

Fixed Income Investor Presentation

August 1, 2017

Cautionary Note on Forward-Looking Statements

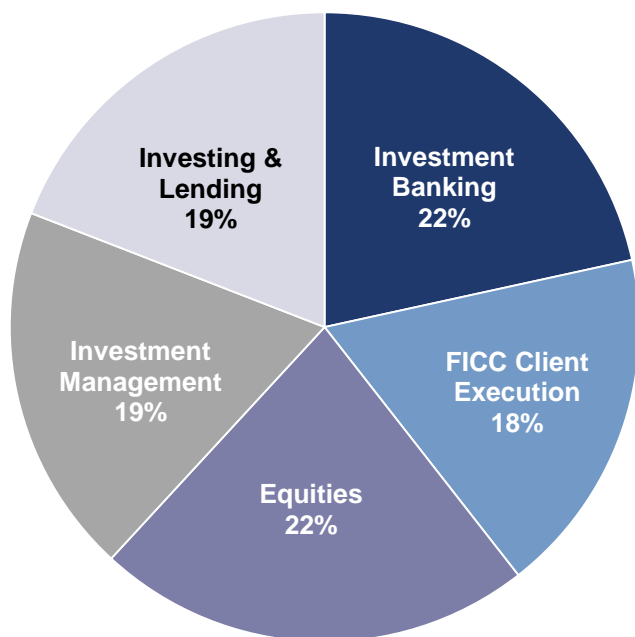
This presentation may include forward-looking statements. These statements are not historical facts, but instead represent only the Firm's beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside of the Firm's control. It is possible that the Firm's actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements.

For a discussion of some of the risks and important factors that could affect the Firm's future results and financial condition, see "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2016. You should also read the forward-looking disclaimers in our Form 10-Q for the period ended March 31, 2017, particularly as it relates to capital and leverage ratios, and information on the calculation of non-GAAP financial measures that is posted on the Investor Relations portion of our website: www.gs.com. See the appendix for more information about non-GAAP financial measures in this presentation.

The statements in the presentation are current only as of its date, August 1, 2017.

Mid-Year in Review

1H17 Net Revenues by Business



- Net revenues in 1H17 increased 12% YoY relative to 1H16, while expenses only rose 6% over the same time period

1H17 Key Metrics

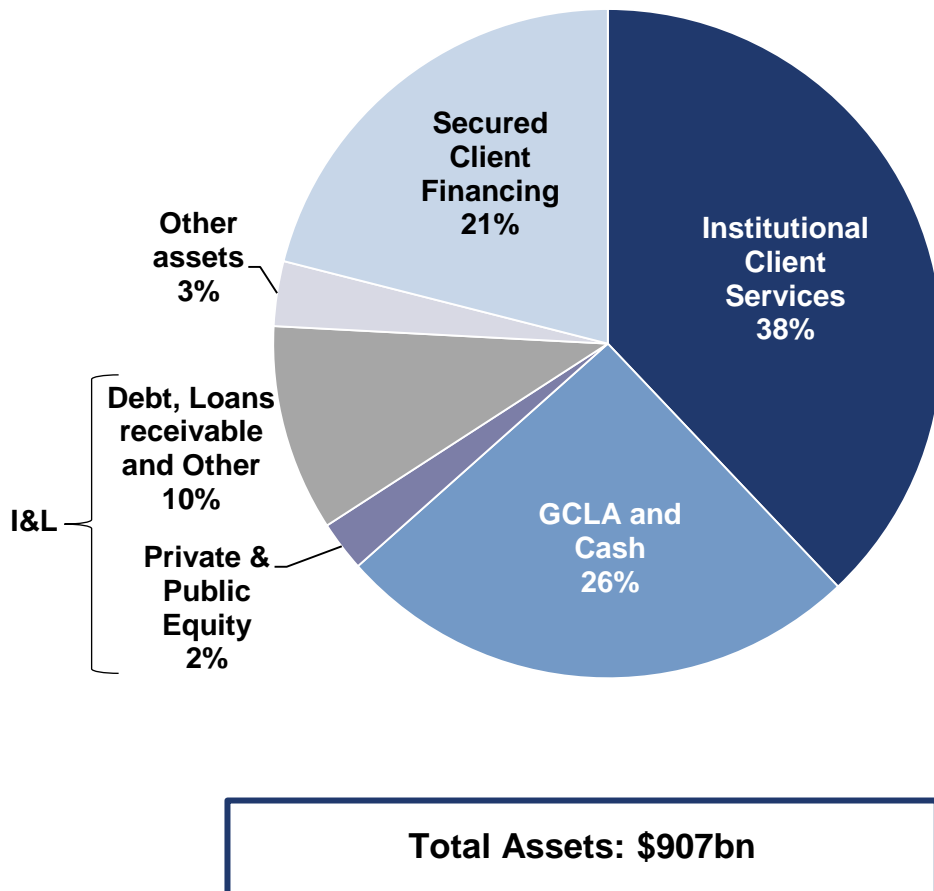
	1H17	YoY Δ
Net Revenues	\$15.9bn	+12%
Pre-Tax Earnings	\$5.0bn	+25%
Net Income	\$4.1bn	+38%
Diluted EPS¹	\$9.10	+42%
Annualized ROE¹	10.1%	+260bps
BVPS	\$187.32	+6%

