

International Strategy

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January 29, 2020



Growth of International Footprint

A Remarkable, Organic Growth Story



REVENUES¹

1990

\$0.7bn

HEADCOUNT¹

1990

~1,500

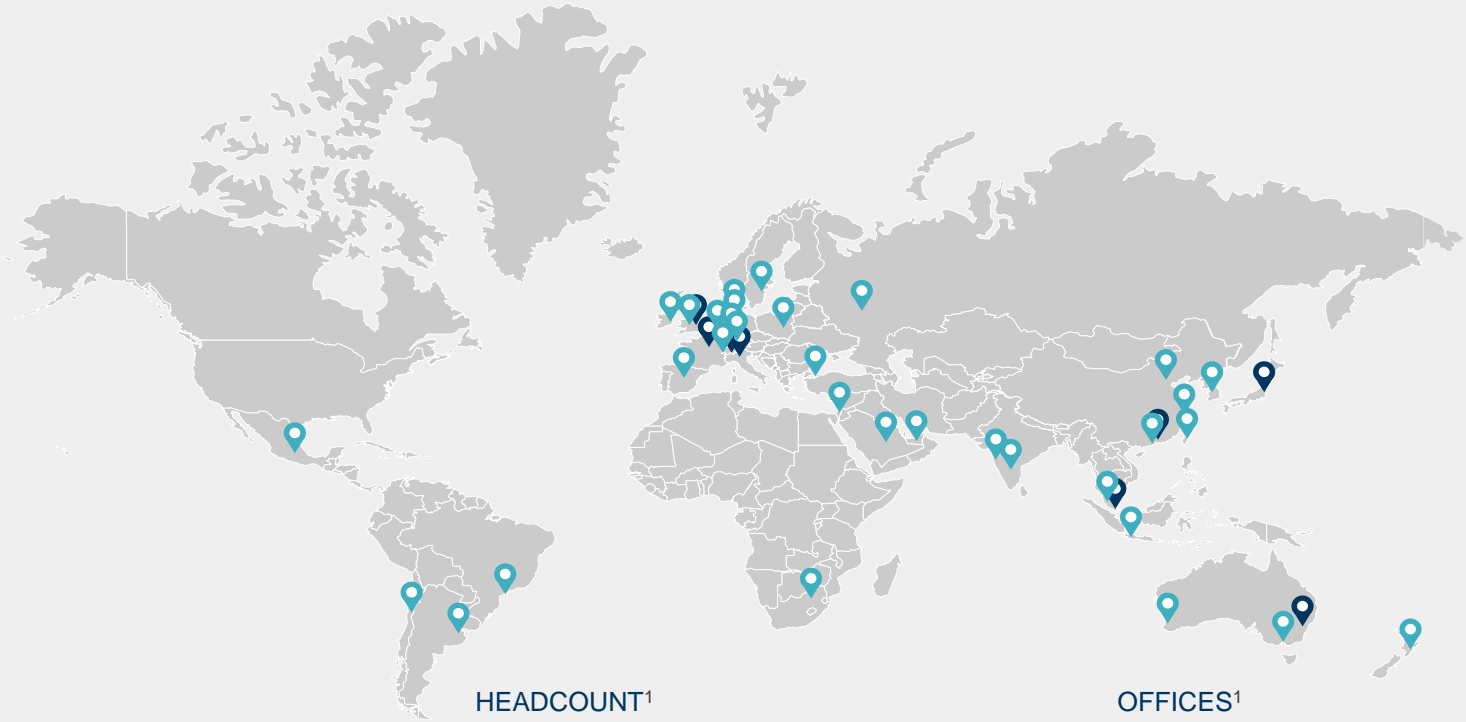
OFFICES¹

1990

8

Growth of International Footprint

A Remarkable, Organic Growth Story



REVENUES¹

1990	2019	GROWTH
\$0.7bn	~\$15bn	+22x

HEADCOUNT¹

1990	2019	GROWTH
~1,500	~17,800	+12x

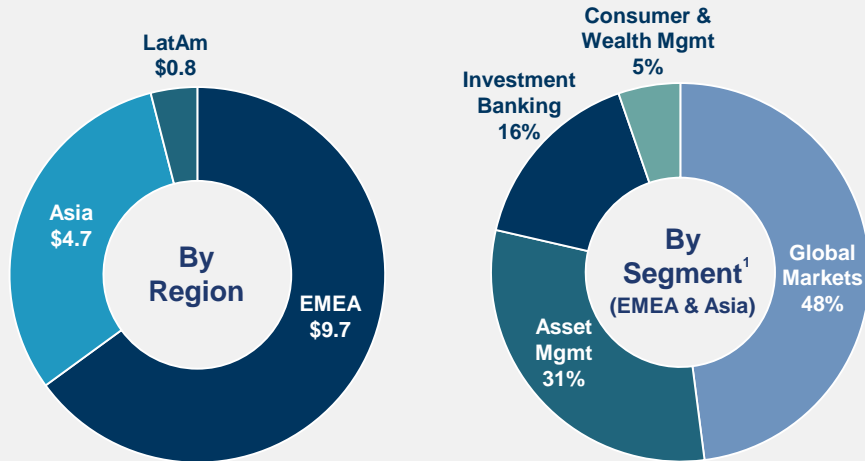
OFFICES¹

1990	2019	GROWTH
8	41	+5x

Deep International Footprint: Differentiated in Reach and Share


The scale and breadth of our international businesses position us to better serve our clients

~40% Firmwide Revenues (\$bn)



