(from left to right)

Denis Coleman
Chief Financial Officer

David Solomon
Chairman and
Chief Executive Officer

John Waldron
President and Chief
Operating Officer

Fellow Shareholders:

There's no question 2021 was an extraordinary year. It was challenging for everyone — our clients, our people, our communities. But even in an incredibly dynamic market environment, our people came together, we stayed true to our strategy, we put our clients first and though we still have a lot of work to do, I'm proud of the fact that we delivered exceptional results to our shareholders.

Net revenues were $59.34 billion, net earnings were $21.64 billion and diluted earnings per common share was $59.45 — all records. Return on average common shareholders' equity (ROE) was 23.0 percent, the highest since 2007, and return on average tangible common shareholders' equity (ROTE)[1] was 24.3 percent.

It's true the surge in capital markets activity was a big tailwind. The economy continued to recover from the short but severe recession that marked the pandemic's early days, and the robust growth that followed put enormous pressure on supply chains, leading to levels of inflation not seen in decades. By year end, rate hikes were widely expected and markets entered a new period of uncertainty.

We don't expect 2022 to look like 2021, especially as monetary policy tightens and fiscal policy becomes less supportive. But our confidence is as strong as it's ever been that our strategy is working and that we can help our clients navigate whatever the future holds.

As we move into 2022, I want to thank the people of Goldman Sachs. Their hard work, dedication, creativity and resilience continue to drive our success. Everywhere I go, when I meet with clients, they talk about the caliber and commitment of our people. As many of our teams have returned to our offices around the world, we have had a chance to reconnect and rediscover what makes Goldman Sachs such an extraordinary firm — in particular our exceptional talent and our collaborative culture.

Progress is by no means a straight line, and we are staying nimble as we continue to bring our people together as much as possible. But we believe it's important that the next generation of Goldman Sachs colleagues — many of whom are early in their careers — experience our apprenticeship culture firsthand as we work together to serve our clients.

Building on the enormous progress we have made, I look forward to all that we will accomplish together in the year ahead. It is a great privilege to lead this remarkable organization, and I couldn't be more grateful to our leadership team: our president and chief operating officer, John Waldron; our former chief financial officer (CFO), Stephen Scherr; our new CFO, Denis Coleman; and our entire Management Committee.

Unlocking the power of our franchise for our clients is not only driving growth in our core businesses, but also allowing new initiatives to scale and in the years ahead, we will continue to drive returns for our shareholders.

Financial Performance

In 2021, all four of our business segments saw revenue growth year over year. Investment Banking generated record net revenues of $14.88 billion and ranked #1 in worldwide announced and completed M&A, equity and equity-related offerings, common stock offerings and IPOs.[2] Global Markets net revenues of $22.08 billion were the highest in 12 years. Asset Management generated record net revenues of $14.92 billion; with $2.5 trillion in firmwide assets under supervision (AUS), we are one of the largest active asset managers in the world. And Consumer & Wealth Management generated record net revenues of $7.47 billion, with over $1 trillion in total client assets.[3]

We believe book-value growth underpins the long-term value of any large, diversified financial institution and, in last year's somewhat unique operating environment, we were able to grow our book value per common share by 20.4 percent to $284.39. And though some of our businesses are more cyclical than others, we believe we can deliver returns for our shareholders in almost any environment.

Our Strategy to Produce Higher, More Consistent Returns

1. Grow and Strengthen Existing Businesses
2. Diversify Our Products and Services
3. Operate More Efficiently

> "Unlocking the power of our franchise for our clients is not only driving growth in our core businesses, but also allowing new initiatives to scale..."
>
> **David Solomon**

Our Strategy

In January 2020, we laid out our three-part strategic plan: We were going to 1) grow and strengthen our existing businesses; 2) diversify our products and services; and 3) operate our firm more efficiently, all in an effort to produce higher, more consistent returns. And though the market environment since then has looked nothing like what we expected, we've done very well: Today, we're tracking more than 30 key performance indicators and we believe we will meet or exceed 95 percent of them.

