

Global Research Marketing

US BofA Financials Conference: What did we learn?

Banks: Investors biased towards larger-cap

Persistent concerns tied to commercial real estate (CRE) risks and pressure from rising regulatory burdens are causing investors to gravitate towards larger banks while regional sentiment drifting negative. This is evident in the ~800bp of YTD outperformance for the GSIBs vs. super regional peers. That said, discussions with mgmt. teams suggest relative confidence in the credit outlook (barring a hard landing) and relative net interest income (NII) resiliency despite the potential for fewer/delayed rate cuts. Shift in near-term borrower sentiment suppressing loan growth, but longer-term expectations appear intact. Mgmts we spoke with largely constructive on improving capital markets activity.

Consumer Fin: COF deal the talk of the town; also credit

Reaction to the merger announcement was the focus of a lot of conversations during the conference. Based on Mihir Bhatia's investor conversations management teams are more optimistic on the deal going through than investors. Most agreed with the strategic rationale for COF (network play), though some did question the price paid and network synergy rationalization. Beyond M&A, credit remains a key investor focus and companies reiterated outlooks for peak loss/delinquency in 1H24. Mortgage insurers provided favorable pricing outlooks, noting housing credit remains strong.

Optimism in reinsurance, personal lines pivoting to growth

Many of the themes from 4Q23 earnings prevailed according to Josh Shanker. Within commercial lines, investors remain cautious regarding casualty reserves, predominantly from the soft market years of 2016-2019, following some reserve charges in 4Q23. Companies writing reinsurance business remain optimistic, reporting favorable results at January 1st renewals. Personal lines companies expect to pivot their focus to growth as aggressive rate actions have ameliorated profitability concerns while continued tension with state regulators is expected to continue. Life insurance companies expect improved investment flows in both their asset management and retirement businesses, following outflows in 2023. That said, management teams have highlighted that macro, particularly interest rates, will continue to be an important variable in 2024.

Agree with Alt CEO bullishness; still positive after run

According to the companies presenting, large cap Alts are winning through institutional client consolidations and expanding in both the private wealth and insurance channels while partnering more closely with banks. They are also benefiting from bank retrenchment, encouraging them to expand their private credit origination capabilities. This expansion may create some conflicts with their legacy institutional clients while making sure their banking relationships remain mutually beneficial and not zero-sum. Craig Siegenthaler agrees with the CEO bullishness and maintains his positive long-term outlook for the alts. (See page 2 for more takeaways Services Conference)

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Equity
Global
Financials

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Refer to important disclosures on page 11 to 14. Analyst Certification on page 8. Price Objective Basis/Risk on page 6.

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Selective green shoots for brokers & exchanges

Brokers are enjoying consistently solid to strong organic growth and a continuation of this new bull market should encourage an acceleration in retail engagement and organic growth. Craig Siegenthaler suggests this benefits the online brokers, wealth managers, market makers and the electronic trading platforms. He sees this macro setup benefitting both the non-exchange businesses of the exchanges (execution, data, software, etc.) and the fixed income businesses of the traditional asset managers through reallocations from money markets. While Trads are facing secular headwinds in equities they have two stealth profit levers: 1) Beta which offsets outflows, 2) Share buybacks at low P/E multiples.

Banks Continued: Mgmt. updates suggest EPS resiliency

Banks had a somber tone discussing the outlook for loan growth – largely consistent with H8 trends. Uncertainty with respect to the near-term rate outlook was the primary reason cited as to why commercial utilization rates have not exhibited their typical seasonal uptick in 1Q. Longer-term, the outlook remains fairly optimistic. Although 1Q NII could be at risk from slower loan growth, most mgmt. teams sounded constructive on NII more broadly amid expectations for fewer rate cuts given the potential for back book repricing. Commentary around credit quality remained consistent. Card losses continue to normalize and losses in office-CRE should be expected. Mgmt. teams tried to differentiate between loss implications tied to secular issues facing the office-CRE market vs. potential for near-term pressure in the multifamily space (mostly concentrated in the sunbelt states) due to incoming supply in 2024/25.

