

## Banks

## Constructive tone on credit continues

## Industry Overview

**Bullish credit quality commentary...**

Credit quality trends continued to show moderate normalization across most loan portfolios with total NCO and NPL ratios up 9 bp qoq and 3 bp qoq, on average across category 1-4 banks in 4Q23. Credit cards were a weak point with losses up 160 bp yoy on average with faster increases (+210-215 bp) among portfolios with lower quality cohorts (Synchrony, Citi Retail, Discover and Capital One). However, banks' outlooks for card losses generally point to a peak in 2024 following slower yoy change in delinquency formation. ALLY noted a similar trajectory in its auto loan book. We are skeptical of such a rapid improvement in credit card trends given the seasoning yet to occur following the double-digit card loan growth for the past 8 quarters and indication of tighter lending standards highlighted in the Fed's Senior Loan Officer Survey in October. Commercial real estate NPLs continued to increase led by office properties (with 8-10% reserves) but CRE NCO ratios are generally still at manageable levels at the banks in our coverage.

**...But fully priced in consumer finance bonds, in our view**

Bank bonds have outperformed Industrials solidly since the wides in October, led by consumer finance, which are at the tight relative to less credit sensitive banks, leaving little margin for error in outlooks for peak losses, in our view. Part of this reflects '2nd derivative' inflection points in delinquency levels (i.e. change in the change in delinquencies) as well as the broader IG beta compression theme. From a risk-reward perspective, super regionals (esp. USB) and SCHW offer better value, in our view, as they still trade at discounts to GSIB banks despite reduced concerns over unrealized losses/capital, credit quality normalization, and new issue technicals (with a more benign LTD proposal in August '23). We reiterate our OW ratings on USB and SCHW due to their strong capital generation capability and higher quality loan portfolios and UW ratings on SYF and ALLY. SCHW is one of few banks that should grow NII/NIM in '24.

**Strong new issue performance; Even more in 2Q**

Banks issued \$45B of bonds (ex AT1) to start the year with \$24B GSIB Sr holdco, \$5B GSIB bank, \$11.5B from Cat 3 banks and \$4.5B from Cat 4 banks. New issue bonds performed well on the break and are 5-20 bp tighter overall led the broader rally in banks. We expect 2Q24 issuance of \$78B and FY24 issuance of ~\$230B for the sector including GSIB TLAC rolldown and non-GSIB bank maturities. In addition, we expect non-GSIB banks in our coverage to continue to chip away at LTD requirement shortfalls over several quarters; we est. ~\$55-60B, net of 1Q24 issuance in excess of 1Q24 maturities.

**Updating estimates; 2024 revised higher, on average**

We are updating our estimates to reflect 4Q23 results and 2024 guidance for further net interest income/NIM headwinds, normalization in credit quality, and continued focus on controlling costs. On average, our 2024 earnings estimates are revised higher while 2025 estimates are revised slightly lower. Trends/revisions at individual banks vary widely. Despite headwinds, we expect banks in our coverage to build capital ratios by 50-180 bp, inclusive of AOCI improvement from paydown of securities +/- change in interest rates.

**BofA Securities does and seeks to do business with issuers covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.**

**Refer to important disclosures on page 16 to 19. Analyst Certification on page 14.**

**Valuation & Risk on page 13.**

12653118

Timestamp: 31 January 2024 06:00AM EST

31 January 2024

High Grade Credit  
United States  
Banks

**Tom Curcuruto, CFA**  
Research Analyst  
BofAS  
+1 646 855 6870  
[tom.curcuruto@bofa.com](mailto:tom.curcuruto@bofa.com)

**Michelle Zhang**  
Research Analyst  
BofAS  
[michelle.zhang2@bofa.com](mailto:michelle.zhang2@bofa.com)

See glossary on page 12

### Exhibit 1: Super regionals, regionals and consumer finance banks have outperformed Industrials by 40-90 bp since Oct wides

On the run 10Y bonds and performance, where available

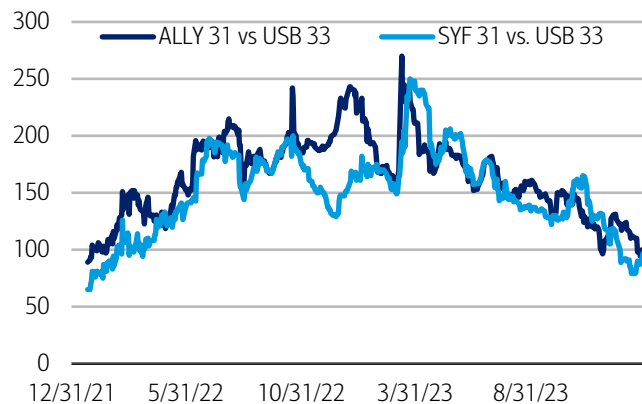
Bond	Rec	Spread	Spread change since (*)		
			YTD	10/23/23	3/8/23
BAC 5.468 01/23/35		126	-6	-47	-29
C 6.27 11/17/33		125	-11	-54	-39
GS 6.561 10/24/34		123	-10	-48	-41
JPM 5.336 01/23/35		109	-13	-42	-42
MS 5.466 01/18/35		122	-13	-52	-42
WFC 5.499 01/23/35	MW	127	-17	-56	-35
USB 5.678 01/23/35	OW	139	-11	-72	-2
PNC 5.676 01/22/35	MW	134	-22	-69	-21
TFC 5.711 01/24/35	MW	152	-22	-86	-2
SCHW 6.136 08/24/34	OW	135	-17	-83	23
BNCN 2.34 01/30/32		131	-29	-46	-29
BX 6.2 04/22/33		129	-9	-51	-59
KKR 4.85 05/17/32		116	-17	-57	-59
COF 6.051 02/01/35	MW	187	-24	-108	-44
ALLY 8 11/01/31	UW	217	-45	-143	-59
SYF 2 7/8 10/28/31	UW	227	-8	-136	-38
KEY 4.789 06/01/33		192	-33	-134	22
MTB 5.053 01/27/34		176	-22	-92	1
FITB 4.337 04/25/33		148	-5	-90	-2
HBAN 5.023 05/17/33		155	-23	-87	-10
<b>Industrials 7-10Y</b>		<b>112</b>	<b>-1</b>	<b>-37</b>	<b>-36</b>

Source: Bloomberg and Ice Indices. \* note: comparisons to prior on the run bond where history not available

BofA GLOBAL RESEARCH

### Exhibit 3: ALLY and SYF bonds have fully retraced the ~150 bp widening vs. USB...

bps

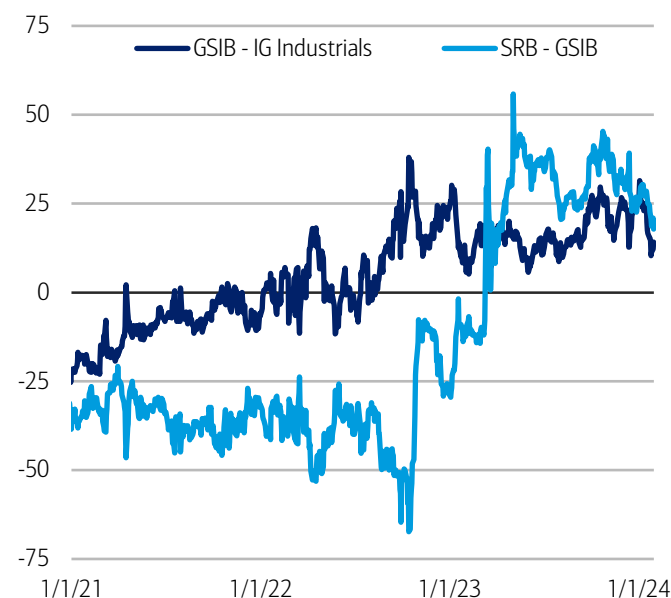


Source: Bloomberg.

BofA GLOBAL RESEARCH

### Exhibit 2: Super regional banks still cheap to GSIBs relative to historical levels

10Y on the run bonds for GSIB and Super Regional Banks, bps

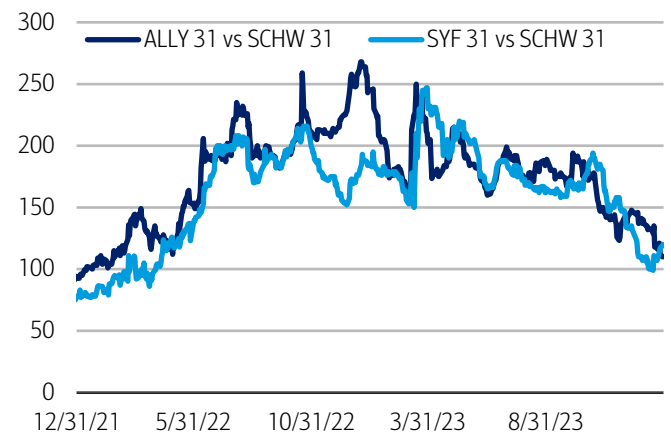


Source: Bloomberg and Ice Indices. 7-10Y IG Industrials index.

BofA GLOBAL RESEARCH

### Exhibit 4: ...And vs. SCHW

bps

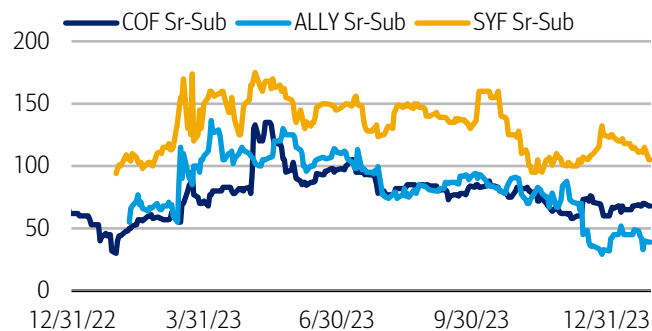


Source: Bloomberg.

