

Fixed Income Investor Presentation

August 2, 2016

Cautionary Note on Forward-Looking Statements

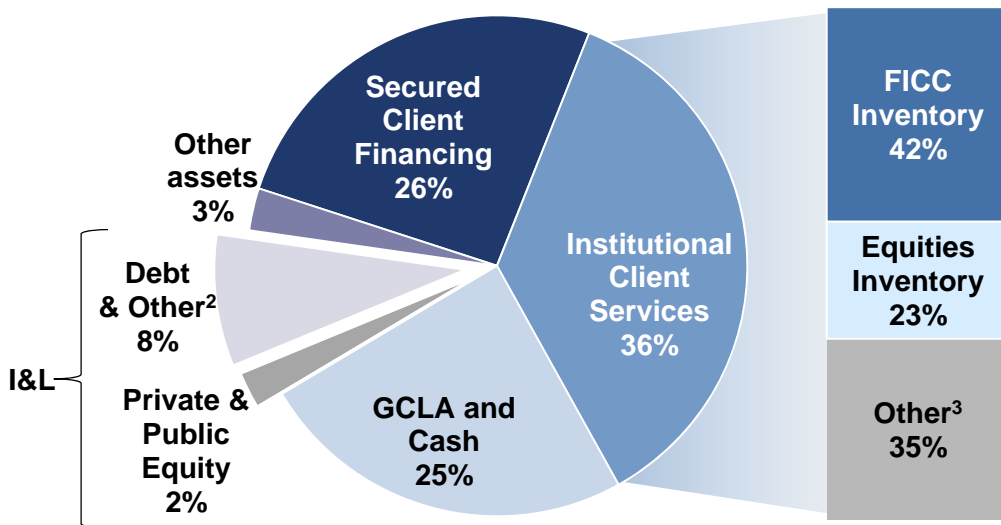
This presentation may include forward-looking statements. These statements are not historical facts, but instead represent only the Firm's beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside of the Firm's control. It is possible that the Firm's actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition 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, 2015. You should also read the forward-looking disclaimers in our Form 10-Q for the period ended March 31, 2016, particularly as it relates to capital 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.

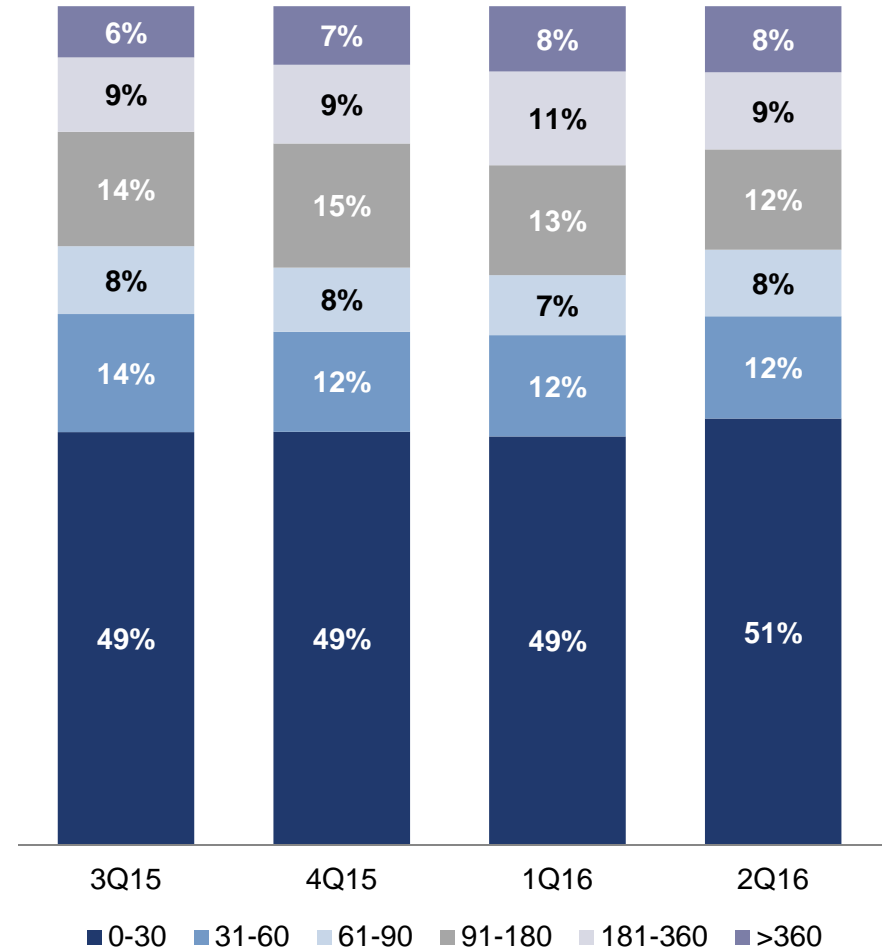
The statements in the presentation are current only as of its date, August 2, 2016.

