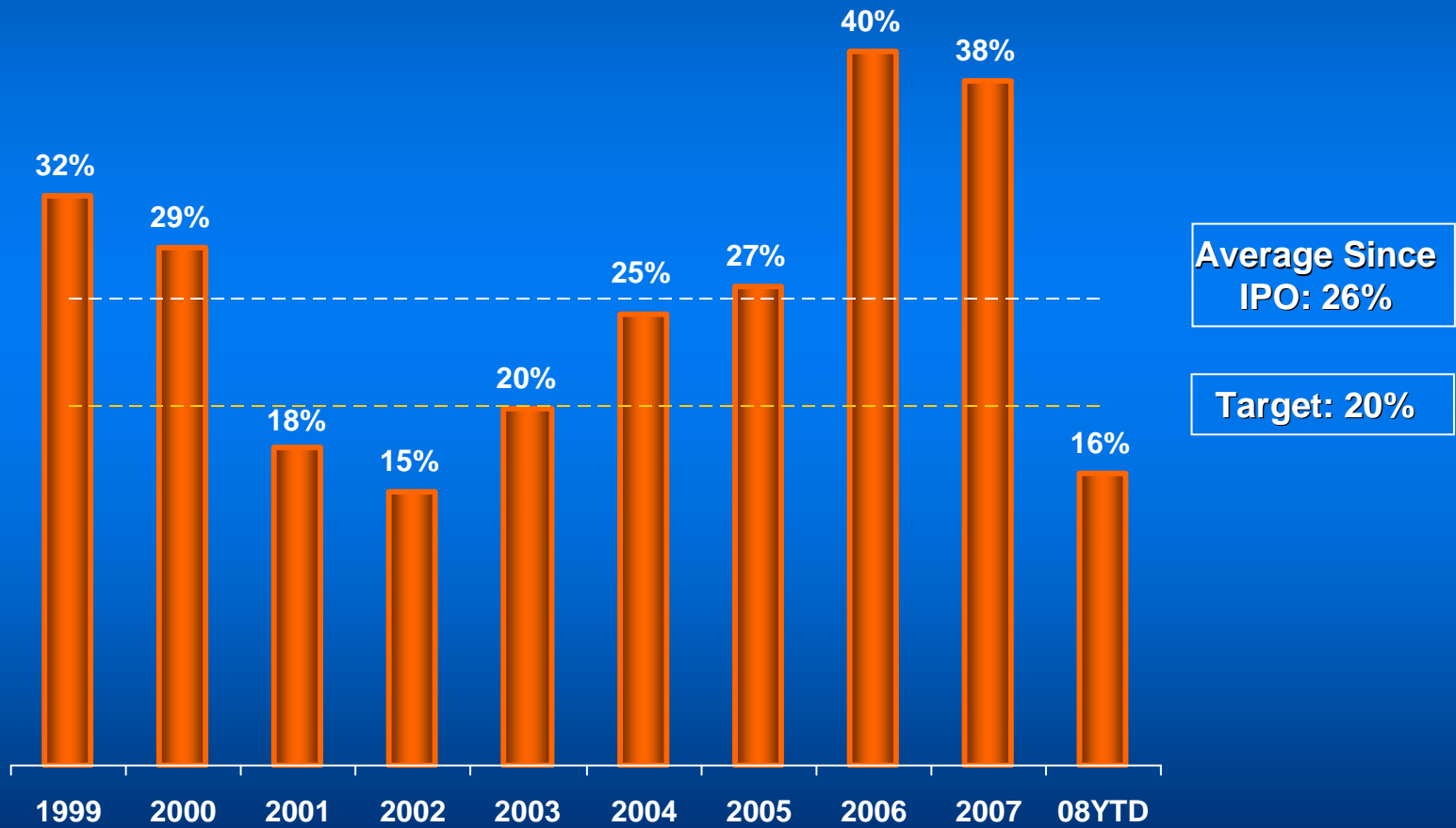


Assets Under Management (\$bn)