28% Pre-tax Margin¹

~45% Headcount

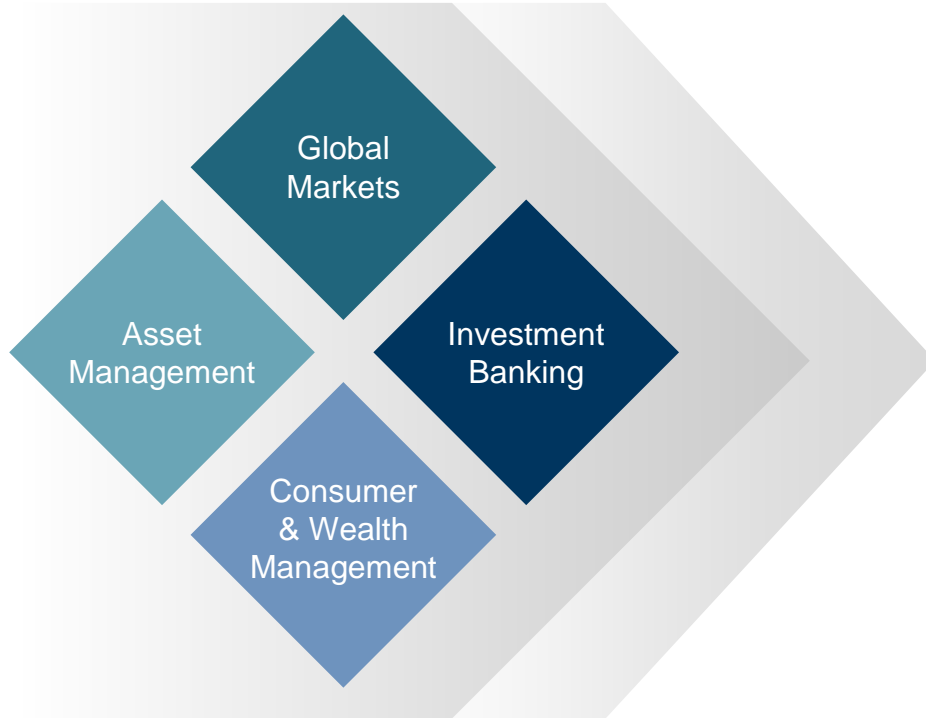
 ~40% Female

 ~100 Languages

 ~140 Nationalities

Deliver the Firm: One Goldman Sachs

A Local Client Accessing Global Capabilities



Financing

UHNW Clients

Institutional Clients

Goldman Sachs

Advisory & Underwriting

Asset Divestitures

Green Bond Issuance

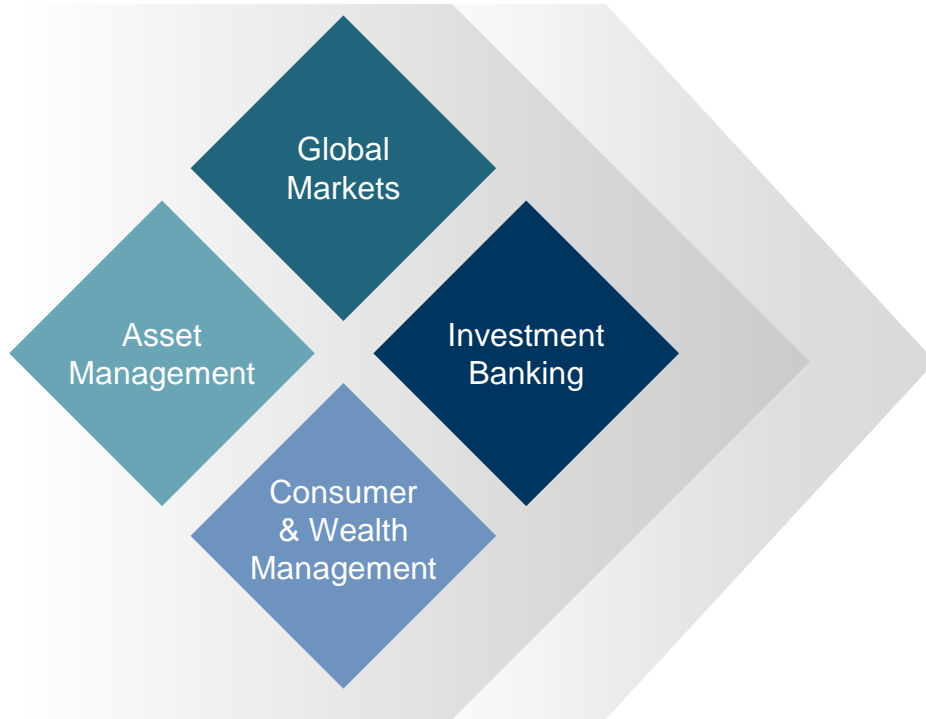
Strategic Advice

Investing

Sustainable Investing Opportunity

Deliver the Firm: One Goldman Sachs

A Global Client Accessing Local Capabilities



Trusted Advisor

Cross-border Acquisitions

Corporate Restructuring

Asset Sales / Divestitures

JV Formation

Long-term Financier

Lead IPO Underwriter

Bond and Loan Issuance

Provider of Intellectual Capital

Market Insights

Entry / Exit Strategies

Strategic Advice

Leading Global Investment Banking and Market Making Franchise Enabled by our International Footprint

		EMEA	Asia Pacific	Latin America
Investment Banking ¹	M&A	#1		
	Equity Underwriting	#2		
	High Yield Debt	#4		
Global Markets ²	FICC	#2		
	Equities			
Asset Management	Alternatives	Leading Platform		
	GSAM	Growing Platform		
Consumer & Wealth Management	Private Wealth			
	Consumer			

Firmwide Strategy Consistent Globally

Grow and Strengthen Existing Businesses

Investment Banking client expansion

Grow in new geographies

Wealth Management penetration

Diversify Our Products and Services

Build Transaction Banking

Grow third party Alternatives

Scale Consumer Banking

Operate More Efficiently

Invest in automation and digitization

Streamline organizational structure

Grow strategic locations

Substantial and Growing Footprint in Developed Markets

Continental Europe

Longstanding presence in large and diverse region – Goldman Sachs well positioned to benefit from competitive dynamics and development of EU capital markets

