



BANK OF AMERICA FY 2025

Earnings Report Update

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Bank of America Corporation is a global, full-service financial institution with a diversified business model spanning consumer banking, wealth management, corporate banking, and capital markets. Its core operations center on deposit-taking, lending, payments, and advisory services for individuals, businesses, and institutional clients. The bank derives earnings from consumer banking activities, wealth and investment management, commercial and investment banking, and global markets, leveraging scale, technology, and an integrated platform to deliver end-to-end financial solutions across key customer segments worldwide.

GUIDANCE

Bank of America expects 2026 net interest income to grow 5–7% YoY, with Q1 NII up ~7%, to be driven by rate cuts and loan growth.

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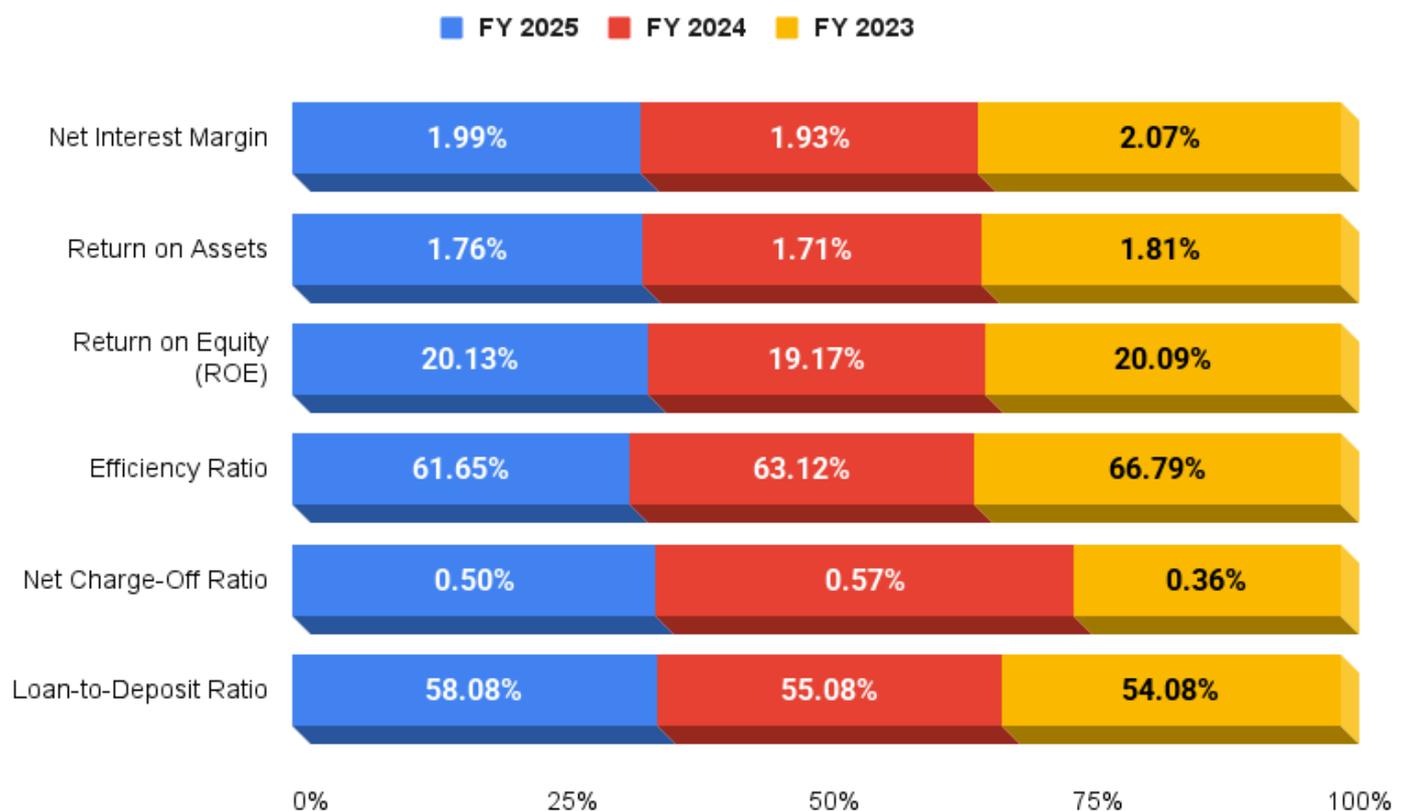
Bank of America finished 2025 with earnings exceeding \$30 billion in net income achieving 19% EPS growth compared to 2024. Chair and CEO Brian Moynihan stated: “With consumers and businesses proving resilient, as well as the regulatory environment, tax and trade policies coming into sharper focus, we expect further economic growth in the year ahead... we feel confident in our ability to maintain this momentum in 2026 and beyond.”

