



## **Cautionary Note on Forward-Looking Statements**

Today's presentation may include forward-looking statements. These statements represent the Firm's belief regarding future events that, by their nature, are uncertain and outside of the Firm's control. The Firm's actual results and financial condition may differ, possibly materially, from what is indicated in those forward-looking statements. For a discussion of some of the risks and factors that could affect the Firm's future results and financial condition, please see the description of "Risk Factors" in our current annual report on Form 10-K for our fiscal year ended December 2009.

You should also read the information on the calculation of non-GAAP financial measures and the impact of Basel III that is posted on the Investor Relations portion of our website: [www.gs.com](http://www.gs.com).

The statements in the presentation are current only as of its date, November 16, 2010.



# **Goldman Sachs Presentation to Bank of America Merrill Lynch Banking and Financial Services Conference**

**Lloyd C. Blankfein  
Chairman & CEO  
November 16, 2010**



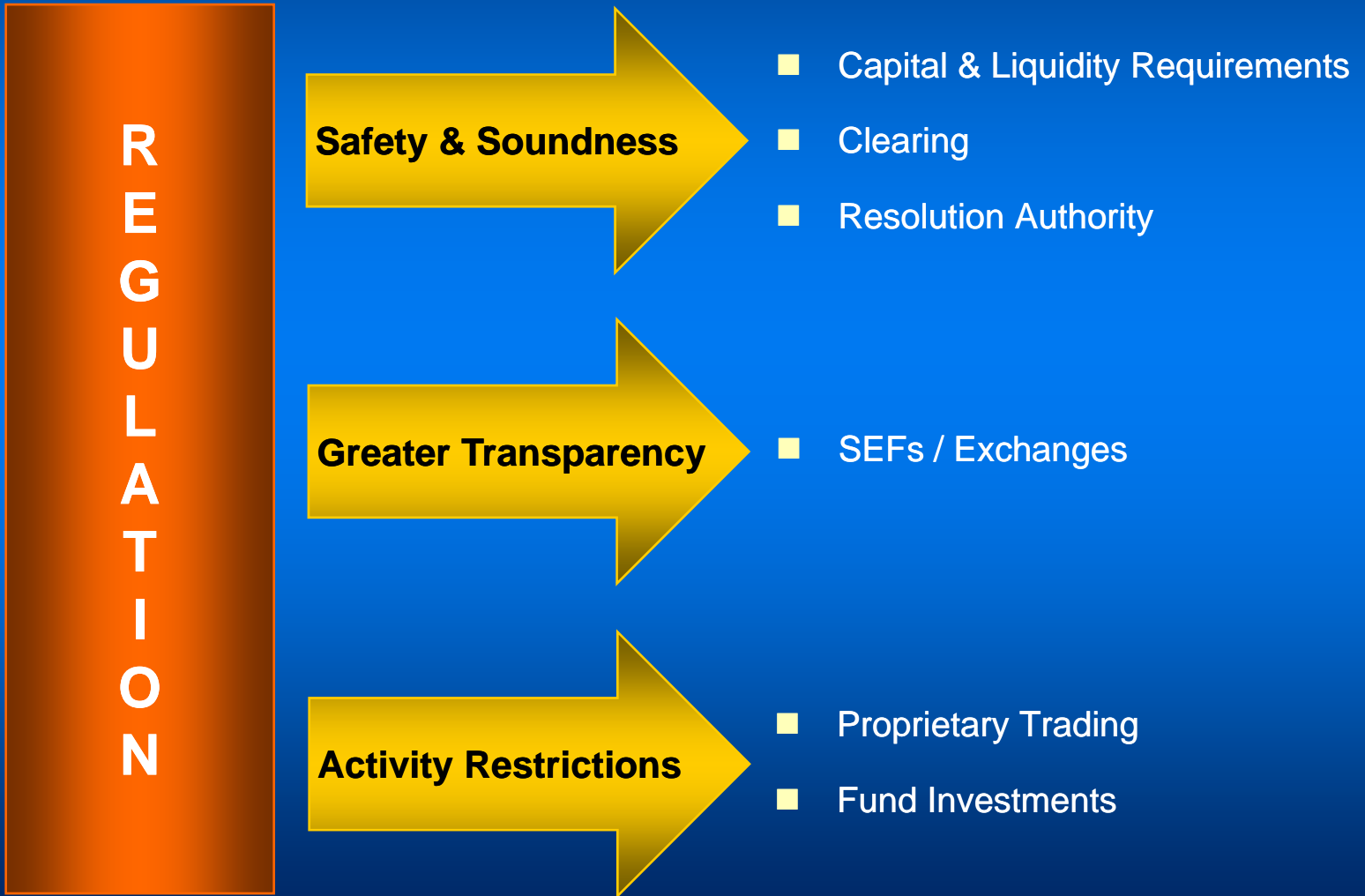
## Long-Term Trends

- Increased Regulation
- Importance of Technology
- Macroeconomic and Demographic Trends
- Rise of Growth Markets

**Strategic Investment and Nimble Resource Allocation Are Key**



# Regulation



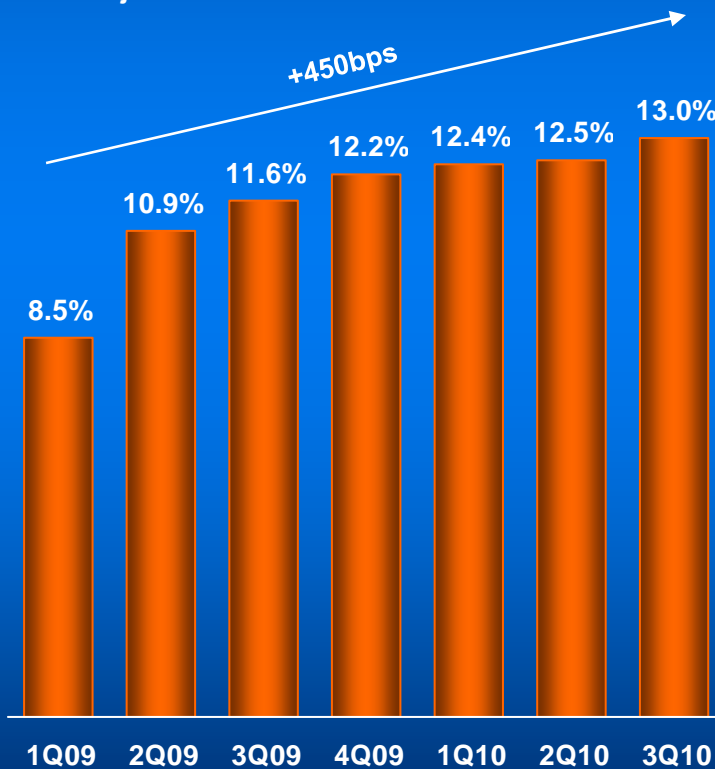


# Regulation

## Conservative Financial Position

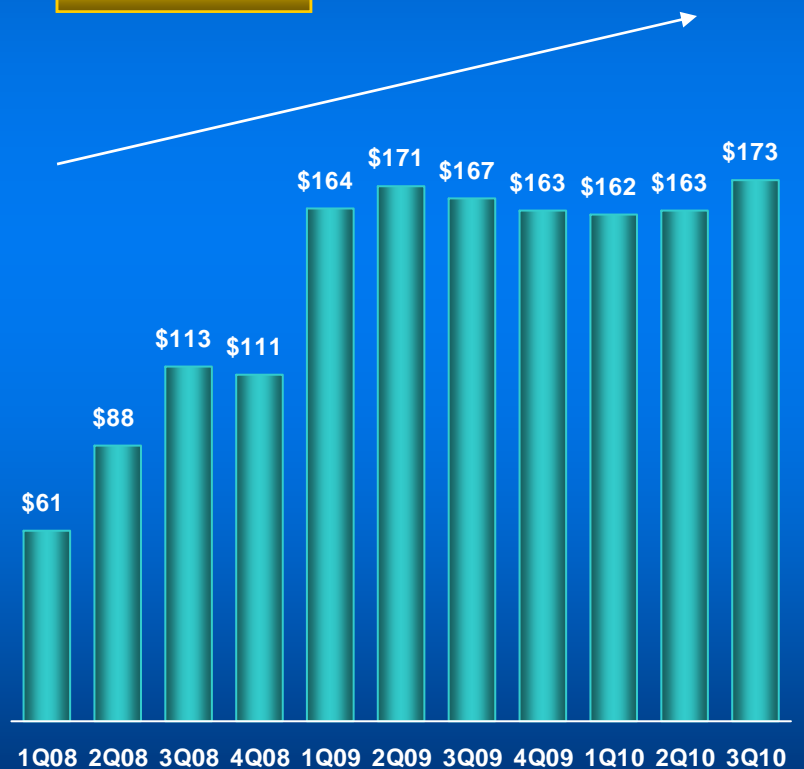
### Basel I Tier 1 Common Ratio<sup>1</sup>