Key Notes from the Financials Conference

[US Banks](#) | BofA 2024 Financial Services Conference takeaways: What did we learn? | Ebrahim H. Poonawala

- Our investor discussions on the sidelines of BofA Securities 2024 Financial Services conference suggests cautious sentiment.
- We observed a disconnect between perceived risks among investors vs. bank management teams touting EPS/credit resiliency.
- Key takeaways recapped starting on pg 2; Save the date for BofA Securities 2025 Financial Services Conf: Feb 11-12, Miami, FL.

[US Insurance](#) | Takeaways from the 2024 Bank of America Financials Conference | Joshua Shanker

- We hosted the 32nd annual BofA Financials last week in Miami which included 27 insurance companies.
- Reserve adequacy for the 2016-19 AYs remained top of mind for investors regarding commercial lines.
- Personal lines discussed the litigation environment and pivot to growth; Capital return and flows were key themes in life.

[Brokers, Asset Managers & Exchanges](#) | Takeaways from 34 Diversified Fins @ 32nd Annual BofA Financials Conference | Craig Siegenthaler

- We hosted 130 corporates / 300 institutional investors at the 32nd Annual BofA Financials Conference on Feb 20-22, 2024
- 34 asset managers, brokers & exchanges attended with 22 presentations from our coverage; CNBC hosted live interviews onsite

- Alternative asset manager CEOs were bullish on the near & long-term outlook; we agree with them.

[Goldman Sachs](#) | BUY | GS US | Mkt Cap:US\$172,432mn | Ebrahim H. Poonawala
BofA Securities 2024 Financial Services Conference: Takeaways

- We hosted Goldman veteran, Ashok Varadhan Co-Head of Global Banking & Markets, for an investor meeting during the conference.
- Varadhan provided a candid assessment of strategic priorities, leadership bench strength, competitive positioning.
- Improving EPS and strategic visibility, pick-up in investment banking, trading resiliency should drive stock outperformance.

[Morgan Stanley](#) | BUY | MS US | Mkt Cap: \$153,367mn | Ebrahim H. Poonawala

- Head of Wealth Management Jed Finn outlined two key areas of focus: 1) path to advice 2) scaled and differentiated platform.
- Street watching for whether mgmt. can deliver superior growth in less conducive macro-backdrops, despite intense competition.
- Morgan Stanley indexed to the right macro themes. Strong execution, regulatory relief, macro should drive outperformance.

[Citigroup Inc.](#) | BUY | C US | Mkt Cap:US\$165,089mn | Ebrahim H. Poonawala
BofA Securities 2024 Financial Services Conference: Takeaways

- CFO Mark Mason came across as confident that mgmt is on track to delivering on FY24 guidance, achieve medium term targets.
- Fewer/late rate-cuts offer NII resiliency, mgmt has expense flex, IB trends encouraging, TTS wallet share opportunities.
- Risk/reward attractive given increasing self-help, improving visibility on its 5 LOBs and revenue resiliency; Maintain Buy.

[The Bank of New York Mellon Corporation](#) | BUY | BK US | Mkt Cap:US\$45,092mn | Ebrahim H. Poonawala
BofA Securities 2024 Financial Services Conference: Takeaways

- CEO Robin Vince highlighted focus on +ve operating leverage, investment spend, capital flexibility, deposit differentiation.
- Confident on net interest income outlook despite a range of potential interest rate backdrops, 100% in capital payout FY24.
- Methodical execution combined with a strong core franchise should deliver upside surprises; maintain Buy.

[KeyCorp](#) | BUY | KEY US | Mkt Cap:US\$11,993mn | Ebrahim H. Poonawala
BofA Securities 2024 Financial Services Conference: Takeaways

- CEO Chris Gorman sounded fairly upbeat as KEY gradually moves towards offense mode following strategic actions in 2023.
- NII outlook resilient despite 0-6 rate cuts, CRE exposure contained/well-reserved, potential for investment banking upside.