Key to our success has been a renewed focus on clients. Through our *One Goldman Sachs* initiative, we are unlocking the power of our franchise by providing more comprehensive and integrated service while also using our network of clients to support our growth. For instance, over 90 percent of the clients on our Transaction banking platform already had relationships with the firm. Our progress confirms one of our core beliefs: that if you really take care of your clients, if you invest in those relationships and if you build trust over a long period of time, good things will happen.

Confident in our strategy, we recently unveiled an updated set of financial targets. In the medium term,[4] we believe we can achieve an ROE of 14–16 percent and an ROTE of 15–17 percent. We also reaffirmed our target efficiency ratio of approximately 60 percent. In addition, we announced that our target is to maintain our Common Equity Tier 1 capital ratio equal to the regulatory requirements plus a buffer of 50 to 100 basis points.

In addition to our firmwide targets, we unveiled an updated set of business-level targets tied to our growth strategy. Our new targets are $350 billion in organic, traditional, long-term fee-based AUS net inflows over the period from 2020 to 2024;[5] $225 billion in gross alternatives fundraising over that same period; more than $10 billion in firmwide management and other fees in 2024, including more than $2 billion from alternative AUS; approximately $750 million in net revenues in Transaction banking in 2024; and over $4 billion in net revenues in Consumer banking in 2024.

Segment Performance

Our four segments create a very powerful ecosystem, and in 2021 they continued to grow.

Investment Banking

We've been #1 in global completed M&A for 22 of the past 23 years and, in 2021, we were once again the advisor of choice. Net revenues were 58 percent higher than in 2020, driven by record net revenues in both Financial advisory and Underwriting. Corporate lending net revenues were significantly higher as well. In the past two years, we've grown our wallet share by approximately 350 basis points[6] and we still see ample room for growth: Our backlog was already high, but during 2021, it grew even more, putting us in a strong position for 2022.

Global Markets

Although market volatility declined in 2021, our clients continued to rely on us for risk management, financial intermediation and, increasingly, financing. Net revenues grew by 4 percent to $22.08 billion. In Fixed Income, Currency and Commodities (FICC), net revenues declined, but in Equities they grew by 20 percent. Since 2019, we've grown wallet share by approximately 250 basis points.[7] We're in the top 3 with 72 of the 100 top institutional clients, up from 51 just two years ago.[8] We also ended the year with record average balances in our prime services business.

Asset Management

Net revenues grew by 87 percent, fueled by significantly higher net revenues in Equity investments and Lending and debt investments. Incentive fees rose, and Management and other fees were a record, reflecting higher average AUS. Growing these durable fees is an area of strategic focus. And in August 2021, we announced that we would acquire leading European asset manager NN Investment Partners (NNIP) in early 2022. NNIP's world-class ESG capabilities and strong footprint in Europe will help us further strengthen what is already one of the leading asset management businesses in the world.

Consumer & Wealth Management

We continue to empower our millions of clients and customers around the world to reach their financial goals. In 2021, net revenues grew by 25 percent to $7.47 billion. Net revenues in Wealth Management grew by 25 percent

Medium-Term[4] Firmwide Targets

Return on Equity	Return on Tangible Equity	Efficiency Ratio
14–16%	15–17%	~60%

to a record $5.98 billion, fueled by higher average AUS, increased client demand for alternative investments and significantly higher net revenues in Private banking and lending. In Consumer banking, net revenues grew by 23 percent to a record $1.49 billion, reflecting higher credit card and deposit balances.

Growth Initiatives

In 2021, we made good progress on our growth initiatives. In many instances, we met our medium-term goals ahead of schedule.