BofA GLOBAL RESEARCH

### Exhibit 5: ALLY and SYF Sr-Sub relationships also near the tights at 40 bp and 105 bp respectively.

Spread between long end senior and subordinated bonds, bps

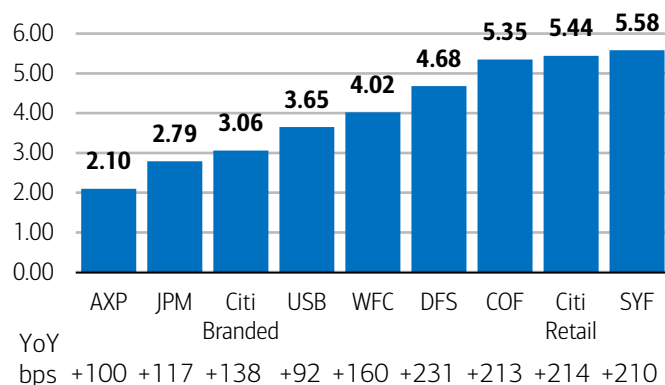


Source: Bloomberg.

BofA GLOBAL RESEARCH

### Exhibit 6: Lower quality card portfolios saw the highest increase in NCOs, up 200bp+ yoy

Credit card net charge off ratios, 4Q23 %

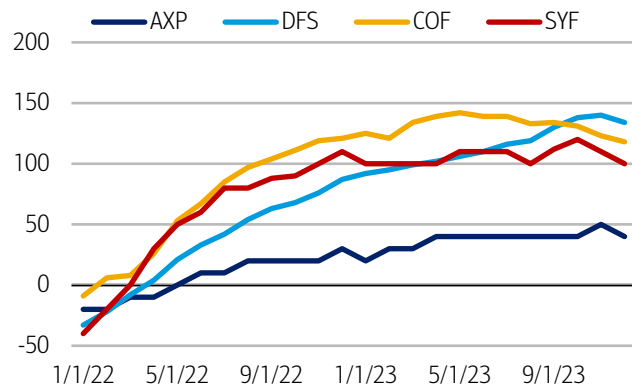


Source: Company filings

BofA GLOBAL RESEARCH

### Exhibit 8: Bullish view supported by the improvement in yoy delinquency trends

YoY change in credit card 30 day delinquencies, bps

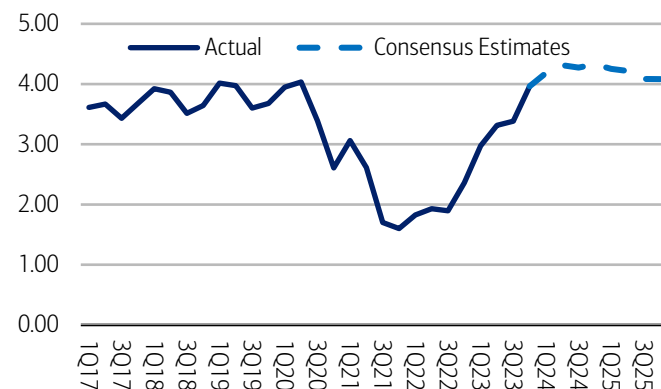


Source: Company filings

BofA GLOBAL RESEARCH

### Exhibit 7: Consensus view is that card losses peak in mid '24 at ~4.3% on average vs. 4% in 4Q23

Average credit card net charge off ratio

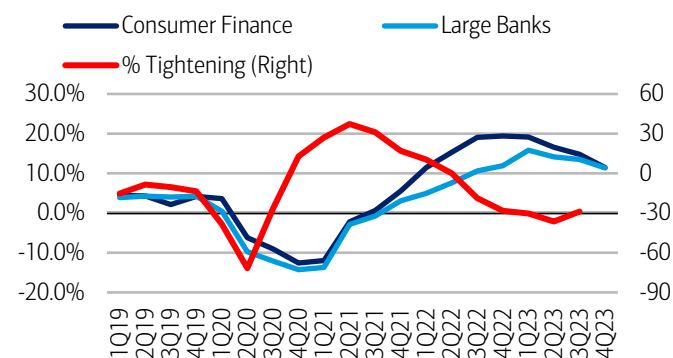


Source: Company filings and Bloomberg consensus estimates

BofA GLOBAL RESEARCH

### Exhibit 9: But strong loan growth over past two years could lead to more seasoning

YoY growth in credit card loans



Source: Company filings, Federal Reserve Senior Loan Officer Survey (% tightening standards on credit card loans). October report aligned to 3Q23

BofA GLOBAL RESEARCH

**Exhibit 10: Banks are generating capital despite headwinds**

Contribution to capital generation 2024 est vs. 2023 actual TCE / RWA (incl. AOCI)

	TCE / RWA	Adj. Net Inc. less dividends	Δ RWA	Δ AOCI	Other Δ	Total Change
	4Q24, %	bps	bps	bps	bps	bps
WFC	12.4%	97	14	19	-34	97
USB	8.7%	76	6	31	-5	108
PNC	8.8%	58	5	25	-10	79
TFC	7.6%	43	19	11	-3	70
COF	12.1%	100	54	34	-5	183
ALLY	7.2%	-14	43	14	10	54
SYF	12.6%	130	-2	9	26	163
SCHW (TCE/TA)	4.0%	94	-4	64	2	155

Source: Company filings, BofA Global Credit Research estimates

BofA GLOBAL RESEARCH

**Exhibit 11: Banks' 2024 net interest income & revenue outlooks only -1% below consensus and imply -2% yoy, on average**

2024 net interest income and revenue outlooks vs. consensus estimate and 2023 actual

	Metric	Guide (\$B)	Cons. Est. (1)	Beat / (Miss) %	Current Cons. Est vs. 2023
JPM	NII	\$90.0	\$86.1	5%	-1%
WFC	NII	\$48.2	\$50.1	-4%	-7%
C	Revenue	\$80.5	\$80.0	1%	2%
USB	NII	\$16.6	\$16.7	-1%	-6%
PNC	NII	\$13.3	\$13.4	-1%	-4%
TFC	Revenue	\$23.1	\$22.9	1%	-2%
SCHW	Revenue	-	-	-	6%
MTB	NII	\$6.8	\$6.8	-1%	-5%
CFG	NII	\$5.8	\$5.9	-2%	-7%
FITB	NII	\$5.7	\$5.7	0%	-2%
HBAN	NII	\$5.5	\$5.4	2%	-1%
RF	NII	\$4.8	\$5.0	-5%	-10%
KEY	NII	\$3.8	\$4.0	-4%	-3%
SYF	NII	\$18.0	18.2	-1%	7%
DFS	Revenue	-	-	-	3%
ALLY	Revenue	-	-	-	2%
Median				-1%	-2%

Source: Company filings and Bloomberg consensus estimates. (1) Consensus estimate as of the day before bank's earnings report

BofA GLOBAL RESEARCH

**Issuance Outlook****Exhibit 12: We expect issuance/maturities of \$78B in 2Q24 and \$229B in FY24 plus non-GSIB issuance for LTD shortfalls**

\$ billions

	Issuance	Maturities*		Total
	1Q24	2Q24	2H24	FY 2024
\$B				
GSIB TLAC Rolldown (Holdco Sr)	24.2	51	55	130
GSIB TLAC Rolldown (Holdco Sub)	0.0	1.2	8.1	9.3
GSIB Opco (Sr + Sub)	5.1	11.7	21.2	38.0
Category 3	11.5	5.2	9.1	25.8
Category 4	4.5	5.5	8.4	18.4
Trust banks	0.0	3.2	4.1	7.3
Total ex AT1	45	78	106	229

Source: Company filings, Bloomberg, BofA Global Credit Research estimates. \* TLAC rolldown = 50% of bonds moving from >2Y maturity to 1-2Y and 50% of bonds moving from 1-2Y maturity to <1Y