- While significant macro uncertainty remains, risk/reward attractive for investors looking to add regional bank exposure.

Truist Financial | BUY | TFC US | Mkt Cap:US\$27,811mn | Ebrahim H. Poonawala
BofA Securities 2024 Financial Services Conference: Takeaways

- CFO Mike Maguire discussed the significant B/S and strategic optionality offered by the sale of TIH.
- Highlighted mgmt focus on executing on growth/efficiency strategies on the back of the re-org announced last year.
- Truist should emerge as a simpler investment story: disciplined execution high growth footprint ample capital/liquidity.

MGIC Investment Corp. | BUY | MTG US | Mkt Cap:US\$5,411mn | Mihir Bhatia
BofA Securities Financials Conference: Takeaways

- This week we hosted MTG's CEO, Tim Mattke, for a fireside discussion and investor meetings at BofA's Financials Conference.
- MTG struck a positive tone on industry dynamics such as credit, pricing, and the overall origination market.
- The business is operating well within the macro backdrop and we continue to see the stock as attractive at current levels.

Bread Financial Holdings Inc. | NEUTRAL | BFH US | Mkt Cap: US\$19,916mn | Mihir Bhatia
BofA Securities 2024 Financials Conference: Takeaways

- Yesterday, we hosted the CEO and CFO of Bread Financial for a fireside chat and meetings at BofA's Financial Conference.
- The company is proactively implementing changes to mitigate the impact of the Late Fee Rule.
- Early stage DQ trends are positive for losses peaking in 1H24. QTD spending is somewhat soft; deposit trends remain positive.

FleetCor Technologies Inc. | BUY | FLT US | Mkt Cap:US\$275.83mn | Mihir Bhatia
2024 BofA Financials Conference: Takeaways

- Earlier this week, we hosted FLT's CFO, Tom Panther, for a fireside chat and meetings at BofA's Financials conference.
- Key topics included executing on strategic initiatives, business momentum, and learnings from the strategic review.
- The company is confident it can deliver on its growth targets and we view return potential as attractive. Maintain Buy.

OneMain Holdings, Inc. | BUY | OMF US | Mkt Cap:US\$5.572mn | Mihir Bhatia
BofA Securities 2024 Financials Conference: Takeaways

- This week we hosted OneMain's CEO, Doug Shulman, for a fireside chat and investor meetings at BofA's Financials Conference.

- The company reiterated its medium-term target on loan growth despite the tighter credit posture.
- Management remains confident in its credit guide given underwriting actions and demand for loans remains positive.

[Western Union](#) | UNDERPERFORM | WU US | Mkt Cap:US\$5,598mn | Jason Kupferberg

Takeaways from management meetings at Financial Services Conference

- On Wednesday, we hosted WU's Head of Investor Relations for investor meetings at our Financial Services Conference.
- WU remains committed to approaching 2% revenue growth in 2025 while running at 19-21% operating margins and returning cash.
- We have seen positive developments under new management but still see structural headwinds (especially in retail) as a risk.

US Banks | [Previewing BofA Securities 32nd Annual Financial Services Conference](#) | Ebrahim H. Poonawala

- We will host 125+ corporates, 300+ institutional investors at BofA's 32nd Annual Financial Services Conference next week.
- Conference will provide a timely opportunity for investors to get updates from mgmt teams following recent stock volatility.
- We preview key themes: NII resiliency, CRE/credit trends, regulatory outlook, investment banking rebound, investment-spend.

Brokers, Asset Managers & Exchanges | [Our question lists – Prepping for the BofA Financials Conference next week](#) | Craig Siegenthaler

- Publishing our client question lists for Alts, Trads, Brokers & Exchanges before the 32nd Annual BofA Financials Conference.
- The question lists are formed around key buy-side topics: bond reallocations, Alt fundamentals, Fed cuts & cash sweep revs.
- A soft landing scenario favors the asset managers vs. exchanges while rate cuts provide a headwind for retail brokers.

