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

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

M E A S U R I N G  O U R  P R O G R E S S

- 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

- Consistent strong investment performance
- Morningstar rankings
- Measure quality of institutional client relationships

Deliver Holistic Solutions

- Organic long-term fee-based AUS growth
- Advisory / outsourced CIO revenues
-+$250bn of firmwide Traditional AUS inflows in 5 years

Innovate to Serve Client Needs

Invest in Institutional Sales Force

MEASURING OUR PROGRESS

Measure quality of institutional client relationships
Consumer & Wealth Management

**MEASURING OUR PROGRESS**

- **Organic Advisor Growth in Americas**
  - +20% Advisor headcount in Americas
  - Measure Advisor productivity
  - UHNW market share

- **Source Experienced PWA Hires in EMEA / APAC**
  - +50% Advisor headcount in EMEA / APAC
  - PWM lending penetration
  - C&WM margin to 20%+ at scale

- **Increase Lending to Private Wealth Clients**
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

5+ Year Opportunity

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Grow Third Party Alternatives

5-Year Opportunity

$100bn Alternative Net Inflows¹

$4bn Capital Reduction²

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

Execution Priorities

- **Grow PWM Advisors**
- **Grow IB Corporate Footprint**
- **Close Institutional Investor Wallet Share Gaps**
- **China 5-Year Plan**

- **~$37bn** Firmwide Revenues
- **~100** Offices Globally
- **~38k** Employees Globally

- **~$15bn** International Revenues
- **~40** International Offices
- **~18k** International Employees

1. Indicates data from a specific source or year.
Track Record of Building Businesses

**Debt Underwriting**

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Revenues ($bn)</th>
<th>Change</th>
<th>Ranking¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$1.2</td>
<td>+84%</td>
<td>6</td>
</tr>
<tr>
<td>2019</td>
<td>$2.1</td>
<td></td>
<td>2</td>
</tr>
</tbody>
</table>

**Asset and Wealth Management**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Firmwide AUS ($bn)</th>
<th>Change</th>
<th>Ranking²</th>
</tr>
</thead>
<tbody>
<tr>
<td>4Q99</td>
<td>$285</td>
<td>+6.5x</td>
<td>Not Ranked</td>
</tr>
<tr>
<td>4Q19</td>
<td>$1,859</td>
<td></td>
<td>Top 10</td>
</tr>
</tbody>
</table>
$1.3bn Run-rate Expense Savings in 3 Years

Drives Capacity for Investment

**Streamlined Organization**
- Pyramid evolution
- Business alignment of 7,500 engineering and operations individuals
- Embed organizational design capabilities

**Investment in Automation and Infrastructure**
- Digital transformation
- Straight-through-processing
- Platform consolidation

**Real Estate Strategy**
- Strategic locations
- Campus consolidation

**Integrated Expense Management**
- Strategic technology capabilities
- Improved governance and transparency
- Holistic financial planning
One Goldman Sachs

Client-centricity drives everything we do – from organizational structure to talent deployment
One Goldman Sachs

**Initial Phase**

- ~30 Identified key clients with complex needs
- >200 Dedicated Goldman Sachs professionals
- 97% Positive client feedback

**Forward Plan**

- >100 Clients in expansion plan
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 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

$4bn
2019 Engineering Spend

~47%
~53%

Metrics

Platform Engagement ● Resiliency ● APIs ● Productivity ● Cloud Usage
Enhancing Our World-Class Engineering Team

- >80% Acceptance rate for full-time offers
- 40% of Engineers have PhDs or Advanced Degrees
- Successfully hired Co-CIO and CTO
- 9K+ Engineers employed at Goldman Sachs

Growing Cutting-Edge Engineering Capabilities to Better Serve Clients
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
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End Notes

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

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
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.

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.