Transaction Banking

I hear from clients constantly that our innovative cloud-based Transaction banking platform is a differentiator. We expanded to the U.K. in June 2021 and, today, we have approximately 350 corporate clients. To extend the platform's reach, we've formed partnerships with American Express, Fiserv, Stripe and Visa; and less than two years in, we have already surpassed our previous five-year-plus target of $50 billion in deposits. Now our target for 2024 is to exceed $100 billion in deposits. Our progress has reinforced our confidence that we can serve this very large addressable market, and we believe it will be accretive to our ROE at scale.

Alternatives

Today, we are one of the top 5 alternative asset managers in the world.[9] In 2021, we raised $67 billion in third-party capital across a diverse array of asset classes, including private equity, private credit, growth equity and real estate. That brings us to a total of $107 billion, over two-thirds of our previous five-year goal of $150 billion. As a result, we have set a new target for 2024 of $225 billion in gross alternatives fundraising. We've also made significant progress in harvesting our on-balance equity investments over the past two years, with roughly $12 billion in net dispositions since year-end 2019.

Wealth Management

We deliver a world-class, tailored wealth management offering to individuals, families, family offices and nonprofit institutions. In 2021, we had strong long-term fee-based AUS net inflows and continued to expand our global footprint. Our Wealth Management business comprises our premier Private Wealth Management business and our Personal Financial Management Group, which includes Ayco and Personal Financial Management (previously United Capital). Through Ayco we provide a wide variety of workplace solutions for 475 companies to a broad set of our corporate clients' employees, personalized planning and advisory services for senior executives, as well as full-service, bespoke wealth management solutions for the C-suite.

Digital Consumer Banking

This year, we celebrated the five-year anniversary of our digital consumer banking platform, *Marcus by Goldman Sachs*, and in that time, we've made enormous progress. Our Consumer business has grown to serve more than 10 million customers and $110 billion in deposits, and it is putting our customers at the center of everything we do, signified by winning several significant industry awards and recognitions from J.D. Power, Which? Awards and more. In September 2021, we announced an agreement to acquire GreenSky, the largest fintech platform for home improvement consumer loan originations, whose growing network of over 10,000 merchants will allow us to meet more customers where they transact. We launched critical product releases and features in 2021, including the Marcus app on the iOS app store in the U.K. and Apple Card Family Plan, and we launched the My GM Rewards Card in January 2022. We also look forward to launching our digital checking product in 2022, which will allow us to become the primary bank for our customers.

Operating More Efficiently

In 2021, operating expenses were $31.94 billion, 10 percent higher than in 2020, primarily because we increased our people's compensation to reward their exceptional performance. While compensation and benefits expenses were up by 33 percent, our 2021 compensation ratio net of provision for credit losses declined by 210 basis points from the prior year. It's important to note that when this firm went public in 1999, this ratio was over 50 percent. Since then, it has decreased by more than 20 percentage points. However, it is not as relevant a metric as it was before, as we are aiming for a 60 percent efficiency ratio target, and we're managing both our compensation and non-compensation expenses fluidly.

We are a pay-for-performance culture; we reward our people who drive our growth. But we have a shareholder-aligned compensation framework that relies heavily on equity awards to incentivize long-term value creation, and that compensation can be adjusted when performance is not as robust.

Since January 2020, we have achieved approximately $1 billion of our planned $1.3 billion in annual run-rate expense efficiencies, and we expect to achieve the rest later this year. We have a flexible cost structure that enables us to make investments and support returns, including disciplined expense management, a focus on platforms and digitization, and a priority list of investment spending.

Technology

This year showed how important engineering and technology will be to the future of Goldman Sachs. In 2021, we expanded our fully cloud-based digital businesses and features, including Apple Card Family Plan, My GM Rewards Card and Transaction banking. We also created a series of foundational cloud-based Developer platforms on which our businesses and our clients can easily build new applications. One of our most exciting announcements came in November, when we launched Financial Cloud Data at AWS re:Invent. This platform will offer GS Data and Analytics tools in the cloud to help developers build data-driven applications. And to support all these new offerings, we continue to strengthen the team by recruiting world-class engineering talent.

