August 1, 2018

Fixed Income Investor Presentation
Cautionary Note on 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, 2017. You should also read the forward-looking disclaimers in our Form 10-Q for the period ended March 31, 2018, particularly as it relates to capital, liquidity 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. See the appendix for more information about non-GAAP financial measures in this presentation.

Statements about our business objectives and expectations (including with regard to our deposit growth, the launch of Marcus in the UK and metrics such as deposit betas) are subject to the risk that those objectives and expectations may not be realized. The assumptions underlying those objectives and expectations are subject to significant uncertainties and contingencies, many of which, such as market and economic conditions, are outside of the Firm’s control.

The statements in the presentation are current only as of its date, August 1, 2018.
I. Performance Review and Risk Management Overview
Mid-Year in Review

1H18 Net Revenues by Segment

- All segments up >10% YoY
- Investment Banking 20%
- Underwriting 13%
- FICC Client Execution 19%
- Equities 22%
- Investment Management 18%
- Investing & Lending 21%
- Financial Advisory 7%
- Institutional Client Services 41%

1H18 Key Metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>1H18</th>
<th>YoY Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenues</td>
<td>$19.4bn</td>
<td>+22%</td>
</tr>
<tr>
<td>Pre-Tax Earnings</td>
<td>$6.7bn</td>
<td>+33%</td>
</tr>
<tr>
<td>Net Earnings</td>
<td>$5.4bn</td>
<td>+32%</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>$12.93</td>
<td>+42%</td>
</tr>
<tr>
<td>Annualized ROE</td>
<td>14.1%</td>
<td>+400bps</td>
</tr>
<tr>
<td>Annualized ROTE(^1)</td>
<td>14.9%</td>
<td>+430bps</td>
</tr>
<tr>
<td>BVPS</td>
<td>$194.37</td>
<td>+4%</td>
</tr>
</tbody>
</table>

Positive operating leverage:
Revenues +22% YoY; Pre-Tax +33% YoY

YoY net revenue growth driven by a diversified franchise; positive operating leverage in 1H18

\(^1\) ROTE is a non-GAAP presentation. See the appendix for more information about this non-GAAP presentation
Fee-Based / More-Recurring Revenues and Earnings Volatility

Fee-Based / More-Recurring Revenues¹

FY17+1H18

~60%
Fee-Based / More-Recurring Revenues

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee-Based / More-Recurring Revenues</td>
<td>49%</td>
<td>52%</td>
<td>56%</td>
<td>58%</td>
<td>62%</td>
</tr>
</tbody>
</table>

Annual Earnings Volatility²

<table>
<thead>
<tr>
<th>Year</th>
<th>2009-2017</th>
<th>2013-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>GS</td>
<td>41%</td>
<td>28%</td>
</tr>
<tr>
<td>US Peer Average</td>
<td>91%</td>
<td>52%</td>
</tr>
<tr>
<td>European Peer Average</td>
<td>294%</td>
<td>1,816%³</td>
</tr>
</tbody>
</table>

- Alignment of expenses with revenues through pay-for-performance discipline results in lower earnings volatility than peers

Fee-based and more-recurring revenues comprise majority of current revenues and $5bn growth initiatives

¹ All percentages shown are as a percentage of total net revenues
² Annual earnings volatility calculated by dividing standard deviation of reported net income to common by the average net income to common over the period. US peers include BAC, C, JPM, and MS. European peers include CS, BARC, DB, and UBS
³ Excluding BARC, European peer average earnings volatility was 271% for 2013-2017
Deep culture of risk management

Independent control and governance framework

Experienced professionals with specialized expertise

Comprehensive limit framework and extensive mitigation

Rigorous committee approval process

Continuous monitoring and controlled growth

- Integrated approach across credit, market, liquidity, model, operational and enterprise-wide risk disciplines
- Risk tolerance governed via the firm’s risk appetite statement
- Appropriate segregation of duties between our independent risk oversight and control functions and revenue producing-units
- Client-facing business teams are composed of experienced, high caliber professionals, who are held accountable to drive business that generates attractive risk-adjusted returns
- Multi-faceted limit infrastructure designed to protect the firm against both financial and non-financial risks
- Actively monitor limits and adapt them to current conditions
- Comprehensive formal committee structure that manages various risks across our businesses with the appropriate amount of control and scrutiny
- Monitoring performed on a counterparty and portfolio basis
- Conduct various stress tests for ongoing risk management and scenario testing purposes
Credit Risk Management and Lending Growth

