

Executing Our Strategy

John Waldron

President and Chief Operating Officer

January 29, 2020



Executing Our Strategy

Operating Approach



**Execution in the
Core Franchise**



**Investing
for Growth**



**Operating
Efficiency**

Brand • One Goldman Sachs • Engineering • Talent

Investment Banking



Narrow Wallet Share Gaps

Expand Client Footprint

Source Firmwide Opportunities

Invest in Talent

MEASURING OUR PROGRESS

- Top 3 M&A and Equity ranking in every subsector globally
- Relationship status improvement
- Narrow ECM and DCM wallet share gaps
- Coverage of >1,700 new corporates
- Track sourcing of investment opportunities
- #1 in IB fees
- #1 in M&A Market Share
- #1 in Equity Market Share
- Top 4 Debt Market Share

Global Markets



Deepen Relationships with Institutional Clients

Increase Client Financing

Deploy Technology to Improve Client Experience

Enhance Corporate Offerings

Optimize Resource Utilization

MEASURING OUR PROGRESS

- Top 3 position with Top 100 clients
- Increasing FICC financing revenues
- Narrow Systematic/Quant wallet share gap
- Measure utilization of key platforms
- \$700mm OpEx reduction in 3 years
- \$250mm funding cost savings in 3 years
- ROE expansion from 7% to 10%+ in 3 years

Asset Management



Partner with Asset Allocators

Deliver Holistic Solutions

Innovate to
Serve Client Needs

Invest in
Institutional Sales Force

MEASURING OUR PROGRESS

- Consistent strong investment performance
- Morningstar rankings
- Measure quality of institutional client relationships
- Organic long-term fee-based AUS growth
- Advisory / outsourced CIO revenues
- +\$250bn of firmwide Traditional AUS inflows in 5 years

Consumer & Wealth Management



MEASURING OUR PROGRESS

Organic Advisor Growth
in Americas

Source Experienced
PWA Hires in EMEA / APAC

Increase Lending to
Private Wealth Clients

- +20% Advisor headcount in Americas
- Measure Advisor productivity
- UHNW market share
- +50% Advisor headcount in EMEA / APAC
- PWM lending penetration
- C&WM margin to 20%+ at scale

Investing for Growth: Four Areas of Focus

**Transaction
Banking**

**Third Party
Alternatives**

**Digital
Consumer Bank**

**Wealth
Management**

Build Transaction Banking

5+ Year Opportunity

\$50bn
Deposit Balances

\$1bn
in Revenues

Strong Client Value Proposition



Analytics and actionable insights



Fast and easy onboarding



Modern tools and simple processes



Scalable client customization

Progress and Forward Plan

Built 350 Person Team

**Processed >\$3tn for
Goldman Sachs in 5 Currencies**

**Opened Deposit Accounts
with over 25 Clients**

Full Platform Launch – 1H 2020

Grow Third Party Alternatives

5-Year Opportunity

\$100bn

Alternative Net Inflows¹

\$4bn

Capital Reduction²

Strong Client Value Proposition



Global multi-asset class franchise



Unique sourcing capabilities



Experienced investment team



Strong long-term track record

Progress and Forward Plan

Unified 5 Investing Platforms

Established Investing Teams Across Asset Classes

Created Alternatives Capital Markets + Strategy Group

Optimizing Capital Efficiency

Scale Digital Consumer Banking

5-Year Opportunity

Grow to
\$125bn+
Consumer
Deposit Balances

Grow to
\$20bn+
Consumer
Loan/Card Balances

Strong Client Value Proposition

Building products that are:



Simple



Transparent



Valuable



Personal



Secure

Progress and Forward Plan

Launched Marcus Deposits,
Lending and Apple Card

Building Integrated Digital Bank
and Wealth Platform

Growing Deposits, Lending
and Card Balances

Pursue Additional Products
and Partnership Opportunities

Expand Wealth Offering

5-Year Opportunity

30
Corporate clients
added annually

300k
Employees added
annually

Strong Client Value Proposition



Advice-driven solutions



Innovative digital capabilities



Holistic offering



Tailored to client needs

Progress and Forward Plan

Complete Integration of
United Capital

Drive Synergies Between
Ayco and United Capital

Launch New Marcus Products

Increase Digital Utilization

Deep Global Network of Client Relationships

~\$37bn
Firmwide
Revenues

~100
Offices
Globally

~38k
Employees
Globally



~\$15bn
International
Revenues¹

~40
International
Offices¹

~18k
International
Employees¹

Execution Priorities

**Grow PWM
Advisors**

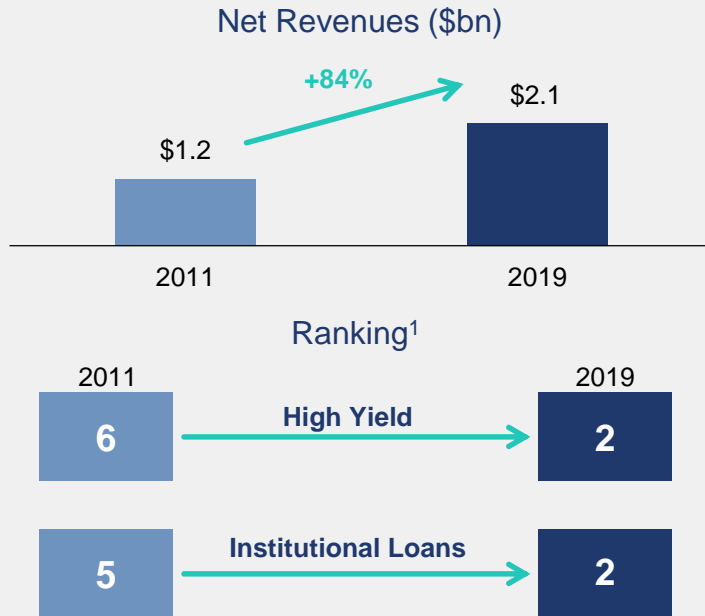
**Grow IB
Corporate
Footprint**

**Close Institutional
Investor Wallet
Share Gaps**

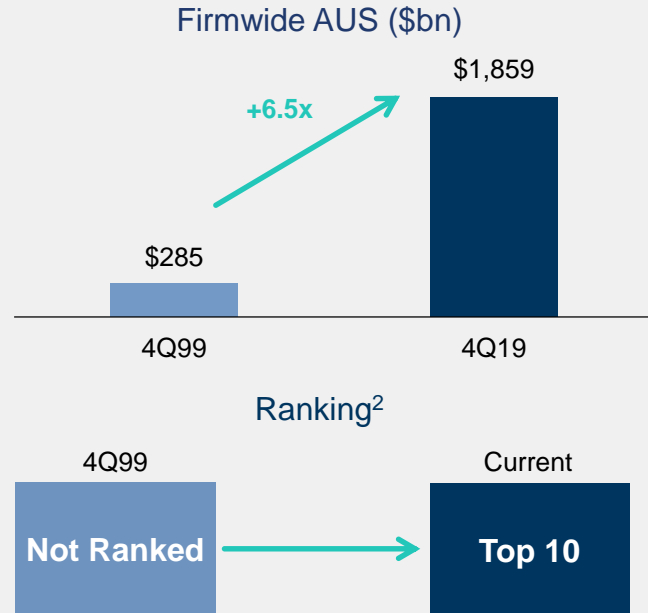
**China
5-Year Plan**

Track Record of Building Businesses

Debt Underwriting



Asset and Wealth Management



\$1.3bn Run-rate Expense Savings in 3 Years

Drives Capacity for Investment

Streamlined Organization

- Pyramid evolution
- Business alignment of 7,500 engineering and operations individuals
- Embed organizational design capabilities

