

Goldman Sachs Presentation to Credit Suisse Financial Services Conference

Lloyd C. Blankfein
Chairman and Chief Executive Officer

February 10, 2015



Cautionary Note on Forward-Looking Statements

Today's presentation may include forward-looking statements. These statements represent the Firm's belief regarding future events that, by their nature, are uncertain and outside of the Firm's control. The Firm's actual results and financial condition may differ, possibly materially, from what is indicated in those forward-looking statements.

For a discussion of some of the risks and factors that could affect the Firm's future results and financial condition, please see the description of "Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2013. You should also read the forward-looking disclaimer in our quarterly Form 10-Q for the period ended September 30, 2014, particularly as it relates to estimated 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.

The statements in the presentation are current only as of its date, February 10, 2015.

2015 State of the Franchise

Where we've been, and where we're headed

Strong Financial Foundation

- The starting point of everything we do
 - Helps ensure stability and positions for opportunity
 - Positions firm to add value when it matters most

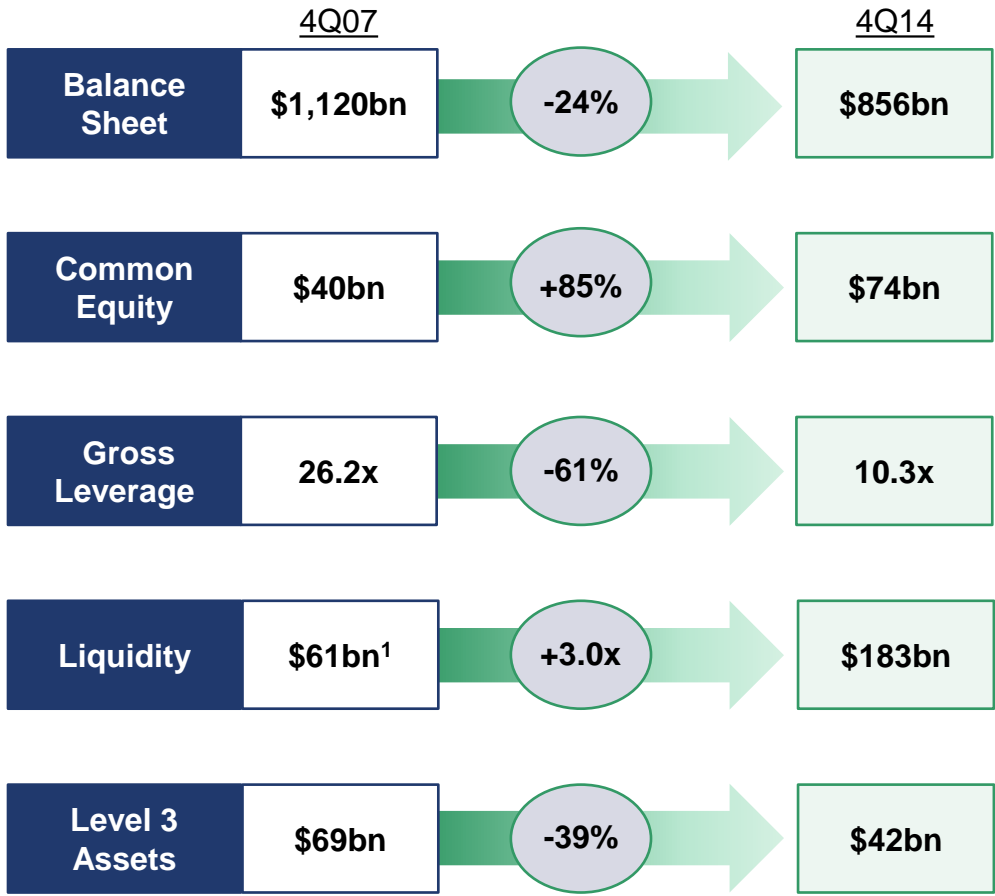
Operating Strategy

- Maintain franchise and target new opportunities
- Efficiently manage the levers we can: Capital & Expenses
- Defend returns in a challenging environment

Capitalize on the Forward

- Well positioned for future growth opportunities
 - Significant embedded operating leverage