Total Loans ($bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Loans Receivable (bn)</th>
<th>Loans, at Fair Value (bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$62.7</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>$63.9</td>
<td>78%</td>
</tr>
<tr>
<td>2017</td>
<td>$80.8</td>
<td>82%</td>
</tr>
<tr>
<td>2018</td>
<td>$88.1</td>
<td>16%</td>
</tr>
</tbody>
</table>

% of Balance Sheet

- Peers include BAC, C, and JPM as of 2Q18 and MS as of 1Q18 due to lack of 2Q18 disclosure

Peer Avg: ~30%\(^1\)

Loans Receivable ($bn)

- >80% Secured in Aggregate

- Marcus: $3.1
- Other: $3.3
- Real Estate: $16.3
- PWM: $17.7
- Corporate: $34.6

Allowance for Loan Losses: $0.9

\(^1\) Peers include BAC, C, and JPM as of 2Q18 and MS as of 1Q18 due to lack of 2Q18 disclosure
II. Balance Sheet and Funding
Our balance sheet has grown in response to client needs
— Growth concentrated in our market-making businesses, lending activity, and liquidity pool assets

We maintain a highly liquid balance sheet with mark-to-market discipline. As of 2Q18:
— Substantially all of our assets are marked to market or carried at amounts that approximate fair value
— Greater than 90% currently comprised of more liquid assets (e.g., cash, reverses/borrows, U.S. government/agency and other financial instruments)

2Q18 Balance Sheet Allocation²

~90% of the cash financial instruments owned turn over every 6 months

Balance Sheet² Mix: 4Q15 vs 2Q18 ($bn)

1 Excludes Level 3, Other assets and Investments in funds at NAV
2 The balance sheet allocation to our businesses is a non-GAAP presentation. See the appendix for more information about this non-GAAP presentation. 4Q15 balance sheet allocation conformed to current presentation
Diversification of Funding Sources

- **Our secured funding** ($135.9bn) book is diversified across:
  - Counterparties
  - Tenor
  - Geography
- Term is dictated by the composition of our fundable assets with longer maturities executed for less liquid assets
  - Secured funding WAM of >120 days

- **Term** is dictated by the composition of our fundable assets with longer maturities executed for less liquid assets
  - Secured funding WAM of >120 days

- **Shareholders’ equity** ($86.6bn) is a stable and perpetual source of funding

- **Unsecured long-term debt** ($227.4bn) is well diversified across the tenor spectrum, currency, investors and geography
  - WAM of ~8 years

- **Unsecured short-term debt** ($44.4bn) includes $25.9bn of the current portion of our long-term unsecured debt

1 Comprised of collateralized financings from the Consolidated Statement of Financial Condition. WAM excludes funding that can only be collateralized by liquid government and agency obligations
Secured Funding

We manage our secured funding liquidity risk by:

1. Term
   - Managing maturity concentration
   - Pre-rolling and negotiating tenor extensions with clients
   - Targeting longer tenors for less liquid assets

2. Diversity
   - Raising secured funding from a diverse set of funding counterparties

3. Excess Capacity
   - Raising excess secured funding to protect against rollover risk or growth in assets to finance

4. GCLA
   - Raising excess unsecured funding and holding as GCLA to mitigate any 30-day modeled liquidity needs

5. Stress Tests
   - Imposing stress test limits to ensure we do not have excessive liquidity risk even in a severe scenario
     - “Funding-at-Risk” (FaR) uses a number of metrics over various time periods to evaluate the risks in the secured funding book
     - Matched book (cash gap)

2Q18 Non-GCLA Secured Funding Book

- Liquid Equities 48%
- Govt (Non-GCLA) 28%
- IG Fixed Income 12%
- Full Flex 12%

Weighted Average Maturity (in days)