Investment in Automation and Infrastructure

- Digital transformation
- Straight-through-processing
- Platform consolidation

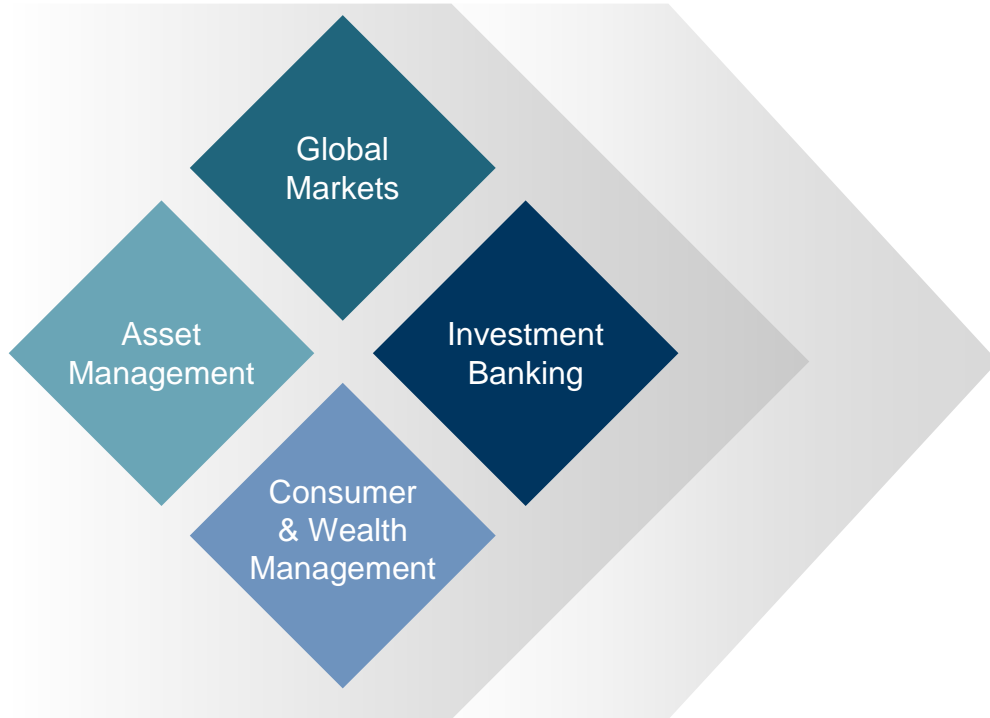
Real Estate Strategy

- Strategic locations
- Campus consolidation

Integrated Expense Management

- Strategic technology capabilities
- Improved governance and transparency
- Holistic financial planning

One Goldman Sachs



Client-centricity drives everything we do – from organizational structure to talent deployment

One Goldman Sachs

Initial Phase

Forward Plan

~30

Identified key
clients with
complex needs

>200

Dedicated
Goldman Sachs
professionals

97%

Positive client
feedback

>100

Clients in
expansion
plan

One Goldman Sachs



Client Coverage

- Increasing collaboration
- Institutionalizing incentives
- Leveraging sourcing network

Thought Leadership

- Best-in-class intellectual capital
- Curated content
- Dedicated senior leadership

Digital Client Experience

- Digital delivery channels
- Unified platform experience
- Harmonized client analytics

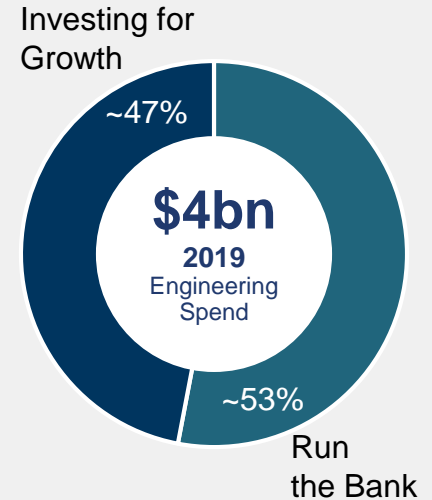
Engineering Core to Execution Strategy

Investing for Growth

- Build, scale and operate new platform businesses
- Develop and extend differentiated services via API¹ ecosystem
- Shape and enable One Goldman Sachs capabilities
- Ignite the innovative capacity of our people

Run the Bank

- Enhance foundational shared services
- Promote secure, flexible and resilient infrastructure
- Drive platform simplification



Metrics

Platform Engagement • Resiliency • APIs • Productivity • Cloud Usage

Enhancing Our World-Class Engineering Team

>80%

Acceptance rate for full-time offers!