Significantly Improved Financial Profile

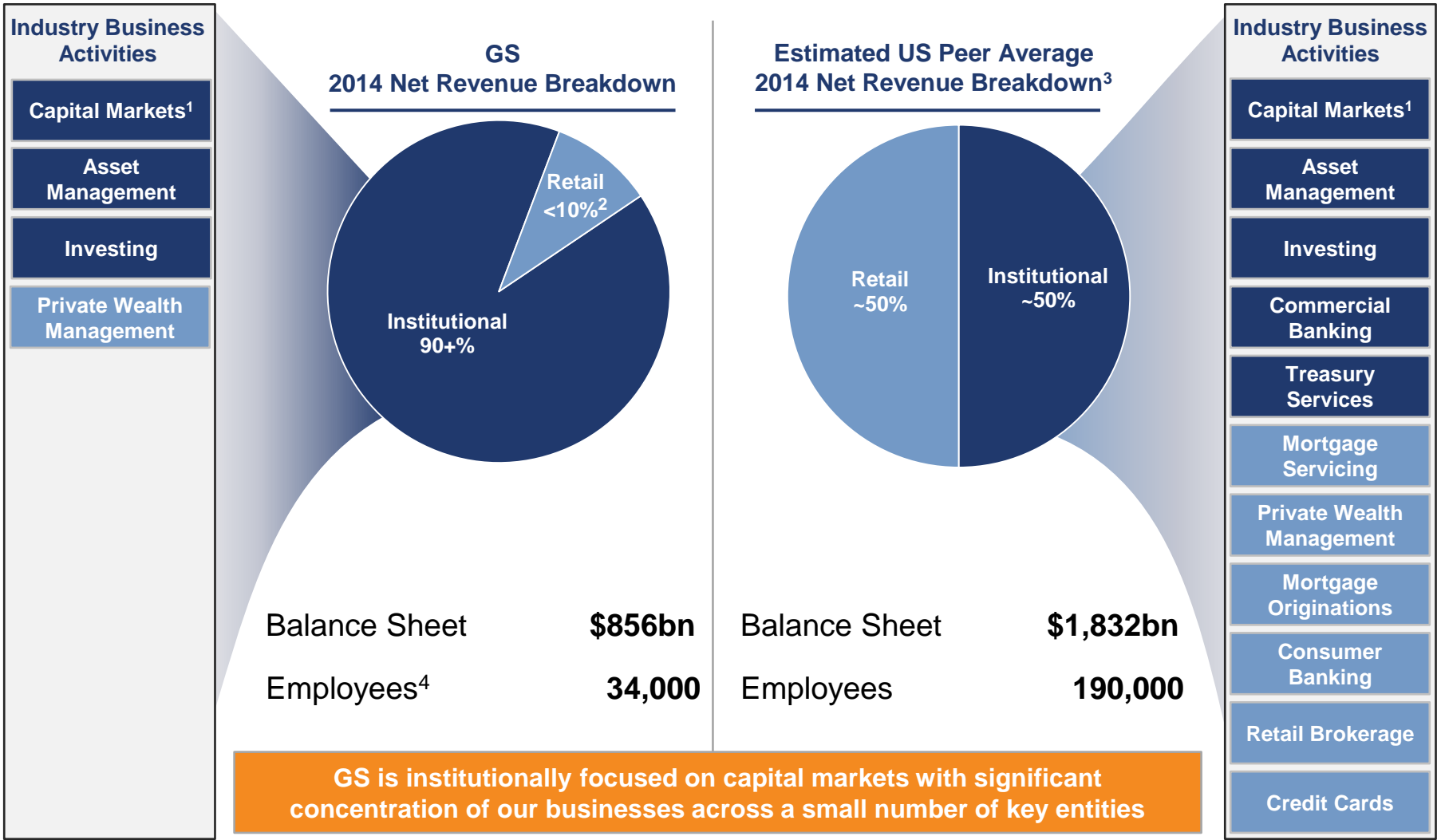


Underpinning these improvements are new regulations that lock-in liquidity and capital at historically high levels and reduce risk

- Basel III Capital Requirements
- Supplementary Leverage Ratio
- CCAR Stress Test
- Total Loss Absorbing Capacity
- Liquidity Coverage Ratio
- Net Stable Funding Ratio

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

Institutional Focus Drives Revenue Opportunities



¹Comprised of investment banking and market-making in equities, fixed income, currencies and commodity products

²Reflects revenues from Private Wealth Management, inclusive of lending to high net worth clients

³US peers comprised of BAC, C, JPM, and MS

⁴Total Staff

Diversified Client-Driven Franchise

Safety & Soundness

Operating Strategy

Capitalize on Opportunities

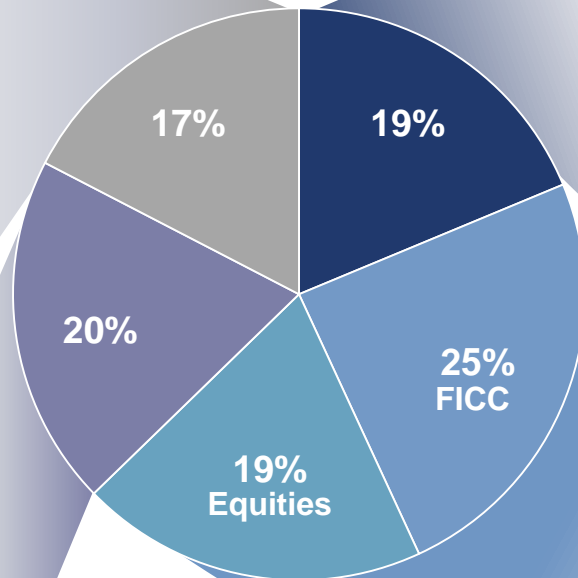
Investment Management

- ~14,000 clients across PWM, Institutions and Third Party Distributors
- Average PWM account size of >\$40mm
- Strong investment performance for clients with 75% of mutual fund assets ranked in the 1st or 2nd quartiles over 5 years
- Global, broad and deep offering managing assets in all major asset classes and serving clients in over 120 countries

Investing & Lending

- Diversified investments:
 - Private Equity
 - Mezzanine Debt
 - Senior Loans
 - Real Estate
 - Infrastructure
- Generating strong risk-adjusted returns from Investing & Lending portfolios over the long-term

2014 Net Revenues



Investment Banking

- More than 8,000 clients globally in nearly 100 countries and a broad range of industries
- #1 ranked merger advisor and equity underwriting franchise
- Advice, capital raising, hedging and risk management solutions

