

TIMELINESS 3 Lowered 1/6/17
SAFETY 1 Raised 10/13/17
TECHNICAL 3 Lowered 12/22/17
BETA 1.20 (1.00 = Market)

High: 206.7 250.7 215.0 193.6 186.4 175.3 129.7 177.4 198.1 218.8 245.6 262.1
 Low: 124.2 157.4 47.4 59.1 129.5 84.3 90.4 129.6 151.6 167.5 138.2 209.6

LEGENDS
 --- 1.3 x Book value p sh
 Relative Price Strength
 Options: Yes
 Shaded area indicates recession

2020-22 PROJECTIONS
 Price 355 (+40%)
 Gain (+15%)
 Ann'l Total Return 10%
 High 290
 Low 5%

Insider Decisions
 M A M J J A S O N
 to Buy 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
 Options 0 0 0 0 0 1 0 2 4
 to Sell 0 0 0 0 0 2 0 3 6

Institutional Decisions
 1Q2017 2Q2017 3Q2017
 to Buy 544 583 447
 to Sell 545 507 575
 Hlds(000) 321162 309844 301722

% TOT. RETURN 12/17
 THIS STOCK VL ARITH. INDEX
 1 yr. 7.7 15.8
 3 yr. 36.9 30.1
 5 yr. 113.6 92.5

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
65.38	48.32	49.94	61.87	99.52	168.06	222.19	121.07	100.31	90.57	75.79	89.57	91.57	93.16	93.47	94.66	110.40	118.40	Revenues per sh ^A	146.65
14.7%	21.6%	8.1%	8.8%	7.1%	6.5%	5.3%	8.7%	7.9%	7.7%	10.2%	7.5%	7.9%	8.2%	8.4%	8.5%	8.0%	8.0%	Commissions	8.0%
20.0%	17.7%	36.2%	40.1%	35.6%	34.6%	33.7%	15.1%	55.8%	44.8%	7.6%	14.0%	17.1%	16.4%	12.7%	8.4%	35.0%	35.0%	Principal Trans	32.0%
11.8%	11.2%	10.1%	11.0%	8.2%	8.0%	8.5%	9.6%	9.2%	10.4%	11.8%	11.8%	14.6%	16.1%	17.9%	16.6%	16.5%	16.5%	Invest Banking	14.5%
53.3%	49.3%	45.5%	39.9%	48.9%	50.7%	52.2%	66.5%	26.9%	26.7%	57.5%	27.3%	22.9%	20.8%	24.2%	26.3%	31.5%	31.5%	Interest Income	41.5%
2%	2%	1%	2%	2%	2%	3%	1%	2%	10.4%	12.9%	39.4%	37.5%	38.5%	36.8%	40.2%	9.0%	9.0%	Other	4.0%
4.26	4.03	5.87	8.92	11.21	19.69	24.73	4.47	22.13	14.90	4.51	14.13	15.46	17.07	18.32	16.36	19.50	22.00	Earnings per sh ^{AB}	29.35
48	48	74	1.00	1.00	1.40	1.40	1.52	1.05	1.40	1.40	1.77	2.05	2.25	2.55	2.60	2.90	3.00	Div'ds Decl'd per sh ^C	3.60
38.28	40.18	45.73	52.00	60.21	79.21	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	206.75	218.12	244.15	252.65	Book Value per sh	264.00
476.23	472.94	473.02	482.30	436.01	412.67	395.91	442.54	515.11	507.53	485.47	465.15	446.36	430.26	419.48	398.38	385.00	380.00	Common Shs Outst'g ^D	375.00
21.1	19.7	13.7	10.8	9.9	7.9	8.5	36.9	6.3	10.4	29.1	7.9	10.2	10.2	10.5	10.3	12.0	12.0	Avg Ann'l P/E Ratio	11.0
1.08	1.08	.78	.57	.53	43	45	2.22	.42	.66	1.83	.50	.57	.54	.53	.54	.59	.59	Relative P/E Ratio	.75
.5%	.6%	.9%	1.0%	.9%	.9%	.7%	.9%	.7%	.9%	1.1%	1.6%	1.3%	1.3%	1.3%	1.5%	1.2%	1.2%	Avg Ann'l Div'd Yield	1.1%

CAPITAL STRUCTURE as of 9/30/17
ST Borrowings \$45.4 bill.
LT Debt \$211.9 bill.
 (Total int. cov.: 2.5x)

Leases, Uncapitalized Annual rentals \$290 mill.
No Defined Pension Benefit Plan

Pfd Stock \$11203 mill. **Pfd Div'd** \$311.0 mill.
Common Stock 377,201,479 shs.
as of 10/20/17
MARKET CAP: \$96.4 billion (Large Cap)

