

Second Quarter 2021 Earnings Results

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Second Quarter 2021 Earnings Results

Goldman Sachs Reports Second Quarter Earnings Per Common Share of \$15.02 and Increases the Quarterly Dividend to \$2.00 Per Common Share

“Our second quarter performance and record revenues for the first half of the year demonstrate the strength of our client franchise and our continued progress on our strategic priorities. While the economic recovery is underway, our clients and communities still face challenges in overcoming the pandemic. But, as always, I am proud of the dedication and resilience of our people, who have worked tirelessly to help our clients navigate the ever-changing market environment.”

- David M. Solomon, *Chairman and Chief Executive Officer*

Financial Summary

Net Revenues

| | |
|--------|-----------------|
| 2Q | \$15.39 billion |
| 2Q YTD | \$33.09 billion |

Net Earnings

| | |
|--------|-----------------|
| 2Q | \$5.49 billion |
| 2Q YTD | \$12.32 billion |

EPS

| | |
|--------|---------|
| 2Q | \$15.02 |
| 2Q YTD | \$33.64 |

Annualized ROE¹

| | |
|--------|-------|
| 2Q | 23.7% |
| 2Q YTD | 27.3% |

Annualized ROTE¹

| | |
|--------|-------|
| 2Q | 25.1% |
| 2Q YTD | 28.9% |

Book Value Per Share

| | |
|------------|----------|
| 2Q | \$264.90 |
| YTD Growth | 12.2% |

NEW YORK, July 13, 2021 – The Goldman Sachs Group, Inc. (NYSE: GS) today reported net revenues of \$15.39 billion and net earnings of \$5.49 billion for the second quarter ended June 30, 2021. Net revenues were \$33.09 billion and net earnings were \$12.32 billion for the first half of 2021.

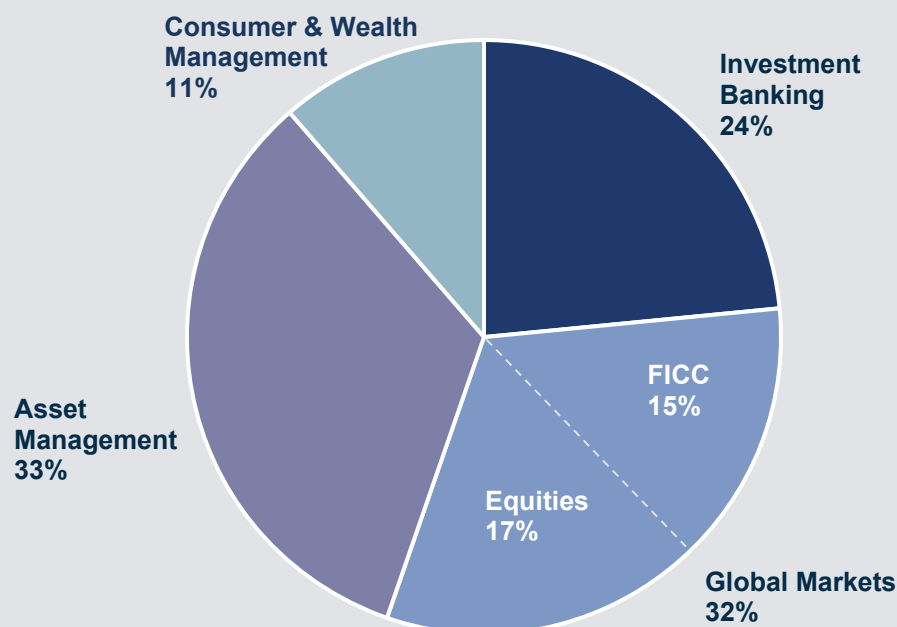
Diluted earnings per common share (EPS) was \$15.02 for the second quarter of 2021 compared with \$0.53 for the second quarter of 2020 and \$18.60 for the first quarter of 2021, and was \$33.64 for the first half of 2021 compared with \$3.66 for the first half of 2020. In the prior year, net provisions for litigation and regulatory proceedings reduced diluted EPS by \$8.23 for the second quarter of 2020 and \$8.76 for the first half of 2020.

Annualized return on average common shareholders' equity (ROE)¹ was 23.7% for the second quarter of 2021 and 27.3% for the first half of 2021. Annualized return on average tangible common shareholders' equity (ROTE)¹ was 25.1% for the second quarter of 2021 and 28.9% for the first half of 2021.