40%

of Engineers have PhDs or Advanced Degrees

Successfully hired **Co-CIO**
and **CTO**

9K+

Engineers employed at Goldman Sachs²

Growing Cutting-Edge Engineering Capabilities to Better Serve Clients

Incentives Align to Long-Term Shareholder Value

Management Committee



Increased use of performance-based equity

Partnership



Long-term compensation closely tied to performance

One Goldman Sachs



Incentivizing a client-centric and collaborative culture

Firmwide



Pay-for-performance philosophy with long-term orientation

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End Notes

These notes refer to the financial metrics and/or defined term presented on:

Slide 8:

1. Growth shown net of realizations
2. Capital efficiencies across Alternatives in Asset Management

Slide 11:

1. Excludes the US and Canada from total international figures

Slide 12:

1. High Yield per Dealogic, Institutional Loans per Bloomberg
2. Data as of 3Q19. Competitor data compiled from publicly available Quarterly Earnings Releases and Supplements, eVestment database and Morningstar Direct. Where product classification (e.g. fixed income vs. alternatives) and portfolio management style (passive vs. active) were not explicit in competitors' publicly available data, GS applied certain assumptions for purposes of making comparisons. Peer population represents key competitors tracked internally by product classification and portfolio management style

Slide 17:

1. Application programming interface

Slide 18:

1. Refers to acceptance rate for 2020 full-time positions as of January 2020
2. Includes Engineers and Strats

Cautionary Note on Forward-Looking Statements

Statements about the firm's target metrics, including its target ROE, ROTE, efficiency ratio and CET1 capital ratios, and how they can be achieved, and statements about future operating expense (including future litigation expense), amount and composition of future Assets under Supervision, planned debt issuances, growth of deposits and associated interest expense savings, future geographic location of its employees, and the timing and profitability of its business initiatives, including its launch of new businesses or new activities, its ability to increase its market share in incumbent businesses and its ability to achieve more durable revenues and higher returns from these initiatives, are forward-looking statements, and it is possible that the firm's actual results may differ, possibly materially, from the targeted results indicated in these statements.

Forward looking statements, including those about the firm's target ROE, ROTE, efficiency ratio, and expense savings, and how they can be achieved, are based on the firm's current expectations regarding its business prospects and are subject to the risk that the firm may be unable to achieve its targets due to, among other things, changes in the firm's business mix, lower profitability of new business initiatives, increases in technology and other costs to launch and bring new business initiatives to scale, and increases in liquidity requirements. Statements about the firm's target ROE, ROTE and CET1 capital ratios, and how they can be achieved, are based on the firm's current expectations regarding the capital requirements applicable to the firm and are subject to the risk that the firm's actual capital requirements may be higher than currently anticipated because of, among other factors, changes in the regulatory capital requirements applicable to the firm resulting from changes in regulations or the interpretation or application of existing regulations or changes in the nature and composition of the firm's activities. Statements about the timing and benefits of business and expense savings initiatives, the level and composition of more durable revenues and increases in market share are based on the firm's current expectations regarding its ability to implement these initiatives and may change, possibly materially, from what is currently expected. Due to the inherent uncertainty in these forward-looking statements, investors should not place undue reliance on the firm's ability to achieve these results.

For a discussion of some of the risks and important factors that could affect the firm's future business, results and financial condition, see "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2018. You should also read the cautionary notes on forward-looking statements in our Form 10-Q for the period ended September 30, 2019 and Earnings Results Presentation for the Full Year and Fourth Quarter 2019. For more information regarding non-GAAP financial measures such as ROTE, refer to the footnotes in the Earnings Release and Earnings Presentation for the Full Year and Fourth Quarter 2019 and information on the calculation of non-GAAP financial measures that is posted on the Investor Relations portion of our website: www.goldmansachs.com.

The statements in the presentation are current only as of January 29, 2020 and the firm does not undertake to update forward-looking statements to reflect the impact of subsequent events or circumstances.