87968	53579	51673	45967	36793	41664	40874	40085	39208	37712	42500	45000	Total Revenues (\$mill) ^A	55000
11599	2322.0	13385	9363.0	4442.0	7475.0	8040.0	8477.0	8933.0	7398.0	7510	8360	Net Profit (\$mill)	11000
34.1%	6%	32.5%	27.4%	28.0%	33.3%	31.5%	31.4%	25.4%	28.2%	30.0%	20.0%	Income Tax Rate	20.0%
13.2%	4.3%	25.9%	20.4%	12.1%	17.9%	19.7%	21.1%	22.8%	19.6%	17.7%	18.6%	Net Profit Margin	20.0%
229884	168220	185085	174399	173545	167305	160965	167571	175422	189086	155000	150000	Long-Term Debt	160000
42800	64369	70714	77356	70379	75716	78467	82797	86728	86893	94000	96000	Shr. Equity (\$mill)	99000
8.9%	7.7%	6.4%	4.8%	2.9%	3.9%	4.8%	4.5%	4.4%	4.0%	3.0%	7.5%	Return on Total Cap'l	4.0%
27.1%	3.6%	18.9%	12.1%	6.3%	9.9%	10.2%	10.2%	10.3%	8.5%	8.0%	8.5%	Return on Shr. Equity	11.0%
27.1%	3.1%	17.5%	11.3%	2.5%	9.2%	9.5%	9.5%	9.6%	7.5%	7.0%	7.5%	Retained to Com Eq	9.5%
7%	37%	16%	15%	62%	15%	16%	17%	19%	23%	15%	14%	All Div'ds to Net Prof	12%

BALANCE SHEET 2015 2016 9/30/17

Cash Assets	131943	121711	116610
Securities Owned	293004	295952	300926
Other	436448	442502	512596
Total Assets	861395	860165	930132
ST Borrowings	42787	39265	45357
LT Borrowings	175422	189086	211852
Other	556458	544921	586631
Total Liab.	774667	773272	843840

BUSINESS: The Goldman Sachs Group, Inc. is a global investment banking and securities firm. Operates in four business segments: Investment Banking (21% of '16 revenues), Institutional Client Services (47%), Investing & Lending (13%), and Investment Management (19%). 40% of '16 revenues came from outside the Americas. Has over \$1 trillion in assets under management. Acq. Ayco, 7/03.

Has about 34,400 employees. Parties to Shareholders Agreement c/o G.S. own 7.2% of stock; BlackRock, 6.1%; State Street: 5.6%; officers/directors, 2.6% (3/17 Proxy). Chairman/Chief Executive Officer: Lloyd C. Blankfein. President: Harvey Schwartz. Incorporated: Delaware. Address: 200 West St., New York, NY 10282. Telephone: 212-902-1000. Internet: www.gs.com.

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '14-'16 to '20-'22

Revenues	6.0%	8.0%	7.5%
Earnings	11.5%	10.0%	9.5%
Dividends	18.5%	7.5%	6.5%
Book Value	18.0%	18.5%	6.5%

Shares of Goldman Sachs have risen slightly in value since our October report. This was likely driven by the solid third-quarter performance. Revenues from that period came in just north of \$11.0 billion, above our earlier call of \$10.8 billion, and marked a noteworthy increase over the \$9.943 billion figure the company posted in the previous-year period. Likewise, earnings per share of \$5.02 were just a couple of pennies ahead of our \$5.00 forecast, as well as the \$4.88 that was recorded in the third quarter of last year.

Performance has varied substantially by operating segment. The Investment Banking segment saw a 17% year-over-year increase, driven by a 38% surge in financial advisory revenues. The Investing & Lending segment registered an even greater surge of 35%, year over year, on a 51% expansion in equity securities revenues, reflecting an increase in net gains from investments in private equities.

Policy factors are in the spotlight. Congress recently passed a tax reform bill, which the President promptly signed. The primary focus of the legislation was a substantial reduction in the top corporate in-

come tax rate, from 35% to 21%. This will likely increase Goldman's net profit margin, and could increase the top line by improving prospects for the American corporations that the company serves. However, Goldman estimates that in the fourth quarter, the company will take a \$5 billion hit to earnings, mainly due to the newly enacted repatriation tax for cash and assets held overseas, as well as from a remeasurement of U.S. deferred tax assets due to the lower corporate tax rate. We intend to separate these nonrecurring charges from fourth-quarter earnings, which we expect the company to report on January 17th. Additionally, the President has nominated a new chairman of the Federal Reserve, Jerome Powell, who appears to hold a somewhat more relaxed view on financial regulation than the outgoing Fed Chair, Janet Yellen.

These high-quality shares hold solid long-term appreciation potential. The stock boasts our Highest rank (1) for Safety. These shares are expected to perform in line with the broader market averages over the next year.

Adam J. Platt *January 12, 2018*

(A) Fiscal year ends on last Friday in Dec. Prior to fiscal 2009, year ended on last Friday in Nov. Data for stub period (Nov. 28, 2008 - Dec. 27, 2008) incl.: Revenues, \$1,185 million; earnings, (\$2.15).
 (B) Dil. egs. Excl. n/r gains/(losses) '10, (\$1.72). Earnings may not sum due to changes in the number of shares out. Next egs. report due mid Jan.
 (C) Div'd historically paid in late Feb., May, Aug., and Nov.
 (D) In millions.

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Company's Financial Strength	A++
Stock's Price Stability	75
Price Growth Persistence	35
Earnings Predictability	45

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