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 that is posted on the Investor Relations portion of our website: www.gs.com.

The statements in the presentation are current only as of its date, February 9, 2011.
Nimble Allocation of Resources

Key Themes

- Global Economic Growth
- Expansion of Capital Markets
- Increased Regulation
- Increased Capital Requirements

Resources

- People
- Risk Capacity
- Balance Sheet
- Capital

Balancing Opportunities

- Developed vs. Growth Markets
- Existing vs. New Business Lines
- Infrastructure vs. Production
Responding to Macro Themes

Macro Trends

- Globalization
- Decimalization
- Market Fragmentation
- Volume Growth
- Product Innovation
- Regulation

Investments

- Expanded execution capacity
- Front-to-back automation
- Ability to handle new product offerings
- New business infrastructure
- Enhanced client experience
- Investment in risk management and controls
Technology Headcount
Percentage of Total Staff

Note: Total staff excludes Affiliates and Consolidated Investment Entities
Resource Allocation Case Study
FX Business¹ Trends

2005 – 2010 CAGR Trends

<table>
<thead>
<tr>
<th>Volumes</th>
<th>Total Volumes</th>
<th>Electronic Volumes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20%</td>
<td>42%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Headcount</th>
<th>Front Office</th>
<th>IT/Quant</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1%</td>
<td>17%</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Performance</th>
<th>Total Revenues</th>
<th>Pre-Tax Margin²</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>11%</td>
<td>1.6x</td>
</tr>
</tbody>
</table>

¹ FX Business includes G10 Currencies
² Represents the 2010 pre-tax margin as a multiple of 2005 pre-tax margin
Headcount Trends
Focus on High Growth Markets

Note: Total staff excludes Affiliates and Consolidated Investment Entities; China excludes Hong Kong; CAGR calculated from 2005 through 2010
Headcount Trends
Focus on High Growth Markets

- Building out onshore IBD franchise
- Enhancing securities division capabilities
- Launched Investment Management Business

INDIA
- Expanding market making services in Fixed Income and Equities products
- Building out Investment Management Business
- Expanding distribution of domestic products to international clients
- Continuing to build out Investment Management funds and Private Wealth Management presence

BRAZIL
- Increasing Equities and Fixed Income offerings to clients

CHINA
- Building out onshore IBD franchise
- Enhancing securities division capabilities
- Launched Investment Management Business

Note: Total staff excludes Affiliates and Consolidated Investment Entities; China excludes Hong Kong; CAGR calculated from 2005 through 2010
Risk Management Framework

- Aged Inventory
  - Balance sheet cost increases with time
  - ~80% of our inventory turns over within 6 months on average

- Value at Risk (VaR) Stress Tests
  - ~300 VaR and stress test limits allocated

- Balance Sheet
  - $911 billion assets
  - ~80 balance sheet limits allocated

- Counterparty
  - ~32,000 counterparty credit limits allocated

- Sector
  - ~24,000 sector credit limits allocated

- Geography
  - ~24,000 geographic credit limits allocated

- Product
  - ~31,000 product credit limits allocated

Note: This illustration does not reflect the comprehensive suite of risk limits and metrics that are utilized by Goldman Sachs
Aged Inventory
Number of Days before Turnover

1Q07 - 3Q10 Quarterly Average Days as % of Balance Sheet

Note: Inventory composition includes cash inventory and some listed derivatives; excludes OTC derivatives
Value at Risk (VaR) Case Study
Average VIX vs. Average GS Equities VaR

Sequential Quarterly Change

<table>
<thead>
<tr>
<th></th>
<th>4Q08</th>
<th>2Q10</th>
</tr>
</thead>
<tbody>
<tr>
<td>∆ VIX</td>
<td>-24%</td>
<td>-31%</td>
</tr>
<tr>
<td>∆ GS Equities VaR</td>
<td>129%</td>
<td>31%</td>
</tr>
</tbody>
</table>
The Role of Stress Tests

- Credit Spreads Widening
- Macroeconomic Tests
- PB Margin Stressing
- OTC Derivative Test
- CVA Stress Testing
- Reverse Stress Tests
- Modeled Liquidity Outflow

- Tail risk
- Concentration risk
- Basis risk
- Correlation risk
- Normalize for current environment
- Liquidity risk
Balance Sheet Evolution
Asset Liquidity

Balance Sheet by Asset Type ($bn)

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>1Q05</th>
<th>1Q08</th>
<th>3Q10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquid Assets</td>
<td>$596</td>
<td>$1,189</td>
<td>$909</td>
</tr>
<tr>
<td>Less Liquid Assets</td>
<td>$531</td>
<td>$1,017</td>
<td>$803</td>
</tr>
</tbody>
</table>

Liquid Assets include: Cash and segregated cash, Receivables, Resale Agreements / Securities Borrowed, U.S. Governments / Agencies and Sovereigns, Commercial Paper and Certificates of Deposit, Municipal and Investment Grade Corporate Bonds, and Non-restricted Public Equities
Less Liquid Assets include: Mortgage and other asset-backed loans and securities, Bank Loans and Bridge Loans, High Yield Corporate Bonds, Emerging Market Debt and Equity Securities, Investments in funds that the firm manages, Private and Restricted Equities, and the firm's Other Assets

Asset Type CAGRs

<table>
<thead>
<tr>
<th>Period</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q05-1Q08</td>
<td>24%</td>
</tr>
<tr>
<td>1Q08-3Q10</td>
<td>-18%</td>
</tr>
</tbody>
</table>
Return Optimization Framework

Balance Sheet and Revenues

- Balance sheet monitored daily both by business unit and on a consolidated basis
- Assets allocated by business and movements resulting from new business activity as well as market fluctuations are analyzed
  - Assets only permitted to grow to the extent we believe we can source adequate funding and maintain appropriate funding and capital metrics
- Balance sheet limits set conservatively to promote routine escalation and discussion among business unit managers and risk managers
Return Optimization Framework

Cost of Carry

- Market value based
  - Charged on market value rather than the cost basis of individual positions

- Consistency
  - Based on asset type that is applied consistently across businesses

- Transparency
  - Rates updated regularly and available to businesses in real time

- Governance
  - Policies subject to firmwide committee oversight
Return Optimization Framework
Capital Attribution and Returns

- Capital is calculated on a four walls basis attributing:
  - Market Risk
  - Credit Risk
  - Operational Risk

- Goldman Sachs attributes capital using different capital regimes including:
  - Basel 1
  - Basel 2
  - Basel 3
  - Internal Capital Adequacy Assessment Process
Return Optimization Framework

Balance Sheet

Capital Attribution

Cost of Carry

Revenues

Returns
Over / Under Performance
GS ROE Relative to Peers

- GS Average ROE of 20.2% vs. Peer Average ROE of 10.2%
  - GS Premium to Peer Average: 10.0%
- Average ROE Outperformance of 2.0x
- Outperformance greatest in low industry-wide ROE environments

Average ROEs calculated from 1999 through 2010, Represents GS' average annual Return on Equity (ROE) relative to peer group from 1999-2010; GS ROE equals net earnings applicable to common shareholders divided by average monthly common shareholders’ equity; GS ROE for 1999 and 2000 are pro forma as previously publicly disclosed; Peer group includes JPM, MS, BAC, C, MER (excl. 2009-10), LEH (excl. 2009-10) and BSC (excl. 2009-10); Calculations based on reported data