

Goldman  
Sachs

# State of the Franchise

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President and Chief Operating Officer

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# Our Client Franchise is the Foundation of Our Firm

## One Goldman Sachs



### Trusted advisor

We have been a trusted partner of the world's leading businesses, entrepreneurs, and institutions for more than 150 years

### Client-centric mindset

Everything we do – our people, our technology, our organizational structure, and our incentives – is designed to advance the success of our clients

### Global, broad, and deep

We provide our clients access to a range of financial solutions that are differentiated by their breadth, depth, and geographic reach

# Market-Leading Client Franchises

Global Banking & Markets

Leading franchise

#1 M&A<sup>1</sup>

#2 Equity Underwriting<sup>1</sup>

#1 Equities<sup>2</sup>, #2 FICC<sup>2</sup>

Asset & Wealth Management

World-class investment manager

Top 5 Global Active Asset Manager<sup>3</sup>

Top 5 Alternative Asset Manager<sup>3</sup>

Premier Ultra High Net  
Worth franchise

# Client-Centric Strategy Driving Outperformance

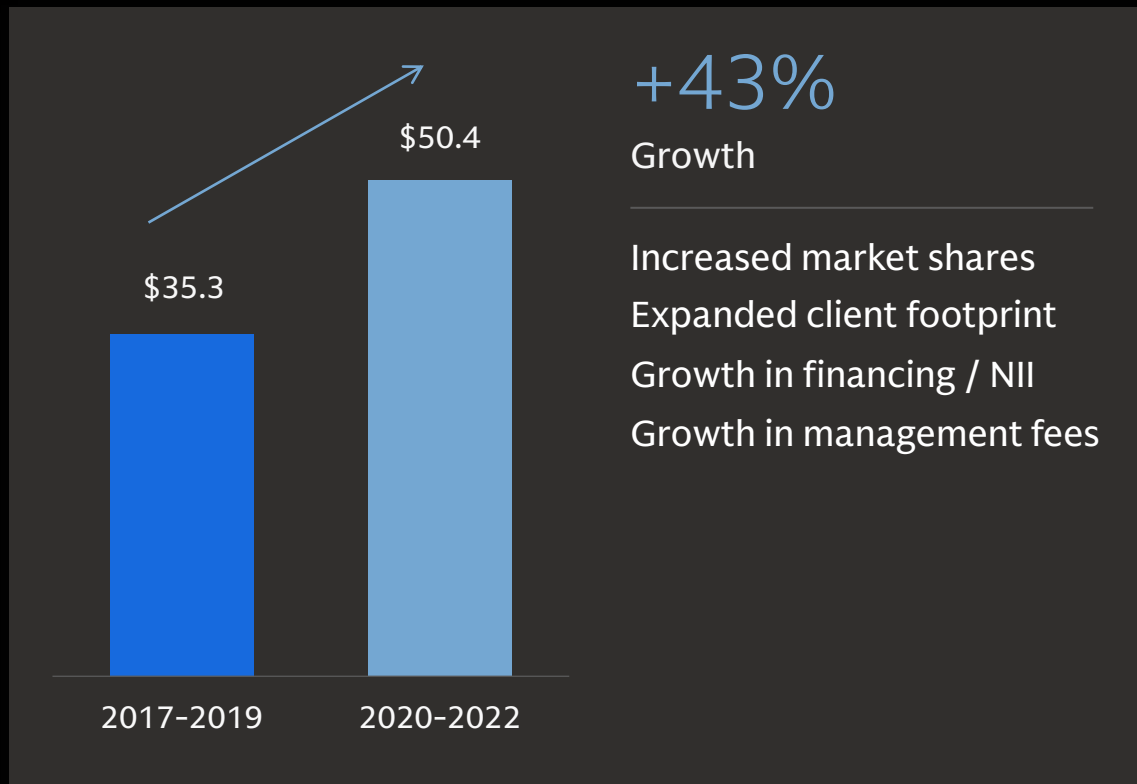
Longer term operating focus

Investing for growth

Enhanced accountability

Risk management culture

Average net revenues (\$bn)