YoY net revenue growth driven by a diversified franchise; positive operating leverage seen in 1H17

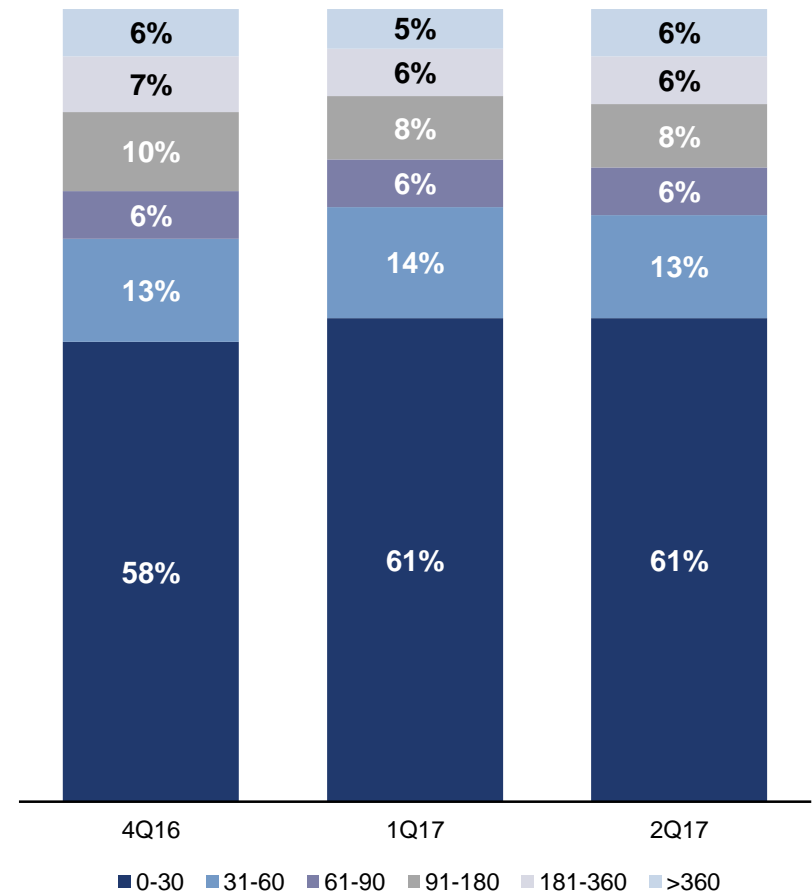
¹ 1H17 included a \$485mm reduction to provision for taxes as a result of the firm's adoption of the share-based accounting standard, resulting in an increase to diluted EPS of \$1.16 and annualized ROE of 1.3%