Current Projected Basel III Ratio: 8%  
 2012 Projected Basel III Ratio: 11%



### Average Global Core Excess (\$bn)<sup>2</sup>

**184% Increase**



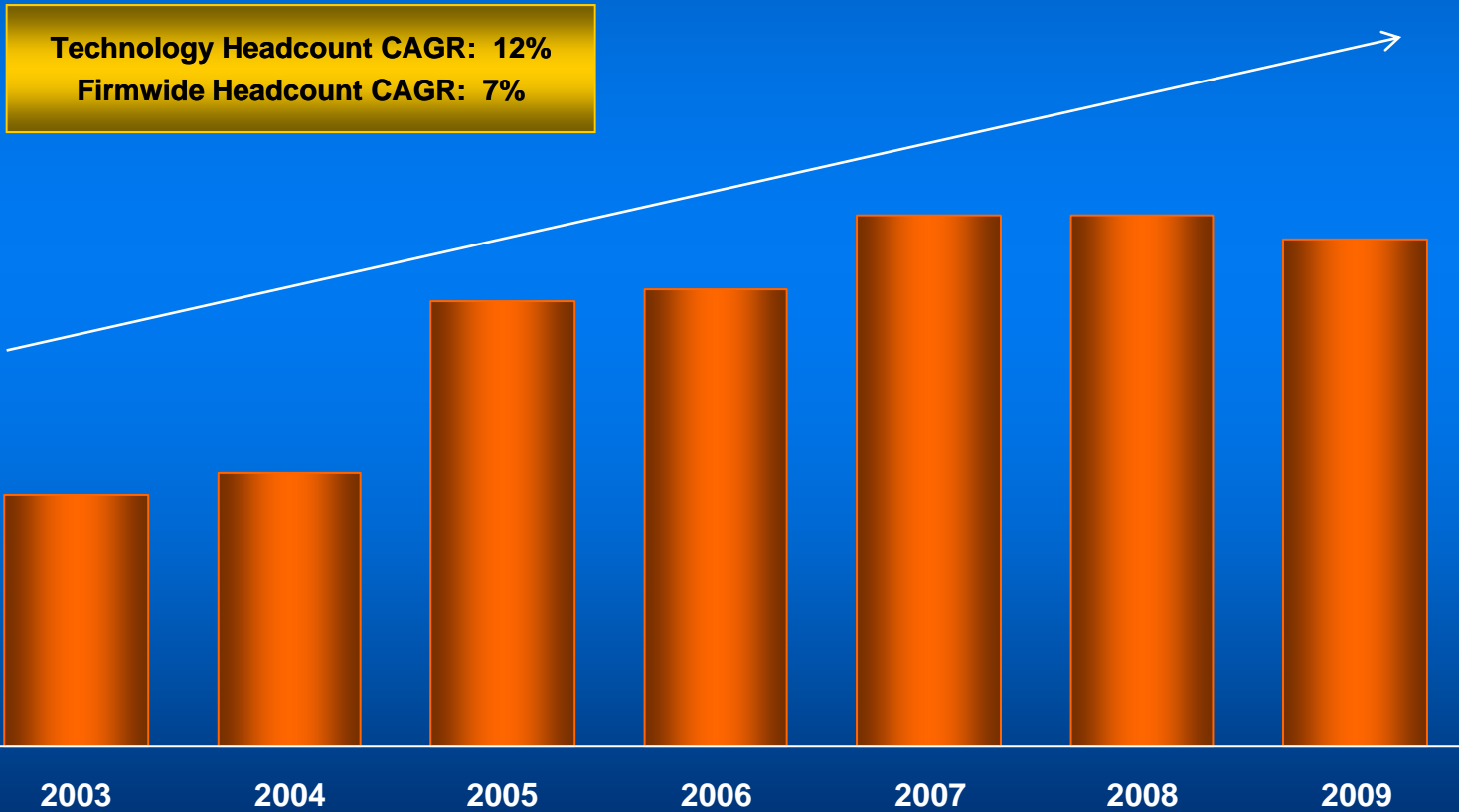
<sup>1</sup> 2012 projected ratio includes contractual roll-off of our correlation portfolio, expected duration of our mortgage securitization book, and 2.5 years of forward earnings at 2010 consensus estimates

