

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):  
July 15, 2020

**The Goldman Sachs Group, Inc.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction  
of incorporation)

No. 001-14965  
(Commission  
File Number)

No. 13-4019460  
(IRS Employer Identification No.)

200 West Street, New York, N.Y.  
(Address of principal executive offices)

10282  
(Zip Code)

Registrant's telephone number, including area code: (212) 902-1000  
N/A

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Exchange on which registered
Common stock, par value \$.01 per share	GS	NYSE
Depository Shares, Each Representing 1/1,000th Interest in a Share of Floating Rate Non-Cumulative Preferred Stock, Series A	GS PrA	NYSE
Depository Shares, Each Representing 1/1,000th Interest in a Share of Floating Rate Non-Cumulative Preferred Stock, Series C	GS PrC	NYSE
Depository Shares, Each Representing 1/1,000th Interest in a Share of Floating Rate Non-Cumulative Preferred Stock, Series D	GS PrD	NYSE
Depository Shares, Each Representing 1/1,000th Interest in a Share of 5.50% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series J	GS PrJ	NYSE
Depository Shares, Each Representing 1/1,000th Interest in a Share of 6.375% Fixed-to-Floating Rate Non-Cumulative Preferred Stock, Series K	GS PrK	NYSE
Depository Shares, Each Representing 1/1,000th Interest in a Share of 6.30% Non-Cumulative Preferred Stock, Series N	GS PrN	NYSE
5.793% Fixed-to-Floating Rate Normal Automatic Preferred Enhanced Capital Securities of Goldman Sachs Capital II	GS/43PE	NYSE
Floating Rate Normal Automatic Preferred Enhanced Capital Securities of Goldman Sachs Capital III	GS/43PF	NYSE
Medium-Term Notes, Series A, Index-Linked Notes due 2037 of GS Finance Corp.	GCE	NYSE Arca
Medium-Term Notes, Series B, Index-Linked Notes due 2037	GSC	NYSE Arca
Medium-Term Notes, Series E, Index-Linked Notes due 2028 of GS Finance Corp.	FRLG	NYSE Arca

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 under the Securities Act (17 CFR 230.405) or Rule 12b-2 under the Exchange Act (17 CFR 240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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Signature

Exhibit 99.1: PRESS RELEASE

Exhibit 99.2: PRESENTATION

## **Item 2.02 Results of Operations and Financial Condition.**

On July 15, 2020, The Goldman Sachs Group, Inc. (Group Inc. and, together with its consolidated subsidiaries, the firm) reported its earnings for the second quarter ended June 30, 2020. A copy of Group Inc.'s press release containing this information is attached as Exhibit 99.1 to this Report on Form 8-K and is incorporated herein by reference.

## **Item 7.01 Regulation FD Disclosure.**

On July 15, 2020, at 9:30 a.m. (ET), the firm will hold a conference call to discuss the firm's financial results, outlook and related matters. A copy of the presentation for the conference call is attached as Exhibit 99.2 to this Report on Form 8-K.

## **Item 9.01 Financial Statements and Exhibits.**

### **(d) Exhibits.**

99.1 [Press release of Group Inc. dated July 15, 2020 containing financial information for its second quarter ended June 30, 2020.](#)

The quotation on page 1 of Exhibit 99.1 and the information under the caption "Highlights" on the following page (Excluded Sections) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (Exchange Act) or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of Group Inc. under the Securities Act of 1933 or the Exchange Act. The information included in Exhibit 99.1, other than in the Excluded Sections, shall be deemed "filed" for purposes of the Exchange Act.

99.2 [Presentation of Group Inc. dated July 15, 2020, for the conference call on July 15, 2020.](#)

Exhibit 99.2 is being furnished pursuant to Item 7.01 of Form 8-K and the information included therein shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of Group Inc. under the Securities Act of 1933 or the Exchange Act.

101 Pursuant to Rule 406 of Regulation S-T, the cover page information is formatted in iXBRL (Inline eXtensible Business Reporting Language).

104 Cover Page Interactive Data File (formatted in iXBRL in Exhibit 101).

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE GOLDMAN SACHS GROUP, INC.  
(Registrant)

Date: July 15, 2020

By: /s/ Stephen M. Scherr

\_\_\_\_\_  
Name: Stephen M. Scherr

Title: Chief Financial Officer



# Second Quarter 2020 Earnings Results

Media Relations: Jake Siewert 212-902-5400  
Investor Relations: Heather Kennedy Miner 212-902-0300

The Goldman Sachs Group, Inc.  
200 West Street | New York, NY 10282

## Second Quarter 2020 Earnings Results

### Goldman Sachs Reports Second Quarter Earnings Per Common Share of \$6.26

“This quarter demonstrated the continued dedication of the people of Goldman Sachs to helping our clients navigate a very challenging environment, while working remotely or returning to offices that are quite different than the ones we left earlier in the year. We also continue to be grateful for those working hard to contain the pandemic and limit its human and economic costs.

Our strong financial performance across our client franchises demonstrates the inherent benefits of our diversified business model. The turbulence we have seen in recent months only reinforces our commitment to the strategy we outlined earlier this year to investors. While the economic outlook remains uncertain, I am confident that we will continue to be the firm of choice for clients around the world who are looking to reshape their businesses and rebuild a more resilient economy.”

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

### Financial Summary

Net Revenues	
2Q	\$13.30 billion
2Q YTD	\$22.04 billion

Net Earnings	
2Q	\$2.42 billion
2Q YTD	\$3.64 billion

EPS	
2Q	\$6.26
2Q YTD	\$9.36

Annualized ROE <sup>1</sup>	
2Q	11.1%
2Q YTD	8.4%

Annualized ROTE <sup>1</sup>	
2Q	11.8%
2Q YTD	9.0%

Book Value Per Share	
2Q	\$227.31
YTD Growth	4.0%

NEW YORK, July 15, 2020 – The Goldman Sachs Group, Inc. (NYSE: GS) today reported net revenues of \$13.30 billion and net earnings of \$2.42 billion for the second quarter ended June 30, 2020. Net revenues were \$22.04 billion and net earnings were \$3.64 billion for the first half of 2020.

Diluted earnings per common share (EPS) was \$6.26 for the second quarter of 2020 compared with \$5.81 for the second quarter of 2019 and \$3.11 for the first quarter of 2020, and was \$9.36 for the first half of 2020 compared with \$11.52 for the first half of 2019.

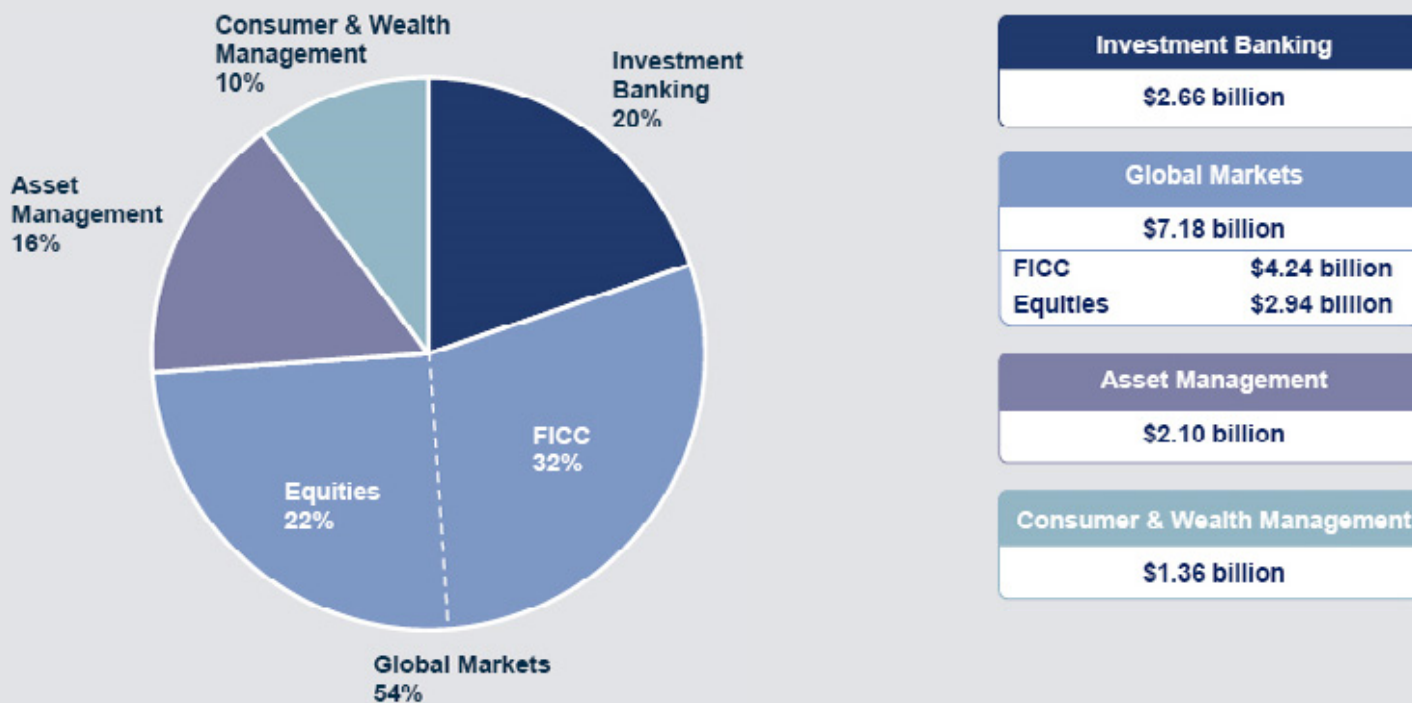
Annualized return on average common shareholders' equity (ROE)<sup>1</sup> was 11.1% for the second quarter of 2020 and 8.4% for the first half of 2020. Annualized return on average tangible common shareholders' equity (ROTE)<sup>1</sup> was 11.8% for the second quarter of 2020 and 9.0% for the first half of 2020.