Balance Sheet & Aged Inventory

2Q17 Balance Sheet Allocation¹



ICS Cash Inventory Velocity (days)²



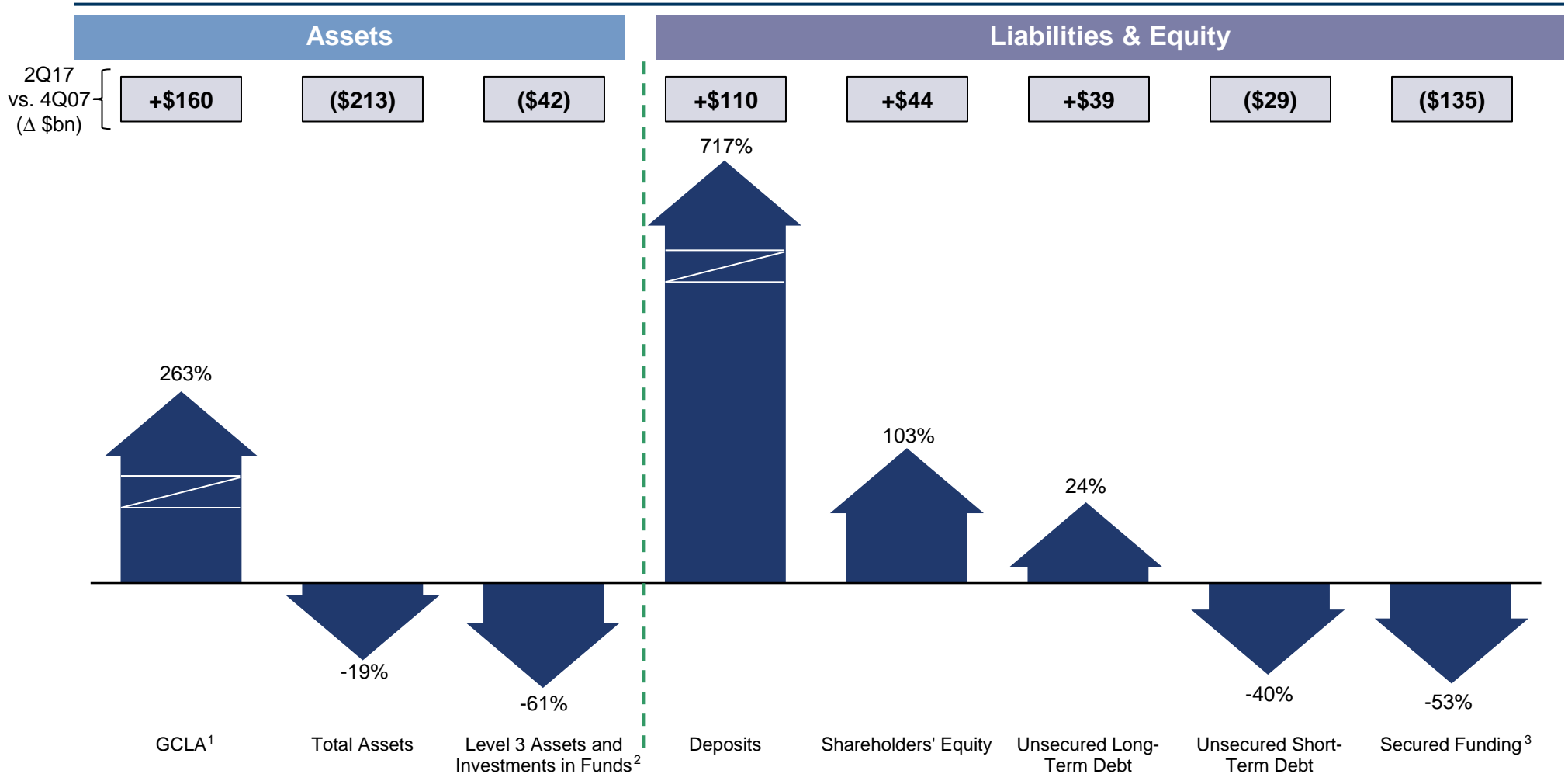
Highly liquid and diversified balance sheet

¹ In addition to our U.S. GAAP balance sheet, we prepare a balance sheet that generally allocates assets to our businesses, which is a non-GAAP presentation. See the appendix for more information about this non-GAAP presentation

² Represents the current average of cash inventory aged within the period held in our Institutional Client Services segment; excludes derivatives

The Evolution of our Balance Sheet and Funding Profile

Key Balance Sheet Items, 2Q17 vs. 4Q07



Conservative financial position with a smaller balance sheet footprint, more liquidity, and a more diversified funding profile

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

² 4Q07 level 3 assets includes level 3 investments in funds at NAV; 2Q17 investments in funds at NAV are not classified in the fair value hierarchy

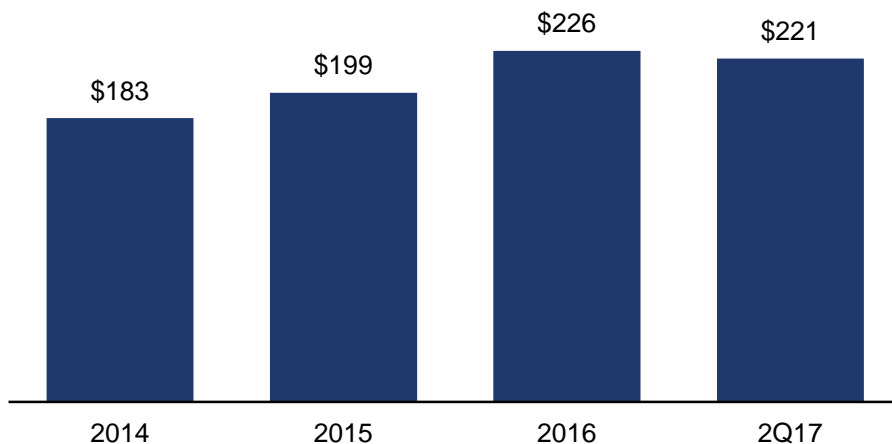
³ Comprised of collateralized financings from the Consolidated Statement of Financial Condition

Conservative and Comprehensive Liquidity Risk Management

Excess Liquidity

- Our most important liquidity policy is to pre-fund estimated potential liquidity needs in a stressed environment
- Our GCLA consists of cash and highly-liquid government and agency securities
- GCLA size is based on numerous factors, including:
 - Modeled assessment of the firm's liquidity risks; Applicable regulatory requirements; and Long-term stress tests, among other variables