Balance Sheet Mix & Velocity

2Q16 Alternative Balance Sheet Mix (\$897bn)¹



3Q15 – 2Q16 ICS Cash Inventory Velocity (days)⁴



- Our ICS balance sheet decreased ~25% in the past three years
- FICC and Equities Inventory represents nearly two-thirds of our ICS balance sheet
- More than 80% of our cash market-making inventory has been consistently aged less than 6 months
- In the past two years, our funded loan portfolio increased > 1.5x

Highly liquid and diversified balance sheet

¹ In addition to our U.S. GAAP balance sheet, we also prepare an alternative balance sheet that generally allocates assets to our businesses, which is a non-GAAP presentation

² Includes Loans Receivable and Other

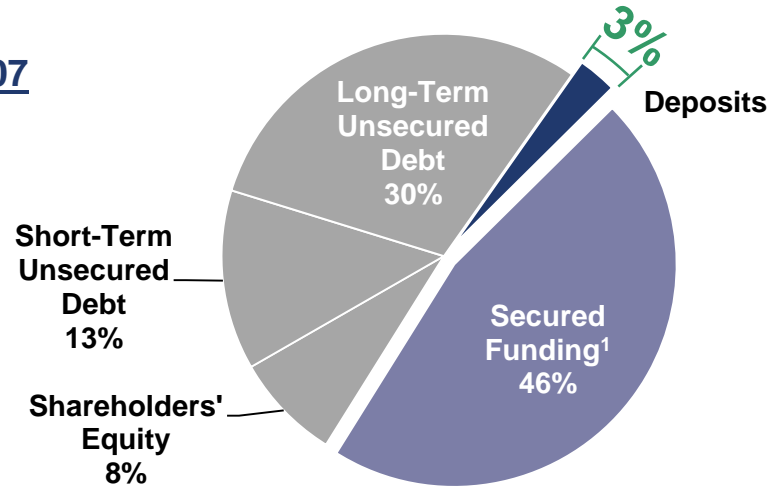
³ Includes Receivables and Secured Financing Agreements

⁴ Represents the current average of cash inventory aged over the period held within our Institutional Client Services segment; excludes derivatives

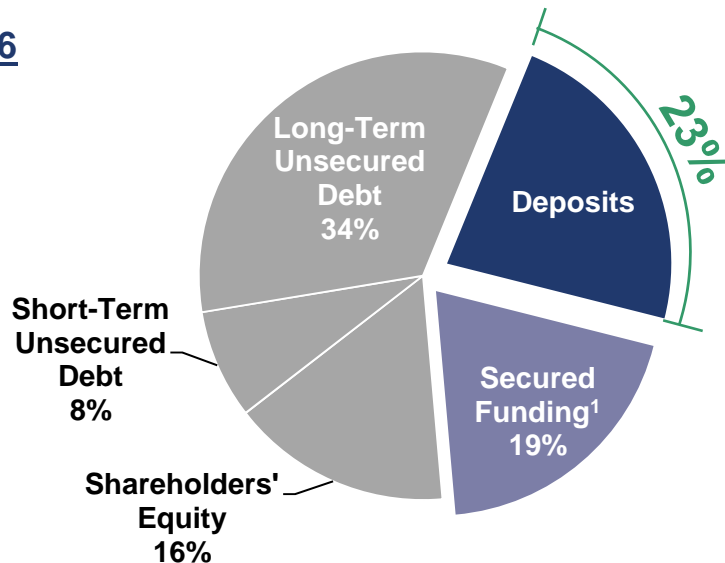
Diversification of Funding Sources

Funding Mix

4Q07



2Q16



Changes in our Funding Mix 4Q07 to 2Q16



Significantly improved diversification of funding sources, with increased Deposits and less reliance on Secured Funding¹