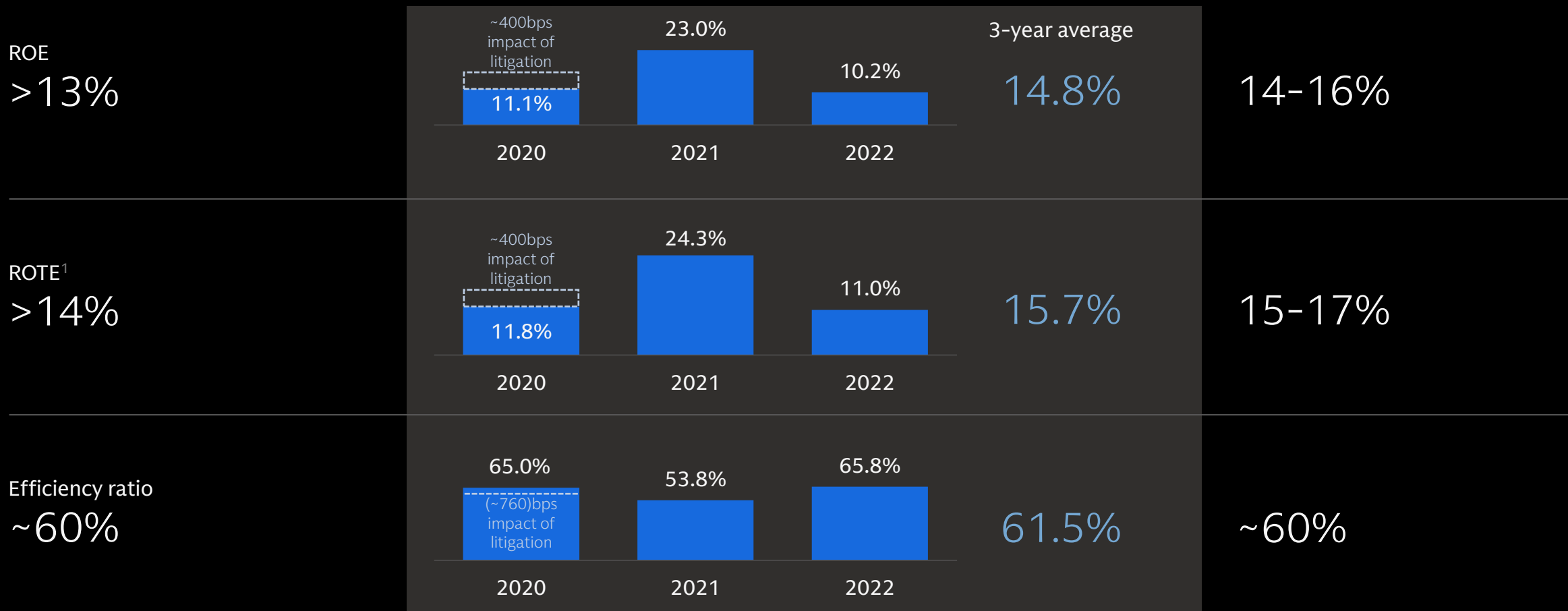


Book value per share growth (%)

	Goldman Sachs	Leading peer <sup>1</sup>
1-Year	7%	3%
3-Years	39%	19%
5-Years	68%	42%
10-Years	110%	78%
GS IPO (2Q99)	1,734%	420%

# Strong Progress Against Our Firmwide Goals

Investor Day 2020 targets → Progress → Through-the-cycle targets



## Strong Progress Against Our Business Goals

### Global Banking & Markets

Expand Investment Banking footprint  
 Increase client penetration  
 Maintain and improve rankings  
 Narrow wallet share gaps  
 Increase Financing revenues in FICC and Equities

- ✔ +3,000 Investment Banking clients covered since 2017, total client footprint of 12,000+
- ✔ Top 3 position with 77 of Top 100 largest FICC and Equities clients<sup>1</sup>
- ✔ #1 M&A<sup>2</sup>, #2 ECM<sup>2</sup>, #3 DCM<sup>2</sup> (3-year avg. rankings of #1 M&A<sup>2</sup>, #1 ECM<sup>2</sup>, #3 DCM<sup>2</sup>)
- ✔ +390bps in Investment Banking<sup>3</sup>, +380bps in FICC and Equities<sup>3</sup>
- ✔ +16% 3-year CAGR; \$7.1bn revenues in 2022