BofA GLOBAL RESEARCH

# Company Models

## Exhibit 13: US Bancorp Summary Model \$MM

	2022	2023	2024	2025	1Q24	2Q24	3Q24	4Q24
	Act	Act	Est	Est	Est	Est	Est	Est
<b>Summary Financials (\$MM)</b>								
Net interest income	14,728	17,396	16,497	17,291	4,001	4,038	4,176	4,281
Noninterest income	9,855	10,617	11,405	11,862	2,717	2,914	2,902	2,873
<b>Revenue</b>	<b>24,583</b>	<b>28,013</b>	<b>27,902</b>	<b>29,152</b>	<b>6,718</b>	<b>6,952</b>	<b>7,079</b>	<b>7,153</b>
Total expenses	14,906	18,029	16,994	17,283	4,361	4,259	4,220	4,154
<b>Pre-provision net revenue</b>	<b>9,677</b>	<b>9,984</b>	<b>10,908</b>	<b>11,870</b>	<b>2,357</b>	<b>2,693</b>	<b>2,859</b>	<b>3,000</b>
Provisions	1,977	2,275	2,442	1,752	567	619	673	584
<b>Pretax earnings</b>	<b>7,700</b>	<b>7,709</b>	<b>8,466</b>	<b>10,118</b>	<b>1,790</b>	<b>2,074</b>	<b>2,186</b>	<b>2,416</b>
Taxes	1,563	1,618	1,607	1,920	340	394	415	459
Noncontrolling Interest	13	29	56	56	14	14	14	14
Preferred	326	378	324	324	81	81	81	81
<b>Net income to common</b>	<b>5,800</b>	<b>5,684</b>	<b>6,479</b>	<b>7,817</b>	<b>1,356</b>	<b>1,585</b>	<b>1,676</b>	<b>1,863</b>
Common dividends	-2,815	-2,982	-3,054	-3,054	-763	-763	-763	-763
<b>Balance Sheet (\$B, EOP)</b>								
Loans	388	374	393	409	378	381	385	393
Securities	162	154	142	160	150	147	145	142
<b>Tangible Assets</b>	<b>659</b>	<b>649</b>	<b>644</b>	<b>672</b>	<b>645</b>	<b>643</b>	<b>642</b>	<b>644</b>
RWA	496	453	450	470	451	450	449	450
Deposits	525	512	514	536	510	509	512	514
<b>Tangible common equity</b>	<b>29.8</b>	<b>34.7</b>	<b>39.4</b>	<b>45.4</b>	<b>35.1</b>	<b>36.5</b>	<b>37.9</b>	<b>39.4</b>
<b>CET1 Capital</b>	<b>41.6</b>	<b>44.9</b>	<b>48.2</b>	<b>52.8</b>	<b>45.5</b>	<b>46.3</b>	<b>47.1</b>	<b>48.2</b>
AT1	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3
<b>T1 Capital</b>	<b>48.8</b>	<b>52.2</b>	<b>55.4</b>	<b>60.0</b>	<b>52.7</b>	<b>53.5</b>	<b>54.4</b>	<b>55.4</b>
<b>Profitability Ratios</b>								
ROTA	0.9%	0.9%	1.0%	1.2%	0.8%	1.0%	1.0%	1.2%
ROTCE	17.0%	17.6%	17.5%	18.4%	15.5%	17.7%	18.0%	19.3%
NIM	2.70	2.87	2.82	2.89	2.74	2.78	2.85	2.91
Efficiency Ratio	61%	64%	61%	59%	65%	61%	60%	58%
PPNR / Avg Earning Assets	1.8%	1.6%	1.9%	2.0%	1.6%	1.8%	2.0%	2.1%
<b>Capital &amp; Liquidity Ratios</b>								
TCE / TA %	4.5%	5.3%	6.1%	6.7%	5.4%	5.7%	5.9%	6.1%
CET1 / RWA %	8.4%	9.9%	10.7%	11.2%	10.1%	10.3%	10.5%	10.7%
T1 Leverage %	7.9%	8.1%	8.6%	9.0%	8.1%	8.3%	8.4%	8.6%
LCR %	122	0	-	-	-	-	-	-
Loans + Securities / Deposits	105%	103%	104%	106%	103%	104%	104%	104%
<b>Asset Quality Ratios</b>								
NCO %	0.32%	0.50%	0.60%	0.45%	0.55%	0.60%	0.64%	0.60%
ALLR % Loans	1.8%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
ALLR / NCOs	6.5	3.9	3.5	4.6	3.6	3.4	3.2	3.4

Source: Company filings, FFIEC regulatory filings, BofA Global Research estimates

BofA GLOBAL RESEARCH

**Exhibit 14: PNC Financial Services Summary Model**  
 \$MM

	2022	2023	2024	2025	1Q24	2Q24	3Q24	4Q24
	Act	Act	Est	Est	Est	Est	Est	Est
<b>Summary Financials (\$MM)</b>								
Net interest income	13,014	13,916	13,345	13,238	3,348	3,359	3,333	3,305
Noninterest income	8,106	7,574	7,967	8,468	1,868	1,961	1,977	2,161
<b>Revenue</b>	<b>21,120</b>	<b>21,490</b>	<b>21,311</b>	<b>21,705</b>	<b>5,215</b>	<b>5,320</b>	<b>5,310</b>	<b>5,466</b>
Total expenses	13,170	13,497	13,265	13,589	3,288	3,372	3,230	3,375
<b>Pre-provision net revenue</b>	<b>7,950</b>	<b>7,993</b>	<b>8,046</b>	<b>8,116</b>	<b>1,927</b>	<b>1,948</b>	<b>2,080</b>	<b>2,091</b>
Provisions	477	742	1,379	1,130	294	337	378	371
<b>Pretax earnings</b>	<b>7,473</b>	<b>7,251</b>	<b>6,667</b>	<b>6,987</b>	<b>1,634</b>	<b>1,611</b>	<b>1,702</b>	<b>1,721</b>
Taxes	1,360	1,197	1,233	1,293	302	298	315	318
Noncontrolling Interest	72	69	76	76	19	19	19	19
Preferred	306	421	436	436	100	118	100	118
<b>Net income to common</b>	<b>5,735</b>	<b>5,560</b>	<b>4,922</b>	<b>5,182</b>	<b>1,213</b>	<b>1,176</b>	<b>1,268</b>	<b>1,265</b>
Common dividends	-2,343	-2,429	-2,457	-2,441	-616	-615	-614	-613
<b>Balance Sheet (\$B, EOP)</b>								
Loans	326	322	331	355	328	328	328	331
Securities	139	133	129	118	131	131	130	129
<b>Tangible Assets</b>	<b>546</b>	<b>551</b>	<b>548</b>	<b>556</b>	<b>553</b>	<b>550</b>	<b>547</b>	<b>548</b>
RWA	436	425	422	429	427	424	422	422
Deposits	436	421	414	448	418	415	414	414
<b>Tangible common equity</b>	<b>28.9</b>	<b>33.9</b>	<b>37.0</b>	<b>40.4</b>	<b>34.4</b>	<b>35.3</b>	<b>36.2</b>	<b>37.0</b>
<b>CET1 Capital</b>	<b>39.7</b>	<b>42.0</b>	<b>44.0</b>	<b>46.4</b>	<b>42.5</b>	<b>42.9</b>	<b>43.5</b>	<b>44.0</b>
AT1	5.7	6.0	6.0	6.0	6.0	6.0	6.0	6.0
<b>T1 Capital</b>	<b>45.4</b>	<b>48.0</b>	<b>50.1</b>	<b>52.4</b>	<b>48.5</b>	<b>49.0</b>	<b>49.5</b>	<b>50.1</b>
<b>Profitability Ratios</b>								
ROTA	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
ROTCE	16.8%	17.7%	13.9%	13.4%	14.2%	13.5%	14.2%	13.8%
NIM	2.63	2.73	2.59	2.58	2.61	2.62	2.58	2.57
Efficiency Ratio	62%	63%	62%	63%	63%	63%	61%	62%
PPNR / Avg Earning Assets	1.6%	1.6%	1.6%	1.6%	1.5%	1.5%	1.6%	1.6%
<b>Capital &amp; Liquidity Ratios</b>								
TCE / TA %	5.3%	6.2%	6.8%	7.3%	6.2%	6.4%	6.6%	6.8%
CET1 / RWA %	9.1%	9.9%	10.4%	10.8%	9.9%	10.1%	10.3%	10.4%
T1 Leverage %	8.2%	8.7%	9.2%	9.5%	8.8%	8.9%	9.0%	9.2%
LCR %	107	—	-	-	-	-	-	-
Loans + Securities / Deposits	107%	108%	111%	106%	110%	110%	111%	111%
<b>Asset Quality Ratios</b>								
NCO %	0.18%	0.22%	0.37%	0.37%	0.30%	0.35%	0.40%	0.45%
ALLR % Loans	1.5%	1.5%	1.5%	1.3%	1.5%	1.5%	1.5%	1.5%
ALLR / NCOs	8.4	6.7	4.0	3.7	4.9	4.2	3.8	3.3

Source: Company filings, FFIEC regulatory filings, BofA Global Research estimates

BofA GLOBAL RESEARCH

**Exhibit 15: Truist Financial Summary Model**

SMM

	2022	2023	2024	2025	1Q24	2Q24	3Q24	4Q24
	Act	Act	Est	Est	Est	Est	Est	Est
<b>Summary Financials (\$MM)</b>								
Net interest income	14,316	14,600	13,874	14,486	3,459	3,432	3,479	3,504
Noninterest income	8,719	8,790	8,987	9,391	2,279	2,339	2,150	2,220
<b>Revenue</b>	<b>23,035</b>	<b>23,390</b>	<b>22,861</b>	<b>23,877</b>	<b>5,738</b>	<b>5,771</b>	<b>5,629</b>	<b>5,723</b>
Total expenses	14,589	14,881	14,583	14,875	3,630	3,697	3,675	3,582
<b>Pre-provision net revenue</b>	<b>8,446</b>	<b>8,509</b>	<b>8,278</b>	<b>9,002</b>	<b>2,109</b>	<b>2,074</b>	<b>1,954</b>	<b>2,141</b>
Provisions	777	2,109	2,253	1,568	569	582	596	507
<b>Pretax earnings</b>	<b>7,669</b>	<b>6,400</b>	<b>6,025</b>	<b>7,434</b>	<b>1,540</b>	<b>1,493</b>	<b>1,358</b>	<b>1,634</b>
Taxes	1,402	1,186	1,024	1,264	262	254	231	278
Non Controlling Interest	7	44	0	0	0	0	0	0
Preferred	333	361	366	366	106	77	106	77
<b>Net income to common</b>	<b>5,927</b>	<b>4,809</b>	<b>4,635</b>	<b>5,804</b>	<b>1,172</b>	<b>1,162</b>	<b>1,022</b>	<b>1,280</b>
Common dividends	-2,656	-2,772	-2,844	-2,986	-694	-694	-728	-728
<b>Balance Sheet (\$B, EOP)</b>								
Loans	327	313	312	324	312	312	312	312
Securities	130	121	117	122	115	118	117	117
<b>Tangible Assets</b>	<b>525</b>	<b>511</b>	<b>499</b>	<b>514</b>	<b>501</b>	<b>503</b>	<b>501</b>	<b>499</b>
RWA	434	424	414	426	416	417	415	414
Deposits	413	396	387	395	393	389	387	387
<b>Tangible common equity</b>	<b>23.9</b>	<b>29.1</b>	<b>31.3</b>	<b>35.1</b>	<b>25.7</b>	<b>29.8</b>	<b>30.4</b>	<b>31.3</b>
<b>CET1 Capital</b>	<b>39.1</b>	<b>42.7</b>	<b>44.4</b>	<b>47.1</b>	<b>43.1</b>	<b>43.6</b>	<b>43.8</b>	<b>44.4</b>
AT1	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7
<b>T1 Capital</b>	<b>45.8</b>	<b>49.3</b>	<b>51.0</b>	<b>53.8</b>	<b>49.8</b>	<b>50.2</b>	<b>50.5</b>	<b>51.0</b>
<b>Profitability Ratios</b>								
ROTA	1.1%	0.9%	0.9%	1.1%	0.9%	0.9%	0.8%	1.0%
ROTCE	20.5%	18.1%	15.3%	17.5%	17.1%	16.8%	13.6%	16.6%
NIM	2.98	2.96	2.98	3.10	2.97	2.97	2.98	3.01
Efficiency Ratio	63%	64%	64%	62%	63%	64%	65%	63%
PPNR / Avg Earning Assets	1.8%	1.7%	1.8%	1.9%	1.8%	1.8%	1.7%	1.9%
<b>Capital &amp; Liquidity Ratios</b>								
TCE / TA %	4.6%	5.7%	6.3%	6.8%	5.1%	5.9%	6.1%	6.3%
CET1 / RWA %	9.0%	10.1%	10.7%	11.1%	10.4%	10.4%	10.6%	10.7%
T1 Leverage %	8.5%	9.3%	10.2%	10.5%	9.8%	10.0%	10.0%	10.2%
LCR %	112	-	-	-	-	-	-	-
Loans + Securities / Deposits	111%	110%	111%	113%	109%	111%	111%	111%
<b>Asset Quality Ratios</b>								
NCO %	0.27%	0.49%	0.65%	0.52%	0.60%	0.65%	0.69%	0.64%
ALLR % Loans	1.3%	1.5%	1.6%	1.5%	1.6%	1.6%	1.6%	1.6%
ALLR / NCOs	5.3	3.0	2.5	2.9	2.6	2.4	2.3	2.5