Consumer Finance | [Preview & Question Bank for the BofA Financial Services Conference](#) | Mihir Bhatia

- We will host 130+ corporates and 300+ institutional investors at the BofA Financials Conference next week.
- We preview the Consumer Finance companies attending and provide some questions / topics for meetings with management teams.
- While too early for guidance revisions, we expect investors to focus on consumer health and understanding '24 outlooks.



Stocks mentioned

Prices and ratings for stocks mentioned in this report

BofA Ticker	Bloomberg ticker	Company name	Price	Rating
BK	BK US	BNY Mellon	US\$ 55.64	C-1-7
BFH	BFH US	Bread Financial	US\$ 36.78	C-2-7
C	C US	Citigroup	US\$ 55.93	B-1-7
FLT	FLT US	FleetCor	US\$ 281.2	B-1-9
GS	GS US	Goldman Sachs	US\$ 391	B-1-7
KEY	KEY US	KeyCorp	US\$ 14.26	C-1-8
MTG	MTG US	MGIC Investment	US\$ 19.29	B-1-7
MS	MS US	Morgan Stanley	US\$ 86.55	B-1-7
OMF	OMF US	OneMain Holdings	US\$ 46.47	C-1-7
TFC	TFC US	Truist Financial	US\$ 35.24	B-1-7
WU	WU US	Western Union	US\$ 12.96	B-3-7

Source: BofA Global Research

Price objective basis & risk

Bread Financial Holdings Inc (BFH)

Our \$40 PO is based on a 0.9x multiple to current book value. We believe more investors are looking at BFH through a book value lens given potential profitability challenges if the CFPB's late fee rule was to come into effect. We view a book value of <1.0 as appropriate in such a backdrop.

Downside risks to our price objective are: an economic downturn, which could lead to elevated loan loss rates, increased defaults, higher credit costs and slower loan growth. Deteriorating economic conditions would likely hurt investor sentiment and drive valuations lower. Loss of retail partners also poses a risk to growth and the earnings outlook.

Citigroup Inc. (C)

Our \$65 PO is based on a 50%/50% weighting between our 2024e EPS and 2024e TBV. We assign 9.5x/0.8x multiples respectively, vs. large-cap peers (13.2x/1.6x) due to the bank's lower return metrics.

Downside risks to our PO are execution risk tied to mgmt's franchise transformation efforts, an economic downturn or a macro-economic shock, increased costs tied to the regulatory consent orders, regulatory changes. Faster pace of share buybacks, better than expected operating leverage.

FleetCor Technologies Inc. (FLT)

We calculate our price objective of \$326 based on a 14.5x multiple to our 2025 non-GAAP EPS estimate. Our PE multiple is approximately a 20% discount to the S&P, which we view as warranted given fuel exposure and potential for idiosyncratic risks, slightly offset by FleetCor's strong fundamentals and upside potential from capital deployment.

Downside risks to our price objective are 1) weakening macro environment reduces demand for trucking/fuel, 2) increased competition, and 3) large fluctuations in fuel prices/foreign exchanges rates.

Goldman Sachs (GS)

Our \$412 PO is based on a 50%/50% weighting between our 2024e EPS and 2024e TBV. We assign 13.5x/1.4x multiples, respectively, above the bank's 5 year pre pandemic median of 10.6x/1.2x given lower credit risk into a potential recession. Downside risks to our PO: weaker economy/capital markets, macro or geo-political issues, competition,

structural pressures, tougher global regulation, and litigation. Upside risks: stronger capital markets activity.