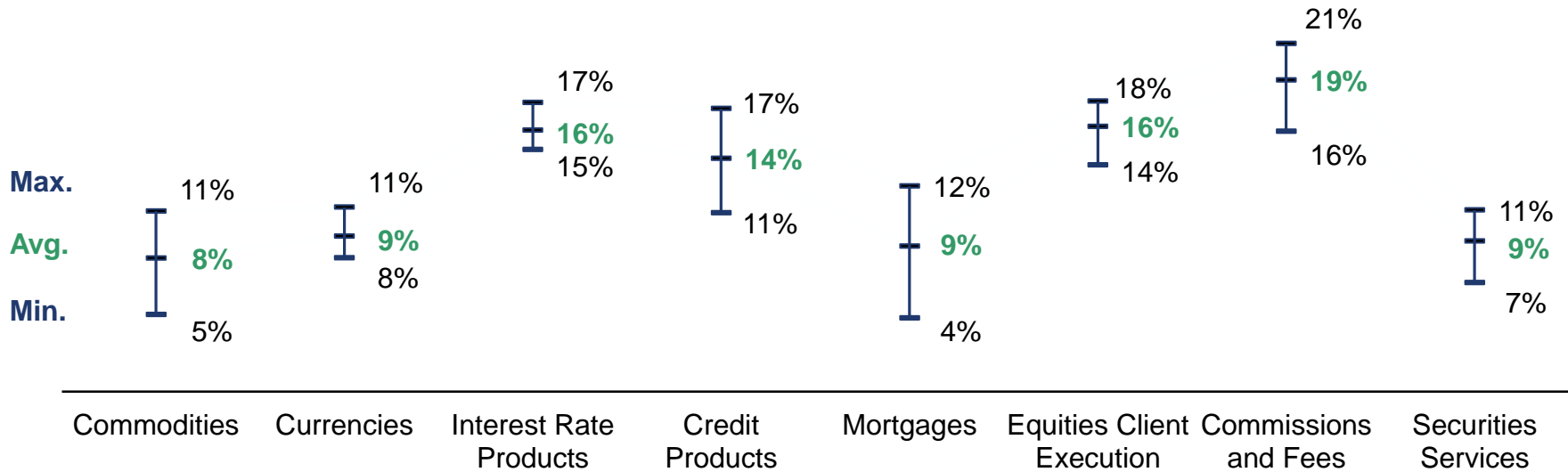
Institutional Client Services

- ~7,000 active clients, up 12% since 2010
- Leading franchise in both FICC and Equities
- Comprehensive suite of capabilities
 - Liquidity provisioning
 - Execution
 - Trade analytics

Case Study: Institutional Client Services



Contribution to ICS Revenues (2010 – 2014)



- A decade ago, we consolidated our management of FICC and Equities to run our businesses in aggregate
 - Consistent with our clients who use multiple products, our approach provides efficiency, better content and idea generation
 - Allows us to respond to changes in client activity
- Balanced offering provides stability to revenues, earnings and returns

Over the past 5 years, no business has contributed more than 21% or less than 4% of ICS revenues on an annual basis

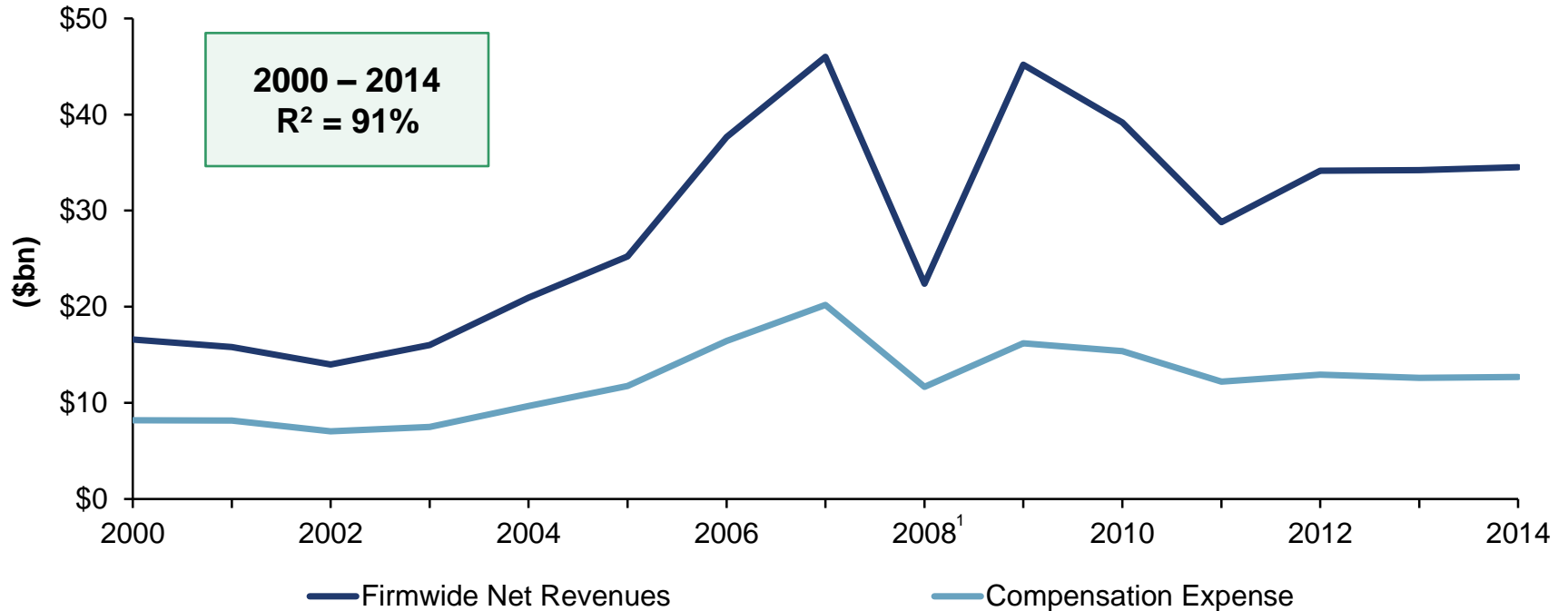
Variable Cost Structure

Safety & Soundness

Operating Strategy

Capitalize on Opportunities

2000 – 2014 GS Firmwide Net Revenue and Compensation Expense Relationship



- Our culture of paying for performance stems from our unique partnership culture, dating back to when the firm was a private institution

Our variable cost structure provides a competitive advantage and a valuable lever to protect the firm