### Asset & Wealth Management

Expand Assets Under Supervision (AUS)  
 Increase net traditional long-term AUS inflows  
 Increase Firmwide Management and other fees  
 Increase Alternatives Management and other fees  
 Increase Alternatives fundraising  
 On-balance sheet alternative investments reduction  
 Increase PWM lending penetration  
 Workplace & Personal Wealth offering  
 Grow Marcus deposit balances

- ✔ +11% 3-year CAGR
- \$171bn<sup>4</sup> inflows (original \$250bn target, updated \$350bn target)
- ✔ +13% 3-year CAGR
- ✔ +16% 3-year CAGR
- ✔ \$179bn<sup>4</sup> raised (original \$150bn target, updated \$225bn target)
- ~25% decline in on-balance sheet alternative investments
- ✔ ~30% lending penetration in U.S. PWM business<sup>5</sup>
- ✔ ~60% of Fortune 100 companies covered
- ✔ +\$60bn deposits in 3 years

### Platform Solutions

Increase Transaction Banking client base  
 Grow Transaction Banking deposit balances  
 Increase Consumer partnerships end-customers  
 Increase Consumer Card and Loan balances

- ✔ Doubled to ~450 clients since 2020
- \$70bn deposits (\$100bn target)
- ✔ ~12mm active customers
- ~\$18bn in gross loans in PS and ~\$4bn in gross loans in AWM (~\$22bn total; \$30bn target)

# Realignment to Deliver on Our Strategy and Unlock Shareholder Value

## Global Banking & Markets

Driving industry-leading returns through highly synergistic businesses

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## Asset & Wealth Management

Scaled and integrated franchise offering holistic solutions across public and private markets

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## Platform Solutions

Embedding digital platforms in our clients' ecosystems

## Clear strategic rationale

- ✓ Bolster execution of strategy
- ✓ Strengthen ability to achieve targets
- ✓ Enhance ability to deliver for clients
- ✓ Unlock shareholder value

# Global Banking & Markets

## Premier Global Client Franchises at Scale

#1 Global Investment Bank<sup>1</sup>  
built through decades of investment  
in people, clients, and culture

#1 in Advisory revenue share  
for 20 years<sup>3</sup>

A leading Equity Underwriting  
franchise across products and regions

Growing Debt Underwriting franchise

Leading  
Global Banking & Markets  
franchise

Top 2 Sales and Trading franchise<sup>2</sup>  
with deep and consistent global  
scale across both FICC and Equities

Preeminent macro and micro franchises  
with broad product offerings across  
asset classes and geographies

Risk management culture

Scalable, client-centric technology  
platforms

✓ Leading market positions

✓ Global, broad, and deep

✓ World-class brand

✓ Highly experienced talent



# Global Banking & Markets

## Poised to Deliver More Durable Returns

### Global Banking & Markets evolution

Strengthened client franchise

Increased durability of revenues

Raised return profile

# 16.4%

Industry-leading ROE<sup>1</sup>, +780bps since 2019

## +370bps

improvement in GBM revenue wallet share<sup>2</sup>  
since 2019

## +16%

3-year CAGR<sup>3</sup> in Financing revenues in FICC  
and Equities

### Key drivers of increased returns

Increased revenue /  
wallet share gains

Business mix improvement

Cost reduction

Improved capital efficiency

# Asset & Wealth Management

## Integrated, Client-Oriented Businesses at Scale

### Scale

Top 5 Global Active Asset Manager<sup>1</sup>  
\$2.5tn AUS

Top 5 Alternative Asset Manager<sup>1</sup>  
\$450bn total alternative investments

Leading private wealth franchise  
>\$1tn in total Wealth Management  
client assets<sup>2</sup>