Source: Company filings, FFIEC regulatory filings, BofA Global Research estimates

BofA GLOBAL RESEARCH

**Exhibit 16: The Charles Schwab Corporation Summary Model**

\$MM

	2022	2023	2024	2025	1Q24	2Q24	3Q24	4Q24
	Act	Act	Est	Est	Est	Est	Est	Est
<b>Summary Financials (\$MM)</b>								
Net interest income	10,682	9,427	9,778	12,009	2,199	2,315	2,553	2,711
Noninterest income	10,080	9,410	10,224	11,193	2,401	2,491	2,614	2,718
<b>Revenue</b>	<b>20,762</b>	<b>18,837</b>	<b>20,003</b>	<b>23,202</b>	<b>4,601</b>	<b>4,806</b>	<b>5,167</b>	<b>5,429</b>
Total expenses	11,374	12,459	11,425	12,040	2,865	2,792	2,824	2,945
<b>Pre-provision net revenue</b>	<b>9,388</b>	<b>6,378</b>	<b>8,578</b>	<b>11,162</b>	<b>1,736</b>	<b>2,014</b>	<b>2,344</b>	<b>2,484</b>
Provisions	0	0	0	0	0	0	0	0
<b>Pretax earnings</b>	<b>9,388</b>	<b>6,378</b>	<b>8,578</b>	<b>11,162</b>	<b>1,736</b>	<b>2,014</b>	<b>2,344</b>	<b>2,484</b>
Taxes	2,205	1,311	1,716	2,232	347	403	469	497
Noncontrolling Interest	0	0	0	0	0	0	0	0
Preferred	548	418	454	454	108	119	108	119
<b>Net income to common</b>	<b>6,635</b>	<b>4,649</b>	<b>6,408</b>	<b>8,475</b>	<b>1,281</b>	<b>1,492</b>	<b>1,767</b>	<b>1,868</b>
Common dividends	-1,536	-1,820	-1,912	-1,986	-478	-478	-478	-478
<b>Balance Sheet (\$B, EOP)</b>								
Loans	41	40	40	40	40	40	40	40
Securities	321	267	281	301	263	269	275	281
<b>Tangible Assets</b>	<b>531</b>	<b>473</b>	<b>478</b>	<b>495</b>	<b>467</b>	<b>471</b>	<b>474</b>	<b>478</b>
Total Assets	552	493	499	515	487	491	495	499
RWA	140	135	136	141	133	134	135	136
Deposits	367	290	303	325	287	292	297	303
<b>Tangible common equity</b>	<b>6.2</b>	<b>11.5</b>	<b>19.0</b>	<b>26.3</b>	<b>13.3</b>	<b>15.0</b>	<b>17.0</b>	<b>19.0</b>
<b>CET1 Capital</b>	<b>30.6</b>	<b>31.4</b>	<b>35.9</b>	<b>40.4</b>	<b>32.2</b>	<b>33.2</b>	<b>34.5</b>	<b>35.9</b>
AT1	9.7	9.2	9.2	9.2	9.2	9.2	9.2	9.2
<b>T1 Capital</b>	<b>40.3</b>	<b>40.6</b>	<b>45.1</b>	<b>49.6</b>	<b>41.4</b>	<b>42.4</b>	<b>43.7</b>	<b>45.1</b>
<b>Profitability Ratios</b>								
ROTA	1.1%	0.9%	1.3%	1.7%	1.1%	1.3%	1.5%	1.6%
ROTCE	42.6%	52.7%	42.0%	37.4%	41.4%	42.2%	44.2%	41.5%
NIM	1.80	2.00	2.28	2.72	2.07	2.19	2.36	2.48
Efficiency Ratio	55%	66%	57%	52%	62%	58%	55%	54%
PPNR / Avg Earning Assets	1.6%	1.4%	2.0%	2.5%	1.6%	1.9%	2.2%	2.3%
<b>Capital &amp; Liquidity Ratios</b>								
TCE / TA %	1.2%	2.4%	4.0%	5.3%	2.8%	3.2%	3.6%	4.0%
CET1 / RWA %	21.9%	23.3%	26.4%	28.6%	24.2%	24.8%	25.5%	26.4%
T1 Leverage %	7.2%	8.5%	8.8%	9.3%	8.3%	8.4%	8.6%	8.8%
LCR %	123%	—	—	—	—	—	—	—
Loans + Securities / Deposits	99%	106%	106%	105%	106%	106%	106%	106%

Source: Company filings, FFIEC regulatory filings, BofA Global Research estimates

BofA GLOBAL RESEARCH



**Exhibit 17: Capital One Financial Summary Model**

\$MM

	2022	2023	2024	2025	1Q24	2Q24	3Q24	4Q24
	Act	Act	Est	Est	Est	Est	Est	Est
<b>Summary Financials (\$MM)</b>								
Net interest income	27,114	29,241	30,398	31,839	7,492	7,557	7,618	7,730
Noninterest income	7,136	7,546	7,903	8,364	1,886	1,979	2,006	2,032
<b>Revenue</b>	<b>34,250</b>	<b>36,787</b>	<b>38,301</b>	<b>40,203</b>	<b>9,378</b>	<b>9,536</b>	<b>9,624</b>	<b>9,762</b>
Total expenses	19,163	20,316	20,471	21,085	5,093	4,938	5,006	5,434
<b>Pre-provision net revenue</b>	<b>15,087</b>	<b>16,471</b>	<b>17,830</b>	<b>19,118</b>	<b>4,285</b>	<b>4,598</b>	<b>4,619</b>	<b>4,329</b>
Provisions	5,847	10,426	11,960	10,590	2,860	2,981	3,128	2,991
<b>Pretax earnings</b>	<b>9,240</b>	<b>6,045</b>	<b>5,871</b>	<b>8,528</b>	<b>1,425</b>	<b>1,617</b>	<b>1,490</b>	<b>1,338</b>
Taxes	1,880	1,158	1,174	1,706	285	323	298	268
Noncontrolling Interest	0	0	0	0	0	0	0	0
Preferred	316	305	268	268	67	67	67	67
<b>Net income to common</b>	<b>7,044</b>	<b>4,582</b>	<b>4,428</b>	<b>6,555</b>	<b>1,073</b>	<b>1,227</b>	<b>1,125</b>	<b>1,003</b>
Common dividends	-928	-915	-913	-913	-228	-228	-228	-228
<b>Balance Sheet (\$B, EOP)</b>								
Loans	312	320	328	350	318	321	325	328
Securities	77	79	71	79	75	73	72	71
<b>Tangible Assets</b>	<b>440</b>	<b>463</b>	<b>454</b>	<b>480</b>	<b>454</b>	<b>454</b>	<b>454</b>	<b>454</b>
RWA	358	369	353	373	357	352	352	353
Deposits	333	348	354	366	351	354	354	354
<b>Tangible common equity</b>	<b>32.8</b>	<b>38.0</b>	<b>42.7</b>	<b>49.5</b>	<b>38.5</b>	<b>40.1</b>	<b>41.5</b>	<b>42.7</b>
<b>CET1 Capital</b>	<b>44.7</b>	<b>47.6</b>	<b>51.2</b>	<b>56.8</b>	<b>48.5</b>	<b>49.5</b>	<b>50.4</b>	<b>51.2</b>
AT1	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8
<b>T1 Capital</b>	<b>49.6</b>	<b>52.5</b>	<b>56.0</b>	<b>61.7</b>	<b>53.3</b>	<b>54.3</b>	<b>55.2</b>	<b>56.0</b>
<b>Profitability Ratios</b>								
ROTA	1.6%	1.0%	1.0%	1.4%	0.9%	1.1%	1.0%	0.9%
ROTCE	19.0%	12.9%	11.0%	14.2%	11.2%	12.5%	11.0%	9.5%
NIM	6.67	6.63	6.97	7.13	6.85	6.99	6.97	7.06
Efficiency Ratio	56%	55%	53%	52%	54%	52%	52%	56%
PPNR / Avg Earning Assets	3.7%	3.7%	4.1%	4.3%	3.9%	4.2%	4.3%	4.0%
<b>Capital &amp; Liquidity Ratios</b>								
TCE / TA %	7.5%	8.2%	9.4%	10.3%	8.5%	8.8%	9.1%	9.4%
CET1 / RWA %	12.5%	12.9%	14.5%	15.2%	13.6%	14.0%	14.3%	14.5%
T1 Leverage %	11.1%	11.2%	12.3%	12.9%	11.6%	12.0%	12.2%	12.3%
LCR %	143%	167	—	—	—	—	—	—
Loans + Securities / Deposits	117%	115%	113%	117%	112%	111%	112%	113%
<b>Asset Quality Ratios</b>								
NCO %	1.35%	2.70%	3.47%	3.20%	3.28%	3.43%	3.54%	3.64%
ALLR % Loans	4.2%	4.8%	4.9%	4.6%	4.9%	4.9%	5.0%	4.9%
ALLR / NCOs	3.3	1.8	1.4	1.5	1.5	1.4	1.4	1.4