During the second quarter of 2020, the firm recorded net provisions for litigation and regulatory proceedings of \$945 million, which increased net provisions to \$1.13 billion for the first half of 2020. These amounts reduced diluted EPS by \$2.60 and annualized ROE by 4.5 percentage points in the second quarter of 2020 and reduced diluted EPS by \$3.15 and annualized ROE by 2.8 percentage points in the first half of 2020.

## Highlights

- Net revenues of \$13.30 billion, 41% higher than the second quarter of 2019, were the firm's second highest quarterly net revenues.
- Investment Banking generated record quarterly net revenues of \$2.66 billion, including record quarterly net revenues in both Equity and Debt underwriting. The firm remained ranked #1 in worldwide announced and completed mergers and acquisitions for the year-to-date.<sup>2</sup> The firm also ranked #1 in worldwide equity and equity-related offerings for the year-to-date.<sup>2</sup>
- Fixed Income, Currency and Commodities (FICC) generated quarterly net revenues of \$4.24 billion, its highest quarterly performance in nine years, reflecting continued strong client activity in intermediation and financing.
- Equities generated quarterly net revenues of \$2.94 billion, its highest quarterly performance in eleven years, reflecting strong performance in intermediation.
- Firmwide assets under supervision<sup>3,4</sup> increased \$239 billion during the quarter to a record \$2.06 trillion.
- The firm continued to scale the digital consumer deposit platforms, as consumer deposits increased by a record \$20 billion in the second quarter of 2020 to \$92 billion<sup>4</sup>.
- The firm formally launched its transaction banking business in the U.S., offering deposit-taking, payments, liquidity management, and escrow services. During the quarter, deposits on the platform increased by \$16 billion to \$25 billion<sup>4</sup>.
- The firm's Standardized common equity tier 1 capital ratio<sup>3</sup> increased 110 basis points during the quarter to 13.6%<sup>4</sup>.
- The firm maintained a highly liquid balance sheet, as global core liquid assets<sup>3</sup> averaged \$290 billion<sup>4</sup> for the second quarter of 2020.

## Quarterly Net Revenue Mix by Segment



## Net Revenues

Net revenues were \$13.30 billion for the second quarter of 2020, 41% higher than the second quarter of 2019 and 52% higher than the first quarter of 2020. The increase compared with the second quarter of 2019 reflected significantly higher net revenues in Global Markets and Investment Banking and higher net revenues in Consumer & Wealth Management, partially offset by lower net revenues in Asset Management.

The operating environment during the quarter continued to be impacted by the COVID-19 pandemic, resulting in a deceleration in global economic activity and elevated market volatility. Economic indicators generally improved as the quarter progressed, following significant declines in March and April, as economies began to reopen and central banks, along with governments, continued to implement monetary easing measures and provide fiscal stimulus to support the economy. These contributed to higher global equity prices and tighter credit spreads compared with the end of the first quarter of 2020.

### Net Revenues

**\$13.30 billion**

## Investment Banking

Net revenues in Investment Banking were \$2.66 billion for the second quarter of 2020, 36% higher than the second quarter of 2019 and 22% higher than the first quarter of 2020. The increase compared with the second quarter of 2019 reflected significantly higher net revenues in Underwriting, partially offset by a net loss in Corporate lending and lower net revenues in Financial advisory.

The increase in Underwriting net revenues was due to significantly higher net revenues in both Equity and Debt underwriting, reflecting a significant increase in industry-wide volumes. The net loss in Corporate lending reflected the impact of changes in credit spreads on hedges related to relationship lending activities. The decrease in Financial advisory net revenues reflected a decrease in industry-wide completed mergers and acquisitions transactions.

The firm's investment banking transaction backlog<sup>3</sup> decreased significantly compared with the end of the first quarter of 2020.

### Investment Banking

**\$2.66 billion**

<b>Financial Advisory</b>	<b>\$686 million</b>
<b>Underwriting</b>	<b>\$2.05 billion</b>
<b>Corporate Lending</b>	<b>\$(76) million</b>

## Global Markets

Net revenues in Global Markets were \$7.18 billion for the second quarter of 2020, 93% higher than the second quarter of 2019 and 39% higher than the first quarter of 2020.

Net revenues in FICC were \$4.24 billion, compared with \$1.70 billion in the second quarter of 2019. Net revenues in FICC intermediation were significantly higher, reflecting significantly higher net revenues across all major businesses, particularly in interest rate products, credit products and commodities. In addition, net revenues in FICC financing were significantly higher, primarily driven by repurchase agreements.

Net revenues in Equities were \$2.94 billion, 46% higher than the second quarter of 2019, due to significantly higher net revenues in Equities intermediation, reflecting significantly higher net revenues in both cash products and derivatives, partially offset by lower net revenues in Equities financing, reflecting lower average customer balances, tighter spreads and a decrease in dividends.

### Global Markets

**\$7.18 billion**

<b>FICC Intermediation</b>	<b>\$3.79 billion</b>
<b>FICC Financing</b>	<b>\$499 million</b>
<b>FICC</b>	<b>\$4.24 billion</b>
<b>Equities</b>	
<b>Intermediation</b>	<b>\$2.20 billion</b>
<b>Equities Financing</b>	<b>\$742 million</b>
<b>Equities</b>	<b>\$2.94 billion</b>



## Asset Management

Net revenues in Asset Management were \$2.10 billion for the second quarter of 2020, compared with \$2.55 billion for the second quarter of 2019 and \$(96) million for the first quarter of 2020. The decrease compared with the second quarter of 2019 reflected significantly lower net revenues in Equity investments, partially offset by significantly higher net revenues in Lending and debt investments and slightly higher Management and other fees from the firm's institutional and third-party distribution asset management clients. Incentive fees were essentially unchanged.

The decrease in Equity investments net revenues reflected significantly lower net gains from investments in private equities, partially offset by significantly higher net gains from investments in public equities. The increase in Lending and debt investments net revenues reflected significantly higher net gains as corporate credit spreads tightened during the quarter. The increase in Management and other fees reflected the impact of higher average assets under supervision, partially offset by a lower average effective fee due to shifts in the mix of client assets and strategies.

Asset Management	
<b>\$2.10 billion</b>	
<b>Management and Other Fees</b>	<b>\$684 million</b>
<b>Incentive Fees</b>	<b>\$34 million</b>
<b>Equity Investments</b>	<b>\$924 million</b>
<b>Lending and Debt Investments</b>	<b>\$459 million</b>

## Consumer & Wealth Management

Net revenues in Consumer & Wealth Management were \$1.36 billion for the second quarter of 2020, 9% higher than the second quarter of 2019 and 9% lower than the first quarter of 2020.

Net revenues in Wealth management were \$1.10 billion, 7% higher than the second quarter of 2019, due to higher Management and other fees (including the impact of the consolidation of GS Personal Financial Management<sup>5</sup>), primarily reflecting higher average assets under supervision and higher transaction volumes. Net revenues in Private banking and lending were lower, primarily reflecting lower interest rates, and Incentive fees were essentially unchanged.

Net revenues in Consumer banking were \$258 million, 19% higher than the second quarter of 2019, as the second quarter of 2020 included credit card loans.

Consumer & Wealth Management	
<b>\$1.36 billion</b>	
<b>Wealth Management</b>	<b>\$1.10 billion</b>
<b>Consumer Banking</b>	<b>\$258 million</b>

## Provision for Credit Losses

Provision for credit losses was \$1.59 billion for the second quarter of 2020, compared with \$214 million for the second quarter of 2019 and \$937 million for the first quarter of 2020. The increase compared with the second quarter of 2019 was primarily due to significantly higher provisions related to wholesale loans and, to a lesser extent, consumer loans, reflecting revisions to forecasts of expected deterioration in the broader economic environment (incorporating the accounting for credit losses under the Current Expected Credit Losses standard<sup>6</sup>). In addition, the increase in provisions related to wholesale loans reflected the impact of individual impairments during the quarter.

The firm's allowance for credit losses was \$4.39 billion as of June 30, 2020.

Provision for Credit Losses
<b>\$1.59 billion</b>

## Operating Expenses

Operating expenses were \$8.40 billion for the second quarter of 2020, 37% higher than the second quarter of 2019 and 30% higher than the first quarter of 2020. The firm's efficiency ratio<sup>3</sup> for the first half of 2020 was 67.4%, compared with 65.6% for the first half of 2019.