¹ References to Secured Funding include items from our GAAP balance sheet including Securities sold under agreements to repurchase, Securities Loaned, and Other Secured Financings

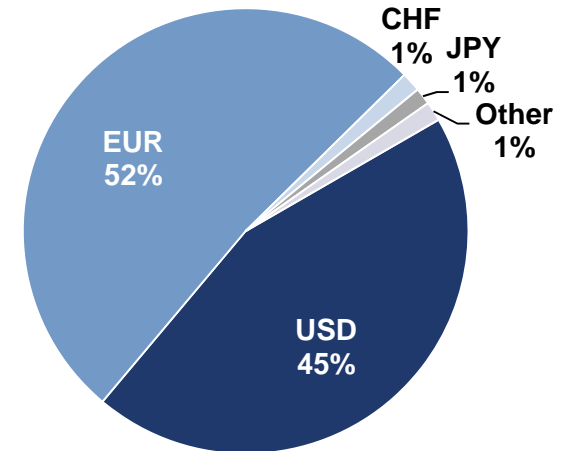
² Represents percentage points

Unsecured Funding

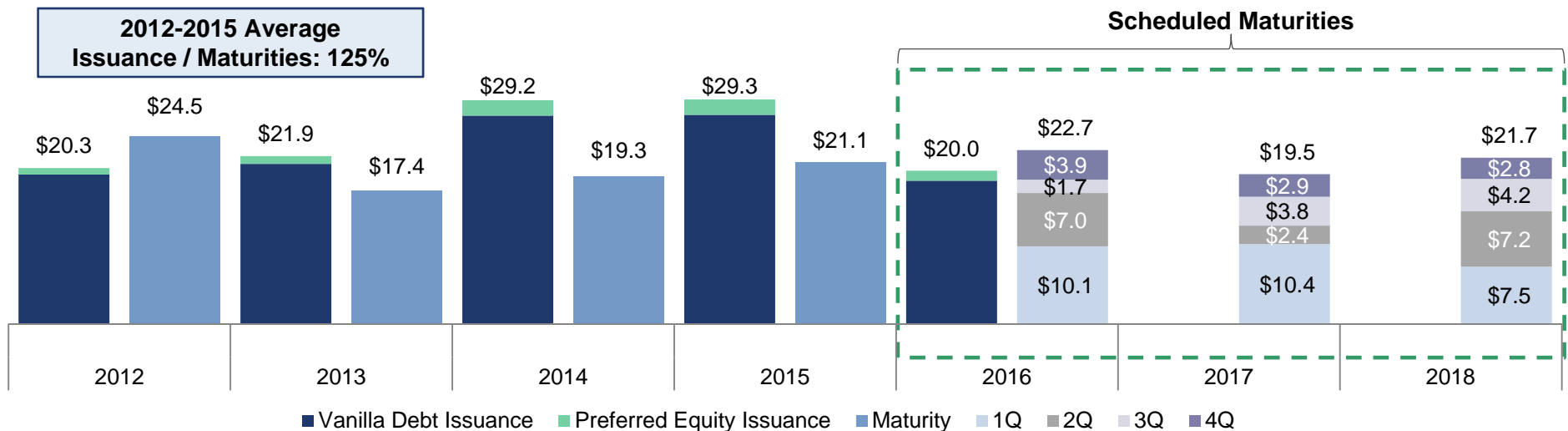
We continue to emphasize term and diversification across currency, channel and instrument

- Year-to-date, we have raised \$20.0bn of GS Group long-term unsecured vanilla debt and perpetual preferreds¹
 - \$18.7bn of long-term unsecured vanilla debt
 - \$1.3bn of non-cumulative perpetual preferreds
 - Benchmark issuance across the tenor spectrum included 2, 3, 5, 10, and 15-year maturities, as well as several notes with non-round tenors to smooth our maturity profile
- ~9 year WAM for the entire unsecured LT debt portfolio