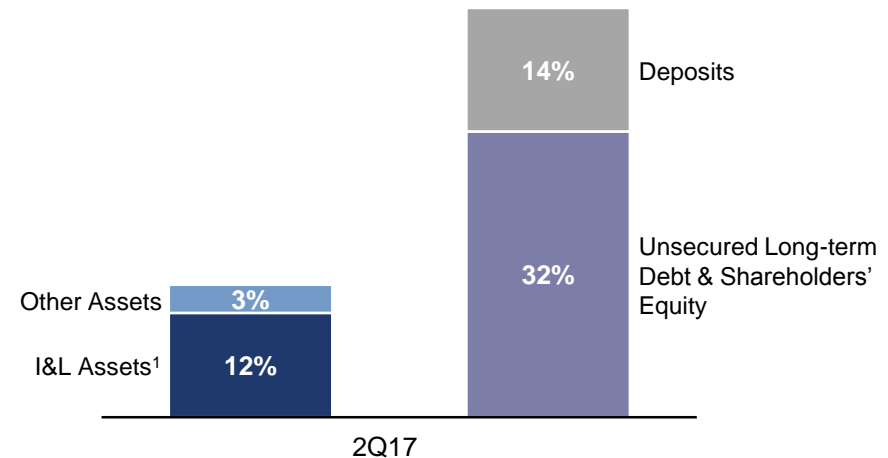
End of Period Total GCLA (\$bn)



Asset-Liability Management

- Conservative management to ensure stability of financing
- Focus on size and composition of assets to determine appropriate funding strategy
- Secured and unsecured financing with long tenor relative to our assets in order to withstand a stressed environment
- Consistently manage overall characteristics of liabilities, including term, diversification and excess capacity

As a % of Balance Sheet (\$907bn)

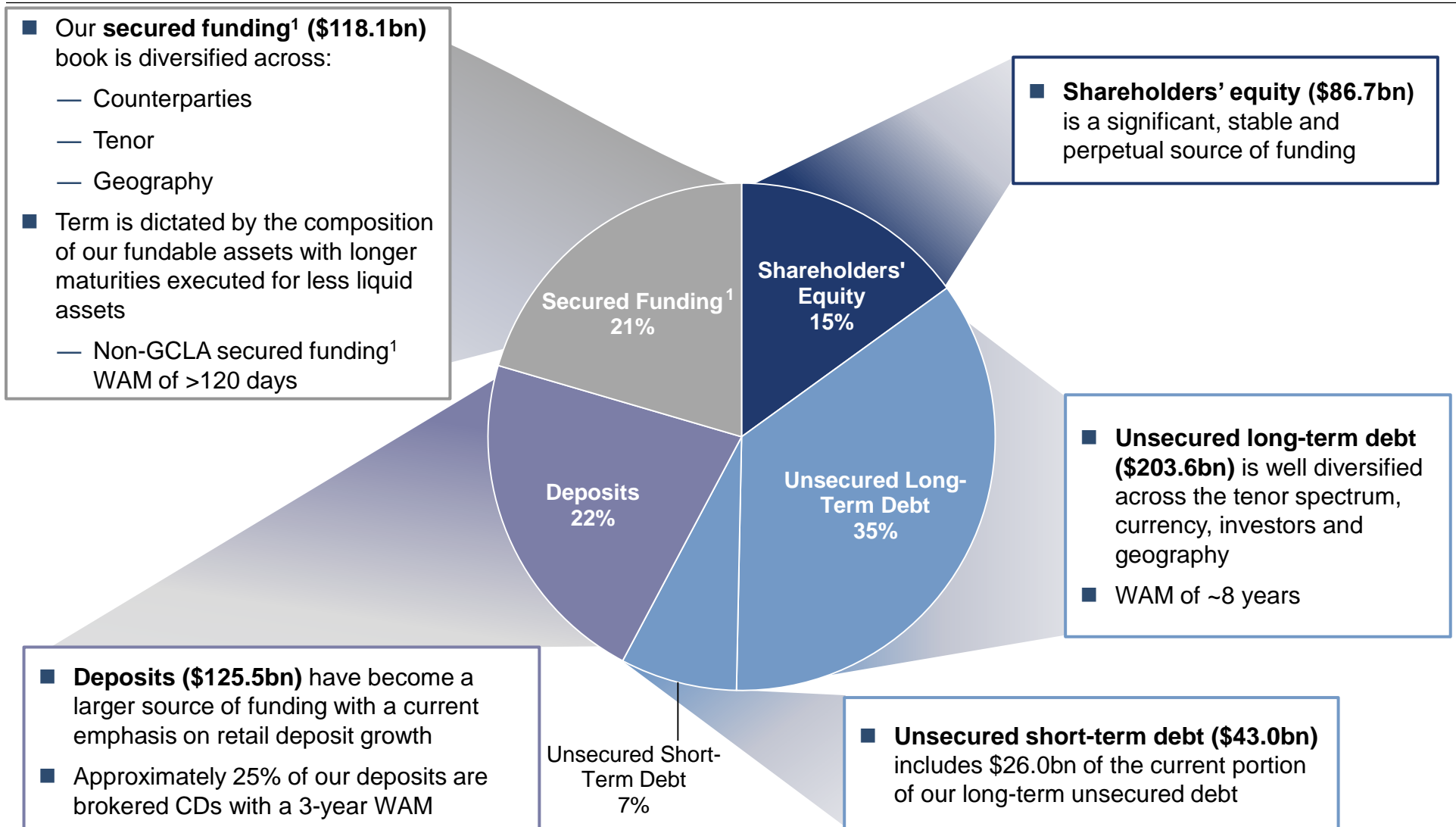


Rigorous and conservative stress tests underpin our liquidity and asset-liability management frameworks