The increase in operating expenses compared with the second quarter of 2019 was primarily due to significantly higher compensation and benefits expenses (reflecting significantly higher net revenues) and significantly higher net provisions for litigation and regulatory proceedings. In addition, brokerage, clearing, exchange and distribution fees were higher (reflecting an increase in activity levels) and expenses related to consolidated investments, including impairments, were higher (increase was primarily in depreciation and amortization and occupancy expenses). The second quarter of 2020 also included higher technology expenses, higher expenses related to the firm's credit card activities and the impact of the consolidation of GS Personal Financial Management<sup>5</sup>. These increases were partially offset by lower travel and entertainment expenses (included in market development expenses).

Net provisions for litigation and regulatory proceedings for the second quarter of 2020 were \$945 million compared with \$66 million for the second quarter of 2019.

Headcount increased 2% compared with the end of the first quarter of 2020.

### Operating Expenses

**\$8.40 billion**

### YTD Efficiency Ratio

**67.4%**

## Provision for Taxes

The effective income tax rate for the first half of 2020 increased to 21.9% from 10.0% for the first quarter of 2020, primarily due to a decrease in the impact of permanent tax benefits and an increase in provisions for non-deductible litigation in the first half of 2020 compared with the first quarter of 2020.

### YTD Effective Tax Rate

**21.9%**

## Other Matters

- On July 14, 2020, the Board of Directors of The Goldman Sachs Group, Inc. declared a dividend of \$1.25 per common share to be paid on September 29, 2020 to common shareholders of record on September 1, 2020.
- During the quarter, the firm returned \$450 million of capital in common stock dividends.<sup>3</sup>
- Global core liquid assets<sup>3</sup> averaged \$290 billion<sup>4</sup> for the second quarter of 2020, compared with an average of \$243 billion for the first quarter of 2020.

### Declared Quarterly Dividend Per Common Share

**\$1.25**

### Common Stock Dividends

**\$450 million**

### Average GCLA

**\$290 billion**

The Goldman Sachs Group, Inc. is a leading global investment banking, securities and investment management firm that provides a wide range of financial services to a substantial 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.

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### Cautionary Note Regarding Forward-Looking Statements

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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, 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 indicated 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 II, Item 1A of the firm’s Quarterly Report on Form 10-Q for the period ended March 31, 2020 and in Part I, Item 1A of the firm’s Annual Report on Form 10-K for the year ended December 31, 2019.

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 not completed at all and associated net revenues may not be realized or may be materially less than those currently 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 II, Item 1A of the firm’s Quarterly Report on Form 10-Q for the period ended March 31, 2020 and in Part I, Item 1A of the firm’s Annual Report on Form 10-K for the year ended December 31, 2019.

Statements about the effects of the COVID-19 pandemic on the firm’s business, results, financial position and liquidity may constitute forward-looking statements and are subject to the risk that the actual impact may differ, possibly materially, from what is currently expected.

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### Conference Call

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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](http://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](mailto:gs-investor-relations@gs.com).

Goldman Sachs Reports  
Second Quarter 2020 Earnings Results

The Goldman Sachs Group, Inc. and Subsidiaries

Segment Net Revenues (unaudited)

\$ in millions

	THREE MONTHS ENDED			% CHANGE FROM	
	JUNE 30, 2020	MARCH 31, 2020	JUNE 30, 2019	MARCH 31, 2020	JUNE 30, 2019
<b>INVESTMENT BANKING</b>					
Financial advisory	\$ 686	\$ 781	\$ 771	(12) %	(11) %
Equity underwriting	1,057	378	476	180	122
Debt underwriting	990	583	514	70	93
Underwriting	2,047	961	990	113	107
Corporate lending	(76)	442	187	N.M.	N.M.
<b>Net revenues</b>	<b>2,657</b>	<b>2,184</b>	<b>1,948</b>	<b>22</b>	<b>36</b>
<b>GLOBAL MARKETS</b>					
FICC intermediation	3,786	2,537	1,440	49	163
FICC financing	449	432	262	4	71
FICC	4,235	2,969	1,702	43	149
Equities intermediation	2,199	1,528	1,154	44	91
Equities financing	742	666	860	11	(14)
Equities	2,941	2,194	2,014	34	46
<b>Net revenues</b>	<b>7,176</b>	<b>5,163</b>	<b>3,716</b>	<b>39</b>	<b>93</b>
<b>ASSET MANAGEMENT</b>					
Management and other fees	684	640	667	7	3
Incentive fees	34	154	31	(78)	10
Equity investments	924	(22)	1,499	N.M.	(38)
Lending and debt investments	459	(868)	351	N.M.	31
<b>Net revenues</b>	<b>2,101</b>	<b>(96)</b>	<b>2,548</b>	<b>N.M.</b>	<b>(18)</b>
<b>CONSUMER &amp; WEALTH MANAGEMENT</b>					
Management and other fees	938	959	833	(2)	13
Incentive fees	10	69	13	(86)	(23)
Private banking and lending	155	182	187	(15)	(17)
Wealth management	1,103	1,210	1,033	(9)	7
Consumer banking	258	282	216	(9)	19
<b>Net revenues</b>	<b>1,361</b>	<b>1,492</b>	<b>1,249</b>	<b>(9)</b>	<b>9</b>
<b>Total net revenues</b>	<b>\$ 13,295</b>	<b>\$ 8,743</b>	<b>\$ 9,461</b>	<b>52</b>	<b>41</b>

Geographic Net Revenues (unaudited)<sup>3</sup>

\$ in millions

	THREE MONTHS ENDED		
	JUNE 30, 2020	MARCH 31, 2020	JUNE 30, 2019
Americas	\$ 8,289	\$ 5,171	\$ 5,652
EMEA	3,453	2,108	2,689
Asia	1,553	1,464	1,120
<b>Total net revenues</b>	<b>\$ 13,295</b>	<b>\$ 8,743</b>	<b>\$ 9,461</b>
Americas	62%	59%	60%
EMEA	26%	24%	28%
Asia	12%	17%	12%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Goldman Sachs Reports  
Second Quarter 2020 Earnings Results

The Goldman Sachs Group, Inc. and Subsidiaries

Segment Net Revenues (unaudited)

\$ in millions

	SIX MONTHS ENDED		% CHANGE FROM JUNE 30, 2019
	JUNE 30, 2020	JUNE 30, 2019	
<b>INVESTMENT BANKING</b>			
Financial advisory	\$ 1,467	\$ 1,645	(11) %
Equity underwriting	1,435	738	94
Debt underwriting	1,573	996	58
Underwriting	3,008	1,734	73
Corporate lending	366	315	16
<b>Net revenues</b>	<b>4,841</b>	<b>3,694</b>	<b>31</b>
<b>GLOBAL MARKETS</b>			
FICC intermediation	6,323	3,312	91
FICC financing	881	628	40
FICC	7,204	3,940	83
Equities intermediation	3,727	2,315	61
Equities financing	1,408	1,501	(6)
Equities	5,135	3,816	35
<b>Net revenues</b>	<b>12,339</b>	<b>7,756</b>	<b>59</b>
<b>ASSET MANAGEMENT</b>			
Management and other fees	1,324	1,274	4
Incentive fees	188	61	N.M.
Equity investments	902	2,304	(61)
Lending and debt investments	(409)	702	N.M.
<b>Net revenues</b>	<b>2,005</b>	<b>4,341</b>	<b>(54)</b>
<b>CONSUMER &amp; WEALTH MANAGEMENT</b>			
Management and other fees	1,897	1,627	17
Incentive fees	79	41	93
Private banking and lending	337	390	(14)
Wealth management	2,313	2,058	12
Consumer banking	540	419	29
<b>Net revenues</b>	<b>2,853</b>	<b>2,477</b>	<b>15</b>
<b>Total net revenues</b>	<b>\$ 22,038</b>	<b>\$ 18,268</b>	<b>21</b>