### Competitive advantages

- ✓ Goldman Sachs ecosystem
- ✓ Client-centric and tailored advice
- ✓ Breadth and depth across various dimensions
- ✓ Strong investment and risk management culture

### 5-year performance

#### Traditional

71%

in top 50% of  
Morningstar  
funds<sup>3</sup>

77% Equity<sup>3</sup>

64% Fixed Income<sup>3</sup>

#### Alternatives

93%

in top 50% of  
Cambridge  
funds<sup>4</sup>

#### Net IRR

15.9% Corporate Equity<sup>5</sup>

8.6% Corporate Credit<sup>5</sup>

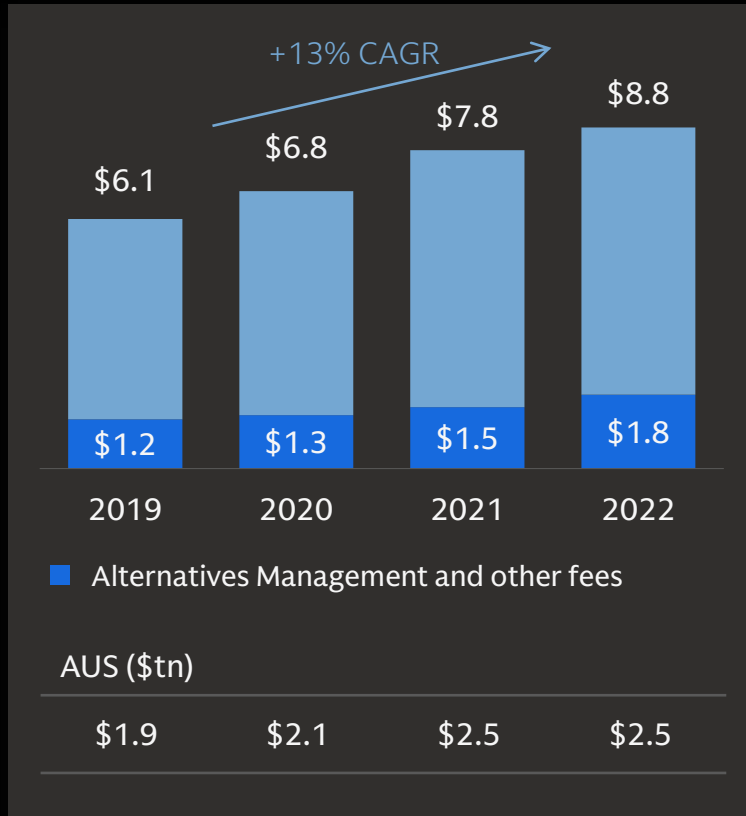
8.7% Real Estate<sup>5</sup>

19.1% Open-Architecture  
Private Equity<sup>6</sup>

# Asset & Wealth Management

## Continued Opportunities for Growth Driving Higher Fees

### Firmwide Management and other fees (\$bn)



### Progress on business targets



### Growth opportunities

- 1 Wealth Management
- 2 Alternatives
- 3 Solutions

# Platform Solutions

## Innovative Platforms Delivering Solutions to Clients

### Transaction Banking

Providing payment and liquidity solutions directly to corporates, sponsors, and financial institutions via a proprietary cloud-based platform

### Consumer Platforms

#### Enterprise Partnerships

Partnering with large, consumer-facing brands to build deeply embedded, multiproduct ecosystems and deliver financial products to customers

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#### Merchant Point-of-Sale Lending

Providing digital point-of-sale financing solutions primarily in the home improvement market

### Competitive advantages

- ✓ Premier brand
- ✓ Longstanding client relationships
- ✓ Innovative technology
- ✓ Stable and large balance sheet
- ✓ Regulatory infrastructure