¹ In addition to our U.S. GAAP balance sheet, we prepare a balance sheet that generally allocates assets to our businesses, including Investing & Lending, which is a non-GAAP presentation. See the appendix for more information about this non-GAAP presentation

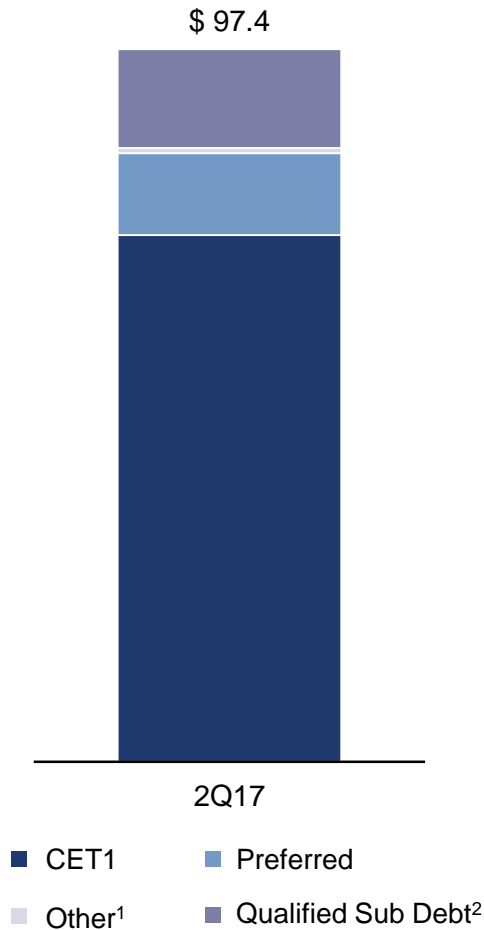
Diversification of Funding Sources

As of 2Q17



¹ Comprised of collateralized financings from the Consolidated Statement of Financial Condition

Total Capital: Standardized Approach, Fully Phased-In (\$bn)



Management Considerations

Maturity Profile

Capital Treatment

Economics

Calls and Tenders from 2014 – 2Q17

Senior Debt (\$3.4bn)

- First tender for GS Senior Notes, for \$1.5bn
- Called outstanding 50NC5 notes for a total of \$1.9bn

Subordinated Debt (\$2.0bn)

- Capped waterfall tender for \$1.0bn
- Call of CAD sub-debt for \$0.4bn
- Tender for any and all Jan 2017 5.625% notes for \$0.6bn

Preferred Stock (\$1.3bn)

- Offered APEX holders a higher exit value relative to the market in two tenders

TruPs (\$1.4bn)

- Purchased 6.345% Capital Securities issued by GS Capital I

We'll always be opportunistic and looking for ways to more efficiently manage our funding stack

¹ Other includes a deduction for investments in covered funds of (\$0.2bn), allowance for losses on loans and lending commitments of \$1.0bn, and other adjustments to Tier 1 and Tier 2 Capital of (\$0.5bn)

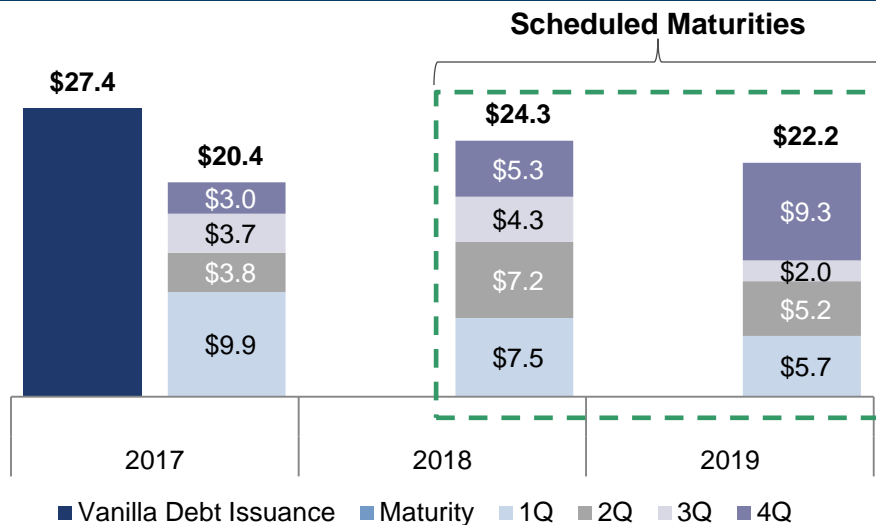
² Reflects the subordinated debt that qualifies as capital