Evolving structure of European bank balance sheets creating commercial opportunities

Market share opportunities as large competitors reposition

Incremental push to complete EU Banking and Capital Markets Union, stimulating cross-border activity

Significant growth in EU-27 headcount, moving coverage closer to our clients



Substantial and Growing Footprint in Developed Markets

Japan

Japan is one of the highest revenue contributors in the APAC region with opportunity to grow our strong franchise

Leading international bank in well-developed and significant market

Engage in transformational domestic transactions, as well as cross-divisional focus on Alternatives products

Grow market share through rollout of systematic execution platform with competitive pricing

Facilitate transaction banking for global clients



China: Expand Footprint Across Developing Markets

GS China Background

25+ Years Onshore in China

Established in 1994

#1 Foreign Firm

in Equity and M&A¹

\$10bn Invested in China

Principal Investments over the last 25 years²

Shifting Landscape

Acceleration of Capital Markets Reforms

Rebalancing of Funding from Banking System to Capital Markets

Structural Change in Asset Management

\$100bn+
Estimated Industry Revenue Pool by mid-2020s³

Significant Opportunities

1

Increase in foreign inflows to onshore trading markets

2

Increase in cross-border Investment Banking activities

3

Expand Private Wealth and Asset Management franchises

Achieve 100% ownership of our business

China is a major focus area with an increasing addressable market and opportunity set

Alternative Investment Platform Operating at Scale



Well-diversified portfolio and pipeline of alternative investments with track record of delivering strong returns

Alternative Investment Platform



Private Equity

JUMIA 

 泰康
Taikang
保险 资管 医养

ICBC 

meilleurtaux.com

oncoCLINICAS
Grupo
RADIOTERAPIA

UNIVERSAL STUDIOS
JAPAN

Real Estate

ROBYG

LEG

KK[®]
HOTELS

TIFCO
HOTEL GROUP

ic Student
Accommodation

Private Credit

Alliance
Boots



Healthium

nexi

Swisse



RCO[®]
Real Estate Construction and Development

JAPAN
RENEWABLE
ENERGY

EURO
TUNNEL

ELENIA

Redexis
gas

Well-diversified portfolio and pipeline of alternative investments with track record of delivering strong returns

Alternative Investment Platform to Scale Further



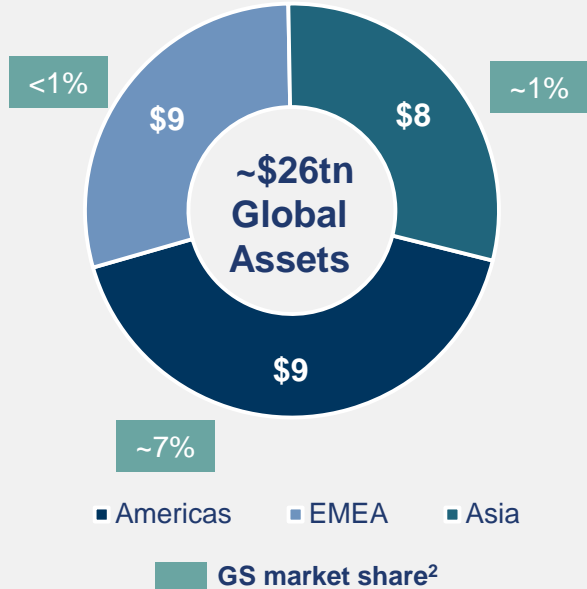
~\$100bn

Alternatives Net Inflows
Global Long-term
Target¹

Our international
franchise will be a critical
contributor in achieving
our firmwide targets