## Executing Our Strategy

Global Banking & Markets  
Maximize wallet share and  
grow financing activities

Asset & Wealth Management  
Grow management fees

Platform Solutions  
Scale Platform Solutions  
to deliver profitability

Through-the-cycle targets

14-16%

ROE

15-17%

ROTE<sup>1</sup>

# End Notes

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

## Slide 2:

1. Dealogic – January 1, 2022 through December 31, 2022. Equity Underwriting refers to Equity & Equity-related Offerings
2. Based on reported FY 2022 net revenues for FICC and Equities. Total wallet includes GS, MS, JPM, BAC, BARC, C, DB, UBS, CS
3. Rankings as of 4Q22. Peer data compiled from publicly available company filings, earnings releases and supplements, and websites, as well as eVestment databases and Morningstar Direct. GS total Alternatives investments of \$450 billion at year-end 4Q22 includes \$263 billion of Alternatives AUS and \$187 billion of non-fee-earning Alternatives assets

## Slide 3:

1. Per company filings. Peer set consists of MS, JPM, BAC and C

## Slide 4:

1. Return on average common shareholders' equity (ROE) is calculated by dividing net earnings applicable to common shareholders by average monthly common shareholders' equity. Return on average tangible common shareholders' equity (ROTE) is calculated by dividing 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 ROTTE 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. ROTTE 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>\$ in millions</i>	Average for the Year Ended December		
	2022	2021	2020
Total shareholders' equity	\$ 115,990	\$ 101,705	\$ 91,779
Preferred Stock	(10,703)	(9,876)	(11,203)
<b>Common shareholders' equity</b>	<b>105,287</b>	91,829	80,576
Goodwill	(5,726)	(4,327)	(4,238)
Identifiable intangible assets	(1,583)	(536)	(617)
<b>Tangible common shareholders' equity</b>	<b>\$ 97,978</b>	\$ 86,966	\$ 75,721

## Slide 5:

Note: 3-Year CAGR period represents year-end 2019 through year-end 2022. Point-in-time metrics as of year-end 2022

1. Source: Top 100 client list and rankings compiled by GS through Client Ranking / Scorecard / Feedback and / or Coalition Greenwich 1H22 Institutional Client Analytics Global Markets ranking. Baseline comparative result not adjusted for provider changes
2. M&A and ECM per Dealogic – January 1, 2020 through December 31, 2022. ECM refers to Equity & Equity-related Offerings. DCM based on reported Debt underwriting fees. Total wallet includes GS, MS, JPM, BAC, C, BARC, CS, DB, UBS. 3-Year average represents 2020 through 2022
3. Revenue wallet share since Investor Day 2020 (2022 vs. 2019). Data based on reported revenues for Advisory, Equity underwriting, and Debt underwriting (Investment Banking) and for FICC and Equities. Total wallet includes GS, MS, JPM, BAC, C, BARC, CS, DB, UBS
4. Represents the period from 2020 through 2022
5. Loans include bank loans and mortgages; excludes margin loans. Penetration measures PWM accounts with bank loan / mortgage products vs. total accounts

## Slide 7:

1. Based on reported FY 2022 Investment Banking revenues. Peers include MS, JPM, BAC, C, BARC, CS, DB, UBS
2. Based on reported FY 2022 net revenues for FICC and Equities. Total wallet includes GS, MS, JPM, BAC, BARC, C, DB, UBS, CS
3. Based on reported revenues (2003 – 2022). Total wallet includes GS, MS, JPM, BAC, C

## Slide 8:

1. Peers include MS (Institutional Securities segment), JPM (Corporate & Investment Bank segment), BAC (Global Banking and Global Markets segments). ROE for GS, MS, and JPM as reported. ROE for BAC calculated as net income / allocated capital
2. Revenue wallet share since Investor Day 2020 (2022 vs. 2019). Based on reported revenues for Advisory, Equity underwriting, Debt underwriting, FICC and Equities. Total wallet includes GS, MS, JPM, BAC, C, BARC, CS, DB, UBS
3. 3-Year CAGR period represents 2019 through 2022

## Slide 9:

1. Rankings as of 4Q22. Peer data compiled from publicly available company filings, earnings releases and supplements, and websites, as well as eVestment databases and Morningstar Direct. GS total Alternatives investments of \$450 billion at year-end 4Q22 includes \$263 billion of Alternatives AUS and \$187 billion of non-fee-earning Alternatives assets
2. Includes both Ultra High Net Worth and High Net Worth client assets within Private Wealth Management and Workplace and Personal Wealth. Consists of AUS and brokerage assets
3. Note: Past performance does not guarantee future results, which may vary. Represents global open-end funds, excluding liquidity and ETFs. Source: Morningstar. Data as of December 31, 2022

