

M&T Bank

Operating from a position of strength

Reiterate Rating: BUY | PO: 157.00 USD | Price: 132.88 USD

Defensive in a turbulent environment

M&T-MTB shares outperformed peers after reporting 4Q23 EPS of \$3.62, beating our below cons. \$3.56 est. Beat driven by higher PPNR, lower tax rate, modestly offset by higher credit costs. Stock likely reacted positively to 2024 guidance, particularly mgmt's NII outlook for \$6.7bn - \$6.8bn (within 1% of pre-4Q consensus) despite assuming rate-cuts. Downside EPS risk due to rate-cuts had been a focus for investors and had contributed to the stock's recent underperformance. Best-in-class capital levels with CET1 ratio at ~11% (10.8% adj. for MTM bond losses), TCE/TA ratio of 8.2% provides significant flexibility for buybacks (we assume 2H24) and/or capitalizing on strategic opportunities. Raise FY24/25e EPS +1.5/+3.0% to \$13.53/\$15.75 on higher fee income.

Getting in front of potential credit issues

NCOs rose 15bp QoQ to 44bp (FY24 guide: 40bp) while NALs -15bp to 1.62%, indicating resiliency of the loan book. Criticized commercial loans +14% QoQ to 14% of loans (on the back of a deep dive review of 60% of the CRE book) drove multiple questions during the earnings call. Mgmt. explained the increase and the elevated levels of criticized loans as reflective of its proactive efforts to identify potential problem loans as opposed to a sign of material credit weakness. We forecast FY24 credit provisioning costs of \$675mn.

NIM expansion to 3.60-3.90% seen as realistic

NII/NIM expected to bottom during 1H24 with mgmt. outlook assuming 3 rate cuts (fewer cuts a positive given MTB's asset sensitivity). Mgmt. expects NIM in the 3.50% range for FY24 before returning to a normalized 3.60-3.90% range over time. Long-term outlook for NIM supported by higher reinvestment yields (~200bp) on ~\$9bn of lower yielding securities. Re-mixing cash into securities (\$3-5bn expected in FY24) should temper asset sensitivity and has the potential for a pick-up in yield (challenged by an inverted yield curve). We forecast FY24 NII -6% YoY or -3% below 4Q23 annualized.

Risk/reward attractive for best-in-class operator

While asset sensitivity and the above average exposure to CRE are viewed as negatives, we believe these are more than offset by a conservative underwriting culture (should keep credit costs in check) and significant balance sheet flexibility (capital/liquidity) to navigate an uncertain macro backdrop. Shares offer attractive risk/reward trading at 9.8x 2024e EPS/1.2x YE24e TBV vs. 14% avg. ROTCE forecast. Reiterate Buy.

Estimates (Dec) (US\$)	2022A	2023A	2024E	2025E	2026E
EPS	12.45	15.72	13.53	15.75	15.65
GAAP EPS	10.16	15.79	13.53	15.75	15.65
EPS Change (YoY)	-10.3%	26.3%	-13.9%	16.4%	-0.6%
Consensus EPS (Bloomberg)			14.34	16.20	18.42
DPS	4.80	5.20	5.40	5.67	5.95
Valuation (Dec)					
P/E	10.7x	8.5x	9.8x	8.4x	8.5x
GAAP P/E	13.1x	8.4x	9.8x	8.4x	8.5x
Dividend Yield	3.6%	3.9%	4.1%	4.3%	4.5%

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Refer to important disclosures on page 8 to 10. Analyst Certification on page 5. Price Objective Basis/Risk on page 5.

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19 January 2024

Equity

Key Changes

(US\$)	Previous	Current
2024E Rev (m)	9,088.0	9,107.0
2025E Rev (m)	9,406.7	9,436.7
2026E Rev (m)	9,473.9	9,340.7
2024E EPS	13.33	13.53
2025E EPS	15.29	15.75
2026E EPS	15.28	15.65

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Stock Data

Price	132.88 USD
Price Objective	157.00 USD
Date Established	14-Dec-2023
Investment Opinion	B-1-7
52-Week Range	108.53 USD - 161.99 USD
Mkt Val / Shares Out (mn)	21,208 USD / 159.6
Free Float	98.4%
Average Daily Value	154.19 USD
BofA Ticker / Exchange	MTB / NYS
Bloomberg / Reuters	MTB US / MTB.N
ROE (2024E)	8.8%
ESGMeter™	High

ESGMeter is not indicative of a company's future stock price performance and is not an investment recommendation or rating. ESGMeter is independent of BofA Global Research's equity investment rating, volatility risk rating, income rating, and price objective for that company. For full details, refer to "BofA ESGMeter Methodology".