Source: Company filings, FFIEC regulatory filings, BofA Global Research estimates

BofA GLOBAL RESEARCH



**Exhibit 18: Ally Financial Summary Model**

\$MM

	2022	2023	2024	2025	1Q24	2Q24	3Q24	4Q24
	Act	Act	Est	Est	Est	Est	Est	Est
<b>Summary Financials (\$MM)</b>								
Net interest income	6,872	6,249	5,949	6,458	1,442	1,453	1,508	1,546
Noninterest income	1,793	1,905	2,053	2,120	514	501	511	527
<b>Revenue</b>	<b>8,665</b>	<b>8,154</b>	<b>8,001</b>	<b>8,579</b>	<b>1,956</b>	<b>1,953</b>	<b>2,019</b>	<b>2,073</b>
Total expenses	4,610	4,946	4,991	5,150	1,279	1,261	1,214	1,237
<b>Pre-provision net revenue</b>	<b>4,055</b>	<b>3,208</b>	<b>3,010</b>	<b>3,429</b>	<b>677</b>	<b>692</b>	<b>805</b>	<b>836</b>
Provisions	1,399	1,968	2,715	1,349	733	747	671	564
<b>Pretax earnings</b>	<b>2,675</b>	<b>1,241</b>	<b>295</b>	<b>2,079</b>	<b>-56</b>	<b>-55</b>	<b>134</b>	<b>272</b>
Taxes	710	101	29	202	-5	-5	13	26
Noncontrolling Interest	0	0	0	0	0	0	0	0
Preferred	110	110	108	108	27	27	27	27
<b>Net income to common</b>	<b>1,855</b>	<b>1,031</b>	<b>159</b>	<b>1,769</b>	<b>-78</b>	<b>-77</b>	<b>94</b>	<b>219</b>
Common dividends	-372	-362	-365	-367	-91	-91	-91	-91
<b>Balance Sheet (\$B, EOP)</b>								
Loans	136	139	137	135	139	138	138	137
Securities	31	30	26	29	27	27	26	26
<b>Tangible Assets</b>	<b>192</b>	<b>196</b>	<b>189</b>	<b>190</b>	<b>193</b>	<b>191</b>	<b>190</b>	<b>189</b>
RWA	157	162	152	153	157	154	153	152
Deposits	152	155	149	149	153	152	150	149
<b>Tangible common equity</b>	<b>9.6</b>	<b>10.7</b>	<b>10.9</b>	<b>12.5</b>	<b>10.4</b>	<b>10.4</b>	<b>10.6</b>	<b>10.9</b>
<b>CET1 Capital</b>	<b>14.6</b>	<b>15.1</b>	<b>15.1</b>	<b>16.6</b>	<b>15.0</b>	<b>14.8</b>	<b>14.9</b>	<b>15.1</b>
AT1	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
<b>T1 Capital</b>	<b>16.9</b>	<b>17.4</b>	<b>17.4</b>	<b>18.9</b>	<b>17.3</b>	<b>17.1</b>	<b>17.2</b>	<b>17.4</b>
<b>Profitability Ratios</b>								
ROTA	1.0%	0.5%	0.1%	0.9%	-0.2%	-0.2%	0.2%	0.5%
ROTCE	15.9%	10.2%	1.5%	15.1%	-2.9%	-2.9%	3.6%	8.1%
NIM	3.87	3.35	3.28	3.63	3.14	3.21	3.32	3.43
Efficiency Ratio	53%	61%	62%	60%	65%	65%	60%	60%
PPNR / Avg Earning Assets	2.3%	1.7%	1.7%	1.9%	1.5%	1.5%	1.8%	1.9%
<b>Capital &amp; Liquidity Ratios</b>								
TCE / TA %	5.0%	5.5%	5.8%	6.6%	5.4%	5.5%	5.6%	5.8%
CET1 / RWA %	9.3%	9.3%	9.9%	10.9%	9.6%	9.7%	9.7%	9.9%
T1 Leverage %	8.6%	8.7%	9.2%	10.0%	8.9%	9.0%	9.0%	9.2%
Loans + Securities / Deposits	110%	109%	110%	110%	108%	109%	109%	110%
<b>Asset Quality Ratios</b>								
NCO %	0.74%	1.37%	1.78%	1.21%	1.83%	1.87%	1.79%	1.63%
ALLR % Loans	2.7%	2.6%	2.2%	1.4%	2.5%	2.4%	2.3%	2.2%
ALLR / NCOs	3.9	1.9	1.2	1.1	1.4	1.3	1.3	1.3

Source: Company filings, FFIEC regulatory filings, BofA Global Research estimates

BofA GLOBAL RESEARCH

**Exhibit 19: Synchro Financial Summary Model**

SMM

	2022	2023	2024	2025	1Q24	2Q24	3Q24	4Q24
	Act	Act	Est	Est	Est	Est	Est	Est
<b>Summary Financials (\$MM)</b>								
Net interest income	15,625	16,999	18,395	18,683	4,518	4,543	4,626	4,708
RSA	-4,331	-3,661	-3,643	-3,734	-911	-906	-933	-893
Noninterest income	380	289	306	267	69	78	78	81
<b>Revenue</b>	<b>11,674</b>	<b>13,627</b>	<b>15,059</b>	<b>15,216</b>	<b>3,676</b>	<b>3,715</b>	<b>3,771</b>	<b>3,896</b>
Total expenses	4,337	4,758	4,880	5,085	1,191	1,227	1,189	1,273
<b>Pre-provision net revenue</b>	<b>7,337</b>	<b>8,869</b>	<b>10,179</b>	<b>10,131</b>	<b>2,486</b>	<b>2,488</b>	<b>2,582</b>	<b>2,624</b>
Provisions	3,375	5,965	7,832	7,147	1,999	1,908	1,960	1,965
<b>Pretax earnings</b>	<b>3,962</b>	<b>2,904</b>	<b>2,348</b>	<b>2,983</b>	<b>487</b>	<b>580</b>	<b>622</b>	<b>659</b>
Taxes	946	666	563	716	117	139	149	158
Noncontrolling Interest	0	0	0	0	0	0	0	0
Preferred	42	42	44	44	11	11	11	11
<b>Net income to common</b>	<b>2,974</b>	<b>2,196</b>	<b>1,740</b>	<b>2,223</b>	<b>359</b>	<b>430</b>	<b>462</b>	<b>490</b>
Common dividends	-425	-400	-407	-391	-102	-102	-102	-102
<b>Balance Sheet (\$B, EOP)</b>								
Loans	92	103	109	112	102	104	105	109
Securities	5	4	3	3	3	3	3	3
<b>Tangible Assets</b>	<b>102</b>	<b>116</b>	<b>117</b>	<b>119</b>	<b>113</b>	<b>113</b>	<b>114</b>	<b>117</b>
RWA	92	102	102	104	100	99	100	102
Deposits	72	81	82	82	81	82	82	82
<b>Tangible common equity</b>	<b>9.7</b>	<b>11.2</b>	<b>12.9</b>	<b>13.8</b>	<b>11.8</b>	<b>12.1</b>	<b>12.5</b>	<b>12.9</b>
<b>CET1 Capital</b>	<b>11.8</b>	<b>12.5</b>	<b>14.1</b>	<b>14.9</b>	<b>13.0</b>	<b>13.3</b>	<b>13.7</b>	<b>14.1</b>
AT1	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
<b>T1 Capital</b>	<b>12.5</b>	<b>13.2</b>	<b>14.8</b>	<b>15.6</b>	<b>13.7</b>	<b>14.0</b>	<b>14.4</b>	<b>14.8</b>
<b>Profitability Ratios</b>								
ROTA	3.0%	2.0%	1.5%	1.9%	1.3%	1.5%	1.6%	1.7%
ROTCE	29.2%	20.9%	14.4%	16.7%	12.5%	14.4%	15.0%	15.4%
NIM	15.63	15.15	15.26	15.31	15.13	15.31	15.30	15.30
Efficiency Ratio	37%	35%	32%	33%	32%	33%	32%	33%
PPNR / Avg Earning Assets	7.3%	7.9%	8.5%	8.3%	8.3%	8.4%	8.6%	8.6%
<b>Capital &amp; Liquidity Ratios</b>								
TCE / TA %	9.5%	9.7%	11.0%	11.6%	10.5%	10.7%	11.0%	11.0%
CET1 / RWA %	12.8%	12.2%	13.7%	14.4%	13.1%	13.4%	13.7%	13.7%
T1 Leverage %	12.3%	11.7%	12.8%	13.4%	12.0%	12.4%	12.7%	12.8%
Loans + Securities / Deposits	136%	132%	137%	141%	129%	130%	132%	137%
<b>Asset Quality Ratios</b>								
NCO %	3.00%	4.87%	6.34%	6.23%	6.24%	6.25%	6.35%	6.58%
ALLR % Loans	10.3%	10.3%	10.7%	10.8%	10.8%	10.8%	11.0%	10.7%
ALLR / NCOs	3.8	2.3	1.8	1.8	1.7	1.7	1.8	1.7

Source: Company filings, FFIEC regulatory filings, BofA Global Research estimates

BofA GLOBAL RESEARCH



## Glossary

---

AOI: accumulated other comprehensive income

AT1: alternative tier 1 capital

B3: Basel III

CET1: common equity tier 1 capital

CRE: commercial real estate

C&I: commercial and industrial

FTE: fully taxable equivalent

GFC: global financial crisis (2007-2009)

GSIB: global systemically important banks

HQLA: high-quality liquid assets

LCR: liquidity coverage ratio

LTD: long-term debt

NCO: net charge-off

NIM: net interest margin

NII: net interest income

NPL: non-performing loans

NSFR: net stable funding ratio

ROTCE: return on tangible common equity

RSA: retailer share agreement

RWA: risk weighted assets

SLR: statutory liquidity ratio

SRB: super regional banks (USB, PNC, TFC)

TA: tangible assets

TCE: tangible common equity

TLAC: total loss-absorbing capacity

T1: Tier 1 capital

## Valuation & risk

### Ally (ALLY)

We rate Ally Financial at Underweight as the bonds trade tight to historical ranges to comps while profitability is relatively more constrained than peers' and capital levels are lower, leaving less room for error. ALLY's capital generation lags investment grade consumer finance peers as well as super regional banks, which have superior diversification and deeper customer relationships across more products.