KeyCorp (KEY)

Our \$16 PO is based on a 50%/50% weighting between our 2024e EPS and 2024e TBV. We assign 15.0x/1.5x multiples, respectively, above the bank's 5 year pre pandemic median of 11.9x/1.4x given expected tailwinds from asset repricing, owing to the macro backdrop. Downside risks to our PO: higher for longer interest rate environment increasing deposit costs, greater than expected expenses, inability to maximize balance sheet efficiency, and the announcement of expensive deals. Upside risks: lower than expected credit losses and better than expected PPNR growth.

MGIC Investment Corp. (MTG)

Our \$22.50 PO is based on a 9x PE multiple to our 2024 EPS forecast. A 9x PE multiple is at the high-end of the historical range for mortgage insurers (6x-11x) and reflects the current favorable backdrop for housing credit, as well as, MTG's strong book value growth and capital return potential.

Downside risks to our price objective are an economic downturn, which could lead to elevated defaults on mortgages and fewer mortgage originations, increased competitive pressures and price competition from private and / or government competitors. Changes to the regulatory environment could also impact future returns.

Morgan Stanley (MS)

Our \$100 PO is based on 50%/50% weighting between our 2024e EPS and 2024e TBV. We assign 19.5x/1.8x multiples respectively, above the bank's 5 year pre pandemic median of 11.7x/1.3x given an improved (stickier) revenue mix driven by its wealth and asset management segments.

Risks to the upside is stronger wealth/asset management trends and capital markets activity and higher rates. Risks to the downside are a weak economy/capital markets, increased macro issues, tougher regulation, and litigation.

OneMain Holdings, Inc. (OMF)

Our \$51 price objective is based on a 6.5x multiple of our 2025 EPS forecast. The 6.5x PE multiple is in the middle of the historical range (4-8x), which is an approximate 20% discount to peers trading at 8x. We think that this valuation is justified given OMF's subprime exposure heading into a weakening macro environment.

Downside risks to our price objective are deterioration in credit, execution risk on the credit card portfolio, macroeconomic risk, regulatory risk, and a dividend cut.

The Bank of New York Mellon Corporation (BK)

Our \$64 PO is based on 50%/50% weighting between our 2024e EPS and 2024e TBV. We assign 13.8x/2.0x multiples respectively, in-line/below the bank's 5 year pre pandemic median of 13.4x/3.1x given heightened uncertainty surrounding EPS/ROTCE outlooks, owing to uncertainty surrounding the outlook for interest rates and equity/bond prices.

Risk to the upside is stronger equity/bond markets. Risks to the downside are a severe selloff in equity/bond markets that that could put downward pressure on fee growth and M&A that could temper capital return.

Truist Financial (TFC)

Our \$45 PO is based on 50%/50% weighting between our 2024e EPS and 2024e TBV. We assign 13.5x/1.8x multiples respectively, in-line with the bank's 5 year pre pandemic median of 13.2x/2.2x given reduced uncertainty surrounding EPS/ROTCE outlooks, owing

to the macro backdrop.

Downside risks to our PO: higher than expected credit losses, greater than expected revenue pressure, regulatory changes that would impact growth/profitability, execution risk tied to STI/BBT merger of equals that completed in December 2019.

Western Union (WU)

We use 7x our '24E adjusted EPS to calculate our 12-month price objective of \$12. This multiple is a 50% discount to the S&P 500 and in line with WU's historical multiple, due to WU's lower growth and earnings quality, as well as competitive threats.

Upside risks to our price objective are 1) C2C pricing proves healthier than anticipated, 2) WU accelerates its progress in penetrating digital/on-line channels, while achieving stable/better performance in retail channels, thereby delivering meaningful and sustainable improvements in top-line growth.

Downside risks to our price objective are 1) C2C pricing pressure intensifies, as the competitive environment thickens, 2) disruptive technologies cause competitive losses for WU.