Highlights

- Strong overall firm performance continued in the second quarter as results reflected the second highest quarterly net revenues of \$15.39 billion, the second highest quarterly net earnings of \$5.49 billion and the second highest quarterly diluted EPS of \$15.02.
- Investment Banking generated its second highest quarterly net revenues of \$3.61 billion, which followed record net revenues in the first quarter of 2021. Quarterly net revenues were also the second highest in each of Financial advisory, Equity underwriting and Debt underwriting. The backlog² increased significantly compared with the end of 2020, ending the quarter at a record level.
- The firm ranked #1 in worldwide announced and completed mergers and acquisitions, worldwide equity and equity-related offerings, common stock offerings and initial public offerings for the year-to-date.³
- Global Markets generated quarterly net revenues of \$4.90 billion, reflecting solid client activity across both Fixed Income, Currency and Commodities (FICC) and Equities.
- Asset Management generated record quarterly net revenues of \$5.13 billion, reflecting record quarterly net revenues from Equity investments.
- Consumer & Wealth Management generated record quarterly net revenues of \$1.75 billion.
- Firmwide assets under supervision^{2,4} increased \$101 billion during the quarter, including long-term net inflows of \$22 billion, to a record \$2.31 trillion. Firmwide Management and other fees were a record \$1.84 billion for the second quarter of 2021.
- Book value per common share increased by 5.6% during the quarter and 12.2% during the first half of 2021 to \$264.90.
- On July 12, 2021, the Board of Directors of The Goldman Sachs Group, Inc. approved a 60% increase in the quarterly dividend to \$2.00 per common share beginning in the third quarter of 2021.

Quarterly Net Revenue Mix by Segment



| | |
|---|-----------------------|
| Investment Banking | |
| \$3.61 billion | |
| Global Markets | |
| \$4.90 billion | |
| FICC | \$2.32 billion |
| Equities | \$2.58 billion |
| Asset Management | |
| \$5.13 billion | |
| Consumer & Wealth Management | |
| \$1.75 billion | |

Net Revenues

Net revenues were \$15.39 billion for the second quarter of 2021, 16% higher than the second quarter of 2020 and 13% lower than the first quarter of 2021. The increase compared with the second quarter of 2020 reflected significantly higher net revenues in Asset Management, Investment Banking and Consumer & Wealth Management, partially offset by significantly lower net revenues in Global Markets.

Net Revenues

\$15.39 billion

Investment Banking

Net revenues in Investment Banking were \$3.61 billion for the second quarter of 2021, 36% higher than the second quarter of 2020 and 4% lower than a strong first quarter of 2021. The increase compared with the second quarter of 2020 reflected significantly higher net revenues in Financial advisory and Corporate lending and higher net revenues in Underwriting.

The increase in Financial advisory net revenues reflected an increase in completed mergers and acquisitions transactions. The increase in Corporate lending net revenues primarily reflected higher net interest income. The increase in Underwriting net revenues was due to higher net revenues in Equity underwriting, primarily driven by strong industry-wide initial public offering activity, partially offset by a significant decline in industry-wide secondary offerings. Debt underwriting net revenues were slightly lower, primarily reflecting significantly lower industry-wide investment-grade volumes, partially offset by elevated industry-wide leveraged finance volumes.

The firm's backlog² increased significantly compared with the end of 2020, and was higher compared with the end of the first quarter of 2021.

Investment Banking

\$3.61 billion

| | |
|---------------------------|-----------------------|
| Financial Advisory | \$1.26 billion |
| Underwriting | \$2.19 billion |
| Corporate Lending | \$159 million |

Global Markets

Net revenues in Global Markets were \$4.90 billion for the second quarter of 2021, 32% lower than a strong second quarter of 2020 and 35% lower than a strong first quarter of 2021.

Net revenues in FICC were \$2.32 billion, 45% lower than the second quarter of 2020, as the prior year period included strong activity levels due to high volatility amid the COVID-19 pandemic. The decrease in net revenues was due to significantly lower net revenues in FICC intermediation, reflecting significantly lower net revenues in interest rate products, credit products and commodities, and lower net revenues in mortgages and currencies. In addition, net revenues in FICC financing were lower, reflecting lower net revenues from repurchase agreements, partially offset by higher net revenues from mortgage lending.

Net revenues in Equities were \$2.58 billion, 12% lower than the second quarter of 2020, due to significantly lower net revenues in Equities intermediation, reflecting significantly lower net revenues in cash products and lower net revenues in derivatives. Net revenues in Equities financing were higher, reflecting higher average client balances.

Global Markets

\$4.90 billion

| | |
|--------------------------------|-----------------------|
| FICC Intermediation | \$1.90 billion |
| FICC Financing | \$423 million |
| FICC | \$2.32 billion |
| Equities Intermediation | \$1.77 billion |
| Equities Financing | \$815 million |
| Equities | \$2.58 billion |

Asset Management

Net revenues in Asset Management were \$5.13 billion for the second quarter of 2021, more than double the amount in the second quarter of 2020 and 11% higher than the first quarter of 2021. The increase compared with the second quarter of 2020 was primarily driven by significantly higher net revenues in Equity investments. In addition, Lending and debt investments net revenues, Incentive fees and Management and other fees were each higher.

