



GLOBAL MARKETS
SUMMARY OF INVESTMENT ANALYSIS

Name of the company: Goldman Sachs Group

Ticker (Exchange)/Price of share: GS (NYSE)/167.79 USD

Sector: Finance

Industry: Banking and investment Activity

Description:

Goldman Sachs Group, together with its subsidiaries provides various financial services including investment banking, securities and investment management services, financial institutions, governments and individuals. Investment Banking Division provides investment advice with respect to mergers and acquisitions, restructurings, and underwriting services, including equity underwriting and debt underwriting. Trading Division is engaged in trade and investment in various financial instruments. Asset Management Division provides various asset management services and investment advisory services, financial planning, management of funds.

Commentary:

- ❖ Goldman Sachs is undisputable market leader and announced significantly higher financial results than the expectations. Net income for the fourth quarter of 2009 is **\$4.95 billion, or \$8.20 a share**, compared to the prognosis of **\$5.20 a share**. For the same quarter 2008 the bank has announced a \$2.12 billion loss or \$4.97 a share. For the entire 2009 Goldman Sachs made **\$13.39 billion net income** or \$22.13 a share, as for 2008 net profit is \$4.47 a share, which represents a **395% growth!**
- ❖ Goldman Sachs is number one bank in USA by transactions revenue for 2009. Fixed-income instruments, commodities and currency trading revenue are \$23.32 billion and Equity trading revenue is \$9.89 billion.
- ❖ The failures of the competitors Lehman Brothers and Bear Stearns gave the bank a chance and it increased significantly its market share not only in the U.S. but also in Asia. The efficient risk management protected the bank from the problems that all other competitors have with the toxic assets in particular.
- ❖ Goldman Sachs repaid \$ 10 billion of government bailout money in the midst of the year, which is showing how fast the bank went out of the financial crisis. Despite that they announced that they will reduce previously set sum for bonuses so more money will stay in the bank. Goldman Sachs announced a \$0.35 dividend on a common stock, payable at 30 March, 2010 (ex-dividend date 02 March, 2010).

Graph:



Short-term indicative price, defined using both technical and fundamental analysis*: \$ 180

* A potential risk for the company and for the stock price could be the following: slowing economy, decreasing revenues, lower cash flows, decreasing recommendations of analysts and others. Due to a great number of factors reaching the target price is not guaranteed, all data are based on the expectations for the company development. In case of short-term speculations and abrupt changes in the stock price, we recommend selling in order to minimize the loss to 5%.



Basic fundamental data:

Market capitalization:	\$86.257 billion	P/E (price/earnings) (TTM):	35.93
Beta:	1.40	P/B (price/book value) (MRQ):	1.47
P/S (price/sales) TTM:	3.21	Profit margins (TTM):	10.45%
ROE y:	22.5%	ROI y:	23%
Book Value	\$117.48		

Main competitors and related companies:

Morgan Stanley	Citigroup
JPMorgan Chase & Co	Deutsche Bank AG
Bank of America	Credit Suisse Group AG

Updated at: 21.01.2010

Sources: <http://www2.goldmansachs.com/>, www.bloomberg.com, www.businesswire.com, www.reuters.com, www.nyse.com, www.yahoo.com, www.bigcharts.com

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The information above represents investment research as it is defined in art. 42, para. 6 - Ordinance № 38/2007 of FSC, for the requirements of the activities of the investment intermediaries, respectively it is not conformed to the investment objectives, financial statement, experience and the respond of the specific investor to the risk. It is in your interest, before taking an investment decision on the basis of this investment research, to receive an investment advice, appropriate for your specific characteristics as an investor.

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