Geographic Net Revenues (unaudited)<sup>3</sup>

\$ in millions

	SIX MONTHS ENDED	
	JUNE 30, 2020	JUNE 30, 2019
Americas	\$ 13,460	\$ 10,897
EMEA	5,561	5,148
Asia	3,017	2,223
<b>Total net revenues</b>	<b>\$ 22,038</b>	<b>\$ 18,268</b>
Americas	61%	60%
EMEA	25%	28%
Asia	14%	12%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Goldman Sachs Reports  
Second Quarter 2020 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, 2020	MARCH 31, 2020	JUNE 30, 2019	MARCH 31, 2020	JUNE 30, 2019
<b>REVENUES</b>					
Investment banking	\$ 2,733	\$ 1,742	\$ 1,761	57 %	55 %
Investment management	1,635	1,768	1,520	(8)	8
Commissions and fees	875	1,020	808	(14)	8
Market making	5,787	3,682	2,479	57	133
Other principal transactions	1,321	(782)	1,822	N.M.	(27)
<b>Total non-interest revenues</b>	<b>12,351</b>	<b>7,430</b>	<b>8,390</b>	<b>66</b>	<b>47</b>
Interest income	3,034	4,750	5,760	(36)	(47)
Interest expense	2,090	3,437	4,689	(39)	(55)
<b>Net interest income</b>	<b>944</b>	<b>1,313</b>	<b>1,071</b>	<b>(28)</b>	<b>(12)</b>
<b>Total net revenues</b>	<b>13,295</b>	<b>8,743</b>	<b>9,461</b>	<b>52</b>	<b>41</b>
<b>Provision for credit losses</b>	<b>1,590</b>	<b>937</b>	<b>214</b>	<b>70</b>	<b>N.M.</b>
<b>OPERATING EXPENSES</b>					
Compensation and benefits	4,478	3,235	3,317	38	35
Brokerage, clearing, exchange and distribution fees	945	975	823	(3)	15
Market development	89	153	186	(42)	(52)
Communications and technology	345	321	290	7	19
Depreciation and amortization	499	437	399	14	25
Occupancy	233	238	234	(2)	–
Professional fees	311	347	302	(10)	3
Other expenses	1,500	752	569	99	164
<b>Total operating expenses</b>	<b>8,400</b>	<b>6,458</b>	<b>6,120</b>	<b>30</b>	<b>37</b>
Pre-tax earnings	3,305	1,348	3,127	145	6
Provision for taxes	882	135	706	N.M.	25
<b>Net earnings</b>	<b>2,423</b>	<b>1,213</b>	<b>2,421</b>	<b>100</b>	<b>–</b>
Preferred stock dividends	176	90	223	96	(21)
<b>Net earnings applicable to common shareholders</b>	<b>\$ 2,247</b>	<b>\$ 1,123</b>	<b>\$ 2,198</b>	<b>100</b>	<b>2</b>
<b>EARNINGS PER COMMON SHARE</b>					
Basic <sup>3</sup>	\$ 6.29	\$ 3.12	\$ 5.86	102 %	7 %
Diluted	\$ 6.26	\$ 3.11	\$ 5.81	101	8
<b>AVERAGE COMMON SHARES</b>					
Basic	355.7	358.0	374.5	(1)	(5)
Diluted	359.1	361.1	378.0	(1)	(5)
<b>SELECTED DATA AT PERIOD-END</b>					
Common shareholders' equity	\$ 80,876	\$ 81,176	\$ 79,689	–	1
Basic shares <sup>3</sup>	355.8	355.7	372.2	–	(4)
Book value per common share	\$ 227.31	\$ 228.21	\$ 214.10	–	6
Headcount	39,100	38,500	35,600	2	10

Goldman Sachs Reports  
Second Quarter 2020 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, 2019
	JUNE 30, 2020	JUNE 30, 2019	
<b>REVENUES</b>			
Investment banking	\$ 4,475	\$ 3,379	32 %
Investment management	3,403	2,956	15
Commissions and fees	1,895	1,553	22
Market making	9,469	5,202	82
Other principal transactions	539	2,889	(81)
<b>Total non-interest revenues</b>	<b>19,781</b>	<b>15,979</b>	<b>24</b>
Interest income	7,784	11,357	(31)
Interest expense	5,527	9,068	(39)
<b>Net interest income</b>	<b>2,257</b>	<b>2,289</b>	<b>(1)</b>
<b>Total net revenues</b>	<b>22,038</b>	<b>18,268</b>	<b>21</b>
<b>Provision for credit losses</b>	<b>2,527</b>	<b>438</b>	<b>N.M.</b>
<b>OPERATING EXPENSES</b>			
Compensation and benefits	7,713	6,576	17
Brokerage, clearing, exchange and distribution fees	1,920	1,585	21
Market development	242	370	(35)
Communications and technology	666	576	16
Depreciation and amortization	936	767	22
Occupancy	471	459	3
Professional fees	658	600	10
Other expenses	2,252	1,051	114
<b>Total operating expenses</b>	<b>14,858</b>	<b>11,984</b>	<b>24</b>
Pre-tax earnings	4,653	5,846	(20)
Provision for taxes	1,017	1,174	(13)
<b>Net earnings</b>	<b>3,636</b>	<b>4,672</b>	<b>(22)</b>
Preferred stock dividends	266	292	(9)
<b>Net earnings applicable to common shareholders</b>	<b>\$ 3,370</b>	<b>\$ 4,380</b>	<b>(23)</b>
<b>EARNINGS PER COMMON SHARE</b>			
Basic <sup>3</sup>	\$ 9.40	\$ 11.59	(19) %
Diluted	\$ 9.36	\$ 11.52	(19)
<b>AVERAGE COMMON SHARES</b>			
Basic	356.8	377.1	(5)
Diluted	360.1	380.2	(5)

Goldman Sachs Reports  
Second Quarter 2020 Earnings Results

The Goldman Sachs Group, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets (unaudited)<sup>4</sup>

\$ in billions

	AS OF	
	JUNE 30, 2020	MARCH 31, 2020
<b>ASSETS</b>		
Cash and cash equivalents	\$ 132	\$ 106
Collateralized agreements	274	254
Customer and other receivables	107	121
Trading assets	398	375
Investments	76	69
Loans	117	128
Other assets	38	37
<b>Total assets</b>	<b>\$ 1,142</b>	<b>\$ 1,090</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Deposits	\$ 268	\$ 220
Collateralized financings	131	147
Customer and other payables	199	213
Trading liabilities	163	137
Unsecured short-term borrowings	44	37
Unsecured long-term borrowings	223	226
Other liabilities	22	18
<b>Total liabilities</b>	<b>1,050</b>	<b>998</b>
Shareholders' equity	92	92
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,142</b>	<b>\$ 1,090</b>

Capital Ratios and Supplementary Leverage Ratio (unaudited)<sup>3,4</sup>

\$ in billions

	AS OF	
	JUNE 30, 2020	MARCH 31, 2020
Common equity tier 1 capital	\$ 76.8	\$ 74.6
<b>STANDARDIZED CAPITAL RULES</b>		
Risk-weighted assets	\$ 563	\$ 594
Common equity tier 1 capital ratio	13.6%	12.5%
<b>ADVANCED CAPITAL RULES</b>		
Risk-weighted assets	\$ 620	\$ 606
Common equity tier 1 capital ratio	12.4%	12.3%
<b>SUPPLEMENTARY LEVERAGE RATIO</b>		
Supplementary leverage ratio	6.7% <sup>7</sup>	5.9%

Average Daily VaR (unaudited)<sup>3,4</sup>

\$ in millions

	THREE MONTHS ENDED	
	JUNE 30, 2020	MARCH 31, 2020
<b>RISK CATEGORIES</b>		
Interest rates	\$ 98	\$ 60
Equity prices	74	41
Currency rates	39	18
Commodity prices	24	11
Diversification effect	(113)	(49)
<b>Total</b>	<b>\$ 122</b>	<b>\$ 81</b>



Goldman Sachs Reports  
Second Quarter 2020 Earnings Results

The Goldman Sachs Group, Inc. and Subsidiaries  
Assets Under Supervision (unaudited)<sup>3,4</sup>

\$ in billions

SEGMENT	AS OF		
	JUNE 30, 2020	MARCH 31, 2020	JUNE 30, 2019
Asset Management	\$ 1,499	\$ 1,309	\$ 1,171
Consumer & Wealth Management	558	509	489
<b>Total AUS</b>	<b>\$ 2,057</b>	<b>\$ 1,818</b>	<b>\$ 1,660</b>
<b>ASSET CLASS</b>			
Alternative investments	\$ 179	\$ 178	\$ 174
Equity	394	335	350
Fixed income	817	771	749
Total long-term AUS	1,390	1,284	1,273
Liquidity products	667	534	387
<b>Total AUS</b>	<b>\$ 2,057</b>	<b>\$ 1,818</b>	<b>\$ 1,660</b>

ASSET MANAGEMENT	THREE MONTHS ENDED		
	JUNE 30, 2020	MARCH 31, 2020	JUNE 30, 2019
Beginning balance	\$ 1,309	\$ 1,298	\$ 1,117
Net inflows / (outflows):			
Alternative investments	(2)	(1)	4
Equity	3	2	4
Fixed income	6	7	10
Total long-term AUS net inflows / (outflows)	7	8	18 <sup>a</sup>
Liquidity products	121	66	15
Total AUS net inflows / (outflows)	128	74	33
Net market appreciation / (depreciation)	62	(63)	21
<b>Ending balance</b>	<b>\$ 1,499</b>	<b>\$ 1,309</b>	<b>\$ 1,171</b>
<b>CONSUMER &amp; WEALTH MANAGEMENT</b>			
Beginning balance	\$ 509	\$ 561	\$ 482
Net inflows / (outflows):			
Alternative investments	–	–	(3)
Equity	(1)	1	–
Fixed income	–	(8)	2
Total long-term AUS net inflows / (outflows)	(1)	(7)	(1)
Liquidity products	12	6	(3)
Total AUS net inflows / (outflows)	11	(1)	(4)
Net market appreciation / (depreciation)	38	(51)	11
<b>Ending balance</b>	<b>\$ 558</b>	<b>\$ 509</b>	<b>\$ 489</b>
<b>FIRMWIDE</b>			
Beginning balance	\$ 1,818	\$ 1,859	\$ 1,599
Net inflows / (outflows):			
Alternative investments	(2)	(1)	1
Equity	2	3	4
Fixed income	6	(1)	12
Total long-term AUS net inflows / (outflows)	6	1	17
Liquidity products	133	72	12
Total AUS net inflows / (outflows)	139	73	29
Net market appreciation / (depreciation)	100	(114)	32
<b>Ending balance</b>	<b>\$ 2,057</b>	<b>\$ 1,818</b>	<b>\$ 1,660</b>

