

GS

GOLDMAN SACHS INC. FY 2025

Earnings Report Update

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Company Overview

The Goldman Sachs Group, Inc. is a leading global financial institution that delivers a broad range of financial services to a large and diversified client base that includes corporations, financial institutions, governments and individuals. Founded in 1869, the firm is headquartered in New York and maintains offices in all major financial centers around the world.

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David Solomon, Chairman and CEO of Goldman Sachs, said, "I'm very pleased with our strong performance in the fourth quarter. We generated earnings per share of \$14.01, an ROE of 16%, and an ROTE of 17.1%". He further mentioned "Since our first Investor Day where we laid out our comprehensive strategy, the firm has grown its revenue by 60%, improved returns by 500 basis points and delivered total shareholder returns of more than 340%. We continue to see high levels of client engagement across our franchise and expect momentum to accelerate in 2026".

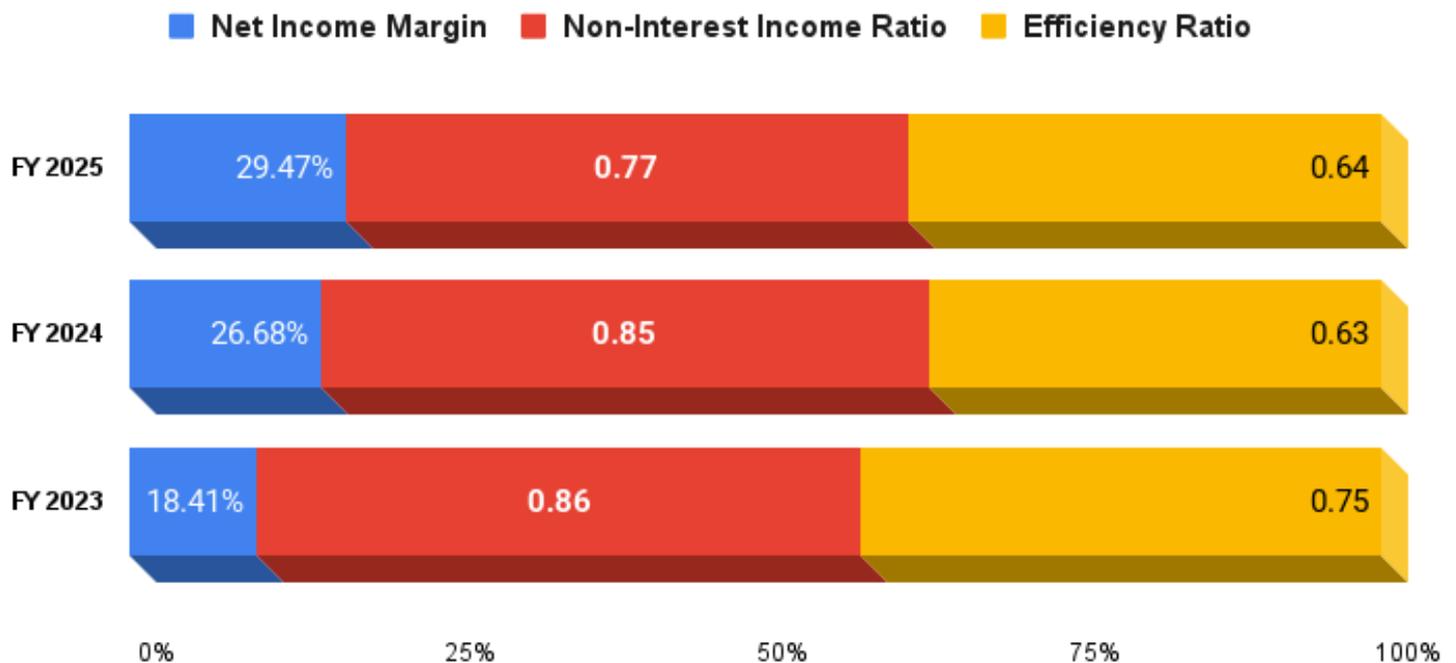
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CEO's Commentary

Expectation Analysis

USD (\$)	Q4 2025	ESTIMATE	BEAT/MISS
REVENUE	13.50B	13.80B	-2.90%
EBIT	3.73B	5.67B	-34.20%
EPS (adjusted)	14.00	11.80	19.10%

Margin and Efficiency Analysis



Revenue/Profitability Summary				
Billion USD(\$), except NI per share	FY 2025	Q4 2025	YOY	
Net Revenue	58.28	13.45	8.92%	
Non-Interest Revenue	44.72	9.75	-1.61%	
Net Interest Income	13.56	3.71	68.31%	
Income Before Tax	21.85	5.86	18.78%	
Net Income	17.18	4.62	20.31%	
Net Income Per Share	51.32	14.01	26.59%	
Cost/Expenses Summary				
Billion USD(\$)	FY 2025	Q4 2025	YOY	
Provision for credit losses	-1.11	-2.12	-182.57%	
Non-Interest Expenses	37.54	9.72	11.19%	
Interest Expenses	66.81	16.67	-8.90%	
Income Tax	4.68	1.24	13.47%	
Segment Performance				
Million USD(\$)	FY 2025	% Revenue	QOQ	YOY
Global Banking & Markets	41,453.00	71.12%	2.39%	18.21%
Asset & Wealth Management	16,679.00	28.62%	6.81%	2.22%
Platform Solutions	151.00	0.26%	-380.27%	-92.91%
Key Items of Financial Position Summary				
Billion USD(\$)	FY 2025	QOQ	YOY	
Loans	238.00	7.21%	21.43%	
Trading assets	657.00	0.61%	15.06%	
Total assets	1,810.00	0.11%	8.00%	
Deposits	501.00	2.24%	15.70%	
Trading liabilities	263.00	0.38%	30.20%	
Total liabilities	1,685.00	0.06%	8.43%	
Total equities	125.00	0.81%	2.46%	