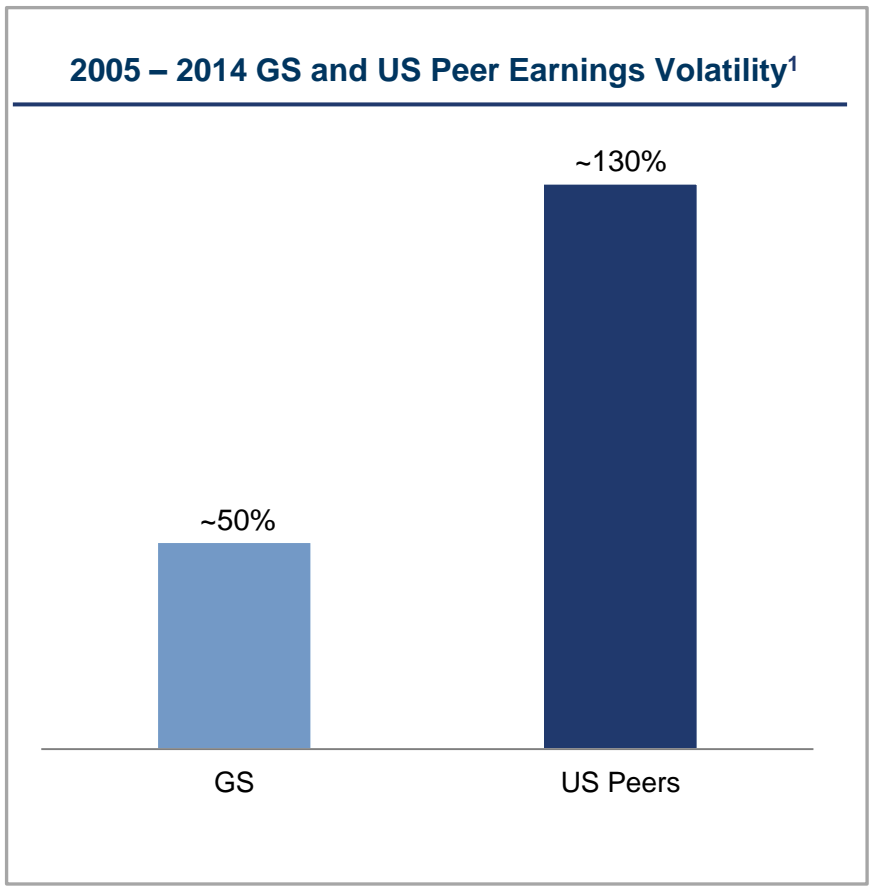
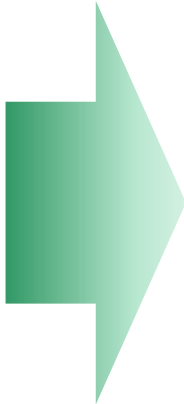
¹2008 includes December

Superior Earnings Performance and Stability



Balanced revenue mix coupled with flexible compensation expense and conservative risk management has driven more stable earnings compared to peers

- Diversified businesses
 - Across products and geography
- Variable cost structure
 - Discretionary compensation
- Strong risk management track record
 - Robust and comprehensive stress testing



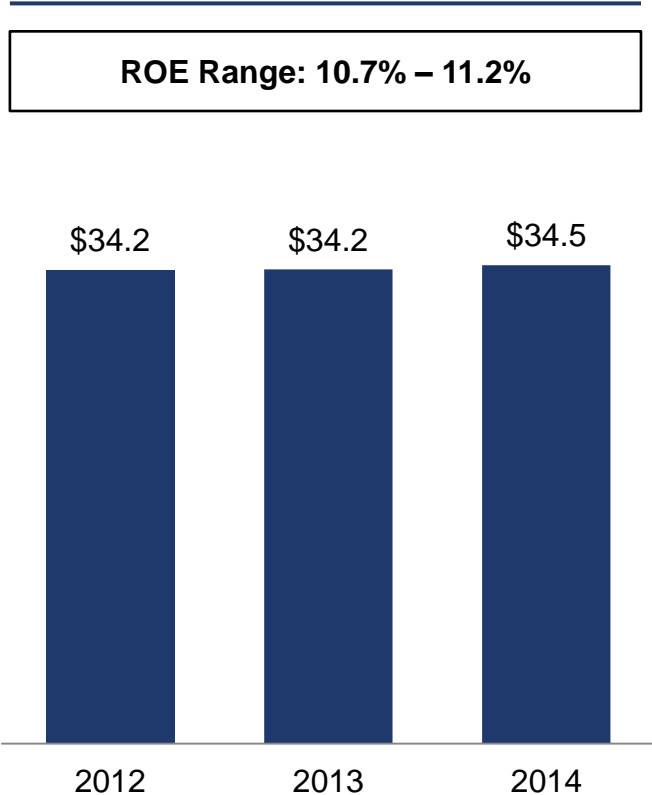
¹US peers comprised of BAC, C, JPM and MS; earnings volatility measured by the standard deviation of reported annual net income to common relative to average annual net income to common; calculation includes December 2008 for GS and MS

Improvement of Absolute Performance



Despite operating in a more challenging revenue environment, GS has continued to deliver best-in-class returns while significantly growing our capital

Total Net Revenues (\$bn)



ROE Range: 10.7% – 11.2%

vs. 2012YE

| | |
|-------------------------------------|----------|
| EPS Growth: | +21% |
| BVPS Growth: | +13% |
| Dividend Growth: | +27% |
| Cumulative Buybacks: | \$16bn |
| Common Capital Ratio ¹ : | +~200bps |