- Govt (Non-GCLA) >250
- IG Fixed Income >150
- Liquid Equities >150
- Full Flex >250

Number of Counterparties:
- Govt (Non-GCLA) 150+
- IG Fixed Income 50+
- Liquid Equities 50+
- Full Flex 50+

1 Based on gross secured funding trades. Secured funding with collateral flexibility is funding capacity where we have contractual rights to post a broad range of collateral, including such assets as Treasuries, equities and non-investment grade debt
2 Some counterparties fund multiple asset classes
Deposits represent a key source of funding growth

**Deposit Growth ($bn)**

- **CAGR since 2007: +24%**
- **2015:** $98
- **2016:** $124
- **2017:** $139
- **2Q18:** $153

**Deposits by Type as of 2Q18**

- Private Bank Deposits: 36%
- Deposit Sweep Programs: 10%
- Brokered Certificates of Deposit: 26%
- Marcus Deposits: 15%
- Institutional Deposits: 13%

**Key Attributes for Analyzing Deposits**

- Deposits have become a larger source of funding and provide a diversified source of liquidity
- We expect to fund our lending growth primarily through deposits
- ~70% of our U.S. deposits are FDIC insured as of 2Q18
- Annualized average interest rate ~60bps below unsecured long-term borrowings for 2Q18
We continue to emphasize diversification across tenor, currency, channel, and structure

- 2018 year-to-date\(^1\), we have raised ~$22bn of GS Group long-term unsecured vanilla debt. We expect full-year issuance in the range of $25bn
- The firm remains well positioned for upcoming TLAC requirements
  - TLAC to RWA >40%  
  - TLAC to Leverage >15%
  - LTD to RWA >25%  
  - LTD to Leverage >10%
- Proportion shifted to more callables as part of our responsiveness to NSFR and TLAC

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1 GS Group issuance as of July 27, 2018
2 GS Group upcoming maturity values for 2018, 2019, and 2020 as of June 29, 2018. 1Q18 maturities include $1.5bn of buybacks and calls
As part of our broader unsecured funding strategy, we have a footprint in the structured note space. These notes, coupled with non-benchmark vanilla debt, allow the firm to diversify our unsecured funding by channel and investor type at attractive rates. Buyers receive a customized return profile linked to equities, rates, currencies, commodities and other market returns. We issue these notes through various entities including: Goldman Sachs International, Goldman Sachs Finance Corp, and Goldman Sachs Finance Corp International Ltd. In 1H18, we raised $21bn through these channels, with over 35% in non-USD currencies.

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**GS Structured Note Footprint as of 2Q18**

**Investor Type**
- Third Party Distribution: 62%
- Institutional: 38%

**Tenor**
- <2yr: 28%
- 2-5yr: 22%
- 5-10yr: 18%
- 10-20yr: 18%
- >20yr and Other: 14%

**Entity**
- Other: 5%
- GSG: 37%
- GSI: 34%
- GSFC + GSFCI: 24%

**Underlier**
- Equity: 48%
- FICC: 52%

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1 GSG, GSI, GSFC, and GSFCI represent The Goldman Sachs Group, Inc., Goldman Sachs International, Goldman Sachs Finance Corp, and Goldman Sachs Finance Corp International Ltd, respectively.
III. Liquidity and Capital
Liquidity Risk Management

Liquidity Coverage Ratio Components ($bn)

- $169
  - >99% Level 1

- $129
  - Other 1%
  - 32%
  - 11%
  - 10%
  - 44%

- Net Cash Outflows
  - Maturity Mismatch 2%
  - Unfunded Commitments
  - Derivatives
  - Secured
  - Unsecured

Average LCR Trend

- 3Q17: 128%
- 4Q17: 132%
- 1Q18: 129%
- 2Q18: 131%

We are well-positioned for LCR requirements
- Our Eligible HQLA is composed almost entirely of Level 1 assets

We manage the firm to a rigorous Modeled Liquidity Outflow framework in addition to the LCR; the combination of these requirements is one of the primary factors which drives our Global Core Liquid Assets size

We continuously enhance and refine this framework to properly capture the firm’s liquidity positioning

Well-positioned for liquidity requirements, driven by conservatively managing to both internal and regulatory requirements
We remain committed to ensuring we have strong capital adequacy to support our growth initiatives.