<sup>2</sup> 1Q08 and 2Q08 Global Core Excess excludes balances held at GS Bank



# Technology

## Global Technology Headcount <sup>1</sup>



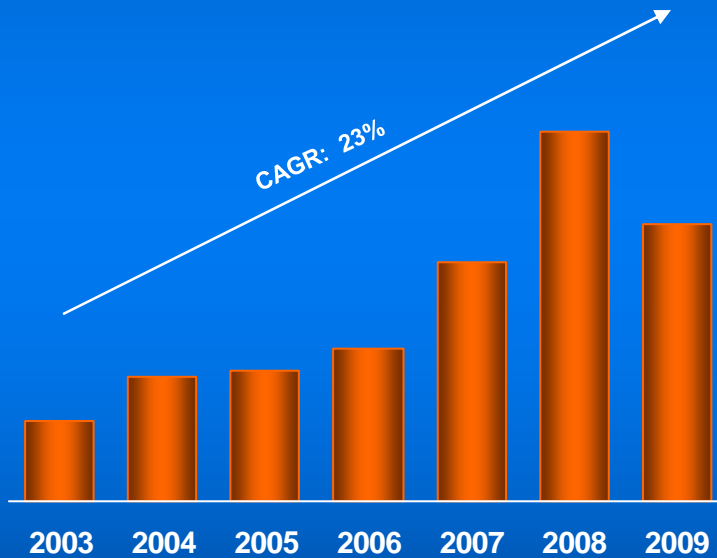
<sup>1</sup> Total technology staff excluding Consolidated Investment Entities



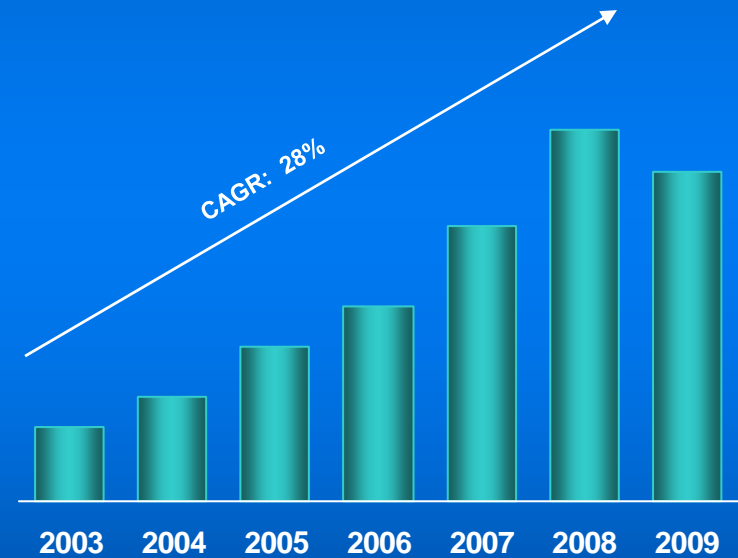
# Technology

## FICC and Equities Scaled Global Average Daily Volume<sup>1</sup>

### High-Touch



### Low-Touch



- Increased transparency drives growth across high and low touch platforms
- Ability to leverage best in class technology as markets evolve

<sup>1</sup> Scaled for comparative purposes

# Macro and Demographic Trends<sup>1</sup>



## ■ GDP

- Growth market GDP expected to increase 8% annually vs. 2% in Developed Markets over the next 10yrs