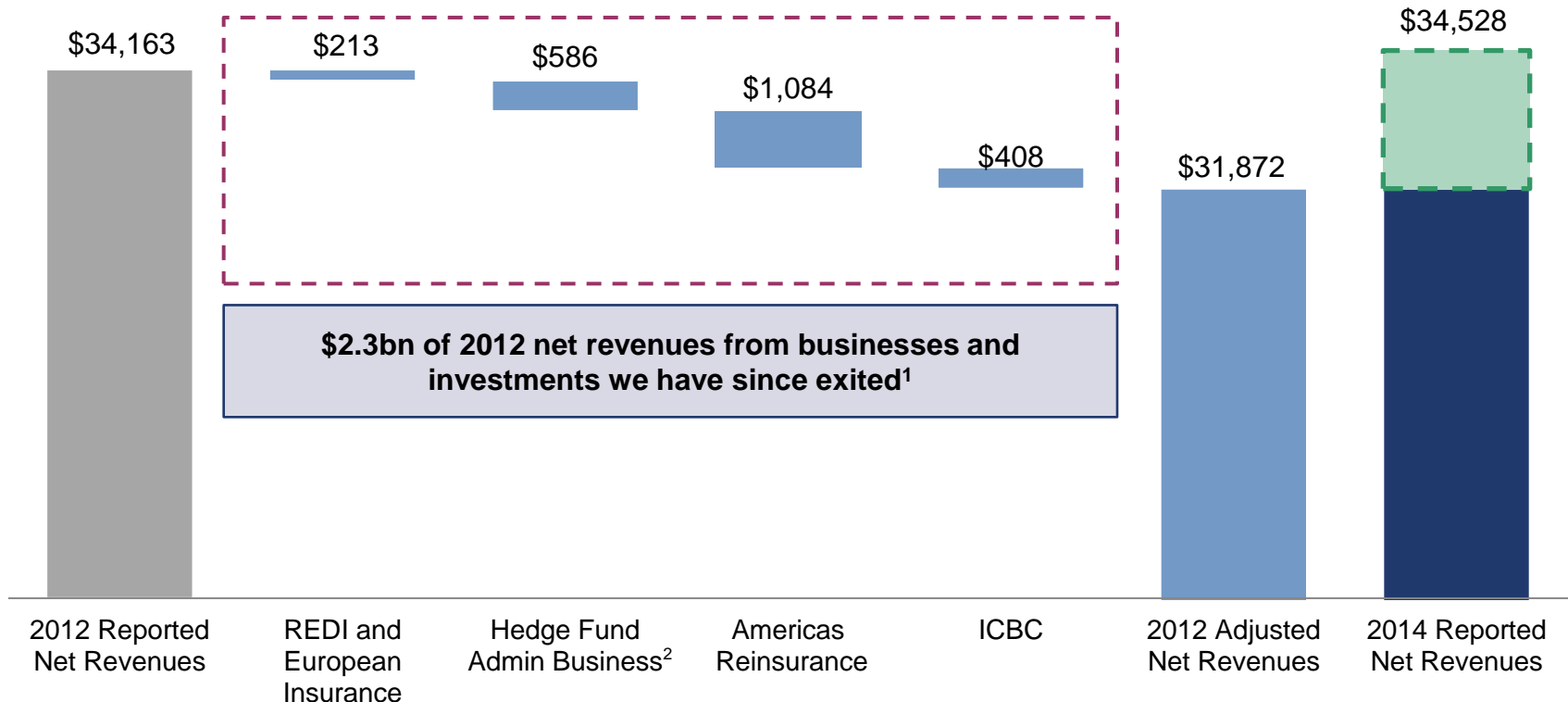
¹2014YE Basel III Common Equity Tier 1 Ratio computed on a fully phased-in basis under the advanced approach compared with 2012YE computed under Basel International Standards

Net Revenue Replacement



While prudently managing expenses and capital we have successfully replaced revenue streams

Net Revenue Growth 2012 – 2014 (\$mm)



¹Net revenues from businesses and investments we have exited reflect both operating net revenues and gains on sales
²Includes \$494mm gain on sale

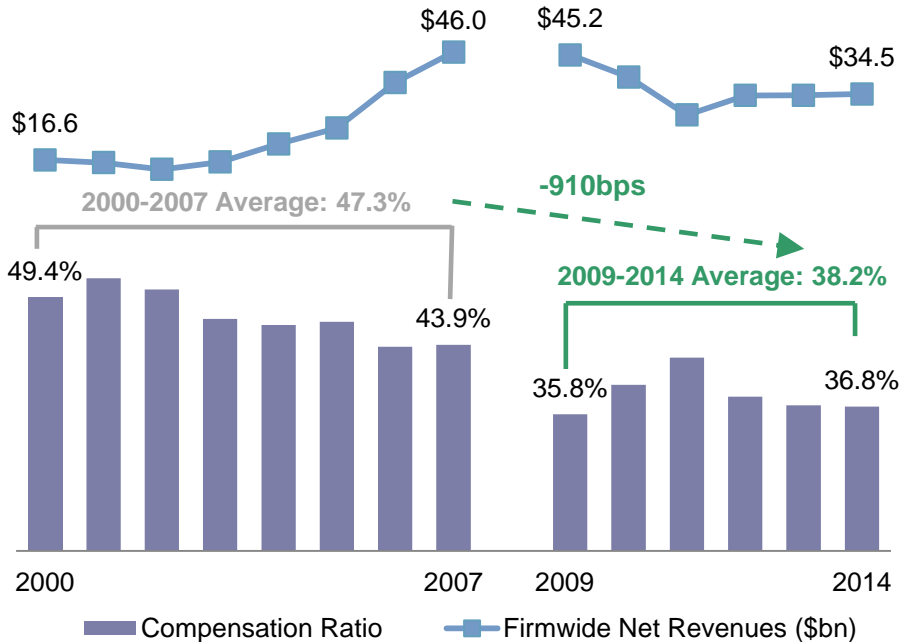
Improved Operating and Capital Efficiency



During the low part of the cycle, the focus is on expense and capital management

Expense Management

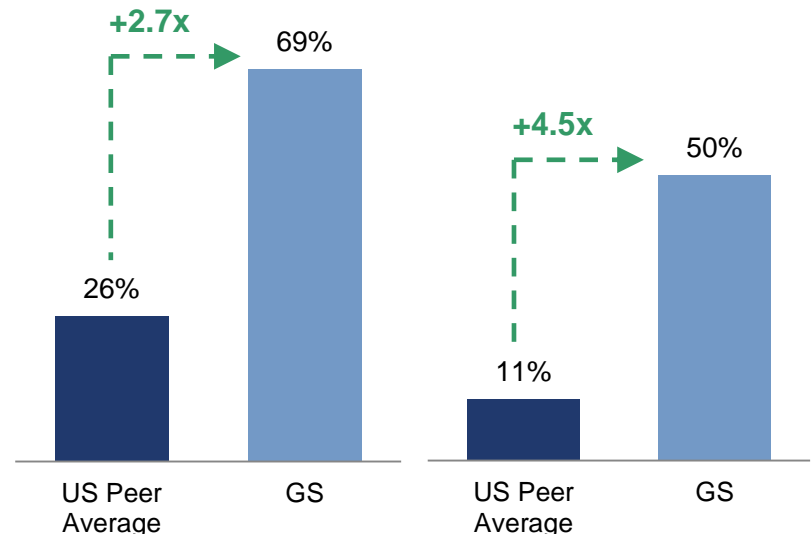
GS Compensation Ratio and Net Revenues



Capital Management

Total Payout Ratio: 2009-2014^{1,2}

Total Capital Return as % of 2009 Common Equity³



GS basic share count has declined ~17% since 4Q09 and is just 6% above our record low in 3Q07⁴

