Goldman Sachs Presentation to Bank of America Merrill Lynch
Future of Financials Conference

Stephen M. Scherr
Chief Financial Officer
Cautionary Note on Forward-Looking Statements

Today’s presentation includes 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. Forward-looking statements include statements about potential revenue and growth opportunities. It is possible that the Firm’s actual results, including the incremental revenues, if any, from such opportunities, and financial condition, may differ, possibly materially, from the anticipated results, financial condition and incremental revenues 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, 2017. You should also read the forward-looking disclaimers in our Form 10-Q for the period ended September 30, 2018, particularly as it relates to capital ratios, the Tax Cuts and Jobs Act and information on the calculation of non-GAAP financial measures that is posted on the Investor Relations portion of our website: www.gs.com. Statements about our revenue and growth opportunities are subject to the risk that the Firm’s businesses may be unable to generate additional incremental revenues or take advantage of growth opportunities.

Statements on the year-to-date (YTD) are as of September 30, unless otherwise noted.

The statements in the presentation are current only as of its date, November 5, 2018.
Leadership Action Plan

Our Commitment

We are committed to producing best-in-class total shareholder returns

Current Work Streams

- Conducting comprehensive front-to-back reviews of our businesses
- Evaluating business adjacencies, with focus on growth
- Working to increase transparency and accountability, including new disclosure and financial targets
- Planning to provide an update on our strategy in Spring 2019

Business Objectives

1. Drive more durable franchise revenues across the firm
2. Generate above-average earnings growth vs. the industry
3. Optimize investment spend and capital allocation
# Client Centric Strategy

Driving innovation and growth to serve client needs

<table>
<thead>
<tr>
<th>Corporations and Governments</th>
<th>Institutions</th>
<th>Individuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services</td>
<td>Opportunities</td>
<td>Services</td>
</tr>
<tr>
<td>✓ Strategic advice</td>
<td>▪ Cash management</td>
<td>✓ Differentiated ideas</td>
</tr>
<tr>
<td>✓ Access to capital</td>
<td>▪ Employee financial health</td>
<td>✓ 24/7 access to global markets and liquidity</td>
</tr>
<tr>
<td>✓ Hedging and risk management</td>
<td>▪ Corporate liquidity management</td>
<td>✓ Seamless “best” execution</td>
</tr>
<tr>
<td></td>
<td>▪ Commercial lending</td>
<td>✓ Bespoke solutions</td>
</tr>
</tbody>
</table>

- **Corporations and Governments**: Strategic advice, Access to capital, Hedging and risk management.
- **Institutions**: Differentiated ideas, 24/7 access to global markets and liquidity, Seamless “best” execution, Bespoke solutions.
- **Individuals**: Attractive savings options, Transparent and flexible lending solutions, Tailored wealth management, Addressing customer pain points; one-stop shop for financial well-being, Digital wealth management, Personal financial management tools, Additional financial products.

We seek to expand the firm’s addressable market
2018YTD in Review
Firm Performance

Net Revenues ($bn)

2017YTD $24.2  2018YTD $28.1  +16%

Diluted EPS

2017YTD $14.11  2018YTD $19.21  +36%

ROE and ROTE

2017YTD 10.9%  2018YTD 13.7%  +30bps  +340bps

Highest YTD Net Revenues in 8 Years
Record YTD Diluted EPS
Highest annualized 9MYTD returns in 9 Years

Strong YTD performance across our diversified client franchise shows the embedded operating leverage of the franchise
## Announced Growth Initiatives

### Monitoring Our Progress

<table>
<thead>
<tr>
<th>Investment Banking</th>
<th>2018YTD Revenue Progress</th>
<th>Key Performance Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expand Client Coverage</td>
<td>~$0.2bn</td>
<td>~80% of targeted clients with assigned coverage</td>
</tr>
<tr>
<td>FICC Initiatives</td>
<td>~$0.3bn</td>
<td>+45bps FICC institutional wallet share&lt;sup&gt;3,4&lt;/sup&gt;</td>
</tr>
<tr>
<td>Equities Initiatives</td>
<td>~$0.4bn</td>
<td>+180bps Equities global low-touch market share&lt;sup&gt;3&lt;/sup&gt;</td>
</tr>
<tr>
<td>GSAM, PWM and Ayco</td>
<td>~$0.4bn</td>
<td>&gt;$60bn organic LTFB net inflows&lt;sup&gt;3&lt;/sup&gt;</td>
</tr>
<tr>
<td>PWM Lending and GS Select</td>
<td>~$0.2bn</td>
<td>Net increase of &gt;70 PWM advisors&lt;sup&gt;3&lt;/sup&gt;</td>
</tr>
<tr>
<td>Marcus Deposits and Loans</td>
<td>~$0.2bn</td>
<td>&gt;2mm Marcus customers</td>
</tr>
<tr>
<td>Inst’l. Lending &amp; Financing</td>
<td>~$0.8bn</td>
<td>~$27bn Marcus deposits and ~$4bn Marcus loans</td>
</tr>
<tr>
<td><strong>Firmwide</strong></td>
<td>~$2.5bn</td>
<td><strong>YTD, we have achieved ~50% of our 2020 opportunity</strong></td>
</tr>
</tbody>
</table>