See page 4 for definitions of acronyms used in the report

iQprofileSM M&T Bank

Income Statement Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Net Interest Income	5,861	7,170	6,728	6,900	6,741
% change	52.7%	22.3%	-6.2%	2.6%	-2.3%
Net Fee Income	NA	NA	NA	NA	NA
Securities Gains / (Losses)	(6)	5	0	0	0
Total Operating Income	8,188	9,698	9,107	9,437	9,341
Operating Expenses	(4,521)	(5,121)	(5,199)	(5,281)	(5,360)
% change	27.1%	13.3%	1.5%	1.6%	1.5%
Provisions Expense	(518)	(645)	(675)	(550)	(550)
% change	NA	24.4%	4.7%	-18.5%	0%
Operating Pre-Tax Income	3,148	3,932	3,233	3,606	3,430
Operating Net Income to Comm S/Hold.	1,985	2,563	2,188	2,488	2,355
GAAP Net Income	1,985	2,563	2,296	2,604	2,471

Balance Sheet Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Total Assets	200,730	208,264	211,769	212,657	210,786
Average Interest Earning Assets	172,669	186,990	190,080	193,089	192,597
Total Gross Customer Loans	131,564	134,068	136,459	134,278	132,406
% change	41.6%	1.9%	1.8%	-1.6%	-1.4%
Total Customer Deposits	163,515	163,274	165,585	169,657	172,647
% change	24.3%	-0.1%	1.4%	2.5%	1.8%
Tangible Equity	14,659	16,371	17,454	17,777	17,682
Common Shareholders' Equity	23,307	24,946	26,013	26,298	26,166

Key Metrics (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Net Interest Margin	3.39%	3.83%	3.54%	3.57%	3.50%
Effective Tax Rate	25.4%	23.3%	25.7%	25.7%	25.7%
Loan / Deposit Ratio	80.5%	82.1%	82.4%	79.1%	76.7%
Tangible Common Equity / Assets	7.3%	7.9%	8.2%	8.4%	8.4%
ROA	1.1%	1.3%	1.1%	1.2%	1.1%
ROE	9.4%	11.0%	8.8%	9.7%	9.1%
RoTE	15.6%	16.9%	13.3%	14.3%	13.5%
Dividend Payout Ratio	38.6%	33.1%	39.9%	36.0%	38.0%
Efficiency Ratio (Cost / Income Ratio)	55.2%	52.8%	57.1%	56.0%	57.4%

Quality of Earnings (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Total Non-Interest Inc / Operating Inc	28.4%	26.1%	26.1%	26.9%	27.8%
NPLs plus Foreclosed Real Estate / Loans	1.9%	1.6%	2.0%	2.5%	3.2%
Loan Loss Reserves / NPLs	78.96%	98.29%	83.04%	64.95%	50.79%
Loan Loss Reserves / Total Loans	1.46%	1.59%	1.66%	1.65%	1.64%

Company Sector

Banks-US Regionals

Company Description

MTB is based in Buffalo, NY, with \$200 billion in total assets and a branch network that spans the Mid-Atlantic. The company's lending portfolio focuses primarily on Commercial RE, residential real estate, and C&I.

Investment Rationale

M&T not immune to the EPS headwinds faced by the industry, but mgmt. operating from a position of strength. Credit defensibility combined with potential for market share gains (organic and M&A) should drive superior EPS growth and stock outperformance.