¹US Peers comprised of C, JPM and MS

²Reflects total repurchases of common stock and total dividends to common shareholders

³US Peers comprised of BAC, C, JPM and MS

⁴Basic common shares outstanding includes common stock and RSUs for which no future service is required as a condition to the delivery of the underlying common stock

Safety & Soundness

Operating Strategy

Capitalize on Opportunities

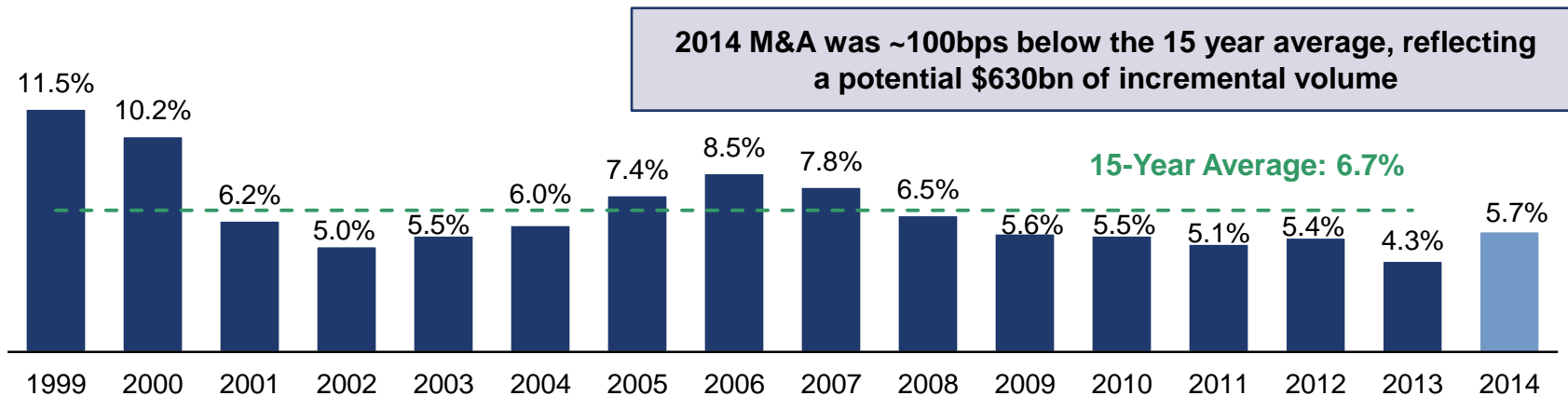
Announced M&A

| Year | Rank | Dominant Sector |
|------|------|-----------------------------|
| 1999 | #1 | Technology, Media & Telecom |
| 2008 | #1 | Financials |
| 2014 | #1 | Natural Resources |

Key Revenue Opportunities

- Global economic growth
 - Expected global real GDP growth of ~20% over the next 5 years¹
- Increased cross-border activity
 - ~40% of 2014 GS M&A deal volume came from strategic cross-border deals
- Growth in global equity and debt markets
 - Global market cap grew ~40% over the last 5 years
 - Global debt market grew ~20% in last 5 years²

Global M&A as a Percentage of Average Annual Global Market Capitalization³



¹Expected global GDP growth from 2014YE to 2019YE, per Goldman Sachs Global Investment Research

²Estimated global debt market growth per Bank of International Settlements

³Investment banking league table rankings and industry volumes per Thomson Reuters; global market capitalization per Factset

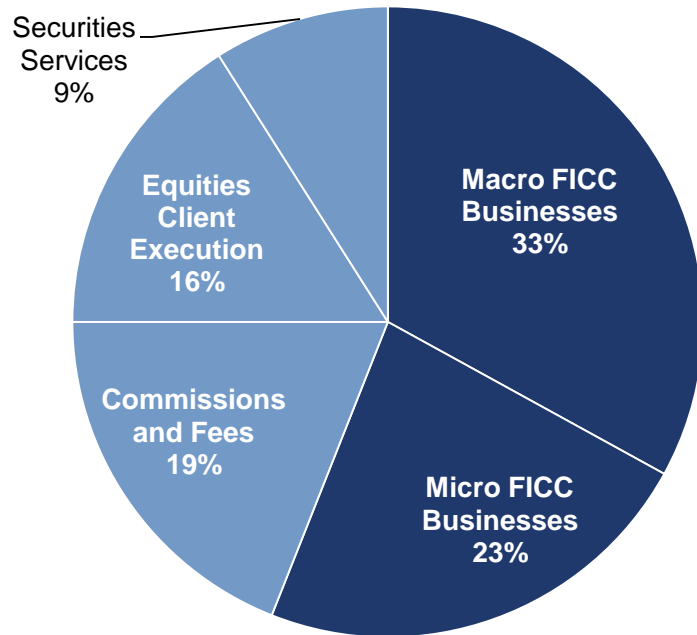
Institutional Client Services

Safety & Soundness

Operating Strategy

Capitalize on Opportunities

Average ICS Revenue Contribution 2010 – 2014¹



- Leading franchise in both FICC and Equities
- Improved operating and capital efficiency
- Pre-tax margin growth of >300bps versus 2013