## 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, 2020	SIX MONTHS ENDED JUNE 30, 2020
Total shareholders' equity	\$ 92,315	\$ 91,249
Preferred stock	(11,203)	(11,203)
Common shareholders' equity	81,112	80,046
Goodwill and identifiable intangible assets	(4,806)	(4,814)
Tangible common shareholders' equity	\$ 76,306	\$ 75,232

- Dealogic – January 1, 2020 through June 30, 2020.
- 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, 2020: (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, 2020: (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 basic EPS – see Note 21 "Earnings Per Common Share."
- Represents a preliminary estimate for the second quarter of 2020 and may be revised in the firm's Quarterly Report on Form 10-Q for the period ended June 30, 2020.
- GS Personal Financial Management, formerly United Capital Financial Partners, Inc., was acquired by the firm in the third quarter of 2019.
- In the first quarter of 2020, the firm adopted ASU No. 2016-13, "Financial Instruments – Credit Losses (Topic 326) – Measurement of Credit Losses on Financial Instruments." For further information about ASU No. 2016-13, see Note 3 "Significant Accounting Policies" in Part I, Item 1 "Financial Statements (Unaudited)" in the firm's Quarterly Report on Form 10-Q for the period ended March 31, 2020.
- In the second quarter of 2020, the U.S. Federal Reserve revised the calculation of the supplementary leverage ratio to exclude U.S. Treasury securities and cash held at the U.S. Federal Reserve. The estimated impact of this change was an increase in the firm's supplementary leverage ratio of approximately 0.8 percentage points.
- Net inflows in assets under supervision for the second quarter of 2019 included \$13 billion of inflows (substantially all in equity and fixed income assets) in connection with the acquisition of Rocaton Investment Advisors, which was included in the Asset Management segment.

Second Quarter 2020  
Earnings Results Presentation

July 15, 2020

# Results Snapshot

Net Revenues	
2Q	\$13.30 billion
2Q YTD	\$22.04 billion

Net Earnings	
2Q	\$2.42 billion
2Q YTD	\$3.64 billion

EPS	
2Q	\$6.26
2Q YTD	\$9.36

Annualized ROE <sup>1</sup>	
2Q	11.1%
2Q YTD	8.4%

Annualized ROTe <sup>1</sup>	
2Q	11.8%
2Q YTD	9.0%

Impact of Litigation	
2Q EPS / YTD EPS	-\$2.60 / -\$3.15
2Q ROE / YTD ROE	-4.5pp / -2.8pp

## Highlights

Second highest quarterly net revenues

Highest quarterly FICC net revenues in 9 years  
Highest quarterly Equities net revenues in 11 years

Record quarterly Investment Banking net revenues

Record AUS<sup>3,4</sup>

#1 in Announced and Completed M&A<sup>2</sup>  
#1 in Equity and equity-related offerings<sup>2</sup>

Standardized CET1 ratio<sup>3</sup> increased 110bps QoQ to 13.6%<sup>4</sup>

Macro Factors

COVID-19 & Shutdown Impact

Economies Beginning to Reopen

Continued Monetary & Fiscal Stimulus

Economic Fundamentals

Near-term Contraction Followed by Recovery

GDP Growth: 2020   2021	U.S. -4.6%   +5.8%	Global -3.4%   +6.2%
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Challenging Fundamentals & Improving Sentiment

Shape of Recovery Unknown	Unemployment & Spending Better Than Expected	Low CEO Confidence Rising Investor Sentiment
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Despite economic challenges, market rebounds drove client activity and improving sentiment

Recovery in  
Equity Markets

S&P 500: +20% in 2Q20  
MSCI World: +19% in 2Q20

Credit Spreads Normalized in  
the U.S. and Europe

U.S. IG Z-Spread: -85bps QoQ  
EUR IG Z-Spread: -100bps QoQ

Volatility & Volumes  
Remain Elevated

VIX: -43% QoQ | +102% YoY  
U.S. Cash Equity Volumes: +78% YoY

# Financial Overview

## Financial Results

	\$ in millions		vs.		vs.	
	2020	1Q20	2Q19	2020 YTD	2019 YTD	
Investment Banking	\$ 2,657	22%	36%	\$ 4,841	31%	
Global Markets	7,176	39%	93%	12,339	59%	
Asset Management	2,101	N.M.	-18%	2,005	-54%	
Consumer & Wealth Management	1,361	-9%	9%	2,853	15%	
<b>Net revenues</b>	<b>\$ 13,295</b>	<b>52%</b>	<b>41%</b>	<b>\$ 22,038</b>	<b>21%</b>	
Provision for credit losses	1,590	70%	N.M.	2,527	N.M.	
Operating expenses	8,400	30%	37%	14,858	24%	
<b>Pre-tax earnings</b>	<b>3,305</b>	<b>145%</b>	<b>6%</b>	<b>4,653</b>	<b>-20%</b>	
Net earnings	2,423	100%	-%	3,636	-22%	
<b>Net earnings to common</b>	<b>\$ 2,247</b>	<b>100%</b>	<b>2%</b>	<b>\$ 3,370</b>	<b>-23%</b>	
<b>Diluted EPS</b>	<b>\$ 0.26</b>	<b>101%</b>	<b>8%</b>	<b>\$ 9.36</b>	<b>-19%</b>	
ROE <sup>1</sup>	11.1%	5.4pp	-pp	8.4%	-2.7pp	
ROTE <sup>1</sup>	11.8%	5.8pp	0.1pp	9.0%	-2.7pp	
Efficiency Ratio <sup>3</sup>	63.2%	-10.7pp	-1.5pp	67.4%	1.8pp	

## Financial Overview Highlights

- 2020 net revenues were significantly higher YoY, reflecting significantly higher net revenues in Global Markets and Investment Banking and higher net revenues in Consumer & Wealth Management, partially offset by lower net revenue in Asset Management
- 2020 provision for credit losses was significantly higher YoY, primarily due to:
  - Revisions to forecasts of expected deterioration in the broader economic environment (incorporating the accounting for credit losses under the Current Expected Credit Losses standard<sup>2</sup>), which resulted in increased provisions for wholesale loans and, to a lesser extent, consumer loans
  - Individual impairments related to wholesale loans during the quarter
- 2020 operating expenses increased significantly YoY, primarily due to:
  - Significantly higher compensation and benefits expense, reflecting significantly higher net revenues
  - Significantly higher net provisions for litigation and regulatory proceedings
  - Higher expenses related to brokerage, clearing, exchange and distribution fees, reflecting an increase in activity levels
  - Higher expenses related to consolidated investments, including impairments

### Litigation Impact

	2020	2020 YTD
Diluted EPS	\$ -2.60	\$ -3.15
ROE	-4.5pp	-2.8pp
ROTE	-4.8pp	-2.9pp
Efficiency Ratio	+7.1pp	+5.1pp

# Investment Banking

## Financial Results

\$ in millions

	2020	vs. 1Q20	vs. 2Q19	2020 YTD	vs. 2Q19 YTD
Financial advisory	\$ 686	-12%	-11%	\$ 1,467	-11%
Equity underwriting	1,057	180%	122%	1,435	94%
Debt underwriting	990	70%	93%	1,573	58%
Underwriting	2,047	113%	107%	3,008	73%
Corporate lending	-76	N.M.	N.M.	366	16%
Net revenues	2,657	22%	36%	4,841	31%
Provision for credit losses	819	32%	N.M.	1,441	N.M.
Operating expenses	1,696	45%	62%	2,865	39%
Pre-tax earnings	\$ 142	-64%	-83%	\$ 535	-64%
Net earnings	\$ 64	-82%	-90%	\$ 418	-64%
Net earnings to common	\$ 41	-88%	-93%	\$ 384	-66%
Average common equity	\$ 11,132	-2%	-4%	\$ 11,176	3%
Return on average common equity	1.5%	-10.6pp	-19.3pp	6.9%	-14.1pp

## Investment Banking Highlights

- 2020 net revenues were significantly higher YoY
  - Financial advisory net revenue were lower, reflecting a decrease in industry-wide completed mergers and acquisitions transactions
  - Underwriting net revenue were significantly higher, reflecting record net revenues in both Equity and Debt underwriting, reflecting a significant increase in industry-wide volumes
  - Corporate lending results were significantly lower, reflecting the impact of changes in credit spreads on hedges (2020 net loss of \$200 million) related to relationship lending activities
- 2020 provision for credit losses was significantly higher YoY, reflecting updated economic forecasts and higher impairments related to relationship and middle-market lending
- 2020 operating expenses were significantly higher YoY, primarily due to significantly higher net provisions for litigation and regulatory proceedings and compensation and benefits expenses
  - Litigation expense reduced 2020 ROE by 16.2pp and 2020 YTD ROE by 10.0pp
- The firm formally launched its transaction banking business in the U.S. and increased deposits by \$16 billion to \$25 billion during the quarter\*
- Overall backlog<sup>†</sup> decreased significantly QoQ, across advisory, equity underwriting and debt underwriting