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Expectation Analysis

USD (\$)	Q4 2025	ESTIMATE	BEAT/MISS
REVENUE	28.40B	27.70B	2.30%
EBIT	10.90B	10.30B	5.80%
EPS (adjusted)	0.98	0.95	2.70%

Margin and Efficiency Analysis



Revenue/Profitability Summary				
Billion USD(\$), except NI per share	FY 2025	Q4 2025	YOY	
Net Revenue	113.10	28.37	6.84%	
Non-Interest Revenue	53.00	12.62	6.44%	
Net Interest Income	60.10	15.75	7.20%	
Income Before Tax	37.70	9.62	13.46%	
Net Income	30.51	7.65	13.11%	
Net Income Per Share	3.81	0.98	18.69%	
Cost/Expenses Summary				
Billion USD(\$)	FY 2025	Q4 2025	YOY	
Provision for credit losses	5.68	1.31	-2.51%	
Non-Interest Expenses	69.73	17.44	4.36%	
Interest Expenses	78.47	18.51	-13.34%	
Income Tax	7.19	1.98	14.98%	
Segment Performance				
Noninterest Expenses	FY 2025	% Revenue	QOQ	YOY
Consumer Banking	43.67	38.62%	0.31%	5.40%
Global Wealth & Investment Management	24.88	22.00%	4.85%	8.52%
Global Banking	24.11	21.32%	0.79%	0.63%
Global Markets	24.10	21.31%	-14.78%	10.47%
All Other	-3.054	-2.70%	18.77%	59.97%
Key Items of Financial Position Summary				
Noninterest Expenses	FY 2025	QOQ	YOY	
Total debt securities	925.64	-1.11%	0.91%	
Trading account assets	366.95	9.35%	16.69%	
Total assets	3,410.39	0.21%	4.56%	
Deposits	106.00	-9.65%	14.54%	
Trading liabilities	229.73	-0.81%	9.31%	
Total liabilities	3,107.15	0.26%	4.76%	
Total equities	303.24	-0.30%	2.60%	

Performance Highlights

- Bank of America delivered a strong Q4 2025 performance, with rising net income and EPS supported by higher asset management fees, sales and trading revenue, and net interest income, driven by “global markets” activity, fixed-rate asset repricing, and increased deposit and loan balances. Efficiency improved to 61% despite higher non-interest expenses. Credit costs moderated, reinforcing balance sheet resilience, while returns strengthened, with ROE at 10.4% and ROTCE at 14.0%, underpinned by operating leverage.
- Consumer Banking net income rose 17% to \$3.3B with resilient \$945B deposits, higher loans, and strong digital adoption; GWIM net income grew 20% to \$1.4B on 13% higher asset management fees and \$4.8T client balances; Global Banking held steady at \$2.1B with 2% revenue growth, 13% higher deposits, and a 50% efficiency ratio; Global Markets earned \$1.0B, up 10% on robust trading, with equities revenue surging 23%. Across segments, efficiency ratios improved, digital engagement remained strong, and market leadership was reinforced.
- Bank of America’s credit quality remained solid in Q4 2025. Total net charge-offs declined \$80 million from the prior quarter, with commercial losses improving due to lower CRE office losses, while consumer charge-offs were slightly higher. The credit card charge-off rate improved to 3.40%, reflecting continued portfolio strength. Provision for credit losses remained stable at \$1.3 billion, and the allowance for loan and lease losses totaled \$13.2 billion, representing 1.12% of total loans, supporting overall balance sheet resilience.
- Bank of America maintained a strong balance sheet in Q4 2025, with total assets of \$3.41 trillion and total loans and leases rising to \$1.19 trillion. Deposits remained resilient at \$2.02 trillion, supporting liquidity and funding stability. Shareholders’ equity increased, while tangible equity ratios remained steady, reflecting disciplined capital management. Regulatory capital levels remained robust, with CET1 ratios above requirements, and long-term debt and global liquidity sources supported ongoing lending capacity and strategic growth initiatives.
- Bank of America continued to demonstrate industry leadership in 2025, earning top accolades across retail, wealth, and corporate banking. The firm achieved high rankings in customer satisfaction, mobile app performance, and investment advisory services, according to J.D. Power, StockBrokers.com, and Global Finance. It was recognized globally for cash management, sustainable finance, supply chain solutions, and derivatives, with awards from Euromoney, Treasury Management International, Asian Banker, GlobalCapital, IFR, LSEG-Refinitiv, and Extel, underscoring its market-leading capabilities and client focus.

Concerns Raised

- Although overall credit quality remains sound, consumer credit trends, particularly in the card portfolio, warrant close monitoring. Net charge-offs in consumer segments showed minor increases, while early and late-stage delinquencies have risen seasonally. Elevated provisions and reserve adjustments indicate potential sensitivity to slower economic growth or labor market deterioration, which could pressure net interest margins and profitability in the near term.
- President Trump's proposal to cap credit card interest rates introduces material uncertainty for the Consumer Banking segment. Such a measure could constrain pricing flexibility, reduce risk-adjusted returns, and alter underwriting standards for higher-risk customers, directly impacting the bank's core credit card profit engine.
- Global Markets performance, while strong, remains sensitive to macroeconomic shifts, trading activity fluctuations, and client behavior. Higher efficiency ratios in trading operations reflect elevated expense pressure alongside revenue-related incentives. Continued market volatility, interest rate changes, or shifts in client activity could affect sales, trading revenue, and capital allocation, underscoring the importance of disciplined risk management.

SAVEST RATING: **OVERWEIGHT**

OUR INSIGHT

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Bank of America (BAC) delivered a strong FY 2025 performance, driven by robust growth in EPS and net income across Consumer Banking, GWIM, Global Banking, and Global Markets. Key metrics underscore improving profitability and operational efficiency: NIM at 1.99%, ROA - 1.76%, ROE - 20.13%, efficiency ratio - 61.65%, and net charge-offs of 0.50%. Looking ahead, disciplined capital management and diversified operations support sustainable returns, although investors should monitor potential credit-card regulatory risks and broader macroeconomic volatility.

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