Returns Over the Cycle

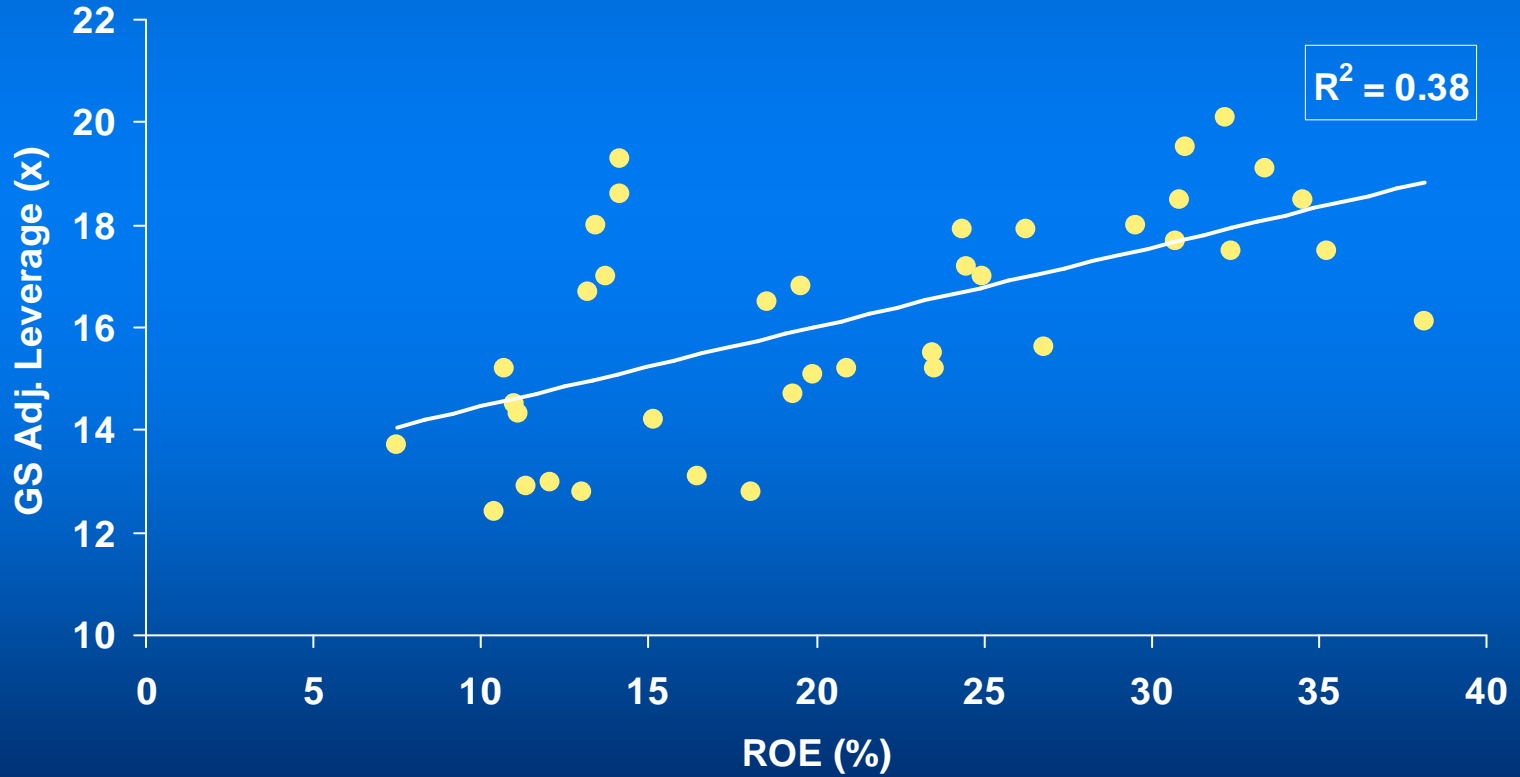
GS Annual ROTE since IPO



ROE is Sustainable

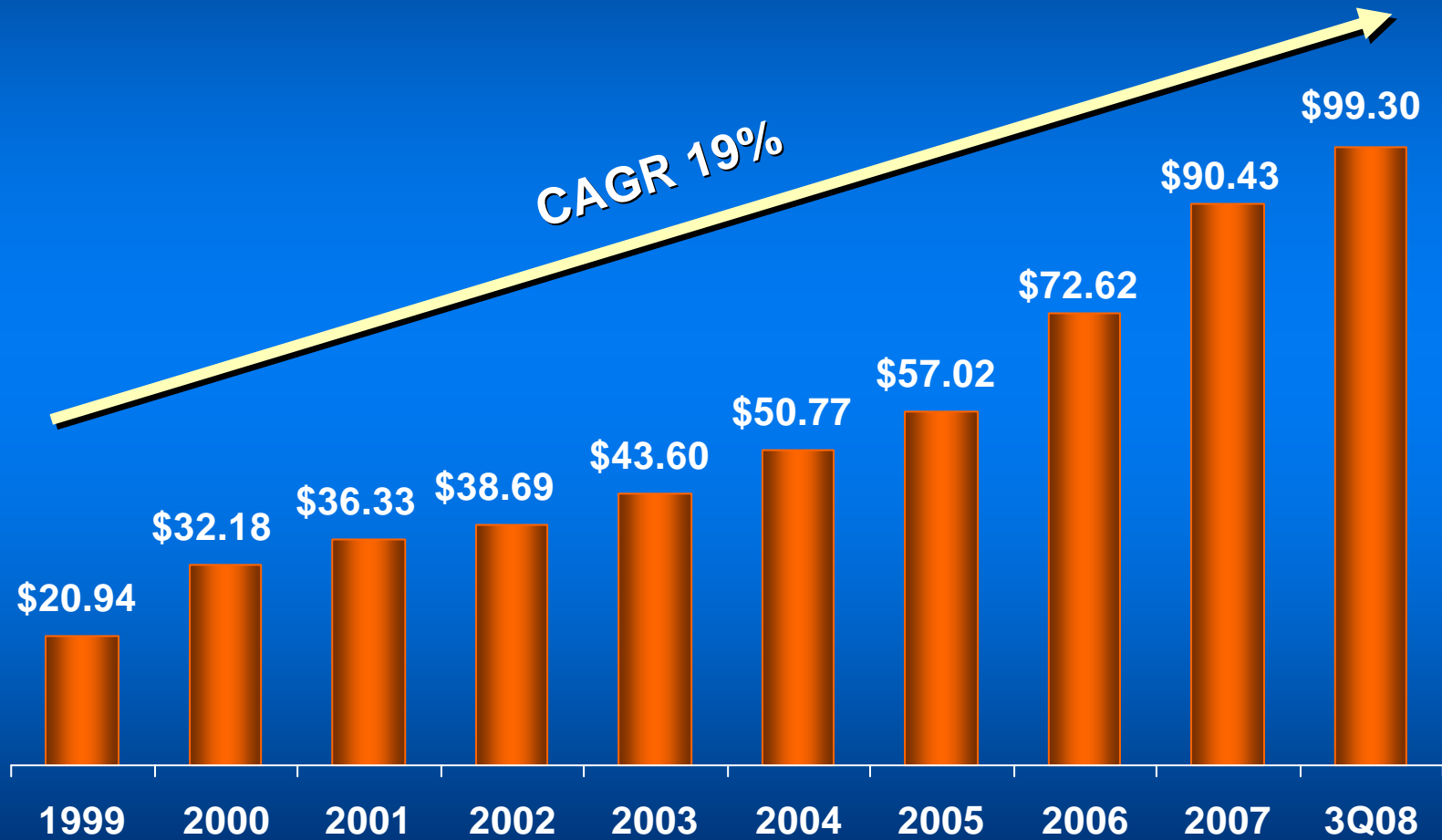
GS ROE vs. Adjusted Leverage – 2Q99 to 3Q08

- Leverage is not a major driver of our ROE



Long Term Growth

Growing Book Value Per Share in a Dislocated Environment





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