

A stronger revenue floor, but reported returns remain cyclically elevated

1 KEY RESULTS VS. CONSENSUS			
Metric	Reported	Consensus	vs. Cons.
Revenue	\$18.679 billion	\$16.83 billion	+11.0%
Diluted EPS	\$17.01	\$12.86	+32.3%
SEGMENT REVENUE			
Global Banking & Markets	\$13.458 billion	\$11.8 billion	+14.1%
Asset & Wealth Management	\$5.051 billion		
Platform Solutions	\$170 million		

2 | GUIDANCE AND OUTLOOK

Full-year alternatives fundraising expectations rose to approximately \$150 billion from more than \$125 billion. The full-year compensation ratio estimate improved to approximately 30% of revenue net of provisions, versus approximately 31% at Q2. Management expects Q4 incentive fees to remain elevated, alongside another meaningful charitable contribution, and reaffirmed an approximately 20% full-year effective tax rate. Asset and Wealth Management's medium-term pre-tax margin target is approximately 30%. NEOS is expected to close in Q1 2027; LCN is expected to close by year-end 2026.

3 | EARNINGS ANALYSIS

EQUITIES LED A CONCENTRATED BEAT. Equities drove the beat, while FICC fell short of expectations. Equities generated approximately 77% of firmwide year-over-year revenue growth; financing alone contributed approximately 47%. Financing reached a record \$3.365 billion, increasing 96% year-over-year and approximately 3% sequentially, while equities intermediation declined 26% from Q2. Scarce industry capacity may support reversible pricing benefits.

NORMALIZATION MUST WORK BOTH WAYS. Lower average diluted shares, from 315.0 million to 301.1 million, amplified operational earnings growth. An approximately \$450 million charitable contribution reduced EPS by approximately \$1, but excluding it does not establish normalized earnings. Incentive fees of \$587 million were episodic and linked to an IPO realization. Normalizing the contribution while retaining unusually high incentive fees would bias the assessment upward. The contribution remains an actual economic use of shareholder resources.

RECURRING FEES SUPPORT MARGINS. Asset and Wealth Management's management and other fees rose 22% year-over-year to \$3.587 billion. Its quarterly pre-tax margin improved to approximately 26.1% from approximately 24.3% in Q2, still below the medium-term target. Lending and investment revenues remained volatile. The standalone compensation ratio of approximately 28.0% reflected a year-to-date accrual process, not a sustainable quarterly baseline. Platform leverage is genuine, but financing growth also consumes capital, liquidity, technology and risk capacity.

CAPITAL FLEXIBILITY HAS NARROWED. Standardized CET1 fell to 12.4% from 12.9% in Q2, leaving a 100-basis-point regulatory buffer. Deposits reached \$568 billion and average global core liquid assets were approximately \$574 billion. The largest balance sheet expansion is behind the firm. Capital returns represented approximately 88% of quarterly common earnings, limiting room for simultaneous rapid deployment and aggressive repurchases.

WHOLESALE CREDIT IS THE WARNING. Global Banking and Markets provisions rose to \$345 million from \$75 million in Q2. Management called the impairments highly idiosyncratic, without industry or recovery details. Repeated elevated wholesale provisions would challenge sustainable risk-adjusted returns. The investment banking backlog declined, led by advisory.

THE CONSUMER EXIT REMAINS INCOMPLETE. Platform Solutions missed prior expectations for revenue broadly consistent with Q2's \$221 million. Apple Card markdowns drove the decline; the segment lost \$95 million before tax. A stronger revenue floor and better platform economics do not establish a permanently higher peak return.

4 | KEY READ-THROUGHS

COMPUTE SHORTAGES DO NOT GUARANTEE ATTRACTIVE EQUITY RETURNS FOR DEBT-INTENSIVE BUILDERS
CoreWeave (CRWV) | Negative | High
CoreWeave's previously reported Q2 interest expense of approximately \$640 million underscores financing sensitivity. Additional capacity requires debt or equity, creating interest expense, dilution and higher project hurdles. Deployment delays extend the gap between financing costs and revenue. CoreWeave's weighted average debt cost fell almost 300 basis points over the preceding year, but debt balances can grow faster than borrowing costs decline. The negative read-through concerns marginal expansion economics, not imminent default or disappearing demand.

INVESTMENT-GRADE CUSTOMER CONTRACTS CAN UNLOCK CAPITAL
Nebius Group (NBIS) | Positive | Material
Nebius' approximately \$775 million facility, backed by deployed GPU infrastructure and investment-grade customer cash flows, was priced at SOFR plus 2.50%. Financeable completed infrastructure releases capital for subsequent deployments, reducing reliance on parent-level equity issuance. Nebius said the facility and contractual cash flows covered more than 100% of deployment capex. Floating-rate costs, construction risk and customer concentration remain relevant.

BANKABLE AI PROJECTS SUPPORT POWER-EQUIPMENT BACKLOGS AND LONG-DURATION SERVICE REVENUES
GE Vernova (GEV), Eaton (ETN) | Positive | High strategic significance over multiple years, with more moderate immediate earnings implications
Funded compute expansion requires generation, grid access and electrical distribution, converting financing commitments into equipment orders and service demand. GE Vernova reported data center orders exceeding \$5 billion year-to-date and gas equipment backlog and slot reservations of 116 GW. Reservations are not equivalent to fully recognized future revenue. Financing discipline can improve pipeline quality by favoring contracted, executable projects. Grid connections, permitting and manufacturing capacity can delay revenue.

OPTIONS-BASED ETF DISTRIBUTION CREATES RECURRING DEMAND FOR PROPRIETARY INDEX OPTIONS
Cboe Global Markets (CBOE) | Positive | Moderate at the consolidated earnings level, with substantial strategic relevance to the proprietary index-options franchise
NEOS managed approximately \$35 billion at quarter-end. Its SPYI strategy uses purchased and sold SPX index options, for which Cboe holds exclusive trading rights. Goldman's distribution can expand derivative-income assets and recurring implementation activity, generating proprietary contract fees without financing the underlying portfolio. Existing assets require repeated transactions even when fundraising slows, making this more direct than a generic volatility thesis.