## ■ Urbanization

- Additional 640mm in India may urbanize by 2050 (vs. 100mm in US)

## ■ Growing Market Capitalization

- Almost as many companies with >\$1bn market cap in China than in the US and Europe combined

## ■ Rising Individual Wealth

- Global middle class may increase by 2bn people by 2030, with 1bn of the increase in India

<sup>1</sup> Source: GS research

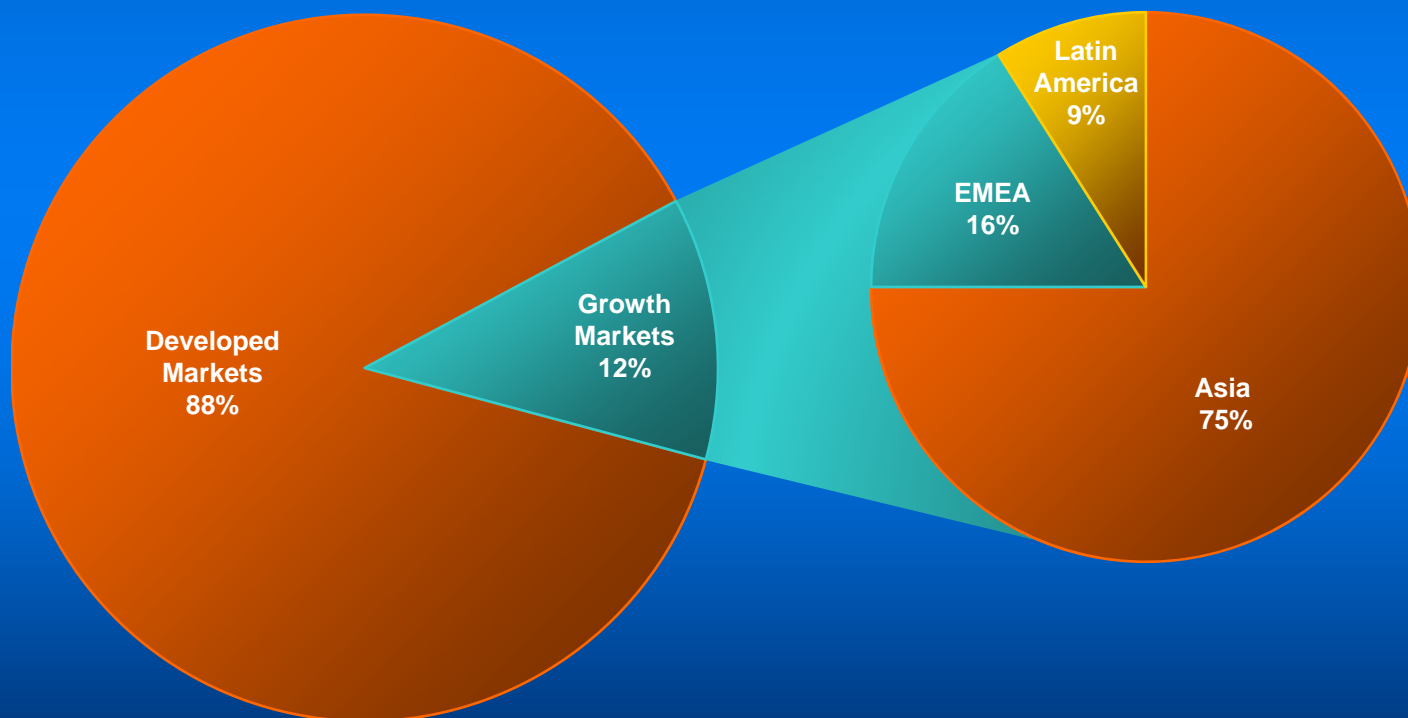