## Investment Banking Net Revenues (\$ in millions)



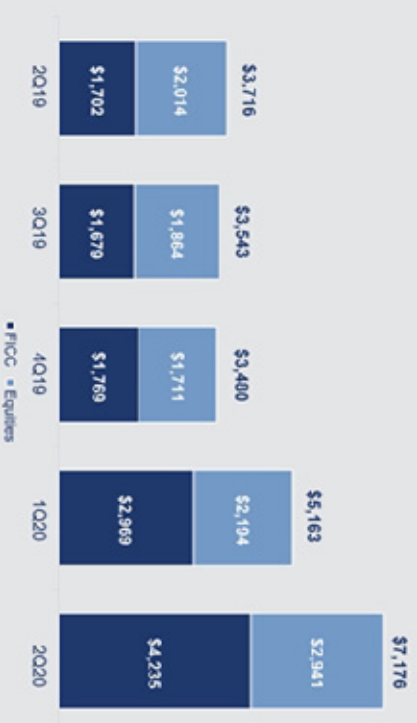
## Financial Results

	\$ in millions		2020		2019	
	2020	1Q20	2Q19	YTD	2Q19	YTD
FICC intermediation	\$ 3,786	49%	163%	\$ 6,323	91%	
FICC financing	449	4%	71%	881	40%	
FICC	4,235	43%	140%	7,204	83%	
Equities intermediation	2,199	44%	91%	3,727	61%	
Equities financing	742	11%	-14%	1,408	-0%	
Equities	2,941	34%	46%	5,135	36%	
Net revenues	7,176	39%	93%	12,339	59%	
Provision for credit losses	183	109%	N.M.	251	N.M.	
Operating expenses	4,172	47%	55%	7,019	20%	
Pre-tax earnings	\$ 2,821	25%	173%	\$ 5,069	118%	
Net earnings	\$ 1,938	-4%	145%	\$ 3,901	113%	
Net earnings to common	\$ 1,824	-7%	185%	\$ 3,788	128%	
Average common equity	\$ 42,987	8%	8%	\$ 41,133	1%	
Return on average common equity	17.0%	-2.7pp	10.6pp	18.4%	10.3pp	

## Global Markets Highlights

- 2020 net revenues were significantly higher YoY, primarily driven by higher client activity
  - FICC net revenues were significantly higher YoY, reflecting significantly higher intermediation net revenues and financing net revenues
  - Equities net revenues were significantly higher YoY, reflecting significantly higher intermediation net revenues, partially offset by lower financing net revenues
- 2020 provision for credit losses was significantly higher YoY, reflecting updated economic forecasts for the mortgage lending portfolio
- 2020 operating expenses were significantly higher YoY, reflecting significantly higher compensation and benefits expenses and net provisions for litigation and regulatory proceedings and higher brokerage, clearing, exchange and distribution fees
  - Litigation expense reduced 2020 ROE by 4.4pp and 2020 YTD ROE by 2.8pp

## Global Markets Net Revenues (\$ in millions)





## Global Markets – FICC & Equities

### FICC Highlights

- 2020 net revenues were significantly higher YoY
  - FICC intermediation net revenues were significantly higher, reflecting significantly higher net revenues across all major businesses, particularly in interest rate products, credit products and commodities
  - FICC financing net revenues were significantly higher, primarily driven by repurchase agreements
- 2020 operating environment was characterized by continued strong client activity, as volatility remained high, while interest rates remained low and credit spreads tightened during the quarter

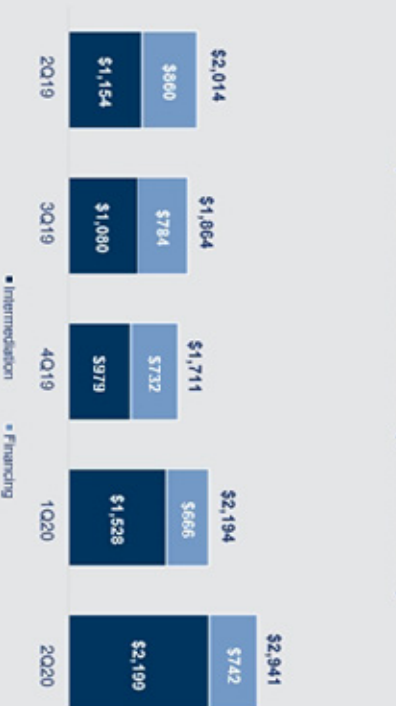
#### FICC Net Revenues (\$ in millions)



### Equities Highlights

- 2020 net revenues were significantly higher YoY
  - Equities intermediation net revenues were significantly higher, reflecting significantly higher net revenues in both cash products and derivatives
  - Equities financing net revenues were lower, reflecting lower average customer balances, tighter spreads and a decrease in dividends
- 2020 operating environment was characterized by continued strong client activity, as volatility remained high and global equity prices were generally higher compared to 1Q20

#### Equities Net Revenues (\$ in millions)



# Asset Management

## Financial Results

	\$ in millions		VS.		2020 YTD		VS.	
	2020	1Q20	2019	1Q19	2020	2019	YTD	YTD
Management and other fees	\$ 604	7%	3%	7%	\$ 1,324	4%		
Incentive fees	34	-78%	10%		188	N.M.		
Equity investments	924	N.M.	-38%		902	-61%		
Lending and debt investments	459	N.M.	31%		-409	N.M.		
Net revenues	2,101	N.M.	-18%		2,005	-54%		
Provision for credit losses	271	N.M.	N.M.		350	N.M.		
Operating expenses	1,332	11%	7%		2,530	8%		
Pre-tax earnings	\$ 498	N.M.	-60%		\$ -875	N.M.		
Net earnings	\$ 552	N.M.	-43%		\$ -684	N.M.		
Net earnings to common	\$ 526	N.M.	-44%		\$ -724	N.M.		
Average common equity	\$ 19,457	-8%	-10%		\$ 20,449	-3%		
Return on average common equity	10.8%	34.4pp	-6.5pp		-7.1%	-21.2pp		

## Asset Management Highlights

- 2020 net revenues were lower YoY
  - Management and other fees from institutional and third-party distribution asset management clients were slightly higher, reflecting higher average AUM, partially offset by a lower average effective fee due to shifts in the mix of client assets and strategies
  - Equity investments net revenue reflected significantly lower net gains from investments in private equities (2Q20: ~\$290 million; 2Q19: ~\$1.20 billion), partially offset by significantly higher net gains from investments in public equities (2Q20: ~\$635 million; 2Q19: ~\$300 million)
  - Lending and debt investments net revenues were significantly higher, reflecting significantly higher net gains as corporate credit spreads tightened during the quarter
- 2020 provision for credit losses was significantly higher YoY, reflecting updated economic forecasts and higher impairments related to the private credit and real estate portfolios

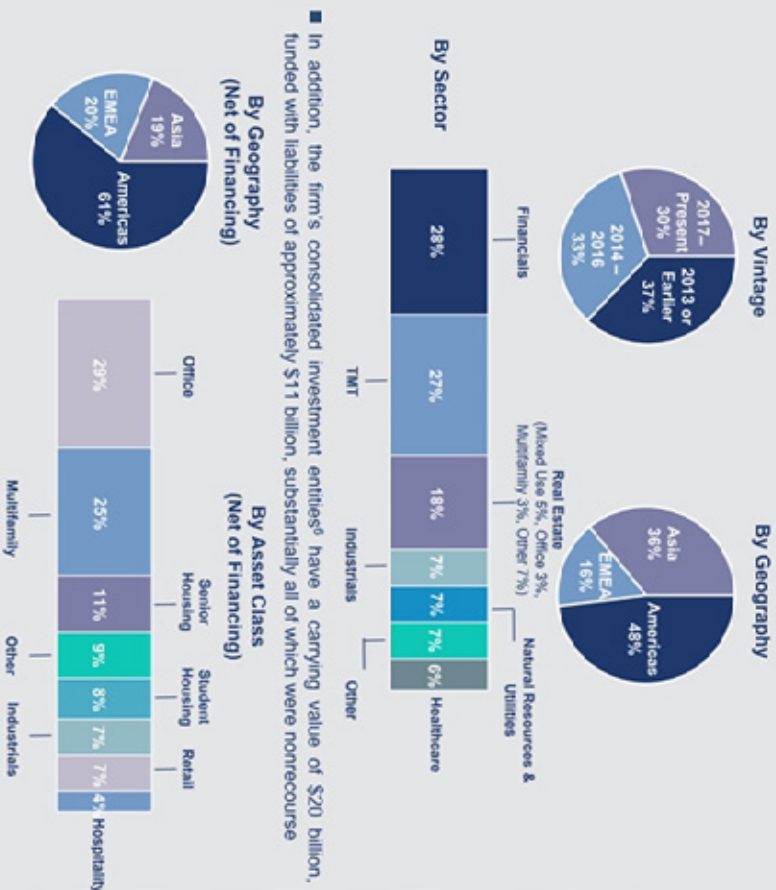
## Asset Management Net Revenues (\$ in millions)