Risks to our rating are a more benign credit cycle, particularly in non-prime auto loans, that results in lower provisions than currently expected, improvement in used car auto values, favorable moves in interest rates that enable ALLY to grow net interest margin and net interest income, and lower long-term interest rates that improve ALLY's unrealized losses on securities.

### Capital One (COF)

We rate Capital One at Marketweight as bonds are fairly valued, in our view, with higher risk from its exposure to non-prime segments in its credit cards and auto loan portfolios that are experiencing sizable yoy increases in credit losses and not-insignificant 11% commercial real estate exposure vs. strong underlying profitability led by its 6.7% net interest margin that should buffer profitability through the cycle. Bonds trade in line with historical relationships to super regional banks, which is fair, in our view.

Downside risks to our rating are faster deterioration in credit quality in credit cards, auto loans or commercial real estate exposures, impact from proposed late fee regulation, and unfavorable moves in interest rates that compress net interest margin. Upside risks to our rating entail the opposite trends including a more benign outcome for consumers, in particular, lower income cohorts.

### Charles Schwab (SCHW)

We have an Overweight rating on Charles Schwab (SCHW) due to the favorable risk/reward opportunity in the bonds, trading at a material discount to comps from a historical perspective and given the favorable timing in the interest rate and credit cycles that should benefit SCHW's credit risk-lite model relatively more than credit-sensitive banks. As the prospect for lower rates increases and as time elapses, deposit flows should improve and unrealized losses should begin to 'pull' to par and accrete back to capital, removing overhangs from bonds.

Risks are an increase in short term and long term interest rates that put pressure on net interest margin, deposit flows, securities valuations and pro forma capital ratios, client asset net outflows, and declines in market prices that impact fees.

### PNC Financial (PNC)

We rate PNC at Marketweight as it trades fairly in relation to peers and lacks catalysts in the near term to drive meaningful relative spread performance in either direction in our view. PNC is similarly exposed to industry issues to its peers with regard to managing through NIM compression from higher deposit costs and mix shift, volatility to capital ratios from changes AFS securities unrealized losses and credit quality normalization.

Upside risks include achievement of cost savings targets, a favorable move in interest rates that reduces pressure on deposit outflows, funding costs and unrealized losses in its AFS securities portfolio, a mild and/or no economic recession scenario that improves the outlook for credit quality of its loan book, favorable outcome from the Basel III end game proposal. Downside risks include its inability to achieve cost savings targets,



further sustained increase in interest rates that continues to drive deposit outflows and mix shift towards higher cost deposits, higher funding costs and larger unrealized losses on the AFS securities portfolio, and a more severe economic recession that results in higher credit losses.

### **Synchrony (SYF)**

We rate Synchrony Financial at Underweight owing to its pure-play, higher risk store-branded card loan portfolio and relatively rich valuation of its bonds to COF and more diversified super regional banks. While its substantial organic capital generation (160-165 bp in '24 by our estimates), high capital ratios, and structural risk mitigation via RSAs with retail partners should provide support to the cap structure, we believe the bonds price in very little downside to the risk that credit losses rise above expectations or remain elevated for a longer period of time. SYF is also relatively more exposed to proposed late fee regulation, which could pressure SYF's revenues and earnings if passed and implemented.

Risks to our rating are a more benign credit cycle, particularly in non-prime credit cards, that results in lower credit costs than expected, recovery in consumer spending growth that drives healthy loan growth and higher purchase volumes, and favorable change in interest rates that enable SYF to maintain loan yields while reducing deposit costs.

### **Truist Financial (TFC)**

We rate Truist Financial at Marketweight as we view the risk/reward from current spread levels as balanced due to concerns about TFC's cost structure and pro forma regulatory capital levels due to unrealized losses on AFS and HTM securities.

Upside risks to our rating include achieving greater cost savings than targeted, sale of the remaining 80% stake in its insurance business at a premium, favorable moves in interest rates that improve deposit flows, funding costs and valuations on its securities portfolio, and a benign economic environment that reduces the outlook for rising credit losses. Downside risks include poor execution on cost savings plans, decision to not monetize its insurance business to improve capital ratios, further increase in interest rates that hurt valuations of its securities portfolio, and a more severe economic downturn that drives higher credit losses.

### **U.S. Bancorp (USB)**

We rate U.S. Bancorp at Overweight as we see the risk/reward potential among the super regionals as the most favorable given spread underperformance since early March. We view the current level of capital as a temporary issue and expect capital to accrete back to its target CET1 capital ratio range of 8.5-9% given the strength, quality and diversification of USB's earnings power.

Risk to our rating include further substantial increase in interest rates across the curve that could drive further deposit outflows into higher yielding alternatives, which could hurt net interest margin and earnings, and greater unrealized losses on the AFS securities portfolio. Other risks include sensitivity to the economic backdrop, particularly with regard to asset quality of its loan book, and potential downgrade of USB's credit ratings by the ratings agencies.

## **Analyst Certification**

I, Tom Curcuruto, CFA, 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.

## Security/Loan pricing

## Ally Financial Inc. / ALLY

	Amt		Ratings			Yield	Spread
Security		Maturity date	Moody's/S&P/Fitch	Price	Price date	(%)	(bps)
8,, USD, 2031:B	1,995	01-NOV-2031	Baa3/BBB-/BBB-	110.19	30-Jan-2024	6.32	231
2.2,, USD, 2028:B	750	02-NOV-2028	Baa3/BBB-/BBB-	85.34	30-Jan-2024	5.77	174
4.75,, USD, 2027:B	750	09-JUN-2027	Baa3/BBB-/BBB-	97.11	30-Jan-2024	5.71	157
7.1,, USD, 2027:B	750	15-NOV-2027	Baa3/BBB-/BBB-	104.69	30-Jan-2024	5.68	158
6.7,, USD, 2033:B	500	14-FEB-2033	Baa3/BB+/BB+	100.45	30-Jan-2024	6.63	261
6.992,, USD, 2029:B	850	13-JUN-2029	Baa3/BBB-/BBB-	103.37	30-Jan-2024	6.10	205
6.848,, USD, 2030:B	750	03-JAN-2030	Baa3/BBB-/BBB-	102.77	29-Jan-2024	6.19	232

For pricing information refer to "Other Important Disclosures" below.

B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

## Capital One Financial Corporation / COF

	Amt		Ratings			Yield	Spread
Security		Maturity date	Moody's/S&P/Fitch	Price	Price date	(%)	(bps)
3.75,, USD, 2026:B	1,500	28-JUL-2026	Baa1/BBB-/BBB	96.11	30-Jan-2024	5.44	117
3.75,, USD, 2027:B	1,350	09-MAR-2027	Baa1/BBB/A-	95.76	30-Jan-2024	5.24	108
2.359, Subordinated, USD, 2032:B	1,000	29-JUL-2032	Baa1/BBB-/BBB	75.24	30-Jan-2024	6.60	259
1.878,, USD, 2027:B	1,250	02-NOV-2027	Baa1/BBB/A-	90.61	30-Jan-2024	5.60	138
2.636,, USD, 2026:B	1,250	03-MAR-2026	Baa1/BBB/A-	96.58	30-Jan-2024	5.91	115
3.273,, USD, 2030:B	1,250	01-MAR-2030	Baa1/BBB/A-	89.45	30-Jan-2024	5.69	167
4.985,, USD, 2026:B	1,350	24-JUL-2026	Baa1/BBB/A-	99.24	30-Jan-2024	5.52	94
5.468,, USD, 2029:B	1,000	01-FEB-2029	Baa1/BBB/A-	99.56	30-Jan-2024	5.59	152
5.817,, USD, 2034:B	1,250	01-FEB-2034	Baa1/BBB/A-	99.06	30-Jan-2024	5.95	192
6.312,, USD, 2029:B	1,750	08-JUN-2029	Baa1/BBB/A-	102.63	30-Jan-2024	5.62	157
6.377,, USD, 2034:B	1,750	08-JUN-2034	Baa1/BBB/A-	103.06	30-Jan-2024	5.94	190
3.8,, USD, 2028:B	1,400	31-JAN-2028	Baa1/BBB/A-	95.09	30-Jan-2024	5.18	110
7.624,, USD, 2031:B	1,750	30-OCT-2031	Baa1/BBB/A-	108.92	29-Jan-2024	6.00	194

For pricing information refer to "Other Important Disclosures" below.