# Rise of Growth Markets

## Where We Are Today

### Firmwide Revenues: 2006 – 1H10

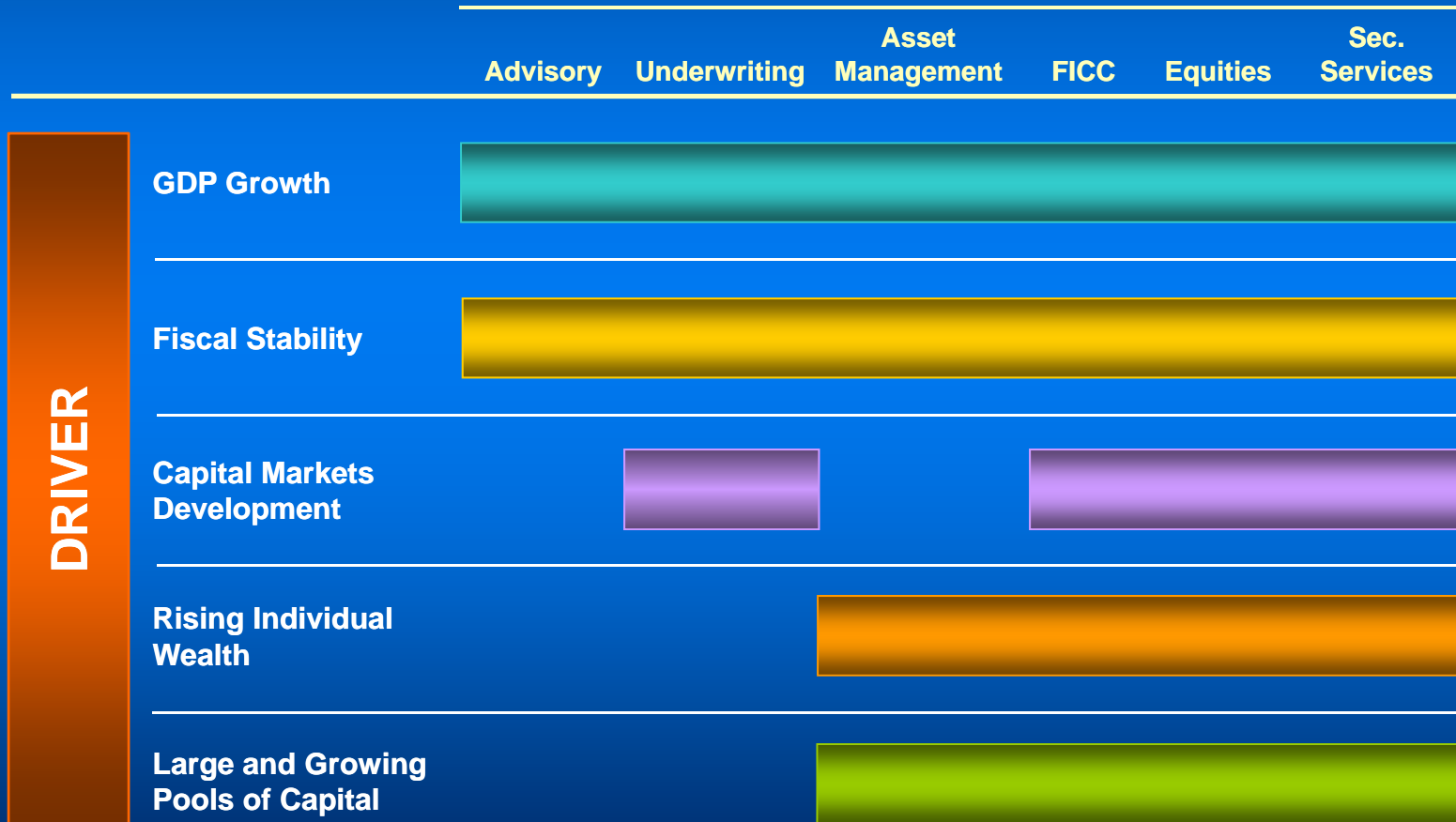




# Rise of Growth Markets

## Drivers of Our Businesses

### GS Opportunity by Business



DRIVER



# Rise of Growth Markets

## Headcount by Region<sup>1</sup>



<sup>1</sup> Core and contingent employees

<sup>2</sup> Comprised of Indonesia, Malaysia, Korea, Singapore, Taiwan, and Thailand