## Asset Management – Asset Mix

### 2Q20 Equity Investments of \$20 Billion<sup>4</sup>

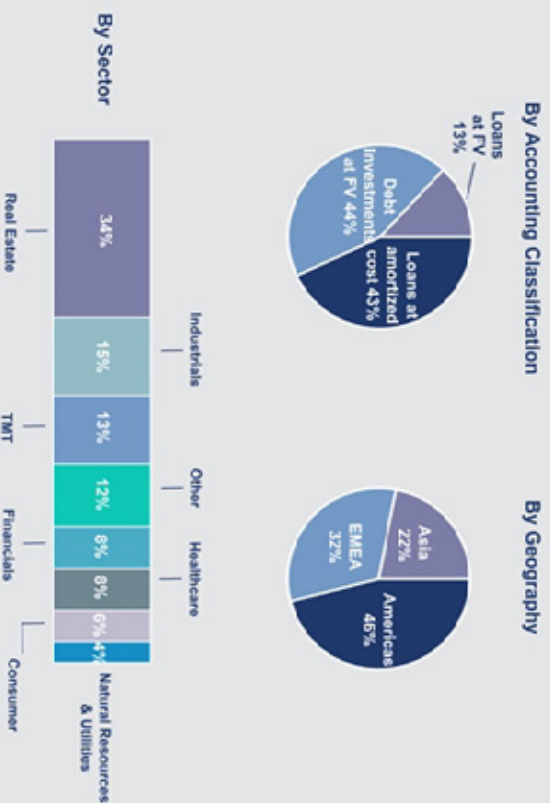
\$17 Billion Private, \$3 Billion Public



### 2Q20 Lending and Debt Investments of \$30 Billion<sup>4</sup>

\$17 Billion Loans (88% Secured)

\$13 Billion Debt Investments



# Consumer & Wealth Management

## Financial Results

	\$ in millions		VS.		VS.	
	2020	1Q20	2Q19	2020 YTD	2Q19 YTD	
Management and other fees	\$ 938	-2%	13%	\$ 1,897	17%	
Incentive fees	10	-86%	-23%	79	93%	
Private banking and lending	155	-15%	-17%	337	-14%	
Wealth management	1,103	-9%	7%	2,313	12%	
Consumer banking	258	-9%	19%	540	29%	
Net revenues	1,361	-9%	9%	2,853	15%	
Provision for credit losses	317	89%	N.M.	485	144%	
Operating expenses	1,200	-4%	5%	2,444	14%	
Pre-tax earnings	\$ -156	N.M.	N.M.	\$ -76	N.M.	
Net earnings	\$ -131	N.M.	N.M.	\$ -59	N.M.	
Net earnings to common	\$ -144	N.M.	N.M.	\$ -78	N.M.	
Average common equity	\$ 7,536	8%	28%	\$ 7,288	24%	
Return on average common equity	-7.6%	-11.4pp	-8.4pp	-2.1%	-5.2pp	

## Consumer & Wealth Management Highlights

- 2Q20 net revenues were higher YoY
  - Wealth management net revenues were higher, due to higher Management and other fees (including the impact of the consolidation of GS Personal Financial Management<sup>†</sup>), primarily reflecting higher average AUS and higher transaction volumes, partially offset by lower net revenues in Private banking and lending, primarily reflecting lower interest rates
  - Consumer banking net revenues were higher, as 2Q20 included credit card loans
- 2Q20 provision for credit losses was significantly higher YoY, reflecting updated economic forecasts for the consumer lending portfolio
- Continued to scale the digital consumer deposit platforms, as consumer deposits increased by a record \$20 billion in 2Q20 to \$92 billion<sup>†</sup>
- The firm continued to support Marcus and Apple Card consumers during the quarter and extended the flexibility to defer payments without incurring any charges for the Apple Card through July 2020

## Consumer & Wealth Management Net Revenues (\$ in millions)



# Firmwide Assets Under Supervision

## Firmwide Assets Under Supervision<sup>3,4</sup>

	By Segment			vs.	
	2020	1Q20	2Q19	1Q20	2Q19
Asset Management	\$ 1,499	\$ 1,309	\$ 1,171	15%	28%
Consumer & Wealth Management	558	500	480	10%	14%
<b>Firmwide AUS</b>	<b>\$ 2,057</b>	<b>\$ 1,818</b>	<b>\$ 1,650</b>	<b>13%</b>	<b>24%</b>

	By Asset Class			vs.	
	2020	1Q20	2Q19	1Q20	2Q19
Alternative investments	\$ 179	\$ 178	\$ 174	1%	3%
Equity	394	335	350	18%	13%
Fixed income	817	771	749	6%	9%
Long-term AUS	1,390	1,284	1,273	8%	9%
Liquidity products	607	534	387	25%	72%
<b>Firmwide AUS</b>	<b>\$ 2,057</b>	<b>\$ 1,818</b>	<b>\$ 1,660</b>	<b>13%</b>	<b>24%</b>

## Organic Long-Term Net Flows<sup>3,4</sup> (\$ in billions)

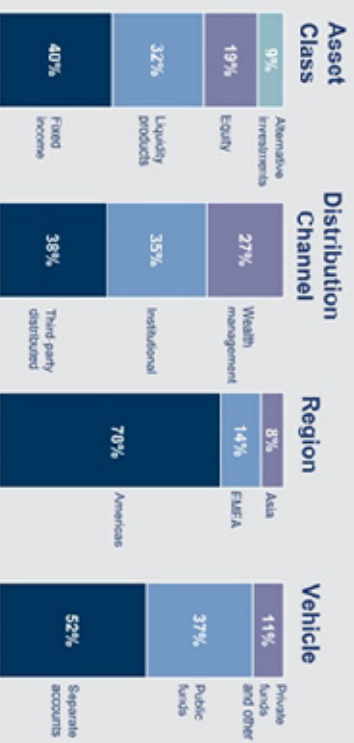
(Excludes Acquisitions)



## Assets Under Supervision Highlights<sup>3,4</sup>

- Firmwide AUS increased \$239 billion during the quarter to a record \$2.06 trillion, including Asset Management AUS increasing \$190 billion and Consumer & Wealth Management AUS increasing \$49 billion
- Net market appreciation of \$100 billion, primarily in equity and fixed income assets
- Liquidity products net inflows of \$133 billion
- Long term net inflows of \$6 billion

## 2Q20 AUS Mix<sup>3,4</sup>



## Net Interest Income and Loans



### Net Interest Income by Segment (\$ in millions)



### Net Interest Income Highlights

- 2Q20 net interest income decreased \$127 million YOY
- The YOY decrease in net interest income reflected the impact of lower interest rates and an increase in lower-risk, lower-yielding global core liquid assets

### Loans<sup>4</sup>

	\$ in billions		2020		1Q20		2Q19	
Corporate	\$	59	\$	68	\$	47		
Wealth management		28		29		25		
Commercial real estate		17		17		15		
Residential real estate		5		4		6		
Installation		5		5		5		
Credit cards		2		2		-		
Other		5		0		4		
Allowance for loan losses		(4)		(3)		(1)		
<b>Total Loans</b>	<b>\$</b>	<b>117</b>	<b>\$</b>	<b>128</b>	<b>\$</b>	<b>101</b>		

### Metrics

**3.7%**  
ALL to Total  
GROSS LOANS, at  
AMORTIZED COST

**2.8%**  
ALL to Gross  
Wholesale Loans, at  
AMORTIZED COST

**17.0%**  
ALL to Gross  
Consumer Loans, at  
AMORTIZED COST

### Lending Highlights

- Total loans decreased \$1.1 billion, down 9% QoQ, reflecting paydowns on committed corporate lines
- Total allowance was \$4.39 billion (including \$3.90 billion for funded loans), up \$1.19 billion QoQ
  - \$3.24 billion for wholesale loans, \$1.15 billion for consumer loans
- Provision for credit losses of \$1.59 billion in 2Q20, up from \$937 million in 1Q20
- 2Q20 net charge-offs of \$260 million for an annualized net charge-off rate of 0.9%, up 40bps QoQ
  - Wholesale annualized net charge-off rate of 0.7%, up 50bps QoQ
  - Consumer annualized net charge-off rate of 5.1%, up 30bps QoQ

# Expenses

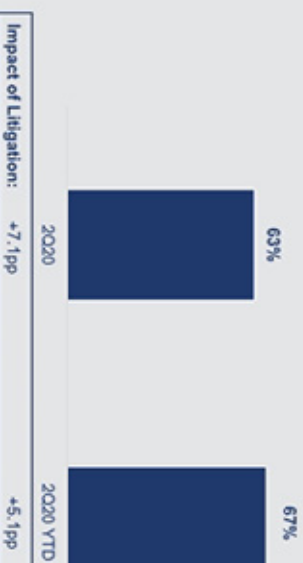
## Financial Results

	\$ in millions		VS.		VS.		VS.	
	2020	1Q20	2019	2020 YTD	2019 YTD			
Compensation and benefits	\$ 4,470	30%	35%	\$ 7,713	17%			
Brokerage, clearing, exchange and distribution fees	945	-3%	15%	1,920	21%			
Market development	89	-42%	-52%	242	-35%			
Communications and technology	345	7%	19%	666	16%			
Depreciation and amortization	499	14%	25%	936	22%			
Occupancy	233	-2%	-%	471	3%			
Professional fees	311	-10%	3%	658	10%			
Other expenses	1,500	99%	164%	2,252	114%			
<b>Total operating expenses</b>	<b>\$ 8,400</b>	<b>30%</b>	<b>37%</b>	<b>\$ 14,858</b>	<b>24%</b>			
Provision for taxes	\$ 882	N.M.	25%	\$ 1,017	-13%			
<b>Effective Tax Rate</b>				<b>21.9%</b>	<b>1.8pp</b>			