B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

## Charles Schwab / SCHW

	Amt		Ratings			Yield	Spread
Security		Maturity date	Moody's/S&P/Fitch	Price	Price date	(%)	(bps)
4, Senior, USD, 2029:B	600	01-FEB-2029	A2/A-/A	96.72	30-Jan-2024	4.74	72
4.625, Senior, USD, 2030:B	500	22-MAR-2030	A2/A-/A	99.83	30-Jan-2024	4.66	65
2.3, Senior, USD, 2031:B	750	13-MAY-2031	A2/A-/A	82.95	30-Jan-2024	5.14	113
2, Senior, USD, 2028:B	1,250	20-MAR-2028	A2/A-/A	89.00	30-Jan-2024	4.98	91
2.45, Senior, USD, 2027:B	1,500	03-MAR-2027	A2/A-/A	93.06	30-Jan-2024	4.90	73
2.9, Senior, USD, 2032:B	1,000	03-MAR-2032	A2/A-/A	85.34	30-Jan-2024	5.14	112
6.136, Senior, USD, 2034:B	1,350	24-AUG-2034	A2/A-/A	105.17	30-Jan-2024	5.43	139
5.875, Senior, USD, 2026:B	1,000	24-AUG-2026	A2/A-/A	102.10	30-Jan-2024	4.97	69
5.643, Senior, USD, 2029:B	1,200	19-MAY-2029	A2/A-/A	101.99	30-Jan-2024	5.12	106
5.853, Senior, USD, 2034:B	1,300	19-MAY-2034	A2/A-/A	102.97	30-Jan-2024	5.44	140
6.196, Senior, USD, 2029:B	1,300	17-NOV-2029	A2/A-/A	103.72	29-Jan-2024	5.31	126

For pricing information refer to "Other Important Disclosures" below.

B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

## PNC Financial / PNC

	Amt		Ratings			Yield	Spread
Security		Maturity date	Moody's/S&P/Fitch	Price	Price date	(%)	(bps)
5.939, Senior, USD, 2034:B	750	18-Aug-2034	A3/A-/A-	103.97	30-Jan-2024	5.40	136
3.25, Senior, USD, 2028:B	700	22-Jan-2028	A2/A/A	93.86	30-Jan-2024	4.97	90
4.05, Subordinated, USD, 2028:B	1,250	26-Jul-2028	A3/A/A-	96.11	30-Jan-2024	5.03	99
5.812, Senior, USD, 2026:B	1,000	12-Jun-2026	A3/A-/A-	100.41	30-Jan-2024	5.48	86
5.354, Senior, USD, 2028:B	1,000	02-Dec-2028	A3/A-/A-	100.96	30-Jan-2024	5.07	99
5.582, Senior, USD, 2029:B	2,500	12-Jun-2029	A3/A-/A-	101.84	30-Jan-2024	5.10	105
6.037, Senior, USD, 2033:B	1,500	28-Oct-2033	A3/A-/A-	104.29	30-Jan-2024	5.41	138
5.068, Senior, USD, 2034:B	1,500	24-Jan-2034	A3/A-/A-	97.98	30-Jan-2024	5.35	132
4.626, Subordinated, USD, 2033:B	850	06-Jun-2033	A3/A-/BBB+	93.14	30-Jan-2024	5.67	165



**PNC Financial / PNC**

	Amt		Ratings			Yield	Spread
Security		Maturity date	Moody's/S&P/Fitch	Price	Price date	(%)	(bps)
5.676, Senior, USD, 2035:B	1,500	22-Jan-2035	A3/A-/A	101.61	29-Jan-2024	5.47	133

For pricing information refer to "Other Important Disclosures" below.

B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

**Synchrony Financial / SYF**

	Amt		Ratings			Yield	Spread
Security		Maturity date	Moody's/S&P/Fitch	Price	Price date	(%)	(bps)
3.95, Senior, USD, 2027:B	1,000	01-DEC-2027	NR/BBB-/BBB-	93.12	30-Jan-2024	5.98	190
5.15, Senior, USD, 2029:B	650	19-MAR-2029	NR/BBB-/BBB-	96.41	30-Jan-2024	5.97	195
2.875, Senior, USD, 2031:B	750	28-OCT-2031	NR/BBB-/BBB-	78.80	30-Jan-2024	6.39	238
7.25, Subordinated, USD, 2033:B	750	02-FEB-2033	NR/BB+/BB+	99.30	30-Jan-2024	7.36	333

For pricing information refer to "Other Important Disclosures" below.

B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

**Truist Financial / TFC**

	Amt		Ratings			Yield	Spread
Security		Maturity date	Moody's/S&P/Fitch	Price	Price date	(%)	(bps)
5.9, Senior, USD, 2026:B	750	28-OCT-2026	A3-/A-/A	100.89	30-Jan-2024	5.34	86
6.047, Senior, USD, 2027:B	1,500	08-JUN-2027	A3/A-/A	101.57	30-Jan-2024	5.32	101
4.26, Senior, USD, 2026:B	1,500	28-JUL-2026	A3/A-/A	98.41	30-Jan-2024	5.38	81
4.873, Senior, USD, 2029:B	1,500	26-JAN-2029	A3/A-/A	98.48	30-Jan-2024	5.30	122
6.123, Senior, USD, 2033:B	750	28-OCT-2033	A3-/A-/A	103.51	30-Jan-2024	5.61	158
5.122, Senior, USD, 2034:B	1,500	26-JAN-2034	A3-/A-/A	96.78	30-Jan-2024	5.58	155
5.867, Senior, USD, 2034:B	1,750	08-JUN-2034	A3-/A-/A	102.10	30-Jan-2024	5.57	153
4.916, Subordinated, USD, 2033:B	1,000	28-JUL-2033	A3-/A-/A	93.59	30-Jan-2024	5.88	186
1.5, Senior, USD, 2025:B	1,250	10-MAR-2025	A2-/A/A+	95.84	30-Jan-2024	5.41	66
2.25, Subordinated, USD, 2030:B	1,250	11-MAR-2030	A2/A/A	83.07	30-Jan-2024	5.55	155
5.435, Senior, USD, 2030:B	1,500	24-Jan-2030	A3/A-	100.23	29-Jan-2024	5.26	128
5.711, Senior, USD, 2035:B	2,000	24-Jan-2035	A3/A-	100.14	29-Jan-2024	5.55	151

For pricing information refer to "Other Important Disclosures" below.

B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

**U.S. Bancorp / USB**

	Amt		Ratings			Yield	Spread
Security		Maturity date	Moody's/S&P/Fitch	Price	Price date	(%)	(bps)
2.05, Senior, USD, 2025:B	1,000	21-Jan-2025	A2/A+/A+	97.06	30-Jan-2024	5.19	37
3, , USD, 2029:B	1,000	30-Jul-2029	A3/A-/A-	89.82	30-Jan-2024	5.15	114
4.967, , USD, 2033:B	1,300	22-Jul-2033	A3/A-/A-	94.72	30-Jan-2024	5.76	174
4.653, , USD, 2029:B	1,650	01-Feb-2029	A3/A/A	98.20	30-Jan-2024	5.15	108
4.839, , USD, 2034:B	2,000	01-Feb-2034	A3/A/A	95.74	30-Jan-2024	5.44	141
5.775, , USD, 2029:B	1,750	12-Jun-2029	A3/A/A	102.25	30-Jan-2024	5.19	114
5.836, , USD, 2034:B	1,750	12-Jun-2034	A3/A/A	102.58	30-Jan-2024	5.48	144
2.8, Senior, USD, 2025:B	1,000	27-Jan-2025	A2/A+/A+	97.75	30-Jan-2024	5.17	36
5.384, Senior, USD, 2030:B	1,500	23-Jan-2030	A3/A/A	100.82	29-Jan-2024	5.15	116
5.678, , -, 2025:B	2,000	23-Jan-2025	A3/A/A	100.80	29-Jan-2024	5.50	146

For pricing information refer to "Other Important Disclosures" below.

B=Bond; L=Loan; CS=Capital Security (Not including Equity Preferred); CDS=Credit Default Swap; EP=Equity Preferred

# Disclosures

## Important Disclosures

**BofA Global Research Credit Opinion Key**

BofA Global Research provides recommendations on an issuer's bonds (including corporate and sovereign external debt securities), loans, capital securities, equity preferreds and CDS as described below. Convertible securities are not rated. An issuer level recommendation may also be provided for an issuer as explained below. BofA Global Research credit recommendations are assigned using a three-month time horizon.

**Issuer Recommendations:** If an issuer credit recommendation is provided, it is applicable to bonds and capital securities of the issuer except bonds and capital securities specifically referenced in the report with a different credit recommendation. Where there is no issuer credit recommendation, only individual bonds and capital securities with specific recommendations are covered.

Loans, CDS and equity preferreds are rated separately and issuer recommendations do not apply to them.



BofA Global Research credit recommendations are assigned using a three-month time horizon:

**Overweight:** Spreads and/or excess returns are likely to outperform the relevant and comparable market over the next three months.

**Marketweight:** Spreads and/or excess returns are likely to perform in-line with the relevant and comparable market over the next three months.

**Underweight:** Spreads and/or excess returns are likely to underperform the relevant and comparable market over the next three months.

BofA Global Research uses the following rating system with respect to **Credit Default Swaps (CDS)**:

**Buy Protection:** Buy CDS, therefore going short credit risk.

**Neutral:** No purchase or sale of CDS is recommended.

**Sell Protection:** Sell CDS, therefore going long credit risk.

#### Corporate Credit Issuer Investment Rating Distribution: Global Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	144	37.21%	Buy	119	82.64%
Hold	193	49.87%	Hold	163	84.46%
Sell	50	12.92%	Sell	37	74.00%

<sup>R1</sup> 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 corporate credit issuer recommendations. A corporate credit issuer rated Overweight is included as a Buy, a corporate credit issuer rated Marketweight is included as a Hold, and a corporate credit issuer rated Underweight is included as a Sell.

Credit Opinion History Tables for the securities referenced in this research report are available on the [Price Charts and Credit Opinion History Tables website](#), or call 1-800-MERRILL to have them mailed.