# Rise of Growth Markets

## Execution

### Key Considerations

#### Human Capital / Senior Management

- In a client service business, people are our most critical asset

#### Local Knowledge

- Local knowledge helps drive client specific solutions

#### Technology and Infrastructure

- Key element of robust risk management capacity

#### Regulation and Licenses

- Harmonization of local regulation with global best practices

### Risks

#### Volatility

- Significant historic market fluctuations

#### Competition

- Local firms have strong presence

#### Culture Exchange

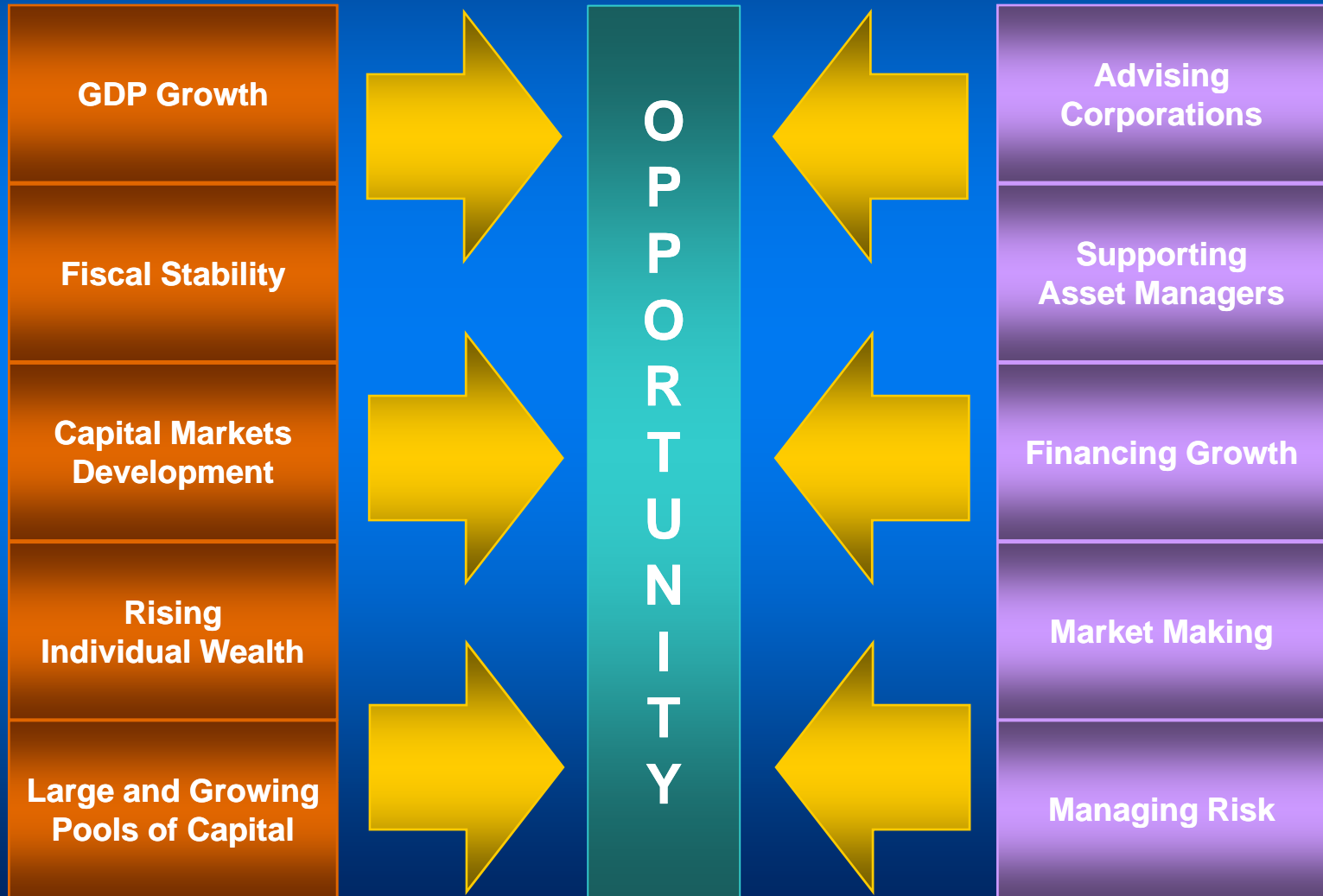
- Culturally unique client needs require product specialization

#### Regulation and Timing

- Regulatory and licensing approval demands significant time



# Capitalizing on the Opportunity





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