2016 Issuance by Currency (\$20.0bn)



GS Group Long-Term Vanilla Issuance vs. Vanilla Maturities (\$bn)¹



¹YTD GS Group issuance through the end of July; YTD GS Group upcoming maturity values for 2016, 2017, and 2018 are as of June 30, 2016; 2016 GS Group maturities include the Q1 exchange of \$672mm of GS Capital II and GS Capital III APEX securities for shares of Series E and Series F Preferred Stock, which were cancelled following the exchange, as well as \$2.3bn of other GS Group debt tenders

Liability Management Considerations

Management Considerations

Maturity Profile

Capital Treatment

Economics

Recent tenders

Senior Debt

- First tender for any and all GS Senior Notes
- GS 6.25% due 2017
- \$1.5bn tendered in June 2016

Subordinated Debt

- Tender for any and all of GS 5.625% due 2017
- \$613mm tendered in May 2016

APEX

- Offered APEX holders a higher exit value relative to the market
- Posted a benefit of \$161mm in preferred stock dividends in 1Q16

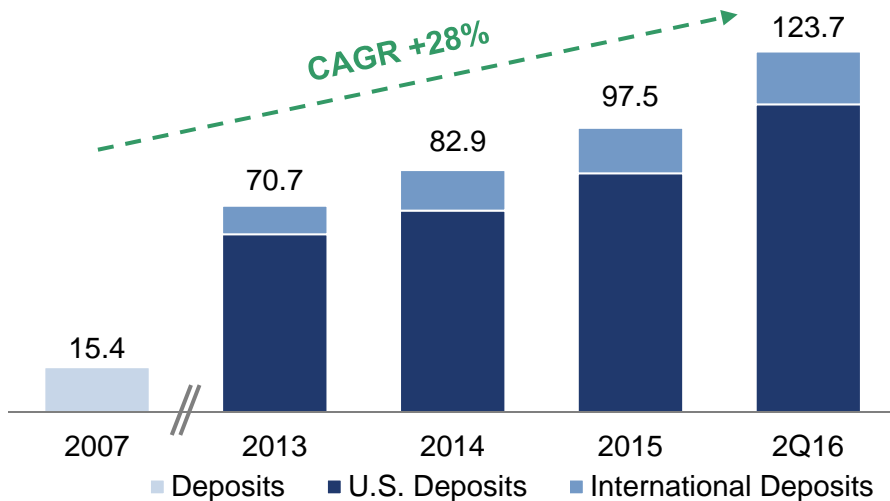
TRUPS

- Tender for any and all 6.345% Capital Securities issued by GS Capital I
- \$1.4bn tendered in 2014

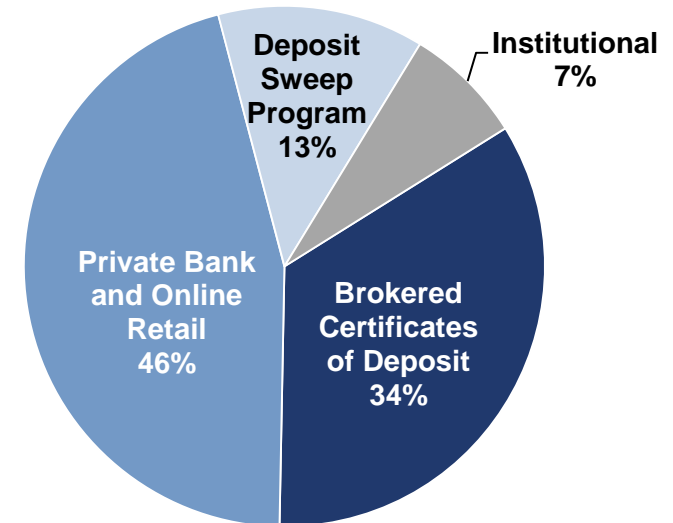
We'll always be opportunistic and looking for ways to more efficiently manage our funding stack

Deposit Growth

Deposit Growth Trends (\$bn)

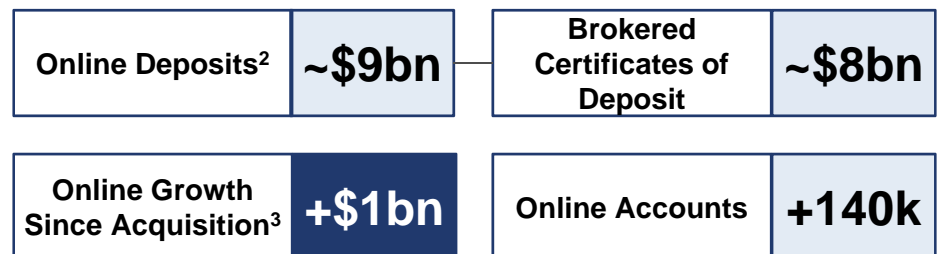


2Q16 Deposits: \$123.7bn (23% of Funding Sources)