The increase in Equity investments net revenues primarily reflected significantly higher net gains from investments in private equities, driven by company-specific events, including capital raises and sales, and improved corporate performance versus a challenging second quarter of 2020. The increase in Lending and debt investments net revenues was primarily due to higher net interest income. The increase in Incentive fees was due to harvesting. Management and other fees included the impact of higher average assets under supervision and higher other fees, partially offset by fee waivers on money market funds.

| Asset Management | |
|-------------------------------------|-----------------------|
| \$5.13 billion | |
| Management and Other Fees | \$727 million |
| Incentive Fees | \$ 78 million |
| Equity Investments | \$3.72 billion |
| Lending and Debt Investments | \$610 million |

Consumer & Wealth Management

Net revenues in Consumer & Wealth Management were \$1.75 billion for the second quarter of 2021, 28% higher than the second quarter of 2020 and essentially unchanged compared with the first quarter of 2021.

Net revenues in Wealth management were \$1.38 billion, 25% higher than the second quarter of 2020. Management and other fees were higher, reflecting the impact of higher average assets under supervision, and net revenues in Private banking and lending were higher, primarily reflecting higher loan balances.

Net revenues in Consumer banking were \$363 million, 41% higher than the second quarter of 2020, reflecting higher deposit and credit card balances.

| Consumer & Wealth Management | |
|------------------------------|-----------------------|
| \$1.75 billion | |
| Wealth Management | \$1.38 billion |
| Consumer Banking | \$363 million |

Provision for Credit Losses

Provision for credit losses was a net benefit of \$92 million for the second quarter of 2021, compared with net provisions of \$1.59 billion for the second quarter of 2020 and a net benefit of \$70 million for the first quarter of 2021. The second quarter of 2021 included reserve reductions on wholesale and consumer loans reflecting continued improvement in the broader economic environment following challenging conditions that began in the first half of 2020 as a result of the COVID-19 pandemic, partially offset by provisions related to portfolio growth (primarily in credit card loans).

The firm's allowance for credit losses was \$4.09 billion as of June 30, 2021.

| Provision for Credit Losses | |
|-----------------------------|--|
| \$(92) million | |

Operating Expenses

Operating expenses were \$8.64 billion for the second quarter of 2021, 17% lower than the second quarter of 2020 and 8% lower than the first quarter of 2021. The firm's efficiency ratio² for the first half of 2021 was 54.6%, compared with 76.6% for the first half of 2020.

The decrease in operating expenses compared with the second quarter of 2020 was due to significantly lower non-compensation expenses, partially offset by higher compensation and benefits expenses (reflecting strong performance). Within non-compensation expenses, net provisions for litigation and regulatory proceedings were significantly lower, partially offset by higher transaction based expenses and higher technology expenses (included in communications and technology and depreciation and amortization).

Net provisions for litigation and regulatory proceedings for the second quarter of 2021 were \$226 million compared with \$2.96 billion for the second quarter of 2020.

Headcount was essentially unchanged compared with the end of the first quarter of 2021.

Operating Expenses

\$8.64 billion

YTD Efficiency Ratio

54.6%

Provision for Taxes

The effective income tax rate for the first half of 2021 increased to 18.8% from 18.0% for the first quarter of 2021, primarily due to a decrease in the impact of tax benefits on the settlement of employee share-based awards in the first half of 2021 compared with the first quarter of 2021.

YTD Effective Tax Rate

18.8%

Other Matters

- On July 12, 2021, the Board of Directors of The Goldman Sachs Group, Inc. increased the quarterly dividend to \$2.00 per common share from \$1.25 per common share. The dividend will be paid on September 29, 2021 to common shareholders of record on September 1, 2021.
- During the quarter, the firm returned \$1.44 billion of capital to common shareholders, including \$1.00 billion of share repurchases (2.8 million shares at an average cost of \$350.90) and \$441 million of common stock dividends.²
- Global core liquid assets² averaged \$329 billion⁴ for the second quarter of 2021, compared with an average of \$299 billion for the first quarter of 2021.

Declared Quarterly Dividend Per Common Share

\$2.00

Common Share Repurchases

**2.8 million shares for
\$1.00 billion**

Average GCLA

\$329 billion

The Goldman Sachs Group, Inc. is a leading global financial institution that delivers a broad range of financial services across investment banking, securities, investment management and consumer banking to a large and diversified client base that includes corporations, financial institutions, governments and individuals. Founded in 1869, the firm is headquartered in New York and maintains offices in all major financial centers around the world.