2018 CCAR cycle repurchase authorization of $5bn represents a ceiling, rather than a floor. Ultimately utilized 52% of 2017 CCAR repurchase authorization. 2018 CCAR authorization represents less than 70% of consensus net income over the period, which positions the firm to build capital levels and fund growth.

Proven track record of adapting to dynamic capital requirements.

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1 CET1 ratios on a fully phased-in basis as of 4Q17 are non-GAAP presentations. See the appendix for more information about this non-GAAP presentation.

2 Represents 2018 CCAR repurchase and dividend authorization of $6.3bn divided by 3Q18-2Q19 consensus net income. Consensus net income estimates are from Nasdaq as of July 25, 2018.
IV. Conclusion
Key Takeaways

- Strong financial foundation with solid capital ratios
- Highly liquid and high-velocity balance sheet
- Liquidity pool comprised of high-quality assets with capacity for reinvestment
- Diversifying funding sources to reduce reliance on USD unsecured long-term debt
- Focused on increasing credit-enhancing, fee-based, and more-recurring revenues
Non-GAAP Disclosures

The table below presents information about our annualized return on average common shareholders’ equity (ROE) and annualized return on average tangible common shareholders’ equity (ROTE)

### Six Months Ended

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2018</th>
<th>June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Earnings Applicable to Common Shareholders</strong></td>
<td>$5,085</td>
<td>$3,793</td>
</tr>
<tr>
<td><strong>Average Tangible Common Shareholders’ Equity</strong></td>
<td>$68,253</td>
<td>$71,396</td>
</tr>
<tr>
<td><strong>Annualized ROE</strong></td>
<td>14.1%</td>
<td>10.1%</td>
</tr>
<tr>
<td><strong>Annualized ROTE</strong></td>
<td>14.9%</td>
<td>10.6%</td>
</tr>
</tbody>
</table>

Annualized ROE is calculated by dividing annualized net earnings applicable to common shareholders by average monthly common shareholders’ equity. Tangible common shareholders’ equity is calculated as total shareholders’ equity less preferred stock, goodwill and identifiable intangible assets. Annualized ROTE is calculated by dividing annualized net earnings applicable to common shareholders by average monthly tangible common shareholders’ equity. We believe that tangible common shareholders’ equity is meaningful because it is a measure that we and investors use to assess capital adequacy and that ROTE is meaningful because it measures the performance of businesses consistently, whether they were acquired or developed internally. 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 the reconciliation of average total shareholders’ equity to average tangible common shareholders’ equity

### Average for the Six Months Ended

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2018</th>
<th>June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Shareholders’ Equity</strong></td>
<td>$83,632</td>
<td>$86,676</td>
</tr>
<tr>
<td><strong>Preferred Stock</strong></td>
<td>(11,296)</td>
<td>(11,203)</td>
</tr>
<tr>
<td><strong>Common Shareholders’ Equity</strong></td>
<td>72,336</td>
<td>75,473</td>
</tr>
<tr>
<td><strong>Goodwill and Identifiable Intangible Assets</strong></td>
<td>(4,083)</td>
<td>(4,077)</td>
</tr>
<tr>
<td><strong>Tangible Common Shareholders’ Equity</strong></td>
<td>$68,253</td>
<td>$71,396</td>
</tr>
</tbody>
</table>
In addition to preparing our consolidated statements of financial condition in accordance with U.S. GAAP, we prepare a balance sheet that generally allocates assets to our businesses, which is a non-GAAP presentation and may not be comparable to similar non-GAAP presentations used by other companies. We believe that presenting our assets on this basis is meaningful because it is consistent with the way management views and manages risks associated with our assets and better enables investors to assess the liquidity of our assets. The table below presents the reconciliations of the balance sheet allocation to our businesses to our U.S. GAAP balance sheet as of June 30, 2018 and December 31, 2015.