- Deposits have become a larger source of funding
- In particular, GS Bank USA has raised deposits with an emphasis on long-term CDs, private bank deposits and long-term relationships with broker-dealer aggregators that sweep their client cash to an FDIC-insured deposit at GS Bank USA
- 60% of our deposits are FDIC insured as of 2Q16
- In April 2016, GS Bank USA acquired GE Capital Bank's online deposit platform

GE Deposits Platform Acquisition¹

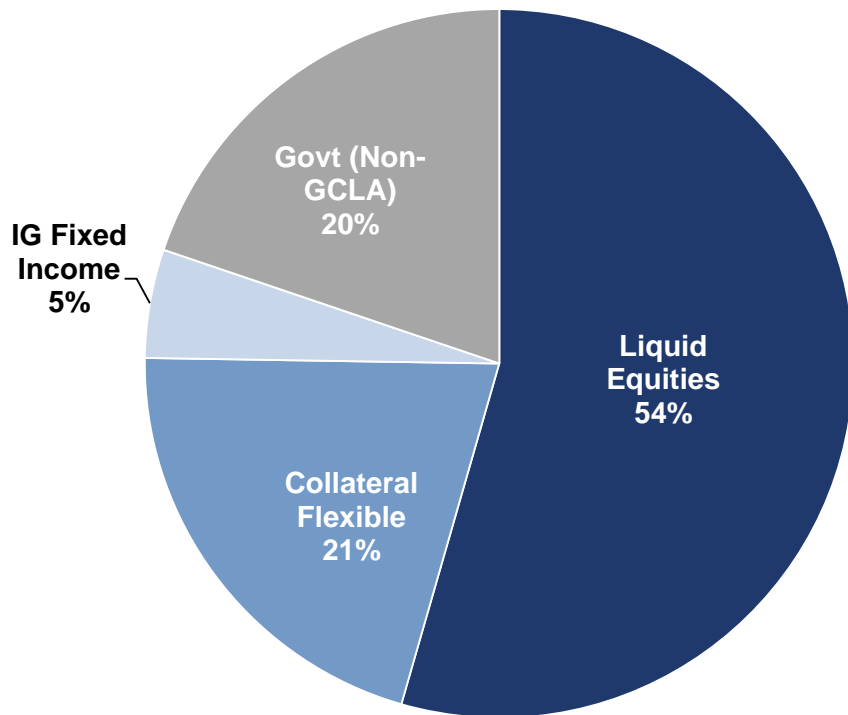


Deposits have become a more meaningful share of the Firm's funding

¹ In April 2016, following regulatory approvals, Goldman Sachs Bank USA acquired GE capital Bank's online deposit platform and assumed \$16.52bn of deposits, consisting of \$8.76bn in online deposit accounts and certificates of deposit, and \$7.76bn in brokered certificates of deposit

² Represents online deposit accounts and associated certificates of deposit

³ Represents increase in online deposits from April 18, 2016 to June 30, 2016

2Q16 Non-GCLA Secured Funding Book¹

Secured Funding Principles

- Key Secured Funding Principles:
 - Appropriate term
 - Counterparty diversification
 - Excess capacity
 - Prefunded liquidity needs
 - Conservative stress testing

Secured Funding Details

- Over 80 different non-GCLA counterparties from the U.S., EMEA and Asia
- Total Non-GCLA portfolio WAM: >120 days
- Secured funding WAM tenor is in excess of underlying liquidity profile of assets we are funding

¹ Based on gross secured funding trades; 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