Cautionary Note Regarding Forward-Looking Statements

This press release contains “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are not historical facts or statements of current conditions, 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, financial condition and liquidity may differ, possibly materially, from the anticipated results, financial condition and liquidity in these forward-looking statements. For information about some of the risks and important factors that could affect the firm’s future results, financial condition and liquidity, see “Risk Factors” in Part I, Item 1A of the firm’s Annual Report on Form 10-K for the year ended December 31, 2020.

Information regarding the firm’s assets under supervision, capital ratios, risk-weighted assets, supplementary leverage ratio, balance sheet data, global core liquid assets and VaR consists of preliminary estimates. These estimates are forward-looking statements and are subject to change, possibly materially, as the firm completes its financial statements.

Statements about the firm’s investment banking transaction backlog also may constitute forward-looking statements. Such statements are subject to the risk that transactions may be modified or may not be completed at all and related net revenues may not be realized or may be materially less than expected. Important factors that could have such a result include, for underwriting transactions, a decline or weakness in general economic conditions, an outbreak of hostilities, volatility in the securities markets or an adverse development with respect to the issuer of the securities and, for financial advisory transactions, a decline in the securities markets, an inability to obtain adequate financing, an adverse development with respect to a party to the transaction or a failure to obtain a required regulatory approval. For information about other important factors that could adversely affect the firm’s investment banking transactions, see “Risk Factors” in Part I, Item 1A of the firm’s Annual Report on Form 10-K for the year ended December 31, 2020.

Conference Call

A conference call to discuss the firm’s financial results, outlook and related matters will be held at 9:30 am (ET). The call will be open to the public. Members of the public who would like to listen to the conference call should dial 1-888-281-7154 (in the U.S.) or 1-706-679-5627 (outside the U.S.). The number should be dialed at least 10 minutes prior to the start of the conference call. The conference call will also be accessible as an audio webcast through the Investor Relations section of the firm’s website, www.goldmansachs.com/investor-relations. There is no charge to access the call. For those unable to listen to the live broadcast, a replay will be available on the firm’s website or by dialing 1-855-859-2056 (in the U.S.) or 1-404-537-3406 (outside the U.S.) passcode number 64774224 beginning approximately three hours after the event. Please direct any questions regarding obtaining access to the conference call to Goldman Sachs Investor Relations, via e-mail, at gs-investor-relations@gs.com.

Goldman Sachs Reports Second Quarter 2021 Earnings Results

The Goldman Sachs Group, Inc. and Subsidiaries

Segment Net Revenues (unaudited)

\$ in millions

| | THREE MONTHS ENDED | | | % CHANGE FROM | |
|---|--------------------|-------------------|------------------|-------------------|------------------|
| | JUNE 30, 2021 | MARCH 31, 2021 | JUNE 30, 2020 | MARCH 31, 2021 | JUNE 30, 2020 |
| INVESTMENT BANKING | | | | | |
| Financial advisory | \$ 1,257 | \$ 1,117 | \$ 686 | 13 % | 83 % |
| Equity underwriting | 1,243 | 1,569 | 1,057 | (21) | 18 |
| Debt underwriting | 950 | 880 | 990 | 8 | (4) |
| Underwriting | 2,193 | 2,449 | 2,047 | (10) | 7 |
| Corporate lending | 159 | 205 | (76) | (22) | N.M. |
| Net revenues | 3,609 | 3,771 | 2,657 | (4) | 36 |
| GLOBAL MARKETS | | | | | |
| FICC intermediation | 1,897 | 3,451 | 3,786 | (45) | (50) |
| FICC financing | 423 | 442 | 449 | (4) | (6) |
| FICC | 2,320 | 3,893 | 4,235 | (40) | (45) |
| Equities intermediation | 1,765 | 2,586 | 2,199 | (32) | (20) |
| Equities financing | 815 | 1,102 | 742 | (26) | 10 |
| Equities | 2,580 | 3,688 | 2,941 | (30) | (12) |
| Net revenues | 4,900 | 7,581 | 7,176 | (35) | (32) |
| ASSET MANAGEMENT | | | | | |
| Management and other fees | 727 | 693 | 684 | 5 | 6 |
| Incentive fees | 78 | 42 | 34 | 86 | 129 |
| Equity investments | 3,717 | 3,120 | 924 | 19 | 302 |
| Lending and debt investments | 610 | 759 | 459 | (20) | 33 |
| Net revenues | 5,132 | 4,614 | 2,101 | 11 | 144 |
| CONSUMER & WEALTH MANAGEMENT | | | | | |
| Management and other fees | 1,109 | 1,077 | 938 | 3 | 18 |
| Incentive fees | 15 | 26 | 10 | (42) | 50 |
| Private banking and lending | 260 | 264 | 155 | (2) | 68 |
| Wealth management | 1,384 | 1,367 | 1,103 | 1 | 25 |
| Consumer banking | 363 | 371 | 258 | (2) | 41 |
| Net revenues | 1,747 | 1,738 | 1,361 | 1 | 28 |
| Total net revenues | \$ 15,388 | \$ 17,704 | \$ 13,295 | (13) | 16 |