Analyst Certification

We, Craig Siegenthaler, CFA, Ebrahim H. Poonawala, Jason Kupferberg, Joshua Shanker and Mihir Bhatia, hereby certify that the views each of us has expressed in this research report accurately reflect each of our respective personal views about the subject securities and issuers. We also certify that no part of our respective compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

Special Disclosures

BofA Securities is currently acting as financial advisor to Stone Point Capital LLC and Clayton Dubilier & Rice LLC as part of an investor group's proposed acquisition of Truist Financial Corp's remaining stake in Truist Insurance Holdings Inc, which was announced on February 20, 2024.

BofA Securities is currently acting as a financial advisor to Guardian Capital Group LTD, in connection with its proposed acquisition of Sterling Capital Management, which was announced on February 2, 2024.

North America - Banks Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Ares Capital Corporation	ARCC	ARCC US	Derek Hewett
	Ares Commercial Real Estate Corporation	ACRE	ACRE US	Derek Hewett
	Bank of Montreal	BMO	BMO US	Ebrahim H. Poonawala
	Bank of Montreal	YBMO	BMO CN	Ebrahim H. Poonawala
	Barings BDC Inc	BBDC	BBDC US	Derek Hewett
	Blackstone Mortgage Trust Inc	BXMT	BXMT US	Derek Hewett
	Blue Owl Capital Corporation	OBDC	OBDC US	Derek Hewett
	Carlyle Secured Lending Inc	CGBD	CGBD US	Derek Hewett
	Citigroup Inc.	C	C US	Ebrahim H. Poonawala
	Compass Diversified Holdings	CODI	CODI US	Derek Hewett
	Crescent Capital BDC	CCAP	CCAP US	Derek Hewett
	Cullen/Frost Bankers Inc	CFR	CFR US	Ebrahim H. Poonawala
	East West Bancorp, Incorporated	EWBC	EWBC US	Ebrahim H. Poonawala
	Fifth Third Bank	FITB	FITB US	Ebrahim H. Poonawala
	First Bancorp Puerto Rico	FBP	FBP US	Brandon Berman
	First Horizon Corporation	FHN	FHN US	Ebrahim H. Poonawala
	FNB Corporation of Pennsylvania	FNB	FNB US	Brandon Berman
	Goldman Sachs	GS	GS US	Ebrahim H. Poonawala
	JPMorgan Chase & Co.	JPM	JPM US	Ebrahim H. Poonawala
	KeyCorp	KEY	KEY US	Ebrahim H. Poonawala
	M&T Bank	MTB	MTB US	Ebrahim H. Poonawala
	Morgan Stanley	MS	MS US	Ebrahim H. Poonawala
	New Mountain Finance Corporation	NMFC	NMFC US	Derek Hewett