Unsecured Funding

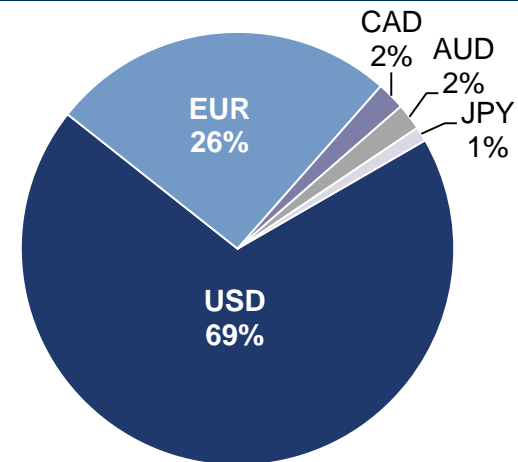
We continue to emphasize diversification across tenor, currency, channel, and structure

- 2017 year-to-date, we have raised \$27.4bn of GS Group long-term unsecured vanilla debt
 - \$27.1bn of senior benchmark notes
 - \$0.3bn of non-benchmark senior and subordinated debt
 - Benchmark issuance across the tenor spectrum included 2, 5, 6, 7, 10, and 11-year maturities
 - ~8 year WAM for the entire unsecured LT debt portfolio

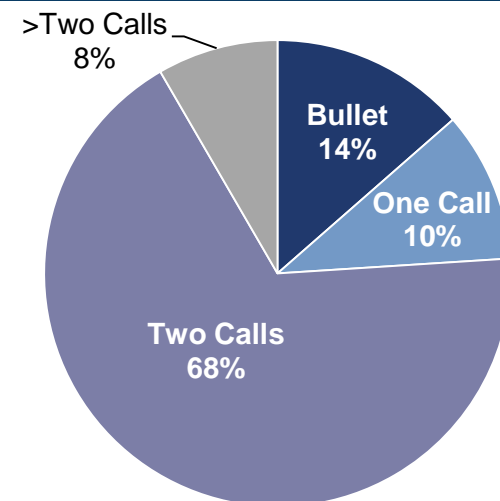
GS Group Vanilla Issuance vs. Maturities (\$bn)¹



2017YTD GS Group Vanilla Issuance by Currency



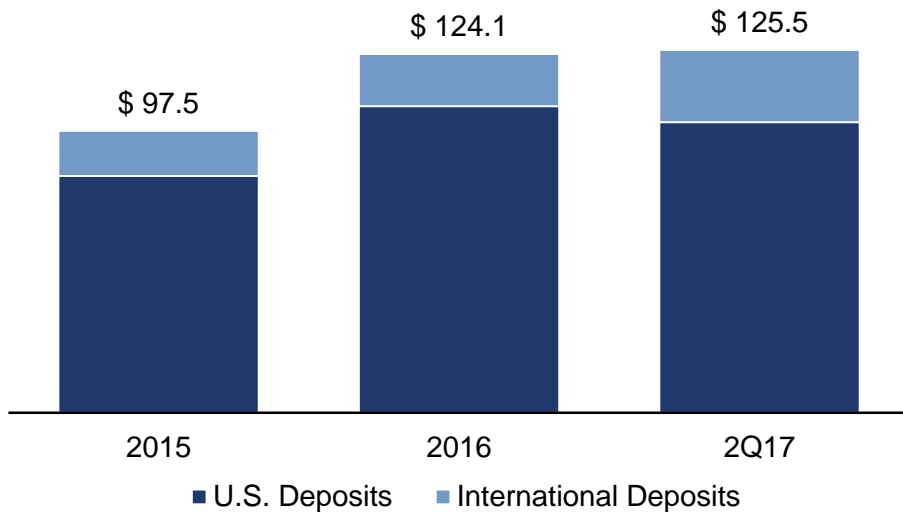
2017YTD GS Group Vanilla Issuance by Number of Par Calls



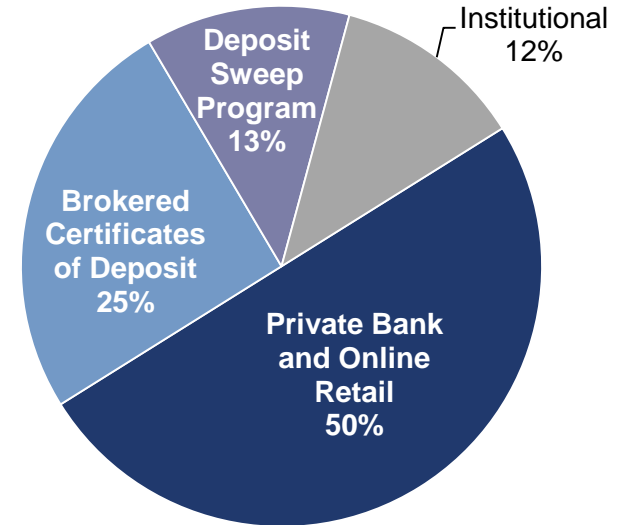
¹ GS Group issuance and GS Group upcoming maturity values for 2017, 2018, and 2019 are as of June 30, 2017, adjusted to include a \$3.5bn issuance in July; 2017 maturities include the redemption of CAD 500mm subordinated debt in 2Q, as well as the \$1.0bn 2Q subordinated debt tender