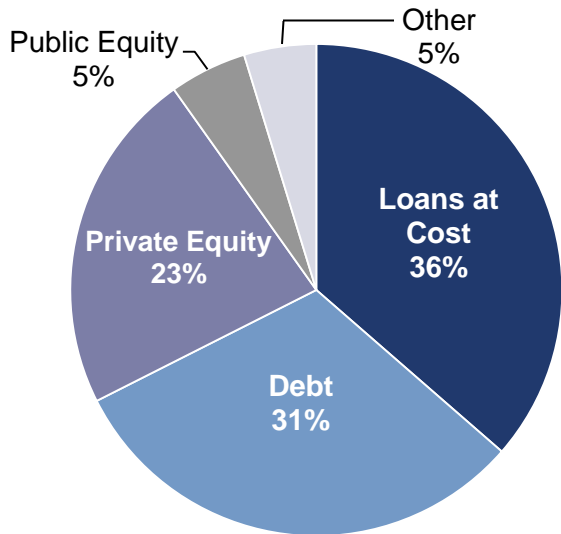
Key Revenue Opportunities

- Market share expansion via competitor exit and high barriers to entry
- Technological innovation
- Increased cross-border activity
- Growth of capital markets
- Heightened value for liquidity provisioning

¹Macro FICC businesses comprised of Commodities, Currencies and Interest Rate Products; Micro FICC businesses comprised of Credit Products and Mortgages



Investing & Lending Portfolio



- Diversified long-term investments in private equity, private credit, real estate and infrastructure
- Strong investment performance across strategies over a long time period

Private Equity and Private Credit Portfolio Overview

- Diversified portfolio of companies
- Thousands of investors and >\$190bn raised since 1986¹
 - More than \$15bn of capital raised in 2014^{1,2}
- Funds committed more than \$10bn of debt investments to a number of the firm's clients during the 2008-2009 distressed environment
- Opportunities for other businesses: IB advisory, financing options, strategic relationships, investment products

2015 and Beyond

- Focus on investment selection, value creation and investment performance
- Opportunistic growth in new geographies and investment strategies
- Continue to invest on balance sheet in a capital efficient manner (for example, lending)

Debt & Equity Investing are deeply integrated and synergistic with the firm

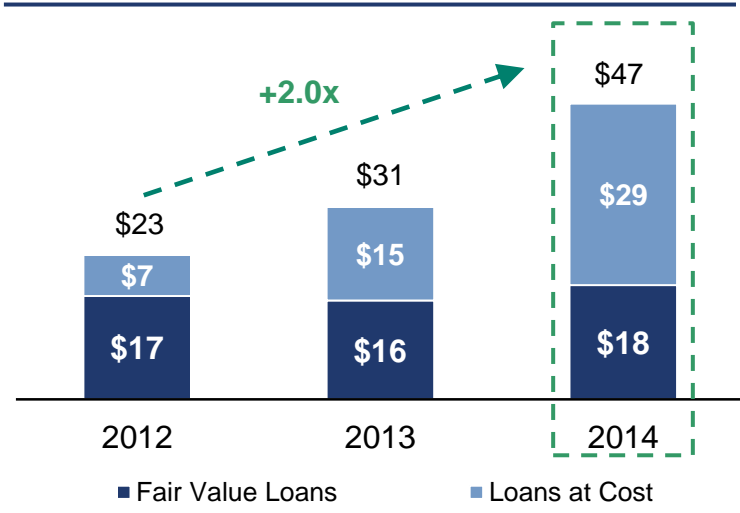
¹Includes GS; management and incentive fees earned on client funds are reported within Investment Management segment

²Represents total capital raised from funds and co-investments with closings in 2014

Investing & Lending



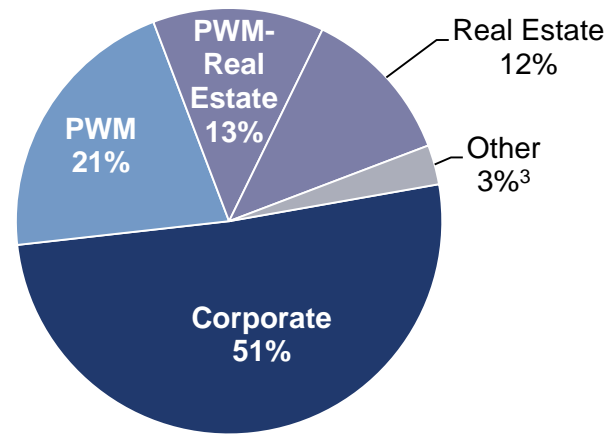
Total Funded Loan Book (\$bn)¹



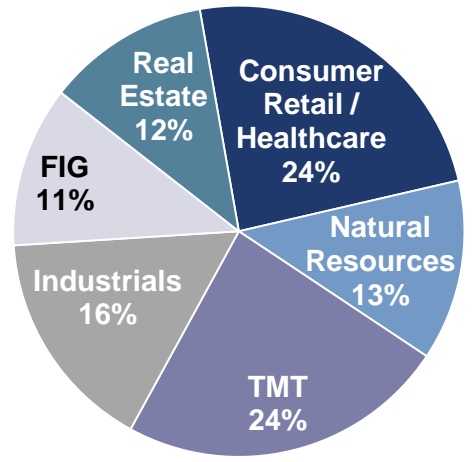
Total Funded Loans: \$47bn

- Balance mixed between Corporate, PWM and Real Estate loans
- PWM loans overcollateralized
- Loans diversified by size, sector and geography

Total Funded Loan Book by Category²



Corporate Funded Loans at Cost²



¹Reflects the sum of direct loans primarily extended to corporate and private wealth management clients that are accounted for at fair value and loans at cost that are accounted for at amortized cost, net of estimated uncollectible amounts