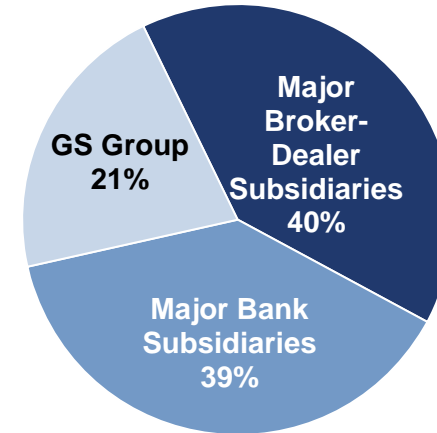
We maintain substantial liquidity

- GCLA reflects about 24% of our balance sheet as of 2Q16
- In 2Q16, approximately 80% of our average liquidity pool was made up of U.S. government obligations, overnight cash deposits (which are mainly at the Federal Reserve) and U.S. federal agency obligations, with the balance in high quality non-U.S. government obligations
- Our GCLA is held at our parent company and each of our major broker-dealer and bank subsidiaries to ensure that liquidity is available to meet entity liquidity requirements

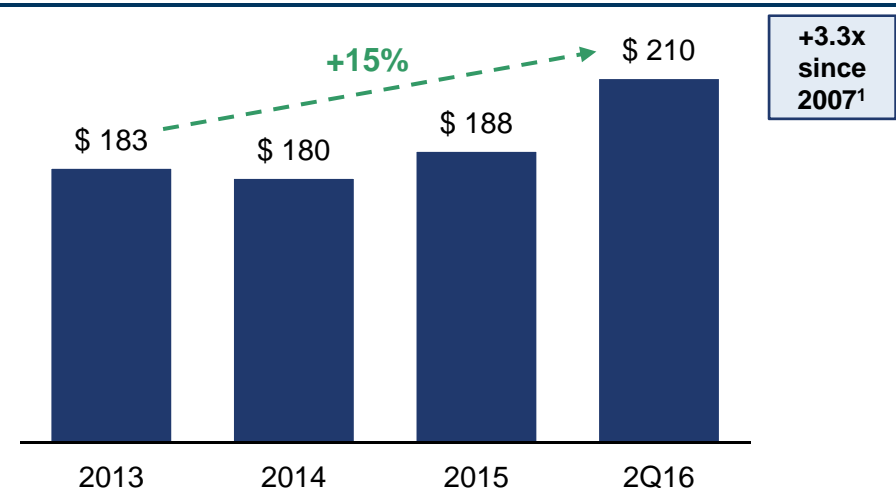
We continually enhance the models that drive the size of our GCLA

- Our Modeled Liquidity Outflow reflects potential contractual and contingent outflows of cash or collateral
- Our Intraday Liquidity Model provides an assessment of potential intraday liquidity needs
- Our long-term stress test takes a forward view on our liquidity positions through a prolonged stress period

2Q16 Avg. GCLA by Entity



Avg. GCLA Trend (\$bn)

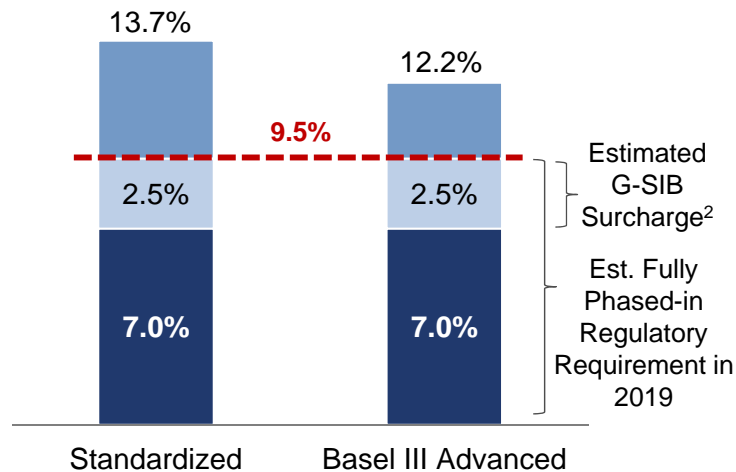


Currently exceed the fully phased-in 100% LCR requirement

¹ Prior to 4Q09, GCLA reflects loan value and subsequent periods reflect fair value