	Northern Trust Corporation	NTRS	NTRS US	Ebrahim H. Poonawala
	Nuveen Churchill Direct Lending	NCDL	NCDL US	Derek Hewett
	Royal Bank of Canada	RY	RY US	Ebrahim H. Poonawala
	Royal Bank of Canada	YRY	RY CN	Ebrahim H. Poonawala
	Safehold, Inc	SAFE	SAFE US	Derek Hewett
	Sixth Street Specialty Lending, Inc	TS LX	TS LX US	Derek Hewett
	Starwood Property Trust	STWD	STWD US	Derek Hewett
	Synovus Financial Corp.	SNV	SNV US	Ebrahim H. Poonawala
	The Bank of New York Mellon Corporation	BK	BK US	Ebrahim H. Poonawala
	Truist Financial	TFC	TFC US	Ebrahim H. Poonawala
	U.S. Bancorp	USB	USB US	Ebrahim H. Poonawala
	Webster Financial Corp.	WBS	WBS US	Brandon Berman
	Wells Fargo & Company	WFC	WFC US	Ebrahim H. Poonawala
	Western Alliance Bancorp	WAL	WAL US	Ebrahim H. Poonawala
NEUTRAL				
	AGNC Investment Corp	AGNC	AGNC US	Derek Hewett
	Ally Financial	ALLY	ALLY US	Brandon Berman
	Annaly Capital Management	NLY	NLY US	Derek Hewett
	Apollo Commercial Real Estate Finance	ARI	ARI US	Derek Hewett
	Associated Banc-Corp	ASB	ASB US	Brandon Berman
	Bain Capital Specialty Finance, Inc.	BCSF	BCSF US	Derek Hewett
	Bank of Nova Scotia	YBNS	BNS CN	Ebrahim H. Poonawala
	Bank of Nova Scotia	BNS	BNS US	Ebrahim H. Poonawala
	Blackstone Secured Lending Fund	BXSL	BXSL US	Derek Hewett
	BrightSpire Capital Inc.	BRSP	BRSP US	Derek Hewett
	Canadian Imperial Bank of Commerce	CM	CM US	Ebrahim H. Poonawala
	Canadian Imperial Bank of Commerce	YCM	CM CN	Ebrahim H. Poonawala
	Citizens Financial Group	CFG	CFG US	Ebrahim H. Poonawala
	Comerica Incorporated	CMA	CMA US	Brandon Berman
	Commerce Bancshares Inc.	CBSH	CBSH US	Brandon Berman
	Goldman Sachs BDC, Inc.	GSBD	GSBD US	Derek Hewett
	Golub Capital BDC, Inc.	GBDC	GBDC US	Derek Hewett
	Huntington Bancshares Inc.	HBAN	HBAN US	Ebrahim H. Poonawala
	Ladder Capital Corp	LADR	LADR US	Derek Hewett
	New York Community Bancorp	NYCB	NYCB US	Ebrahim H. Poonawala
	Palmer Square Capital BDC	PSBD	PSBD US	Derek Hewett
	PennyMac Mortgage Investment Trust	PMT	PMT US	Derek Hewett
	Popular Inc	BPOP	BPOP US	Brandon Berman
	Regions Financial	RF	RF US	Ebrahim H. Poonawala
	The PNC Financial Services Group, Inc.	PNC	PNC US	Ebrahim H. Poonawala