Geographic Net Revenues (unaudited)²

\$ in millions

| | THREE MONTHS ENDED | | |
|---------------------------|--------------------|-------------------|------------------|
| | JUNE 30, 2021 | MARCH 31, 2021 | JUNE 30, 2020 |
| Americas | \$ 9,957 | \$ 10,825 | \$ 8,289 |
| EMEA | 3,478 | 4,713 | 3,453 |
| Asia | 1,953 | 2,166 | 1,553 |
| Total net revenues | \$ 15,388 | \$ 17,704 | \$ 13,295 |
| Americas | 65% | 61% | 62% |
| EMEA | 22% | 27% | 26% |
| Asia | 13% | 12% | 12% |
| Total | 100% | 100% | 100% |

Goldman Sachs Reports Second Quarter 2021 Earnings Results

The Goldman Sachs Group, Inc. and Subsidiaries

Segment Net Revenues (unaudited)

\$ in millions

| | SIX MONTHS ENDED | | % CHANGE FROM JUNE 30, 2020 |
|---|------------------|------------------|-----------------------------------|
| | JUNE 30, 2021 | JUNE 30, 2020 | |
| INVESTMENT BANKING | | | |
| Financial advisory | \$ 2,374 | \$ 1,467 | 62 % |
| Equity underwriting | 2,812 | 1,435 | 96 |
| Debt underwriting | 1,830 | 1,573 | 16 |
| Underwriting | 4,642 | 3,008 | 54 |
| Corporate lending | 364 | 366 | (1) |
| Net revenues | 7,380 | 4,841 | 52 |
| GLOBAL MARKETS | | | |
| FICC intermediation | 5,348 | 6,323 | (15) |
| FICC financing | 865 | 881 | (2) |
| FICC | 6,213 | 7,204 | (14) |
| Equities intermediation | 4,351 | 3,727 | 17 |
| Equities financing | 1,917 | 1,408 | 36 |
| Equities | 6,268 | 5,135 | 22 |
| Net revenues | 12,481 | 12,339 | 1 |
| ASSET MANAGEMENT | | | |
| Management and other fees | 1,420 | 1,324 | 7 |
| Incentive fees | 120 | 188 | (36) |
| Equity investments | 6,837 | 902 | 658 |
| Lending and debt investments | 1,369 | (409) | N.M. |
| Net revenues | 9,746 | 2,005 | 386 |
| CONSUMER & WEALTH MANAGEMENT | | | |
| Management and other fees | 2,186 | 1,897 | 15 |
| Incentive fees | 41 | 79 | (48) |
| Private banking and lending | 524 | 337 | 55 |
| Wealth management | 2,751 | 2,313 | 19 |
| Consumer banking | 734 | 540 | 36 |
| Net revenues | 3,485 | 2,853 | 22 |
| Total net revenues | \$ 33,092 | \$ 22,038 | 50 |

Geographic Net Revenues (unaudited)²

\$ in millions

| | SIX MONTHS ENDED | |
|---------------------------|------------------|------------------|
| | JUNE 30, 2021 | JUNE 30, 2020 |
| Americas | \$ 20,782 | \$ 13,460 |
| EMEA | 8,191 | 5,561 |
| Asia | 4,119 | 3,017 |
| Total net revenues | \$ 33,092 | \$ 22,038 |
| Americas | 63% | 61% |
| EMEA | 25% | 25% |
| Asia | 12% | 14% |
| Total | 100% | 100% |

Goldman Sachs Reports Second Quarter 2021 Earnings Results

The Goldman Sachs Group, Inc. and Subsidiaries

Consolidated Statements of Earnings (unaudited)