Stock Data

Average Daily Volume

1,160,368

Quarterly Earnings Estimates

	2023	2024
Q1	4.01A	3.07E
Q2	4.11A	3.26E
Q3	3.98A	3.46E
Q4	3.62A	3.75E

Exhibit 1: We raise MTB FY2024/2025e estimates by 2%/3%, respectively

MTB Variance Table (new vs. old estimates, assumptions)

MTB FORECAST VARIABLES:	3Q23	Actual 4Q23	Estimate 4Q23E	Variance	New 2024E	Old 2024E	Variance	New 2025E	Old 2025E	Variance
EOP Loans	132,355	134,068	132,757	0.99%	136,459	133,077	2.54%	134,278	129,841	3.42%
Average Loans	132,617	132,770	132,556	0.16%	135,045	132,438	1.97%	135,368	131,459	2.97%
Average Earning Assets	187,418	190,536	191,681	-0.60%	190,080	193,684	-1.86%	193,089	197,053	-2.01%
Net Interest Margin (%)	3.79	3.61	3.58	3bp	3.54	3.53	1bp	3.57	3.59	-1bp
Net Interest Income (FTE)	1,790.0	1,735.0	1,729.2	0.33%	6,728.4	6,838.0	-1.60%	6,900.4	7,070.9	-2.41%
Loan Loss Provision	150.0	225.0	175.0	28.57%	675.0	625.0	8.00%	550.0	400.0	37.50%
Noninterest Revenues	560.0	574.0	555.9	3.25%	2,378.6	2,250.1	5.71%	2,536.3	2,335.7	8.59%
Tot. Revenue	2,350	2,313	2,285	1.22%	9,107	9,088	0.21%	9,437	9,407	0.32%
Staff Expenses	727.0	724.0	719.7	0.59%	3,110.3	3,074.9	1.15%	3,172.5	3,197.9	-0.80%
OREO Expenses	131.0	134.0	131.0	2.29%	544.1	531.9	2.29%	544.1	531.9	2.29%
Other Expenses	153.0	110.0	216.6	-49.22%	451.9	889.9	-49.22%	465.0	925.5	-49.75%
Total Expenses	1,263.0	1,238.0	1,254.0	-1.28%	5,199.3	5,236.2	-0.71%	5,280.9	5,400.7	-2.22%
Pre-Tax Income (FTE)	922.0	835.0	841.2	-0.74%	3,179.7	3,173.8	0.19%	3,567.8	3,568.0	-0.01%
FTE Tax Rate (%)	25.2	24.8	25.0	0pp	24.5	25.0	-1pp	24.5	25.0	-1pp
Net Income	690.0	628.0	615.9	1.96%	2,348.7	2,320.3	1.22%	2,641.7	2,616.0	0.98%
Available For Common	664.0	603.0	590.9	12mn	2,240.7	2,212.3	28mn	2,525.7	2,500.0	26mn
Op. EARNINGS PER SHARE (F.D.)	\$3.98	\$3.62	\$3.56	2%	\$13.53	\$13.33	2%	\$15.75	\$15.29	3%
GAAP EPS (F.D.)	\$3.98	\$2.74	\$3.56	-23%	\$13.53	\$13.33	2%	\$15.75	\$15.29	3%
Book Value Per Share	\$145.72	\$150.14	\$147.98	\$2.16	\$158.47	\$155.91	\$2.56	\$167.88	\$162.54	\$5.34
Tangible Book Value Per Share	\$93.99	\$98.53	\$96.09	\$2.44	\$106.33	\$104.34	\$1.99	\$113.48	\$109.60	\$3.88
Dividend Per Share	\$1.30	\$1.30	\$1.30	\$0.00	\$5.40	\$5.40	\$0.00	\$5.67	\$5.67	\$0.00