North America - Banks Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Toronto-Dominion Bank	TD	TD US	Ebrahim H. Poonawala
	Toronto-Dominion Bank	YTD	TD CN	Ebrahim H. Poonawala
	TPG RE Finance Trust, Inc.	TRTX	TRTX US	Derek Hewett

UNDERPERFORM

	Bank of Hawaii Corp.	BOH	BOH US	Brandon Berman
	First Hawaiian Inc.	FHB	FHB US	Brandon Berman
	Guild Holdings Company	GHLN	GHLN US	Derek Hewett
	Invesco Mortgage Capital, Inc.	IVR	IVR US	Derek Hewett
	loanDepot Inc	LDI	LDI US	Derek Hewett
	MidCap Financial Investment Co	MFIC	MFIC US	Derek Hewett
	Prosperity Bancshares Inc	PB	PB US	Ebrahim H. Poonawala
	State Street Corporation	STT	STT US	Ebrahim H. Poonawala
	Texas Capital Bancshares Inc.	TCBI	TCBI US	Brandon Berman
	Zions Bancorp	ZION	ZION US	Brandon Berman

US - Payments, Processors, Specialty Finance and IT services Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Accenture Plc	ACN	ACN US	Jason Kupferberg
	American Express Company	AXP	AXP US	Mihir Bhatia
	Block Inc	SQ	SQ US	Jason Kupferberg
	Capital One Financial	COF	COF US	Mihir Bhatia
	Discover Financial	DFS	DFS US	Mihir Bhatia
	Enact Holdings	ACT	ACT US	Mihir Bhatia
	Essent Group	ESNT	ESNT US	Mihir Bhatia
	Fidelity National Information Services	FIS	FIS US	Jason Kupferberg
	Fiserv Inc	FI	FI US	Jason Kupferberg
	FleetCor Technologies Inc.	FLT	FLT US	Mihir Bhatia
	Flywire	FLYW	FLYW US	Jason Kupferberg
	Global Payments Inc	GPN	GPN US	Jason Kupferberg
	Jack Henry & Associates	JKHY	JKHY US	Jason Kupferberg
	Marqeta	MQ	MQ US	Cassie Chan
	Mastercard Inc	MA	MA US	Jason Kupferberg
	MGIC Investment Corp.	MTG	MTG US	Mihir Bhatia
	NMI Holdings	NMIH	NMIH US	Mihir Bhatia
	Nuvei	NVEI	NVEI US	Jason Kupferberg
	Nuvei	YNVEI	NVEI CN	Jason Kupferberg
	OneMain Holdings, Inc.	OMF	OMF US	Mihir Bhatia
	Shift4 Payments, Inc	FOUR	FOUR US	Jason Kupferberg
	Telus International	TIXT	TIXT US	Cassie Chan
	Telus International	YTIXT	TIXT CN	Cassie Chan
	Visa Inc.	V	V US	Jason Kupferberg
	WEX Inc.	WEX	WEX US	Mihir Bhatia

NEUTRAL

	ADP	ADP	ADP US	Jason Kupferberg
	Affirm Holdings	AFRM	AFRM US	Jason Kupferberg
	Bread Financial Holdings Inc	BFH	BFH US	Mihir Bhatia
	DLocal	DLO	DLO US	Jason Kupferberg
	Globant SA	GLOB	GLOB US	Jason Kupferberg
	PayPal Holdings Inc	PYPL	PYPL US	Jason Kupferberg
	SoFi Technologies Inc	SOFI	SOFI US	Mihir Bhatia
	Synchrony Financial	SYF	SYF US	Mihir Bhatia
	Thoughtworks	TWKS	TWKS US	Jason Kupferberg
	Toast	TOST	TOST US	Jason Kupferberg
	TTEC Holdings	TTEC	TTEC US	Cassie Chan

UNDERPERFORM

	CGI Inc.	GIB	GIB US	Jason Kupferberg
	CGI Inc.	YGIBA	GIB/A CN	Jason Kupferberg
	Cognizant Technology Solutions	CTSH	CTSH US	Jason Kupferberg
	Coinbase	COIN	COIN US	Jason Kupferberg

US - Payments, Processors, Specialty Finance and IT services Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	DXC Technology	DXC	DXC US	Jason Kupferberg
	EPAM Systems	EPAM	EPAM US	Jason Kupferberg
	Paychex	PAYX	PAYX US	Jason Kupferberg
	Radian Group Inc	RDN	RDN US	Mihir Bhatia
	Rocket Companies, Inc.	RKT	RKT US	Mihir Bhatia
	TaskUs	TASK	TASK US	Cassie Chan
	Western Union	WU	WU US	Jason Kupferberg

Disclosures

Important Disclosures

Equity Investment Rating Distribution: Banks Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	100	49.75%	Buy	84	84.00%
Hold	54	26.87%	Hold	41	75.93%
Sell	47	23.38%	Sell	35	74.47%

Equity Investment Rating Distribution: Financial Services Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	156	53.79%	Buy	94	60.26%
Hold	72	24.83%	Hold	48	66.67%
Sell	62	21.38%	Sell	35	56.45%

Equity Investment Rating Distribution: Industrials/Multi-Industry Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	45	50.56%	Buy	25	55.56%
Hold	26	29.21%	Hold	13	50.00%
Sell	18	20.22%	Sell	7	38.89%

Equity Investment Rating Distribution: Technology Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	215	53.09%	Buy	111	51.63%
Hold	97	23.95%	Hold	45	46.39%
Sell	93	22.96%	Sell	24	25.81%

Equity Investment Rating Distribution: Global Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	1895	53.62%	Buy	1083	57.15%
Hold	832	23.54%	Hold	454	54.57%
Sell	807	22.84%	Sell	383	47.46%

^{R1} Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{R2}
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

^{R2} Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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