Our People and Our Culture

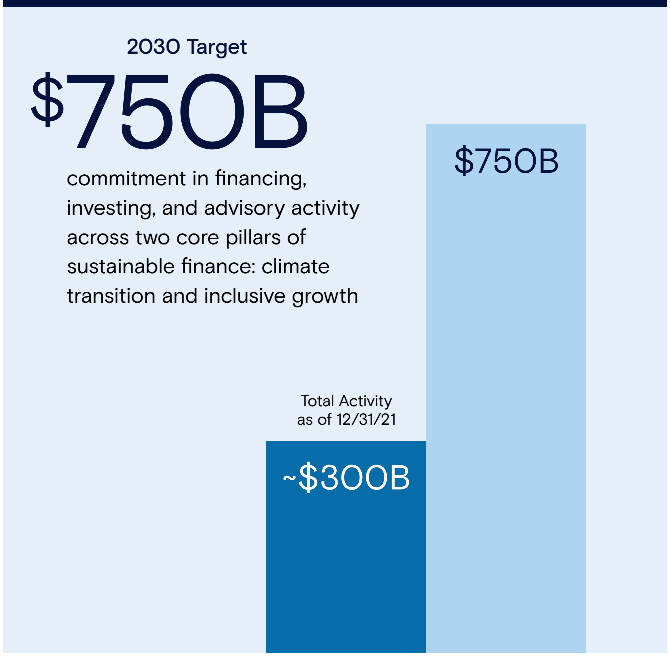
Goldman Sachs has long been known for the quality of its people, and our exceptional results in 2021 made clear just how differentiated they are. We have an abundance of talent, no doubt, but beyond that, we also have a distinctly collaborative culture, which we have worked hard to preserve over the course of the pandemic. We have welcomed thousands of new people to our firm in the past few years, and it was important to us that they experience firsthand what it's like to build a career at Goldman Sachs. They are at a moment in their careers when learning from their team members and developing a network are crucial to their professional growth. And working together in person makes it far easier for us to pass on our core values of partnership, excellence, client service and integrity.

Our people's health and safety are our top priority, and while we are adapting our plans to the specific needs of each office location, we continue to make progress in bringing our people back together as much as safely possible. We will always give our people the flexibility they need to manage their lives, but throughout 2021, our experience showed that we are stronger when we're together, and protecting and enhancing our culture will remain a focus for us as we enter 2022.

Sustainability

In 2021, sustainability continued to gain momentum in the economy at large and, at Goldman Sachs, we made further progress toward our goal of supporting $750 billion in sustainable financing, investing and advisory activity by 2030. By year end, we had achieved approximately $300 billion of our goal, including $167 billion in climate transition, $50 billion in inclusive growth and the remainder in multiple themes, reflecting

Sustainable Finance Commitment



2021 Managing Director Class

The most diverse class ever

Women	30%
Asian	28%
Black	5%
Hispanic/Latinx	5%
LGBTQ+	3%

Global data based on self-identification information

our clients' need for advice, capital and tools to support their sustainability goals.

In March 2021, we announced a commitment to align our financing activities with a net zero by 2050 pathway and unveiled interim business goals for three industries — oil and gas, power, and auto manufacturing — in our second annual Task Force on Climate-related Financial Disclosures report, *Accelerating Transition*. As a financial institution, we believe the most meaningful role we can play in the global climate transition is to drive decarbonization in the real economy in partnership with our clients. This requires growing our commercial capabilities and investing in innovation. We also need reliable data, so we are working with corporate partners to develop a free, open source platform for climate-related data and to equip our clients with new impact-measuring tools, like our Carbon Portfolio Analytics in Marquee.