In millions, except per share amounts and headcount

| | THREE MONTHS ENDED | | | % CHANGE FROM | |
|---|--------------------|-------------------|------------------|-------------------|------------------|
| | JUNE 30, 2021 | MARCH 31, 2021 | JUNE 30, 2020 | MARCH 31, 2021 | JUNE 30, 2020 |
| REVENUES | | | | | |
| Investment banking | \$ 3,450 | \$ 3,566 | \$ 2,733 | (3) % | 26 % |
| Investment management | 1,905 | 1,796 | 1,635 | 6 | 17 |
| Commissions and fees | 833 | 1,073 | 875 | (22) | (5) |
| Market making | 3,274 | 5,893 | 5,787 | (44) | (43) |
| Other principal transactions | 4,297 | 3,894 | 1,321 | 10 | 225 |
| Total non-interest revenues | 13,759 | 16,222 | 12,351 | (15) | 11 |
| Interest income | 2,939 | 3,054 | 3,034 | (4) | (3) |
| Interest expense | 1,310 | 1,572 | 2,090 | (17) | (37) |
| Net interest income | 1,629 | 1,482 | 944 | 10 | 73 |
| Total net revenues | 15,388 | 17,704 | 13,295 | (13) | 16 |
| Provision for credit losses | (92) | (70) | 1,590 | N.M. | N.M. |
| OPERATING EXPENSES | | | | | |
| Compensation and benefits | 5,263 | 6,043 | 4,478 | (13) | 18 |
| Transaction based | 1,125 | 1,256 | 1,014 | (10) | 11 |
| Market development | 115 | 80 | 89 | 44 | 29 |
| Communications and technology | 371 | 375 | 345 | (1) | 8 |
| Depreciation and amortization | 520 | 498 | 499 | 4 | 4 |
| Occupancy | 241 | 247 | 233 | (2) | 3 |
| Professional fees | 344 | 360 | 311 | (4) | 11 |
| Other expenses | 661 | 578 | 3,445 | 14 | (81) |
| Total operating expenses | 8,640 | 9,437 | 10,414 | (8) | (17) |
| Pre-tax earnings | 6,840 | 8,337 | 1,291 | (18) | 430 |
| Provision for taxes | 1,354 | 1,501 | 918 | (10) | 47 |
| Net earnings | 5,486 | 6,836 | 373 | (20) | N.M. |
| Preferred stock dividends | 139 | 125 | 176 | 11 | (21) |
| Net earnings applicable to common shareholders | \$ 5,347 | \$ 6,711 | \$ 197 | (20) | N.M. |
| EARNINGS PER COMMON SHARE² | | | | | |
| Basic | \$ 15.22 | \$ 18.80 | \$ 0.53 | (19) % | N.M. % |
| Diluted | \$ 15.02 | \$ 18.60 | \$ 0.53 | (19) | N.M. |
| AVERAGE COMMON SHARES | | | | | |
| Basic | 350.8 | 356.6 | 355.7 | (2) | (1) |
| Diluted | 356.0 | 360.9 | 355.7 | (1) | - |
| SELECTED DATA AT PERIOD-END | | | | | |
| Common shareholders' equity | \$ 92,687 | \$ 88,461 | \$ 78,826 | 5 | 18 |
| Basic shares ² | 349.9 | 352.7 | 355.8 | (1) | (2) |
| Book value per common share | \$ 264.90 | \$ 250.81 | \$ 221.55 | 6 | 20 |
| Headcount | 40,800 | 40,300 | 39,100 | 1 | 4 |

Goldman Sachs Reports
Second Quarter 2021 Earnings Results

The Goldman Sachs Group, Inc. and Subsidiaries

Consolidated Statements of Earnings (unaudited)

In millions, except per share amounts

| | SIX MONTHS ENDED | | % CHANGE FROM JUNE 30, 2020 |
|---|------------------|------------------|-----------------------------------|
| | JUNE 30, 2021 | JUNE 30, 2020 | |
| REVENUES | | | |
| Investment banking | \$ 7,016 | \$ 4,475 | 57 % |
| Investment management | 3,701 | 3,403 | 9 |
| Commissions and fees | 1,906 | 1,895 | 1 |
| Market making | 9,167 | 9,469 | (3) |
| Other principal transactions | 8,191 | 539 | N.M. |
| Total non-interest revenues | 29,981 | 19,781 | 52 |
| Interest income | 5,993 | 7,784 | (23) |
| Interest expense | 2,882 | 5,527 | (48) |
| Net interest income | 3,111 | 2,257 | 38 |
| Total net revenues | 33,092 | 22,038 | 50 |
| Provision for credit losses | (162) | 2,527 | N.M. |
| OPERATING EXPENSES | | | |
| Compensation and benefits | 11,306 | 7,713 | 47 |
| Transaction based | 2,381 | 2,044 | 16 |
| Market development | 195 | 242 | (19) |
| Communications and technology | 746 | 666 | 12 |
| Depreciation and amortization | 1,018 | 936 | 9 |
| Occupancy | 488 | 471 | 4 |
| Professional fees | 704 | 658 | 7 |
| Other expenses | 1,239 | 4,142 | (70) |
| Total operating expenses | 18,077 | 16,872 | 7 |
| Pre-tax earnings | 15,177 | 2,639 | 475 |
| Provision for taxes | 2,855 | 1,053 | 171 |
| Net earnings | 12,322 | 1,586 | 677 |
| Preferred stock dividends | 264 | 266 | (1) |
| Net earnings applicable to common shareholders | \$ 12,058 | \$ 1,320 | 813 |
| EARNINGS PER COMMON SHARE² | | | |
| Basic | \$ 34.06 | \$ 3.66 | 831 % |
| Diluted | \$ 33.64 | \$ 3.66 | 819 |
| AVERAGE COMMON SHARES | | | |
| Basic | 353.6 | 356.8 | (1) |
| Diluted | 358.4 | 356.8 | - |