### Institutional Client Services

- **FICC Initiatives<sup>2</sup>** ~$0.3bn
- **Equities Initiatives** ~$0.4bn
- **GSAM, PWM and Ayco** ~$0.4bn
- **PWM Lending and GS Select** ~$0.2bn
- **Marcus Deposits and Loans** ~$0.2bn
- **Inst’l. Lending & Financing** ~$0.8bn

### Investment Management

- **Expand Client Coverage** ~$0.2bn
- **FICC Initiatives<sup>2</sup>** ~$0.3bn
- **Equities Initiatives** ~$0.4bn
- **GSAM, PWM and Ayco** ~$0.4bn
- **PWM Lending and GS Select** ~$0.2bn
- **Marcus Deposits and Loans** ~$0.2bn
- **Inst’l. Lending & Financing** ~$0.8bn

### Investing & Lending

- **Expand Client Coverage** ~$0.2bn
- **FICC Initiatives<sup>2</sup>** ~$0.3bn
- **Equities Initiatives** ~$0.4bn
- **GSAM, PWM and Ayco** ~$0.4bn
- **PWM Lending and GS Select** ~$0.2bn
- **Marcus Deposits and Loans** ~$0.2bn
- **Inst’l. Lending & Financing** ~$0.8bn

### Firmwide

- **~$2.5bn**

### YTD, we have achieved ~50% of our 2020 opportunity

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<sup>1</sup> 2018YTD  <sup>2</sup> FICC Initiatives include a portion of net revenues recorded in Investment Banking and I&L segments  <sup>3</sup> Since 2016YE  <sup>4</sup> Per Coalition, includes top 1,300 institutional clients in the FICC wallet, excludes corporates, as of 1H18  <sup>5</sup> Includes physical and synthetic balances
**Investment Banking**

State of the Franchise

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### YoY Net Revenue Growth ($bn)

<table>
<thead>
<tr>
<th></th>
<th>2017YTD</th>
<th>2018YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Advisory</td>
<td>$2.0</td>
<td>$2.2</td>
</tr>
<tr>
<td>Equity Underwriting</td>
<td>$0.8</td>
<td>$1.3</td>
</tr>
<tr>
<td>Debt Underwriting</td>
<td>$2.4</td>
<td>$2.3</td>
</tr>
</tbody>
</table>

+11% increase from $5.2 to $5.8

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#### YTD League Tables

1. **Announced M&A**
2. **Equity & Equity-Related**
3. **IPOs**
4. **High-Yield Debt**
5. **Investment-Grade Debt ($+€)**

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#### Strategic Objectives

- Maintain #1 global Investment Banking franchise, leveraging corporate relationships to deliver the full capabilities of the firm
  - Expand our product offering, including cash management and Ayco
- Grow our client footprint, deepening penetration with existing corporate clients and financial sponsors; grow regions with lower share
- Protect share gains in Debt Underwriting, including acquisition finance
- Harness technology to better serve our clients

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#### GS Announced M&A Market Share by Deal Size

(Average 2008-2018YTD)

- **$20bn+**: 66%
- **$10bn-$20bn**: 44%
- **$5bn-$10bn**: 40%
- **$1bn-$5bn**: 26%

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1. Source: Dealogic
2. All rankings as of 2018YTD
ICS: FICC
State of the Franchise

YoY Net Revenue Growth ($bn)

- $4.3 in 2017YTD
- $5.1 in 2018YTD

+18%

Strategic Objectives

- Expand wallet share with asset managers, banks, and insurance companies; broaden corporate coverage
- Optimize capital deployment and expense efficiency
- Understand, analyze, and transform risk for our clients
- Deliver platforms for content, execution, and analytics

Synergistic to GS

Investment Banking
Investing & Lending
FICC

Strong Client Franchise: Client Mix

- Asset Managers 30%
- Hedge Funds 22%
- Corporates 15%
- Banks / Brokers 20%
- Other 13%

2018YTD

#2 Institutional Wallet Share

+45bps Institutional Client Wallet Share

1 Based on gross sales credits. “Other” includes pension funds, insurance companies, and governments. 2 Per Coalition, includes top 1,300 institutional clients in the FICC wallet, excludes corporates, as of 1H18. 3 Compared to 2016YE
ICS: Equities
State of the Franchise