Still, we will not succeed in our effort unless the public and private sector work together. Financial institutions like ours need to direct capital to sustainable solutions in emerging markets. That's why we've partnered with Bloomberg Philanthropies to launch a Climate Innovation Fund that will encourage public and private investment in clean energy projects across South and Southeast Asia. We also need thoughtful public policy that strikes a balance between current energy capabilities and support for new technology, as well as concrete measures that will accelerate a just and orderly transition.

After all, that's what this is: a transition. We recognize the need to build a more sustainable planet, and we're doing our part to help the world get there.

Diversity and Inclusion

Advancing diversity and inclusion is a top priority of mine. In 2021, we continued to make progress promoting change both in the world at large and within the firm. In July 2021, we strengthened our board diversity requirement. We will now underwrite IPOs for companies in Western Europe and the U.S. only if they have at least two diverse board members, at least one of whom must be a woman. We also advanced progress on closing the opportunity gap through our investment and philanthropic efforts, such as the *One Million Black Women* initiative. In addition, we made headway with our hiring goals at the analyst, associate and vice president levels, and our 2021 managing director class was the most diverse to date. That said, we still have much work to do to build and retain a pipeline of diverse leadership, and we are hiring additional diversity recruiters, as well as expanding our sponsorship and development programs for diverse talent at the firm.

One Million Black Women

In March 2021, we launched our newest initiative, *One Million Black Women*, with the goal of investing $10 billion to improve the lives of at least 1 million Black women by 2030. Since then we've made investments and grants laying the groundwork to directly impact the lives of over 98,000 women across the country. In direct response to input received from nearly 20,000 Black women and girls, we recently announced two new programs, OMBW Black in Business, focused on Black women sole proprietors,

One Million Black Women

- Goal of investing $10 billion to improve the lives of at least 1 million Black women by 2030
- Held more than 50 listening sessions with nearly 20,000 Black women and girls across the U.S.
- Launched new programs focused on Black women sole proprietors and nonprofit leaders

and OMBW Black Women Impact Grants, focused on access to multiyear funding for Black women nonprofit leaders. In addition, for the first time we will be providing capital for microloans through a new partnership with Grameen. Vital to this work has been our exceptional Advisory Council, which includes prominent Black leaders like Roz Brewer, CEO of Walgreens Boots Alliance; Dr. Ruth Simmons, the president of Prairie View A&M University; Melanie Campbell, the president and CEO of the National Coalition on Black Civic Participation; and former Secretary of State Condoleezza Rice.

Goldman Sachs *10,000 Small Businesses*

After having served more than 12,300 small businesses in all 50 states through our education program, our signature entrepreneurship initiative, Goldman Sachs *10,000 Small Businesse*s, continues to expand. In September 2021, we launched *10,000 Small Businesses Fellows*, a pilot workforce program that pairs community college students in four cities with small business alums of the *10,000 Small Businesses* education program for semester-long, paid internships fully funded by the Goldman Sachs Foundation. In addition, our new advocacy initiative, *10,000 Small Business Voices*, spoke up for graduates of our education program and worked with the Biden administration to expand the COVID Economic Injury Disaster Loan program and to reform the federal procurement process.

Looking Forward

As we look forward to 2022, I want to thank our clients for putting their trust in us and our people for their extraordinary commitment to the firm. After a record year, we enter the next phase of our growth strategy in a strong position. Our strategic plan is working, our renewed focus on clients is strengthening our franchise and, as always, our people are second to none. We are investing in the future of Goldman Sachs and as a result, the firm will continue to evolve. We have a long-term track record of producing value for shareholders, our leadership team is focused on continuing that record and we are excited by the opportunity ahead.

David Solomon
Chairman and Chief Executive Officer

Notes About the Letter to Shareholders

Forward-Looking Statements
This letter contains forward-looking statements, including statements about our financial targets, business initiatives, operating expense savings and sustainability goals. You should read the cautionary notes on forward-looking statements in our Form 10-K for the period ended December 31, 2021.