Goldman Sachs Reports Second Quarter 2021 Earnings Results

The Goldman Sachs Group, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets (unaudited)⁴

\$ in billions

| | AS OF | |
|---|------------------|-------------------|
| | JUNE 30, 2021 | MARCH 31, 2021 |
| ASSETS | | |
| Cash and cash equivalents | \$ 240 | \$ 191 |
| Collateralized agreements | 350 | 325 |
| Customer and other receivables | 162 | 165 |
| Trading assets | 376 | 374 |
| Investments | 91 | 88 |
| Loans | 131 | 121 |
| Other assets | 38 | 38 |
| Total assets | \$ 1,388 | \$ 1,302 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Deposits | \$ 306 | \$ 286 |
| Collateralized financings | 217 | 193 |
| Customer and other payables | 239 | 224 |
| Trading liabilities | 199 | 201 |
| Unsecured short-term borrowings | 62 | 58 |
| Unsecured long-term borrowings | 239 | 219 |
| Other liabilities | 24 | 23 |
| Total liabilities | 1,286 | 1,204 |
| Shareholders' equity | 102 | 98 |
| Total liabilities and shareholders' equity | \$ 1,388 | \$ 1,302 |

Capital Ratios and Supplementary Leverage Ratio (unaudited)^{2,4}

\$ in billions

| | AS OF | |
|-------------------------------------|-------------------|-------------------|
| | JUNE 30, 2021 | MARCH 31, 2021 |
| Common equity tier 1 capital | \$ 89.4 | \$ 85.2 |
| STANDARDIZED CAPITAL RULES | | |
| Risk-weighted assets | \$ 621 | \$ 595 |
| Common equity tier 1 capital ratio | 14.4% | 14.3% |
| ADVANCED CAPITAL RULES | | |
| Risk-weighted assets | \$ 667 | \$ 630 |
| Common equity tier 1 capital ratio | 13.4% | 13.5% |
| SUPPLEMENTARY LEVERAGE RATIO | | |
| Supplementary leverage ratio | 5.5% ⁵ | 6.5% |

Average Daily VaR (unaudited)^{2,4}

\$ in millions

| | THREE MONTHS ENDED | |
|------------------------|--------------------|-------------------|
| | JUNE 30, 2021 | MARCH 31, 2021 |
| RISK CATEGORIES | | |
| Interest rates | \$ 64 | \$ 58 |
| Equity prices | 48 | 51 |
| Currency rates | 13 | 12 |
| Commodity prices | 22 | 22 |
| Diversification effect | (57) | (54) |
| Total | \$ 90 | \$ 89 |

Goldman Sachs Reports Second Quarter 2021 Earnings Results

The Goldman Sachs Group, Inc. and Subsidiaries

Assets Under Supervision (unaudited)^{2,4}

\$ in billions

| SEGMENT | AS OF | | |
|------------------------------|------------------|-------------------|------------------|
| | JUNE 30, 2021 | MARCH 31, 2021 | JUNE 30, 2020 |
| Asset Management | \$ 1,633 | \$ 1,567 | \$ 1,499 |
| Consumer & Wealth Management | 672 | 637 | 558 |
| Total AUS | \$ 2,305 | \$ 2,204 | \$ 2,057 |
| ASSET CLASS | | | |
| Alternative investments | \$ 211 | \$ 197 | \$ 179 |
| Equity | 558 | 516 | 394 |
| Fixed income | 914 | 885 | 817 |
| Total long-term AUS | 1,683 | 1,598 | 1,390 |
| Liquidity products | 622 | 606 | 667 |
| Total AUS | \$ 2,305 | \$ 2,204 | \$ 2,057 |