**YoY Net Revenue Growth ($bn)**

<table>
<thead>
<tr>
<th></th>
<th>2017YTD</th>
<th>2018YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities Client Execution</td>
<td>$1.8</td>
<td>$2.4</td>
</tr>
<tr>
<td>Commissions and Fees</td>
<td>$2.2</td>
<td>$2.3</td>
</tr>
<tr>
<td>Securities Services</td>
<td>$1.2</td>
<td>$1.3</td>
</tr>
</tbody>
</table>

+15%

$5.2

$6.0

**Strategic Objectives**

- Consolidate market share post MiFID II
- Deliver integrated execution and financing solutions to systematic and traditional clients
- Expand and diversify our client base through innovative structured products
- Leverage corporate relationships and derivative franchise strength to drive incremental business

**Strong Client Franchise: Client Mix**

- Corporate and Other 17%
- Asset Managers 34%
- Hedge Funds 35%
- Banks / Brokers 14%

**#3 Institutional Wallet Share**

+31% Low-Touch & Quant Balances

1 Includes physical and synthetic balances
2 Structured Products are primarily comprised of certain equity derivative products
3 Based on gross sales credits, excludes Securities Services
4 "Corporates and Other" includes corporates, pension funds, insurance companies, and governments
5 "Banks / Brokers" primarily comprised of Third-Party Distributors
6 Per Coalition, excludes corporates
7 As of 1H18
8 2018YTD vs. 2016YE
### Investment Management

#### State of the Franchise

#### YoY Net Revenue Growth ($bn)

- **2017YTD**
  - Management and Other Fees: $3.8
  - Incentive Fees: $0.3
  - Transaction Revenues: $0.5

- **2018YTD**
  - Management and Other Fees: $4.1
  - Incentive Fees: $0.6
  - Transaction Revenues: $0.7

Growth: +17%

#### Firmwide AUS Growth ($tn)

- **2012**
  - $1.0

- **2013**
  - $1.0

- **2014**
  - $1.2

- **2015**
  - $1.3

- **2016**
  - $1.4

- **2017**
  - $1.5

- **2018YTD**
  - $1.6

CAGR: +9%

#### Strategic Objectives

- Increase coverage of ultra-high-net-worth clients (including family offices) and expand across regions
- Expand Ayco corporate financial counseling by adding new clients
- Continue to expand Advisory, particularly OCIO and insurance
- Drive growth via our diversified products across alternatives, classic GSAM, Environmental, Social, and Governance, and ActiveBeta
- Leverage engineering capabilities from Marcus to serve new clients

#### Organic LTFB Net Sales Since 2016YE

- **PWM**
  - ~$29bn

- **Ayco**
  - ~$5bn

- **GSAM**
  - ~$30bn

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1. Firmwide organic LTFB Net Sales were $61bn since 2016YE, including $3bn net outflows related to merchant banking activities.
Investing & Lending
State of the Franchise – Lending

I&L Asset Growth Focused on Lending¹

<table>
<thead>
<tr>
<th></th>
<th>YE2013: ~$65bn</th>
<th>3Q18: ~$138bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>~$24bn</td>
<td>~$2.8bn²</td>
</tr>
<tr>
<td>Loans</td>
<td>~$39bn</td>
<td>77%</td>
</tr>
<tr>
<td>Debt Securities</td>
<td>~$12bn</td>
<td>99%</td>
</tr>
<tr>
<td>Other</td>
<td>~$8bn</td>
<td>100%</td>
</tr>
<tr>
<td>Residential Real Estate</td>
<td>~$8bn</td>
<td>100%</td>
</tr>
<tr>
<td>Marcus</td>
<td>~$4bn</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>~$4bn</td>
<td>72%</td>
</tr>
<tr>
<td>Total Loans (Gross)</td>
<td>~$90bn</td>
<td>84%</td>
</tr>
</tbody>
</table>

Strategic Objectives

- Build diversified lending portfolios by serving existing clients and new clients through franchise-adjacent opportunities
- Increase our more durable, recurring Net Interest Income revenues
- Prudently manage credit risk through-the-cycle using disciplined underwriting processes focused on risk-adjusted returns
- Build a meaningful consumer business over time by solving customer “pain points” and utilizing technology to deliver at scale

3Q18 Loan Portfolio ($bn)³

<table>
<thead>
<tr>
<th>Category</th>
<th>Secured</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate</td>
<td>77%</td>
</tr>
<tr>
<td>Private Wealth Management</td>
<td>99%</td>
</tr>
<tr>
<td>Commercial Real Estate</td>
<td>100%</td>
</tr>
<tr>
<td>Residential Real Estate</td>
<td>100%</td>
</tr>
<tr>
<td>Marcus</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>72%</td>
</tr>
<tr>
<td>Total Loans (Gross)</td>
<td>84%</td>
</tr>
</tbody>
</table>