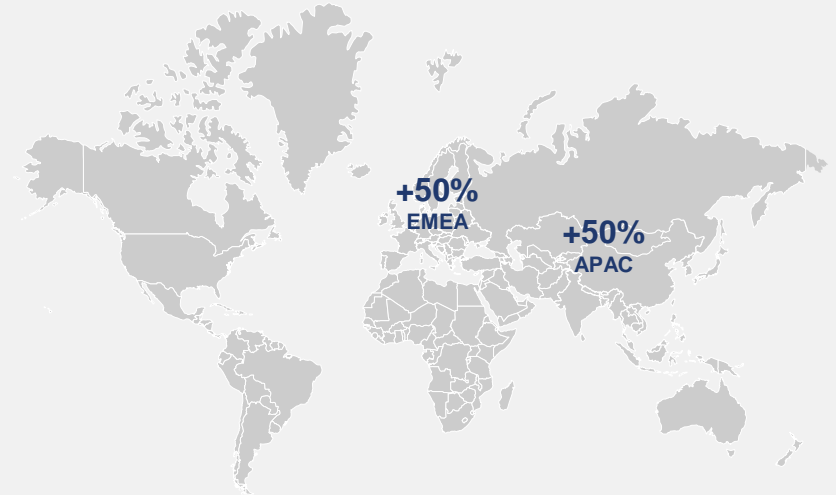
Unique Wealth Management Capabilities with Room to Increase Share

Global UHNW Investable Assets (\$tn)¹



Medium-term Expectations

Goal to hire ~250 new Private Wealth Advisors globally



- Advisor growth to achieve scale in key geographies: China, Germany, U.K. and Switzerland
- Investing in platform capabilities, e.g. Swiss bank and China onshore RMB

Key Takeaways

Continue to grow longstanding franchises

Maintain leading position and strengthen our footprint in Europe, Japan, and China

Scale Alternatives and Wealth Management Businesses

Focus on fundraising to scale our third party alternative assets under supervision and addressing the under-penetrated UHNW space

Operating Efficiency

Continue to improve efficiency in line with the firm, including growth in strategic locations

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End Notes

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

Slide 1:

1. Excludes the U.S. and Canada from total international figures

Slide 2:

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Slide 3:

1. International revenues by segment and pre-tax margin are non-GAAP presentations and may not be comparable to similar non-GAAP presentations used by other companies. We believe that calculating these measures on this basis is meaningful because it is consistent with the way management views our international businesses. Pre-tax margin excludes U.S. and Canada figures and is calculated including \$820mm of total net revenues and \$254mm of total pre-tax earnings from Latin America, with Latin America using the pre-tax margin for the Americas

Slide 4:

Note: Third-party brands used in this presentation are the property of their respective owners and are not intended to imply an affiliation with or endorsement of GS or its products/services

Slide 5:

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Slide 6:

1. Source: Dealogic rankings for 2015 to 2019
2. Source: Coalition institutional client analytics for FY2018. Institutional clients only. Analysis excludes captive and non-core products

Slide 10:

1. Source: Dealogic; from 1994 to 2019
2. Includes investments in the firm and clients
3. Source: Based on GIR estimates; industry pool primarily domestic

Slide 11:

1. Includes 3rd party capital committed in recent MBD Funds. Recent MBD Funds include Loan Partners III, Real Estate Credit Partners III, Mezzanine Partners VII, Capital Partners VII, China Coop Fund and Infrastructure Partners III as of 3Q19; includes open architecture 3rd party capital as of 2Q19 from most recent completed fundraises for core funds currently earning management fees (PEM 2018, Vintage VII, Petershill Private Equity, Private Equity Co-Investment Partners II)

End Notes

Slide 12:

Note: Third-party brands used in this presentation are the property of their respective owners and are not intended to imply an affiliation with or endorsement of GS or its products/services

Slide 13:

1. Growth shown net of realizations

Slide 14:

1. Represents global personal financial assets >\$30mm Source: McKinsey Wealth Pools; Includes cash deposits, investments, life insurance and pensions / retirement assets
2. GS market share reflects client assets from our Wealth Management business as of 2019YE

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.