Deposit Growth

Deposit Growth (\$bn)



2Q17 Deposits: \$125.5bn (22% of Funding Sources)



- Deposits have been a growing source of funding and provide the firm with a diversified source of liquidity that reduces our reliance on the wholesale market
- GS Bank USA has raised deposits through a number of channels, which include deposits through private bank clients and third-party brokers
- GS Bank USA also has a growing direct retail deposit platform through its online channel at very competitive rates
- 68% of our U.S. deposits are FDIC insured as of 2Q17

Online Deposits Platform¹

Online Deposit ² Platform	\$14bn	Online Savings Account Rate	1.20%
Online Growth Since Acquisition ³	+\$5bn	Online Customers	170k

Deposits have become a more meaningful source of the Firm's funding

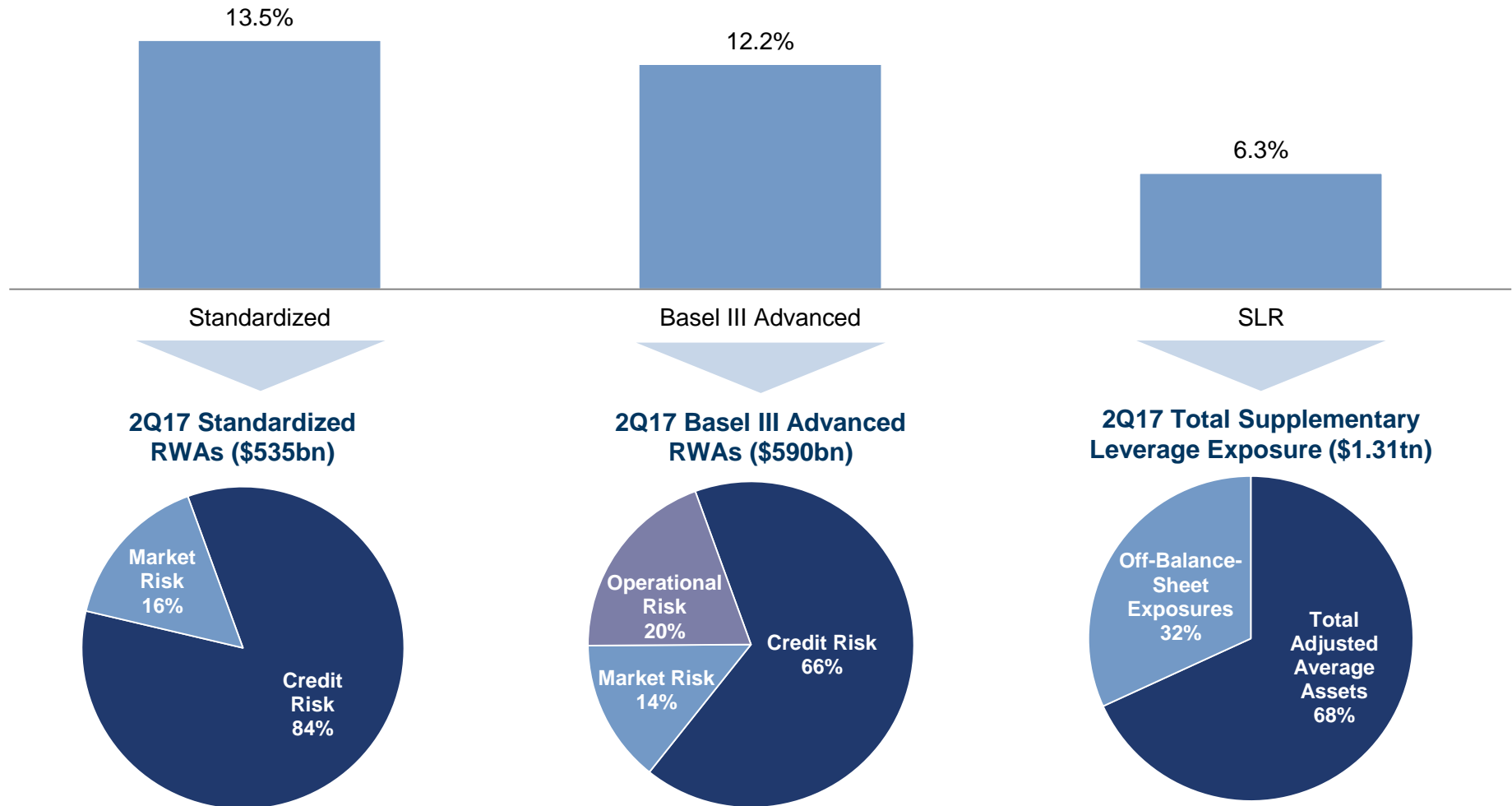
¹ In April 2016, Goldman Sachs Bank USA acquired GE Capital Bank's online deposit platform and assumed \$16.52bn of deposits, consisting of \$8.76bn in online deposit accounts and certificates of deposit, and \$7.76bn in brokered certificates of deposit