3Q18 Corporate Loans ($39bn)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collateralized Inventory Financing</td>
<td>~$7bn</td>
</tr>
<tr>
<td>Opportunity and Middle Market Lending</td>
<td>~$14bn</td>
</tr>
<tr>
<td>Relationship Lending</td>
<td>~$14bn</td>
</tr>
<tr>
<td>Other</td>
<td>~$4bn</td>
</tr>
</tbody>
</table>

¹ See Appendix for information about our non-GAAP balance sheet presentation. Equity includes CIEs of $4.18bn and $12.64bn at 2013YE and 3Q18, respectively. ² 3Q18 annualized ³ Includes gross loans held for investment and loans accounted for at fair value. Excludes allowance for loan losses of $974mm
Investing & Lending
State of the Franchise – Equity Investing

Equity I&L YoY Net Revenue Growth ($bn)

- 2017YTD: $3.4
- 2018YTD: $3.5

+3%

Key Investing Strengths
- Experienced and tenured senior investing team
- Integrated into GS franchise for sourcing and value creation in portfolio
- Generates revenues in I&L, contributes to Management and Incentive fees in Investment Management and fees in Investment Banking
- Diversified global portfolio across asset, vintage and geography
- Strong contributor to firm performance

Key Highlights
- >1,000 individual investments\(^3\)
- Leverages GS’ Global Sourcing Network
- $11.6bn Cumulative revenues over last 3 years\(^4\)

Equity and Related Assets

<table>
<thead>
<tr>
<th>Asset Type(^1)</th>
<th>Vintage(^2)</th>
<th>Geography(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate 47%</td>
<td>2012-2014 23%</td>
<td>Americas 53%</td>
</tr>
<tr>
<td>Corporate 53%</td>
<td>2011 or Earlier 31%</td>
<td>EMEA 19%</td>
</tr>
<tr>
<td>Diversified global portfolio across asset, vintage and geography</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Real Estate includes $12bn in consolidated investment entities and $5bn of real estate exposure included within our real estate portfolio
2 Excludes CIEs, represents total equity of $21bn
3 As of 3Q18
4 Between 4Q15 and 3Q18
Expense Discipline
Funding Investments for Growth

**Disciplined Expense Approach**

- Manage expenses comprehensively
  - Pay-for-performance philosophy
- Deliver positive operating leverage as revenues grow
- Utilize organic revenue growth to fund investments

**Investing in Technology**

- Innovation driven by client needs, emphasizing offensive vs. maintenance tech spend
- Building scalable platforms to deliver operating leverage
- Engineering leadership to drive market structure evolution
- Applying robust framework for growth investments

**Improving Efficiency Ratio Over Time**

<table>
<thead>
<tr>
<th>Year</th>
<th>Expense Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2007</td>
<td>68.9%</td>
</tr>
<tr>
<td>2012-2017</td>
<td>66.7%</td>
</tr>
<tr>
<td>2018YTD</td>
<td>64.2%</td>
</tr>
</tbody>
</table>

1 Average annual values: calculated as operating expenses divided by total net revenues gross of provision for loan losses
Strong Financial Position

Key Principles

- Significant Liquidity Resources
- Highly Liquid Balance Sheet
- Maintain Strong Capital Ratios
- Return Excess Capital

Key Metrics

- Dynamic capital management allowed for a complete rebuild of capital ratios in 3 quarters
- Capital Ratios Rebuilt Post Tax Reform Impact:
  - Standardized CET1:
    - 4Q17: 11.9%
    - 3Q18: 13.1%
    - Impact of US Tax Legislation: -70bps
  - Basel III Advanced CET1:
    - 4Q17: 10.7%
    - 3Q18: 12.4%
    - Impact of US Tax Legislation: -70bps

- $235bn average GCLA YTD
- >90% of cash financial instruments turn over every 6 months
- In excess of regulatory required minimums
- >$42bn of gross capital return since the beginning of 2012

For 4Q17, the fully phased-in Basel III Advanced and Standardized capital ratios were non-GAAP measures, see appendix for more information about these non-GAAP measures.
Long-Term Strategic Priorities

- Clients
- Talent
- Growth
- Efficiency
- Accountability

Leading shareholder returns
Appendix
Non-GAAP Disclosures

- In addition to our U.S. GAAP balance sheet, we prepare a balance sheet that generally allocates assets to our business, including I&L, which is a non-GAAP presentation. See our Form 10-Q for the period ended September 30, 2018 for more information about this non-GAAP presentation.

- 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>$mm</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>
November 5, 2018

Goldman Sachs Presentation to Bank of America Merrill Lynch Future of Financials Conference

Stephen M. Scherr
Chief Financial Officer