Capital Ratios

2Q16 Transitional CET1 Ratios¹



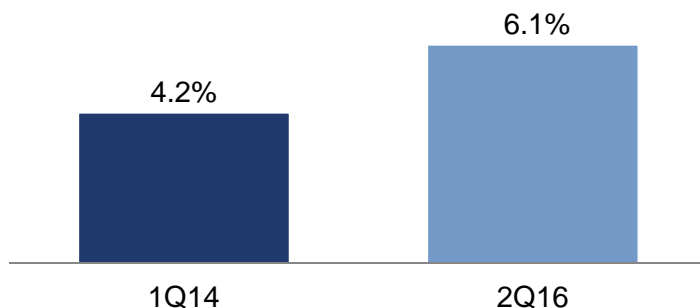
2Q16 Standardized RWAs (\$519bn)¹



2Q16 Basel III Advanced RWAs (\$579bn)¹



2Q16 Supplementary Leverage Ratio (SLR)³



- Under the Standardized approach, our CET1 ratio as of 2Q16 was 13.7% on a transitional basis and 13.1% on a fully phased-in basis
- Under the Basel III Advanced approach, our CET1 ratio as of 2Q16 was 12.2% on a transitional basis and 11.8% on a fully phased-in basis
- As of 2Q16 our fully phased-in SLR at the HoldCo of 6.1% is compliant with the 2018 requirements

¹ Calculated on a transitional basis based on the Federal Reserve Board's final rules

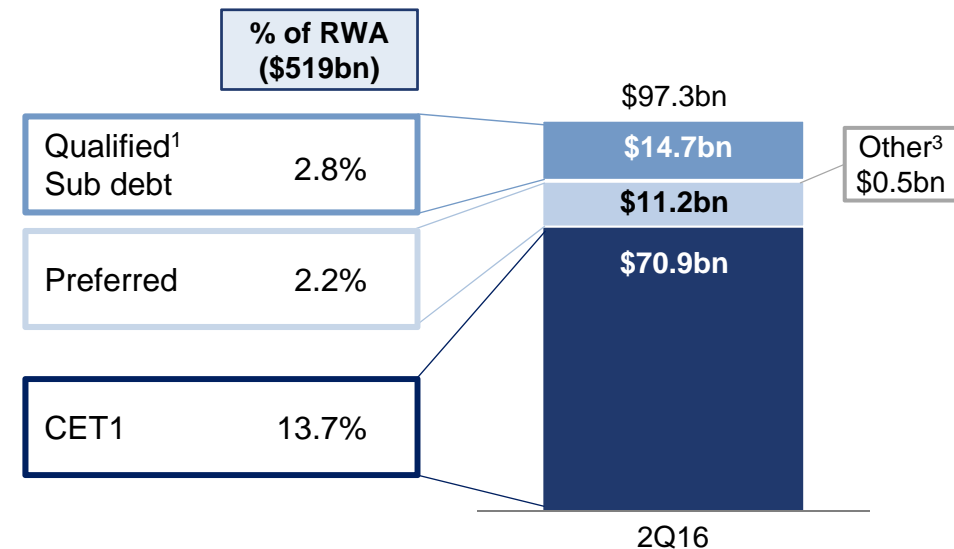
² Based on the Federal Reserve Board's G-SIB final rule issued in July 2015. Represents fully phased-in estimated G-SIB buffer based on 2015 financial data, a reduction from the 3.0% buffer effective January 1, 2016. The buffer in the future may differ from this estimate due to additional guidance from our regulators and/or positional changes

³ 1Q14 SLR reflects our best estimate based on the U.S. federal bank regulatory agencies' April 2014 proposal; 2Q16 SLR based on the U.S. federal bank regulatory agencies' final rule