Average Fully-Diluted Shares	166.6	166.7	166.0	1mn	165.6	166.0	0mn	160.4	163.5	-3mn
CAPITAL RATIOS:										
EOP Common Equity/Assets (%)	11.56	11.98	11.56	42bp	12.28	12.07	22bp	12.37	12.00	36bp
Tang. Common Equity/Assets (%)	7.76	8.18	7.82	36bp	8.59	8.41	18bp	8.71	8.42	28bp
Tangible Common Equity/RWA (%)	10.28	10.83	10.34	49bp	11.36	11.13	23bp	11.52	11.15	37bp
Tier 1 Common/RWA (%)	10.95	10.98	11.01	-3bp	12.00	11.76	24bp	12.11	11.73	38bp
Tier 1/RWA (%)	12.27	12.83	12.32	51bp	13.31	13.05	25bp	13.41	13.00	41bp
PROFITABILITY RATIOS:										
Return On Assets (%)	1.33	1.19	1.16	3bp	1.12	1.09	3bp	1.24	1.21	3bp
Return On Common Equity (%)	10.97	9.77	9.62	15bp	8.77	8.79	-1bp	9.66	9.61	5bp
Return On Tangible Common Equity (%)	11.17	9.96	9.81	15bp	13.45	13.57	-12bp	14.50	14.46	4bp
Operating Expenses/Revenues (%)	53.74	53.62	54.88	-126bp	57.09	57.62	-53bp	55.96	57.41	-145bp
BALANCE SHEET ITEMS:										
EOP Total Deposits	164,128	163,274	165,264	-1.20%	165,585	162,594	1.84%	169,657	170,877	-0.71%
AVG Total Deposits	162,688	164,713	164,696	0.01%	165,106	163,318	1.09%	167,621	166,735	0.53%
EOP Total Assets	209,124	208,264	212,543	-2.01%	211,769	214,446	-1.25%	212,657	217,965	-2.44%
EOP Equity	26,196	26,957	26,571	1.45%	28,024	27,887	0.49%	28,309	28,175	0.48%
EOP Preferred Equity	2,011	2,011	2,011	0.00%	2,011	2,011	0.00%	2,011	2,011	0.00%
EOP Common Equity	24,185	24,946	24,560	1.57%	26,013	25,876	0.53%	26,298	26,164	0.51%
EOP Tangible Common Equity	15,600	16,371	15,948	2.65%	17,454	17,317	0.79%	17,777	17,643	0.76%
CREDIT QUALITY INDICATORS:										
Net Charge-Offs	96	148	125	18.40%	535	600	-10.83%	600	600	0.00%
% Average Loans	0.29	0.44	0.37	7bp	0.40	0.45	-6bp	0.44	0.46	-1bp
Nonperforming Assets	2,379	2,205	2,612	-15.60%	2,768	3,283	-15.68%	3,450	4,094	-15.74%
% EOP Loans + OREO	1.80	1.64	1.97	-32bp	2.03	2.47	-44bp	2.57	3.15	-58bp
Nonperforming Loans	2,342	2,166	2,576	-15.92%	2,732	3,250	-15.92%	3,416	4,063	-15.92%
% EOP Loans (excl. OREO)	1.55	1.59	1.58	0bp	2.00	2.44	-44bp	2.54	3.13	-59bp
Loan Loss Reserve	2,052	2,129	2,102	1.28%	2,269	2,127	6.68%	2,219	1,927	15.15%
% EOP Loans	1.55	1.59	1.58	0bp	1.66	1.60	6bp	1.65	1.48	17bp
% Nonperforming Loans	87.62	98.29	81.59	1670bp	83.04	65.45	1759bp	64.95	47.43	1753bp