<table>
<thead>
<tr>
<th>GCLA, Segregated Assets and Other</th>
<th>Secured Client Financing</th>
<th>Institutional Client Services</th>
<th>Investing &amp; Lending</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As of June 30, 2018</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$131,417</td>
<td>$–</td>
<td>$–</td>
<td>$–</td>
</tr>
<tr>
<td>Securities Purchased Under</td>
<td>80,317</td>
<td>33,348</td>
<td>21,358</td>
<td>157</td>
</tr>
<tr>
<td>Agreements to Resell</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Securities Borrowed</td>
<td>20,820</td>
<td>93,548</td>
<td>48,457</td>
<td>–</td>
</tr>
<tr>
<td>Receivables from Brokers, Dealers</td>
<td>–</td>
<td>4,917</td>
<td>23,942</td>
<td>–</td>
</tr>
<tr>
<td>and Clearing Organizations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables from Customers and</td>
<td>–</td>
<td>31,112</td>
<td>20,661</td>
<td>8,005</td>
</tr>
<tr>
<td>Counterparties</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans Receivable</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>74,082</td>
</tr>
<tr>
<td>Financial Instruments Owned</td>
<td>62,678</td>
<td>–</td>
<td>239,350</td>
<td>45,931</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$295,232</td>
<td>$162,925</td>
<td>$353,768</td>
<td>$128,175</td>
</tr>
<tr>
<td>Other Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **As of December 31, 2015**       |                         |                               |                     |       |
| Cash and Cash Equivalents         | $93,439                 | $–                            | $–                  | $–    | $93,439  |
| Securities Purchased Under        | 73,495                  | 42,786                        | 16,368              | 1,659 | 134,308  |
| Agreements to Resell              |                         |                               |                     |       |          |
| Securities Borrowed               | 38,799                  | 91,712                        | 47,127              | –     | 177,638  |
| Receivables from Brokers, Dealers | –                       | 5,912                         | 19,541              | –     | 25,453   |
| and Clearing Organizations        |                         |                               |                     |       |          |
| Receivables From Customers and    | –                       | 24,077                        | 20,435              | 1,918 | 46,430   |
| Counterparties                    |                         |                               |                     |       |          |
| Loans Receivable                  | –                       | –                             | –                   | 45,407| 45,407   |
| Financial Instruments Owned       | 59,405                  | –                             | 208,836             | 45,261| 313,502  |
| **Subtotal**                      | $265,138                | $164,487                      | $312,307            | $94,245| $836,177 |
| Other Assets                      |                         |                               |                     |       | 25,218   |
| **Total Assets**                  |                         |                               |                     |       | $861,395 |
Non-GAAP Disclosures

As of December 31, 2017, our 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. We believe that our capital ratios on a fully phased-in basis are meaningful because they are measures that the firm and investors use to assess capital adequacy. The table below presents reconciliations, for both the Standardized approach and the Basel III Advanced approach, of common equity tier 1 and risk-weighted assets on a transitional basis to a fully phased-in basis as of December 31, 2017.

<table>
<thead>
<tr>
<th></th>
<th>Standardized</th>
<th>Advanced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Equity Tier 1, Transitional Basis</td>
<td>$67,110</td>
<td>$67,110</td>
</tr>
<tr>
<td>Transitional Adjustments</td>
<td>(117)</td>
<td>(117)</td>
</tr>
<tr>
<td>Common Equity Tier 1, Fully Phased-in Basis</td>
<td>$66,993</td>
<td>$66,993</td>
</tr>
<tr>
<td>Risk-weighted Assets, Transitional Basis</td>
<td>$555,611</td>
<td>$617,646</td>
</tr>
<tr>
<td>Transitional Adjustments</td>
<td>8,364</td>
<td>8,446</td>
</tr>
<tr>
<td>Risk-weighted Assets, Fully Phased-in Basis</td>
<td>$563,975</td>
<td>$626,092</td>
</tr>
<tr>
<td>Common Equity Tier 1 Ratio, Transitional Basis</td>
<td>12.1%</td>
<td>10.9%</td>
</tr>
<tr>
<td>Common Equity Tier 1 Ratio, Fully Phased-in Basis</td>
<td>11.9%</td>
<td>10.7%</td>
</tr>
</tbody>
</table>