² Represents online deposit accounts and associated certificates of deposit

³ Represents increase in online deposits from April 18, 2016 to June 30, 2017

Capital Ratios

2Q17 Fully Phased-in CET1 Ratios¹ and Supplementary Leverage Ratio (SLR)



Well-positioned across various regulatory capital metrics

¹ The fully phased-in Basel III Advanced and Standardized capital ratios are non-GAAP measures, see the appendix for more information about these non-GAAP measures

Appendix

Appendix

Non-GAAP Measures

- The table below presents the reconciliation of common shareholders' equity to Common Equity Tier 1 (CET1) and the firm's risk weighted assets (RWAs) and capital ratios calculated in accordance with the Standardized Capital Rules and the Basel III Advanced Rules on a transitional and fully phased-in basis.

\$ in millions	As of June 2017	
	Transitional basis	Fully phased-in basis
Common shareholders' equity	\$ 75,472	\$ 75,472
Deductions for goodwill and identifiable intangible assets, net of deferred tax liabilities	(2,943)	(3,012)
Other adjustments	(361)	(497)
CET1	72,168	71,963
Standardized		
RWAs	\$ 521,043	\$ 534,519
Credit RWAs	436,779	450,255
Market RWAs	84,264	84,264
CET1 ratio	13.9 %	13.5 %
Basel III Advanced		
RWAs	\$ 575,762	\$ 589,551
Credit RWAs	376,848	390,637
Market RWAs	83,664	83,664
Operational RWAs	115,250	115,250
CET1 ratio	12.5 %	12.2 %

The fully phased-in Standardized and Basel III Advanced capital ratios in the table above are non-GAAP measures and may not be comparable to similar non-GAAP measures used by other companies. Management believes that these ratios are meaningful because they are measures that the firm, its regulators and investors use to assess the firm's ability to meet future regulatory capital requirements. These ratios are based on the firm's current interpretation, expectations and understanding of the Revised Capital Framework and may evolve as the firm discusses its interpretation and application with its regulators. For a further description of the methodology to calculate the firm's regulatory ratios, see Note 20 "Regulation and Capital Adequacy" in Part I, Item 1 "Financial Statements (Unaudited)" and "Equity Capital Management and Regulatory Capital" 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, 2017.

Appendix

Non-GAAP Measures, continued

- Adjusted leverage equals total assets excluding (i) cash and cash equivalents, (ii) collateralized agreements and (iii) financial instruments owned segregated for regulatory and other purposes divided by total shareholders' equity. This ratio is a non-GAAP measure and may not be comparable to similar non-GAAP measures used by other companies. We believe that this ratio is a more meaningful measure than gross leverage because it excludes certain low-risk assets. The table below presents the reconciliation of total assets to total assets excluding (i) cash and cash equivalents, (ii) collateralized agreements and (iii) financial instruments owned for regulatory and other purposes and adjusted leverage.

	<u>As of</u>
\$ in millions	<u>June 2017</u>
Total assets	\$ 906,518
Less:	
Cash and cash equivalents	(110,888)
Collateralized agreements	(293,854)
Financial instruments owned segregated for regulatory and other purposes	(13,300)
Total	\$ 488,476
Total shareholders' equity	\$ 86,675
Adjusted leverage	5.6 x

Appendix

Non-GAAP Measures, continued

- In addition to preparing our condensed consolidated statements of financial condition in accordance with U.S. GAAP, we prepare a balance sheet that generally allocates assets to our businesses, which is a non-GAAP presentation and may not be comparable to similar non-GAAP presentations used by other companies. We believe that presenting our assets on this basis is meaningful because it is consistent with the way management views and manages risks associated with the firm's assets and better enables investors to assess the liquidity of the firm's assets. The table below presents the reconciliation of the balance sheet allocation to our U.S. GAAP balance sheet as of June 2017.

<i>\$ in millions</i>	GCLA and Cash	Secured Client Financing	Institutional Client Services	Investing & Lending	Total
<i>As of June 2017</i>					
Cash and cash equivalents	\$ 92,251	\$ 18,637	\$ -	\$ -	\$ 110,888
Securities purchased under agreements to resell and federal funds sold	58,688	33,117	23,081	667	115,553
Securities borrowed	35,641	90,773	51,887	-	178,301
Receivables from brokers, dealers and clearing organizations	-	6,493	25,794	4	32,291
Receivables from customers and counterparties	-	28,695	24,606	6,042	59,343
Loans receivable	-	-	-	53,952	53,952
Financial instruments owned	44,977	13,300	223,931	45,532	327,740
Subtotal	\$ 231,557	\$ 191,015	\$ 349,299	\$ 106,197	\$ 878,068
Other assets					28,450
Total assets					\$ 906,518

Fixed Income Investor Presentation

August 1, 2017