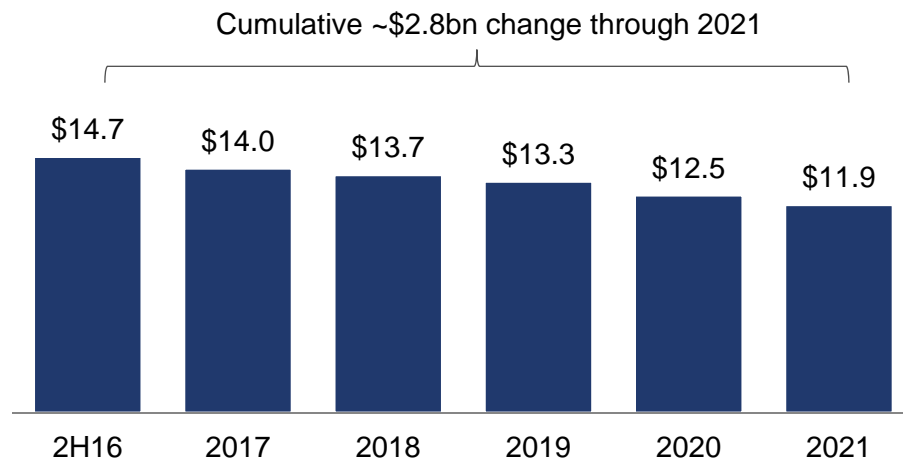
Tier 1 and Total Capital

- Our Tier 2 capital currently includes:
 - “Qualifying”¹ subordinated debt of ~\$14.7bn
 - Junior subordinated notes of ~\$0.8bn and add-back for the allowance on loan and lending commitments of ~\$0.7bn
- We currently exceed the spot minimums for preferreds and subordinated debt given that we manage to multiple requirements
- Our issuance strategy will continue to be opportunistic and informed by the evolution of capital requirements

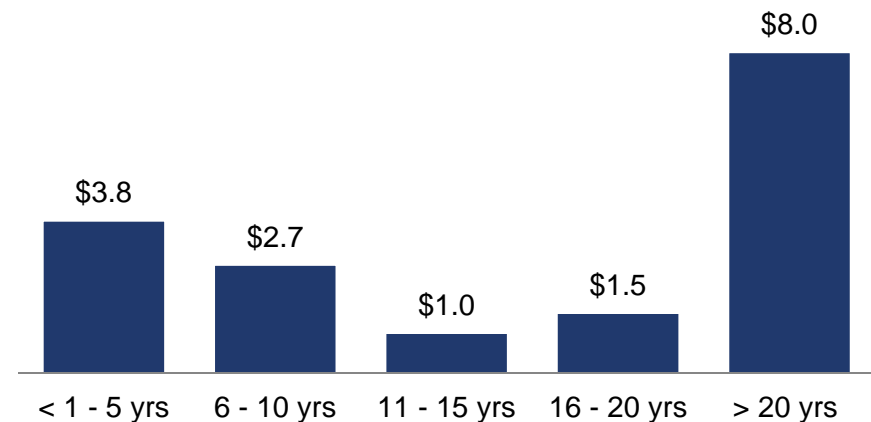
Total Capital: Standardized Approach



“Qualified” Subordinated Debt¹ (assuming no new issuance) (\$bn)



Total Subordinated Debt² Maturity Schedule (\$bn)



¹ Reflects subordinated debt which qualifies as capital

² Total subordinated debt reflected at par value excluding junior subordinated debt and subsidiary issuance

³ Other includes junior subordinated debt issued to trusts of \$0.8bn, a deduction for investments in covered funds of (\$0.4bn), allowance for losses on loans and lending commitments of \$0.7bn, and other adjustments to Tier 1 and Tier 2 Capital of (\$0.6bn)

Appendix

Appendix

Non-GAAP Measures

- In addition to preparing our condensed 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 the firm's assets and better enables investors to assess the liquidity of the firm's assets. The table below presents the reconciliation of the balance sheet allocation to our businesses to our U.S. GAAP balance sheet as of June 2016.

<i>\$ in millions</i>	GCLA and Cash	Secured Client Financing	Institutional Client Services	Investing & Lending	Total
<i>As of June 2016</i>					
Cash and cash equivalents	\$ 103,293	\$ -	\$ -	\$ -	\$ 103,293
Cash and securities segregated for regulatory and other purposes	-	64,620	-	-	64,620
Securities purchased under agreements to resell and federal funds sold	56,016	33,251	16,447	1,461	107,175
Securities borrowed	32,812	106,536	51,267	-	190,615
Receivables from brokers, dealers and clearing organizations	-	4,479	22,252	-	26,731
Receivables from customers and counterparties	-	24,341	24,129	3,240	51,710
Loans receivable	-	-	-	48,212	48,212
Financial instruments owned, at fair value	27,807	-	207,995	44,190	279,992
Subtotal	\$ 219,928	\$ 233,227	\$ 322,090	\$ 97,103	\$ 872,348
Other assets					24,495
Total assets					\$ 896,843

Fixed Income Investor Presentation

August 2, 2016