| ASSET MANAGEMENT | THREE MONTHS ENDED | | |
|--|--------------------|-------------------|------------------|
| | JUNE 30, 2021 | MARCH 31, 2021 | JUNE 30, 2020 |
| Beginning balance | \$ 1,567 | \$ 1,530 | \$ 1,309 |
| Net inflows / (outflows): | | | |
| Alternative investments | 3 | 3 | (2) |
| Equity | (5) | 3 | 3 |
| Fixed income | 12 | 16 | 6 |
| Total long-term AUS net inflows / (outflows) | 10 | 22 | 7 |
| Liquidity products | 16 | 29 | 121 |
| Total AUS net inflows / (outflows) | 26 | 51 | 128 |
| Net market appreciation / (depreciation) | 40 | (14) | 62 |
| Ending balance | \$ 1,633 | \$ 1,567 | \$ 1,499 |
| CONSUMER & WEALTH MANAGEMENT | | | |
| Beginning balance | \$ 637 | \$ 615 | \$ 509 |
| Net inflows / (outflows): | | | |
| Alternative investments | 5 | 2 | - |
| Equity | 8 | 11 | (1) |
| Fixed income | (1) | 2 | - |
| Total long-term AUS net inflows / (outflows) | 12 | 15 | (1) |
| Liquidity products | - | (6) | 12 |
| Total AUS net inflows / (outflows) | 12 | 9 | 11 |
| Net market appreciation / (depreciation) | 23 | 13 | 38 |
| Ending balance | \$ 672 | \$ 637 | \$ 558 |
| FIRMWIDE | | | |
| Beginning balance | \$ 2,204 | \$ 2,145 | \$ 1,818 |
| Net inflows / (outflows): | | | |
| Alternative investments | 8 | 5 | (2) |
| Equity | 3 | 14 | 2 |
| Fixed income | 11 | 18 | 6 |
| Total long-term AUS net inflows / (outflows) | 22 | 37 | 6 |
| Liquidity products | 16 | 23 | 133 |
| Total AUS net inflows / (outflows) | 38 | 60 | 139 |
| Net market appreciation / (depreciation) | 63 | (1) | 100 |
| Ending balance | \$ 2,305 | \$ 2,204 | \$ 2,057 |

Footnotes

- Annualized ROE is calculated by dividing annualized net earnings applicable to common shareholders by average monthly common shareholders' equity. Annualized ROTE is calculated by dividing annualized 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:

| <i>Unaudited, \$ in millions</i> | AVERAGE FOR THE | |
|--------------------------------------|-------------------------------------|-----------------------------------|
| | THREE MONTHS ENDED JUNE 30, 2021 | SIX MONTHS ENDED JUNE 30, 2021 |
| Total shareholders' equity | \$ 99,294 | \$ 97,735 |
| Preferred stock | (9,203) | (9,489) |
| Common shareholders' equity | 90,091 | 88,246 |
| Goodwill | (4,332) | (4,332) |
| Identifiable intangible assets | (552) | (581) |
| Tangible common shareholders' equity | \$ 85,207 | \$ 83,333 |

- For information about the following items, see the referenced sections in Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the firm's Quarterly Report on Form 10-Q for the period ended March 31, 2021: (i) investment banking transaction backlog – see "Results of Operations – Investment Banking" (ii) assets under supervision – see "Results of Operations – Assets Under Supervision" (iii) efficiency ratio – see "Results of Operations – Operating Expenses" (iv) share repurchase program – see "Equity Capital Management and Regulatory Capital – Equity Capital Management" (v) global core liquid assets – see "Risk Management – Liquidity Risk Management" (vi) basic shares – see "Balance Sheet and Funding Sources – Balance Sheet Analysis and Metrics" and (vii) VaR – see "Risk Management – Market Risk Management."

For information about the following items, see the referenced sections in Part I, Item 1 "Financial Statements (Unaudited)" in the firm's Quarterly Report on Form 10-Q for the period ended March 31, 2021: (i) risk-based capital ratios and the supplementary leverage ratio – see Note 20 "Regulation and Capital Adequacy" (ii) geographic net revenues – see Note 25 "Business Segments" and (iii) unvested share-based awards that have non-forfeitable rights to dividends or dividend equivalents in calculating EPS – see Note 21 "Earnings Per Common Share."

- Dealogic – January 1, 2021 through June 30, 2021.
- Represents a preliminary estimate for the second quarter of 2021 and may be revised in the firm's Quarterly Report on Form 10-Q for the period ended June 30, 2021.
- Effective April 1, 2021, the Federal Reserve's temporary amendment permitting the exclusion of average holdings of U.S. Treasury securities and average deposits at the Federal Reserve from the calculation of the supplementary leverage ratio expired. The impact of this change was a decrease in the firm's supplementary leverage ratio of approximately 0.8 percentage points.