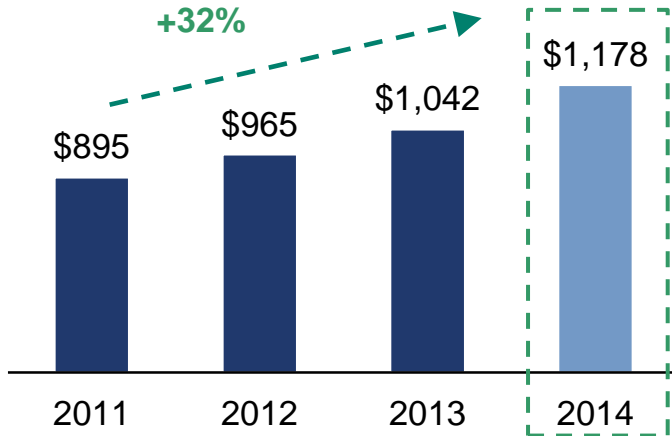
²As of 4Q14

³Primarily reflects loans secured by consumer loans and other assets

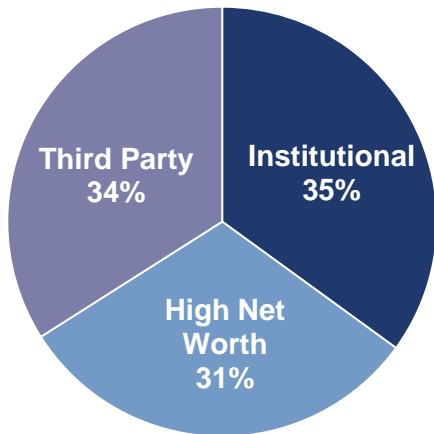
Investment Management



Assets Under Supervision (\$bn)



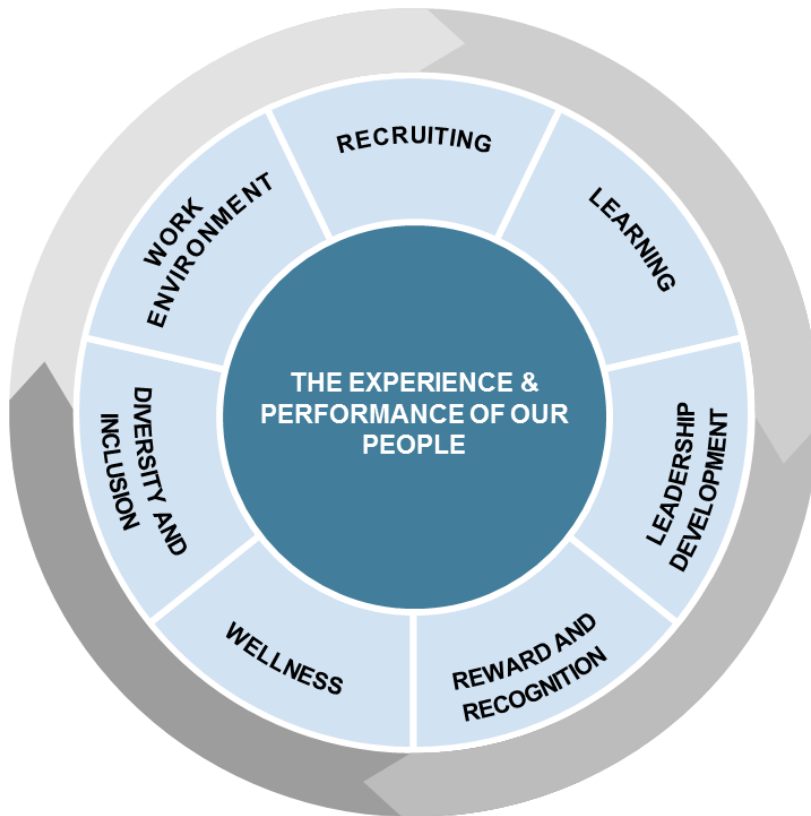
2014 Distribution Channels



Key Growth Opportunities

- While GS is one of the largest global asset managers, there is significant room for growth in every investment management product type:
 - GS 2014 AUS as % of industry leader
 - Fixed Income: **34%**
 - Equity: **26%**
 - Alternatives: **66%**
- Client focused approach designed to address diverse needs through global reach, product innovation, customized solutions and risk management
- Performance-driven client asset net inflows
- Unique Private Wealth Management franchise
 - Average account size: >\$40mm
 - Connectivity to investment banking provides unique investment opportunities
- Continued investment in long-term strategic initiatives
 - Advisory
 - Defined Contribution / 401k
 - Insurance
 - Private Banking
- Accretive acquisition opportunities

Recruiting, training and retaining the best employees is a key differentiating strength and competitive advantage



- More than 267,000 applicants applied for 8,300 filled positions in 2014 (3% hire rate)
- Nearly 9 out of 10 candidates offered a job with Goldman Sachs accept the position
- One of only 5 companies to be recognized in FORTUNE's "100 Best companies to Work For" every year since inception¹
- Continued rigorous biennial partner selection process
- 99% of employees participated in a learning program each year
- 97% of employees participated in one or more diversity trainings

¹The Great Place to Work Institute began the list in 1984

2015 State of the Franchise

Success managing factors within our control

We have defended our franchise and returns through a challenging environment while positioning the firm to capture future upside through significant operating leverage



Expanded Client Franchise

- #1 in Announced & Completed M&A and Equity & Equity-Related Offerings¹
- Leading FICC and Equities franchises
- One of the largest asset managers globally



Strengthened Financial Profile

- Balance Sheet size reduced by 24% from 2007YE, while Liquidity Pool tripled and Common Equity increased 85%
- Leverage reduced from over 26.2x from 2007YE to 10.3x at 2014YE



Efficiently Managed Cost Structure

- Average compensation ratio reduced by more than 900bps in 2009-2014²
- Eliminated \$1.9bn of run-rate expenses since 2011



Best-in-class Returns; Positioned to Succeed

- Consistent ROE outperformance through the cycle
- Since 2009, GS' ROE has been on average ~750bps higher than US peers'³
- Significant operating leverage leaves the firm well positioned

¹Investment banking league table rankings per Thomson Reuters

²Versus average compensation ratio from 2000-2007

³US peers comprised of BAC, C, JPM and MS

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