Performance Highlights

- For full-year 2025, net revenue growth was driven primarily by stronger performance in Global Banking & Markets. This growth more than offset a sharp decline in Platform Solutions, where revenues were pressured by \$2.26 billion in markdowns on the Apple Card credit portfolio linked to loan transfers, contract termination obligations, and program transition.
- In Q4 2025, net revenues declined 3% compared to Q4 2024 and fell 11% sequentially from Q3 2025. The year-over-year decline was primarily driven by negative performance in Platform Solutions, reflecting \$2.26 billion in markdowns on the Apple Card credit portfolio, partially offset by a \$2.48 billion reduction in credit loss provisions.
- In the full year, Global Banking & Markets delivered net revenue growth driven by broad strength across Investment Banking, FICC, and Equities. Investment banking fees rose 21% to \$9.34 billion, led by higher Advisory revenue from increased M&A activity, alongside strong debt and equity underwriting performance. FICC revenue grew 9% to \$14.52 billion, supported by higher intermediation in interest rate products and mortgages, while Equities revenue jumped 23% to \$16.54 billion, fueled by prime and portfolio financing and elevated derivatives activity.
- In the full year, Asset & Wealth Management reported net revenue growth driven by higher Management and other fees, increased Private Banking and lending revenue, and modestly higher Incentive fees. Management fees grew on the back of higher average assets under supervision, while Private Banking benefited from interest payments on a previously impaired loan and improved lending margins. Incentive fees rose due to stronger performance, partially offset by significantly lower net revenues from Investments, reflecting reduced gains from private equities and lower interest income from debt investments.
- For 2025, Platform Solutions net revenue sharply declined from its 2024 level. The drop primarily resulted from \$2.26 billion in markdowns on the outstanding Apple Card portfolio, linked to the transfer of loans to held-for-sale status and contract termination obligations under the transition to another issuer, partially offset by a related reserve reduction in the provision for credit losses. In Q4 2025, the segment recorded a net revenue loss of \$1.68 billion, highlighting ongoing portfolio adjustments and the continuing impact of the Apple Card transition.
- For 2025, operating expenses totaled \$37.54 billion, up 11% from 2024, reflecting higher compensation and benefits due to improved performance, increased transaction-based expenses, and net provisions for litigation and regulatory proceedings of \$215 million. The firm's efficiency ratio rose slightly to 64.4% from 63.1% in 2024. In Q4 25, expenses reached \$9.72 billion, 18% higher YOY and 3% higher sequentially, driven by similar factors, with litigation provisions of \$94 million and a 2% reduction in headcount versus Q3 25.

Concerns Raised

- Provision volatility tied to the Apple Card transition materially distorted Q4 25 results and created near-term uncertainty: the \$2.48 billion reserve reduction and \$2.26 billion markdown on the card portfolio produced a large one-time swing in provision and net revenue that masks underlying credit trends. While FY2025 showed a net benefit in provisions, separating strategic reserve releases from recurring credit performance is essential. If consumer credit normalizes further or macro conditions deteriorate, provisions could re-emerge and pressure quarterly earnings.
- Uncertainty in the Federal Reserve is a material near-term risk. As President Trump's probing of the the Fed Chairman Powell continues, ambiguous timing and magnitude of rate cuts complicates asset-liability management, deposit repricing, and loan deployment strategies. Rapid or uneven shifts in policy could compress net interest margins, alter the economics of deposit-heavy businesses like Marcus (their platform Solution).
- Regulatory or policy interventions, such as President Trump's proposed ban on institutional investors in housing and real estate could materially affect revenue pools and underwriting economics across consumer finance, card services, and housing-related businesses; measures that constrain pricing or reshape market structure would compress risk-adjusted returns and could force strategic adjustments with near-term earnings consequences.

OUR INSIGHT



Goldman Sachs' FY2025 result underscores a resilient, franchise-driven earnings profile supported by strong Global Banking & Markets momentum and growing fee-based Asset & Wealth Management revenues although Platform Solutions and the Apple Card transition produced large one-time swings, a \$2.26 billion markdown and a \$2.48 billion reserve reduction, that hampered profitability. Balance-sheet metrics are solid supporting liquidity and optionality for growth. In the interim, earnings may face volatility from Fed policy uncertainty (timing and magnitude of rate moves), the one-off Apple Card effects, and potential policy shocks, however over the long term, the firm's scale in markets, expanding alternatives and wealth franchises, strong capital generation, and diversified fee streams remain compelling, with key watchpoints including credit normalization, execution on alternatives fundraising and incentive fees, expense-savings delivery, and the Fed's rate path.



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