Source: BofA Global Research estimates, company filings



Acronyms

CET1 - common equity tier 1

CRE - commercial real estate

MTM – mark-to-market

NALs – nonaccrual loans

NCOs - net charge-offs

NII - net interest income

NIM - net interest margin

PPNR – pre-provision net revenue

ROTCE - return on tangible common equity

TBV – tangible book value

TCE/TA – tangible common equity / tangible assets

Price objective basis & risk

M&T Bank (MTB)

Our \$157 PO is based on a 50%/50% weighting between our 2024e EPS and 2024e TBV. We assign 11.5x/1.5x multiples, respectively, below the bank's 5 year pre pandemic median of 14.7x/2.2x given heightened uncertainty surrounding EPS/ROTCE outlooks, owing to the macro backdrop. Downside risks to our PO: a significant deterioration in the CRE market beyond office that would weigh on credit quality, higher funding costs that would squeeze the net interest margin, and rising regulatory burden. Upside risks: stronger growth, lower funding costs, opportunistic M&A.

Analyst Certification

I, Ebrahim H. Poonawala, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

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
	New York Community Bancorp	NYCB	NYCB US	Ebrahim H. Poonawala
	Northern Trust Corporation	NTRS	NTRS US	Ebrahim H. Poonawala
	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	TSLX	TSLX 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



North America - Banks Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	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
	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
	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	GHLD	GHLD 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

iQmethodSM Measures Definitions

Business Performance

Return On Capital Employed

Return On Equity

Operating Margin

Earnings Growth

Free Cash Flow

Quality of Earnings

Cash Realization Ratio

Asset Replacement Ratio

Tax Rate

Net Debt-To-Equity Ratio

Interest Cover

Valuation Toolkit

Price / Earnings Ratio

Price / Book Value

Dividend Yield

Free Cash Flow Yield

Enterprise Value / Sales

EV / EBITDA

Numerator

NOPAT = (EBIT + Interest Income) × (1 – Tax Rate) + Goodwill Amortization

Net Income

Operating Profit

Expected 5 Year CAGR From Latest Actual

Cash Flow From Operations – Total Capex

Numerator

Cash Flow From Operations

Capex

Tax Charge

Net Debt = Total Debt – Cash & Equivalents

EBIT

Numerator

Current Share Price

Current Share Price

Annualised Declared Cash Dividend

Cash Flow From Operations – Total Capex

EV = Current Share Price × Current Shares + Minority Equity + Net Debt +

Other LT Liabilities

Enterprise Value

Denominator

Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill

Amortization

Shareholders' Equity

Sales

N/A

N/A

Denominator

Net Income

Depreciation

Pre-Tax Income

Total Equity

Interest Expense

Denominator

Diluted Earnings Per Share (Basis As Specified)

Shareholders' Equity / Current Basic Shares

Current Share Price

Market Cap = Current Share Price × Current Basic Shares

Sales

Basic EBIT + Depreciation + Amortization

Valuation Toolkit

Numerator

Denominator

*IQmethod*SM is the set of BofA Global Research standard measures that serve to maintain global consistency under three broad headings: Business Performance, Quality of Earnings, and validations. The key features of iQmethod are: A consistently structured, detailed, and transparent methodology. Guidelines to maximize the effectiveness of the comparative valuation process, and to identify some common pitfalls.

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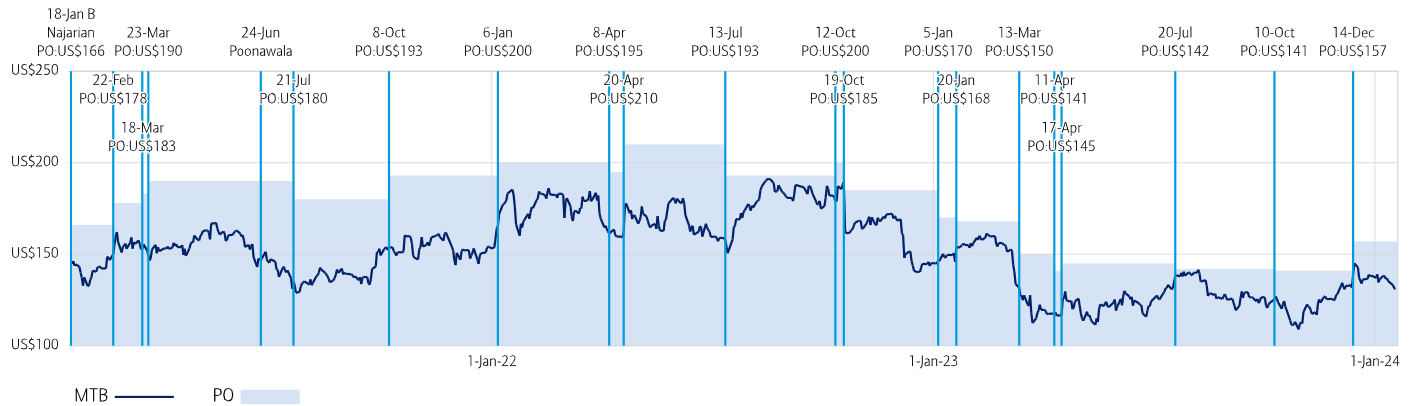
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M&T Bank (MTB) Price Chart



B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

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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: 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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Underperform	N/A	≥ 20%

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