## Expense Highlights

- 2020 total operating expenses increased significantly YOY, reflecting:
  - Significantly higher compensation and benefits expenses, reflecting significantly higher net revenues
  - Significantly higher non-compensation expenses, which included:
    - Significantly higher net provisions for litigation and regulatory proceedings
    - Higher expenses related to brokerage, clearing, exchange and distribution fees, reflecting an increase in activity levels
    - Higher expenses related to consolidated investments, including impairments
    - Remainder of the increase primarily attributable to higher expenses related to technology, the firm's credit card activities and the impact of the consolidation of GS Personal Financial Management, partially offset by lower travel and entertainment expenses
- 2020 YTD effective income tax rate was 21.9%, up from 10.0% for 1Q20, primarily due to a decrease in the impact of permanent tax benefits and an increase in provisions for non-deductible litigation in the first half of 2020 compared with 1Q20

## Efficiency Ratio<sup>3</sup>



## Capital and Balance Sheet

### Capital<sup>3,4</sup>

	\$ in billions		
	2Q20	1Q20	2Q19
Common equity tier 1 (CET1) capital	\$ 76.8	\$ 74.6	\$ 75.6
Standardized RWAs	\$ 563	\$ 594	\$ 548
Standardized CET1 capital ratio	13.6%	12.5%	13.8%
Advanced RWAs	\$ 620	\$ 606	\$ 559
Advanced CET1 capital ratio	12.4%	12.3%	13.5%
Supplementary leverage ratio	6.7% <sup>5</sup>	5.9%	6.4%

### Selected Balance Sheet Data<sup>4</sup>

	\$ in billions		
	2Q20	1Q20	2Q19
Total assets	\$ 1,142	\$ 1,090	\$ 945
Deposits	\$ 268	\$ 220	\$ 166
Unsecured long-term borrowings	\$ 223	\$ 226	\$ 221
Shareholders' equity	\$ 92	\$ 92	\$ 91
Average GCLA <sup>3</sup>	\$ 290	\$ 243	\$ 225

### Capital and Balance Sheet Highlights

- Both Standardized and Advanced CET1 ratios increased QoQ
  - Increase in CET1 capital reflected net earnings in excess of dividends
  - Decrease in Standardized RWAs reflected lower credit RWAs due to reduced exposure
  - Increase in Advanced RWAs reflected the impact of increased volatility
- Returned \$450 million of capital in common stock dividends
  - The firm did not repurchase any shares in 2Q20 and will not in 3Q20<sup>3</sup>
- The firm's balance sheet increased \$52 billion QoQ
  - Maintained highly liquid balance sheet as GCLA<sup>3</sup> averaged \$290 billion<sup>4</sup> for 2Q20
  - Deposits increased \$48 billion QoQ, reflecting an increase in consumer, transaction banking and private bank deposits
- BVPS decreased QoQ, driven by debt valuation adjustment on tightening of the firm's credit spreads

### Book Value

	In millions, except per share amounts		
	2Q20	1Q20	2Q19
Basic shares <sup>3</sup>	355.8	355.7	372.2
Book value per common share	\$ 227.31	\$ 228.21	\$ 214.10
Tangible book value per common share <sup>1</sup>	\$ 213.84	\$ 214.69	\$ 203.05



## Cautionary Note Regarding Forward-Looking Statements

This presentation 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, 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 indicated in these statements. For information about some of the risks and important factors that could affect the firm's future results, financial condition and liquidity and the forward-looking statements below, see "Risk Factors" in Part II, Item 1A of the firm's Quarterly Report on Form 10-Q for the period ended March 31, 2020 and in Part I, Item 1A of the firm's Annual Report on Form 10-K for the year ended December 31, 2019.

Information regarding the firm's assets under supervision, capital ratios, risk-weighted assets, supplementary leverage ratio, balance sheet data and global core liquid assets (GCLA) 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 regarding (i) estimated GDP growth, (ii) the impact of the COVID-19 pandemic on the firm's business, results, financial position and liquidity, (iii) the timing, profitability, benefits and other prospective aspects of business initiatives and the achievability of medium- and long-term targets and goals, (iv) the future state of the firm's liquidity and regulatory capital ratios, (v) the firm's prospective capital distributions (including dividends), (vi) the firm's future effective income tax rate, and (vii) the firm's investment banking transaction backlog are forward-looking statements. Statements regarding estimated GDP growth are subject to the risk that actual GDP growth may differ, possibly materially, due to, among other things, changes in general economic conditions. Statements about the effects of the COVID-19 pandemic on the firm's business, results, financial position and liquidity are subject to the risk that the actual impact may differ, possibly materially, from what is currently expected. Statements about the timing, profitability, benefits and other prospective aspects of business initiatives and the achievability of medium and long-term targets and goals are based on the firm's current expectations regarding our ability to implement these initiatives and achieve these targets and goals and may change, possibly materially, from what is currently expected. Statements about the future state of the firm's liquidity and regulatory capital ratios, as well as its prospective capital distributions, are subject to the risk that the firm's actual liquidity, regulatory capital ratios and capital distributions may differ, possibly materially, from what is currently expected. Statements about the firm's future effective income tax rate are subject to the risk that the firm's future effective income tax rate may differ from the anticipated rate indicated, possibly materially, due to, among other things, changes in the firm's earnings mix or profitability, the entities in which the firm generates profits and the assumptions made in forecasting the firm's expected tax rate, and potential future guidance from the U.S. IRS. Statements about the firm's investment banking transaction backlog are subject to the risk that transactions may be modified or not completed at all and associated net revenues may not be realized or may be materially less than those currently 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.

## Footnotes

- Annualized return on average common shareholders' equity (ROE) is calculated by dividing annualized net earnings applicable to common shareholders by average monthly common shareholders' equity. Annualized return on average tangible common shareholders' equity (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. Tangible book value per common share (TBVPS) is calculated by dividing tangible common shareholders' equity by basic shares. Management believes that tangible common shareholders' equity and TBVPS are meaningful because they are measures that the firm and investors use to assess capital adequacy and that ROTE is meaningful because it measures the performance of businesses consistently, whether they were acquired or developed internally. Tangible common shareholders' equity, ROTE and TBVPS 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 and ending common shareholders' equity to average and ending tangible common shareholders' equity.

Unaudited, \$ in millions	AVERAGE FOR THE		AS OF	
	THREE MONTHS ENDED JUNE 30, 2020	SIX MONTHS ENDED JUNE 30, 2020	JUNE 30, 2020	MARCH 31, 2020
Total shareholders' equity	\$ 92,315	\$ 91,249	\$ 92,079	\$ 92,379
Preferred stock	(11,203)	(11,203)	(11,203)	(11,203)
Common shareholders' equity	\$ 81,112	\$ 80,046	\$ 80,876	\$ 81,176
Goodwill and identifiable intangible assets	(4,805)	(4,814)	(4,792)	(4,810)
Tangible common shareholders' equity	\$ 76,306	\$ 75,232	\$ 76,084	\$ 76,366

- Dealtic – January 1, 2020 through June 30, 2020.
- For information about the following items, see the referenced sections in Part 1, 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, 2020: (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 Expense" (iv) basic shares – see "Balance Sheet and Funding Sources – Balance Sheet Analysis and Metrics" (v) share repurchase program – see "Equity Capital Management and Regulatory Capital – Equity Capital Management" and (vi) global core liquid assets – see "Risk Management – Liquidity Risk Management."
- For information about risk-based capital ratios and the supplementary leverage ratio, see Note 20 "Regulation and Capital Adequacy" in Part 1, Item 1 "Financial Statements (Unaudited)" in the firm's Quarterly Report on Form 10-Q for the period ended March 31, 2020.
- Represents a preliminary estimate for the second quarter of 2020 and may be revised in the firm's Quarterly Report on Form 10-Q for the period ended June 30, 2020.
- In the first quarter of 2020, the firm adopted ASU No. 2016-13, "Financial Instruments – Credit Losses (Topic 326) – Measurement of Credit Losses on Financial Instruments." For further information about ASU No. 2016-13, see Note 3 "Significant Accounting Policies" in Part 1, Item 1 "Financial Statements (Unaudited)" in the firm's Quarterly Report on Form 10-Q for the period ended March 31, 2020.
- Includes consolidated investment entities, substantially all of which related to entities engaged in real estate investment activities. These assets are generally accounted for at historical cost less depreciation.
- GS Personal Financial Management, formerly United Capital Financial Partners, Inc., was acquired by the firm in the third quarter of 2019.
- In the second quarter of 2020, the U.S. Federal Reserve revised the calculation of the supplementary leverage ratio to exclude U.S. Treasury securities and cash held at the U.S. Federal Reserve. The estimated impact of this change was an increase in the firm's supplementary leverage ratio of approximately 0.8 percentage points.