Endnotes

1 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 a reconciliation of average common shareholders' equity to average tangible common shareholders' equity:

$ in millions	Average for the Year Ended December 31, 2021
Total shareholders' equity	$ 101,705
Preferred stock	(9,876)
Common shareholders' equity	91,829
Goodwill	(4,327)
Identifiable intangible assets	(536)
Tangible common shareholders' equity	$ 86,966

2 Source: Dealogic — January 1, 2021 through December 31, 2021.
3 Total client assets includes AUS, brokerage assets and consumer deposits.
4 "Medium-term" refers to an approximately three-year time horizon.
5 Traditional AUS represents fixed income and equity assets.
6 Data based on reported revenues for Advisory, Equity underwriting and Debt underwriting. Total wallet includes GS, MS, JPM, BAC, C, DB, UBS, CS, BARC.
7 Data based on reported revenues for FICC and Equities. Total wallet includes GS, MS, JPM, BAC, C, DB, UBS, CS, BARC.
8 Sources: Top 100 client list and rankings compiled by GS through Client Ranking/Scorecard/Feedback and/or Coalition Greenwich 1H21 Institutional Client Analytics ranking.
9 Data as of 4Q21. Peer data compiled from publicly available company filings.

Our Core Values and Business Principles

Our Core Values

We distilled our Business Principles into 4 core values that inform everything we do:

Partnership | Client Service | Integrity | Excellence

Goldman Sachs Business Principles

Our clients' interests always come first.
Our experience shows that if we serve our clients well, our own success will follow.

Our assets are our people, capital and reputation.
If any of these is ever diminished, the last is the most difficult to restore. We are dedicated to complying fully with the letter and spirit of the laws, rules and ethical principles that govern us. Our continued success depends upon unswerving adherence to this standard.

Our goal is to provide superior returns to our shareholders.
Profitability is critical to achieving superior returns, building our capital, and attracting and keeping our best people. Significant employee stock ownership aligns the interests of our employees and our shareholders.

We take great pride in the professional quality of our work.
We have an uncompromising determination to achieve excellence in everything we undertake. Though we may be involved in a wide variety and heavy volume of activity, we would, if it came to a choice, rather be best than biggest.

We stress creativity and imagination in everything we do.
While recognizing that the old way may still be the best way, we constantly strive to find a better solution to a client's problems. We pride ourselves on having pioneered many of the practices and techniques that have become standard in the industry.

We make an unusual effort to identify and recruit the very best person for every job.
Although our activities are measured in billions of dollars, we select our people one by one. In a service business, we know that without the best people, we cannot be the best firm.

We offer our people the opportunity to move ahead more rapidly than is possible at most other places.
Advancement depends on merit and we have yet to find the limits to the responsibility our best people are able to assume. For us to be successful, our people must reflect the diversity of the communities and cultures in which we operate. That means we must attract, retain and motivate people from many backgrounds and perspectives. Being diverse is not optional; it is what we must be.

We stress teamwork in everything we do.
While individual creativity is always encouraged, we have found that team effort often produces the best results. We have no room for those who put their personal interests ahead of the interests of the firm and its clients.

The dedication of our people to the firm and the intense effort they give their jobs are greater than one finds in most other organizations.
We think that this is an important part of our success.

We consider our size an asset that we try hard to preserve.
We want to be big enough to undertake the largest project that any of our clients could contemplate, yet small enough to maintain the loyalty, the intimacy and the esprit de corps that we all treasure and that contribute greatly to our success.

We constantly strive to anticipate the rapidly changing needs of our clients and to develop new services to meet those needs.
We know that the world of finance will not stand still and that complacency can lead to extinction.

We regularly receive confidential information as part of our normal client relationships.
To breach a confidence or to use confidential information improperly or carelessly would be unthinkable.

Our business is highly competitive, and we aggressively seek to expand our client relationships.
However, we must always be fair competitors and must never denigrate other firms.

Integrity and honesty are at the heart of our business.
We expect our people to maintain high ethical standards in everything they do, both in their work for the firm and in their personal lives.