# End Notes

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

## Slide 9 (cont'd):

Note: Past performance does not guarantee future results, which may vary

4. Peer comparison based on underlying fund's net asset value as of September 30, 2022 and performance over a five-year time horizon from September 30, 2017, to September 30, 2022. Includes Corporate Equity (including infrastructure), Corporate Credit, Real Estate and Open-Architecture Private Equity funds. Funds four years old or less are excluded, as they do not have five years of performance
5. Performance is estimated and based on a composite of all funds active within the applicable strategy during a five-year time horizon from December 31, 2017 to December 31, 2022. Performance is net of management fees and override. Performance is net of fund fees and expenses. Excludes GS affiliates and other investors that pay no fees. Performance figures reflect the impact of fund level and underlying manager level credit facilities, the reinvestment of proceeds from the sale of underlying funds and/or portfolio companies, cash management, and hedging, which may enhance investor returns. Estimated figures are subject to change as performance is finalized
6. Performance is estimated and based on a composite of private equity strategies managed by the Alternative Investment and Manager Selection investment team ("AIMS") during a five-year time horizon from September 30, 2017 to September 30, 2022. The composite include AIMS' private equity primaries fund of fund strategies, private equity, and real estate secondaries strategies, GP stakes strategies and co investment strategies. The composite does not include separate accounts or sub strategies. Performance is net of management fees and override. Performance is net of fees and expenses of the AIMS funds and net of fees and expenses of underlying managers. Excludes GS affiliates and other investors that pay no fees. Performance figures reflect the impact of fund level and underlying manager level credit facilities, the reinvestment of proceeds from the sale of underlying funds and/or portfolio

companies, cash management, and hedging, which may enhance investor returns. Estimated figures are subject to change as performance is finalized

## Slide 12:

1. Refer to end note 1 on slide 4

# 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), efficiency ratio targets and expense savings initiatives, the impact of the COVID-19 pandemic on its business, results, financial position and liquidity, the impact of Russia's invasion of Ukraine and related sanctions and other developments on the firm's business, results, financial position and liquidity, fundraising initiatives and amount and composition of future Assets under Supervision and related revenues, anticipated asset sales, increases in wallet share, planned debt issuances, growth of deposits and other funding, asset liability management and funding strategies and associated interest expense savings, and the timing and profitability of its business initiatives, including the prospects of new businesses (including Transaction Banking and credit card partnerships) 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 or its expectations around the sale of assets. Statements about our AUS inflows targets and related revenues and capital reductions are based on our current expectations regarding our fundraising prospects and ability to sell assets and are subject to the risk that actual inflows and revenues and asset sales may be lower than expected due to, among other factors, competition from other asset managers, changes in investment preferences and changes in economic or market conditions. Statements about the projected growth of the firm's deposits and other funding, asset liability management and funding strategies and associated interest expense savings are subject to the risk that actual growth and savings may differ, possibly materially from that currently anticipated due to, among other things, changes in interest rates and competition from similar products. Statements about the timing, profitability, benefits and other prospective aspects of business and expense savings initiatives, the achievability of medium and long-term targets, 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 achieve these targets and goals and may change, possibly materially, from what is currently expected. 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 impact of Russia's invasion of Ukraine and related sanctions and other developments on the firm's business, results, financial position and liquidity are subject to the risks that hostilities may

escalate and expand, that sanctions may increase and that the actual impact may differ, 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 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 above, see "Risk Factors" in Part I, Item 1A of the firm's Annual Report on Form 10-K for the year ended December 31, 2022. You should also read the cautionary notes on forward-looking statements in the firm's Annual Report on Form 10-K for the year ended December 31, 2022.

The statements in the presentation are current only as of February 28, 2023 and the firm does not undertake to update forward-looking statements to reflect the impact of subsequent events or circumstances.