BofAS or an affiliate was a manager of a public offering of securities of this issuer within the last 12 months: Ally Financial, Capital One, Charles Schwab, PNC, Truist Financial.

The issuer is or was, within the last 12 months, an investment banking client of BofAS and/or one or more of its affiliates: Ally Financial, Capital One, Charles Schwab, PNC, Synchrony Financial, Truist Financial, U.S. Bancorp.

BofAS or an affiliate has received compensation from the issuer for non-investment banking services or products within the past 12 months: Ally Financial, Capital One, Charles Schwab, PNC, Synchrony Financial, Truist Financial, U.S. Bancorp.

The issuer is or was, within the last 12 months, a non-securities business client of BofAS and/or one or more of its affiliates: Ally Financial, Capital One, Charles Schwab, PNC, Synchrony Financial, Truist Financial, U.S. Bancorp.

BofAS or an affiliate has received compensation for investment banking services from this issuer within the past 12 months: Ally Financial, Capital One, Charles Schwab, PNC, Synchrony Financial, Truist Financial, U.S. Bancorp.

BofAS or an affiliate expects to receive or intends to seek compensation for investment banking services from this issuer or an affiliate of the issuer within the next three months: Ally Financial, Capital One, Charles Schwab, PNC, Synchrony Financial, Truist Financial, U.S. Bancorp.

BofAS together with its affiliates beneficially owns one percent or more of the common stock of this issuer. If this report was issued on or after the 9th day of the month, it reflects the ownership position on the last day of the previous month. Reports issued before the 9th day of a month reflect the ownership position at the end of the second month preceding the date of the report: Capital One, Charles Schwab, PNC, Synchrony Financial, Truist Financial, U.S. Bancorp.

BofAS or one of its affiliates has a significant financial interest in the fixed income instruments of the issuer. If this report was issued on or after the 15th day of the month, it reflects a significant financial interest on the last day of the previous month. Reports issued before the 15th day of the month reflect a significant financial interest at the end of the second month preceding the report: Ally Financial, Capital One, PNC, Synchrony Financial, U.S. Bancorp.

BofAS or one of its affiliates trades or may trade as principal in the debt securities (or in related derivatives) that are the subject of this research report: Ally Financial, Capital One, Charles Schwab, PNC, Synchrony Financial, Truist Financial, U.S. Bancorp.

The issuer is or was, within the last 12 months, a securities business client (non-investment banking) of BofAS and/or one or more of its affiliates: Ally Financial, Capital One, Charles Schwab, PNC, Synchrony Financial, Truist Financial, U.S. Bancorp.

BofA Global Research personnel (including the analyst(s) responsible for this report) receive compensation based upon, among other factors, the overall profitability of Bank of America Corporation, including profits derived from investment banking. The analyst(s) responsible for this report may also receive compensation based upon, among other factors, the overall profitability of the Bank's sales and trading businesses relating to the class of securities or financial instruments for which such analyst is responsible.

BofA Securities fixed income analysts regularly interact with sales and trading desk personnel in connection with their research, including to ascertain pricing and liquidity in the fixed income markets.

## Other Important Disclosures

From time to time research analysts conduct site visits of covered issuers. BofA Global Research policies prohibit research analysts from accepting payment or reimbursement for travel expenses from the issuer for such visits.

Prices are indicative and for information purposes only. Except as otherwise stated in the report, for any recommendation in relation to an equity security, the price referenced is the publicly traded price of the security as of close of business on the day prior to the date of the report or, if the report is published during intraday trading, the price referenced is indicative of the traded price as of the date and time of the report and in relation to a debt security (including equity preferred and CDS), prices are indicative as of the date and time of the report and are from various sources including BofA Securities trading desks.

The date and time of completion of the production of any recommendation in this report shall be the date and time of dissemination of this report as recorded in the report timestamp.

This report may refer to fixed income securities or other financial instruments that may not be offered or sold in one or more states or jurisdictions, or to certain categories of investors, including retail investors. Readers of this report are advised that any discussion, recommendation or other mention of such instruments is not a solicitation or offer to transact in such instruments. Investors should contact their BofA Securities representative or Merrill Global Wealth Management financial advisor for information relating to such instruments.

Rule 144A securities may be offered or sold only to persons in the U.S. who are Qualified Institutional Buyers within the meaning of Rule 144A under the Securities Act of 1933, as amended. SECURITIES OR OTHER FINANCIAL INSTRUMENTS DISCUSSED HEREIN MAY BE RATED BELOW INVESTMENT GRADE AND SHOULD THEREFORE ONLY BE CONSIDERED FOR INCLUSION IN ACCOUNTS QUALIFIED FOR SPECULATIVE INVESTMENT.

Recipients who are not institutional investors or market professionals should seek the advice of their independent financial advisor before considering information in this report in connection with any investment decision, or for a necessary explanation of its contents.

The securities or other financial instruments discussed in this report may be traded over-the-counter. Retail sales and/or distribution of this report may be made only in states where these instruments are exempt from registration or have been qualified for sale.

Officers of BofAS or one or more of its affiliates (other than research analysts) may have a financial interest in securities of the issuer(s) or in related investments.

This report, and the securities or other financial instruments discussed herein, may not be eligible for distribution or sale in all countries or to certain categories of investors, including retail investors.

**Information relating to Affiliates of BofAS, MLPF&S and Distribution of Affiliate Research Reports:**

Refer to [BofA Global Research policies relating to conflicts of interest](#).

**"BofA Securities" includes BofA Securities, Inc. ("BofAS") and its affiliates. Investors should contact their BofA Securities representative or Merrill Global Wealth Management**



financial advisor if they have questions concerning this report or concerning the appropriateness of any investment idea described herein for such investor. "BofA Securities" is a global brand for BofA Global Research.

BofAS and/or Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") may in the future distribute, information of the following non-US affiliates in the US (short name: legal name, regulator): Merrill Lynch (South Africa): Merrill Lynch South Africa (Pty) Ltd., regulated by The Financial Service Board; MLI (UK): Merrill Lynch International, regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA); BofASE (France): BofA Securities Europe SA is authorized by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the ACPR and the Autorité des Marchés Financiers (AMF). BofA Securities Europe SA ("BofASE") with registered address at 51, rue La Boétie, 75008 Paris is registered under no 842 602 690 RCS Paris. In accordance with the provisions of French Code Monétaire et Financier (Monetary and Financial Code), BofASE is an établissement de crédit et d'investissement (credit and investment institution) that is authorised and supervised by the European Central Bank and the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the ACPR and the Autorité des Marchés Financiers. BofASE's share capital can be found at [www.bofam.com/BofASEdisclaimer](http://www.bofam.com/BofASEdisclaimer); BofA Europe (Milan): Bank of America Europe Designated Activity Company, Milan Branch, regulated by the Bank of Italy, the European Central Bank (ECB) and the Central Bank of Ireland (CBI); BofA Europe (Frankfurt): Bank of America Europe Designated Activity Company, Frankfurt Branch regulated by BaFin, the ECB and the CBI; BofA Europe (Madrid): Bank of America Europe Designated Activity Company, Sucursal en España, regulated by the Bank of Spain, the ECB and the CBI; Merrill Lynch (Australia): Merrill Lynch Equities (Australia) Limited, regulated by the Australian Securities and Investments Commission; Merrill Lynch (Hong Kong): Merrill Lynch (Asia Pacific) Limited, regulated by the Hong Kong Securities and Futures Commission (HKSF); Merrill Lynch (Singapore): Merrill Lynch (Singapore) Pte Ltd, regulated by the Monetary Authority of Singapore (MAS); Merrill Lynch (Canada): Merrill Lynch Canada Inc, regulated by the Canadian Investment Regulatory Organization; Merrill Lynch (Mexico): Merrill Lynch Mexico, SA de CV, Casa de Bolsa, regulated by the Comisión Nacional Bancaria y de Valores; Merrill Lynch (Argentina): Merrill Lynch Argentina SA, regulated by Comisión Nacional de Valores; BofAS Japan: BofA Securities Japan Co., Ltd., regulated by the Financial Services Agency; Merrill Lynch (Seoul): Merrill Lynch International, LLC Seoul Branch, regulated by the Financial Supervisory Service; Merrill Lynch (Taiwan): Merrill Lynch Securities (Taiwan) Ltd., regulated by the Securities and Futures Bureau; BofAS India: BofA Securities India Limited, regulated by the Securities and Exchange Board of India (SEBI); Merrill Lynch (Israel): Merrill Lynch Israel Limited, regulated by Israel Securities Authority; Merrill Lynch (DIFC): Merrill Lynch International (DIFC Branch), regulated by the Dubai Financial Services Authority (DFSA); Merrill Lynch (Brazil): Merrill Lynch S.A. Corretora de Títulos e Valores Mobiliários, regulated by Comissão de Valores Mobiliários; Merrill Lynch KSA Company: Merrill Lynch Kingdom of Saudi Arabia Company, regulated by the Capital Market Authority.

This information has been approved for publication and is distributed in the United Kingdom (UK) to professional clients and eligible counterparties (as each is defined in the rules of the FCA and the PRA) by MLI (UK), which is authorized by the PRA and regulated by the FCA and the PRA - details about the extent of our regulation by the FCA and PRA are available from us on request; has been approved for publication and is distributed in the European Economic Area (EEA) by BofASE (France), which is authorized by the ACPR and regulated by the ACPR and the AMF; has been considered and distributed in Japan by BofAS Japan, a registered securities dealer under the Financial Instruments and Exchange Act in Japan, or its permitted affiliates; is issued and distributed in Hong Kong by Merrill Lynch (Hong Kong) which is regulated by HKSF; is issued and distributed in Taiwan by Merrill Lynch (Taiwan); is issued and distributed in India by BofAS India; and is issued and distributed in Singapore to institutional investors and/or accredited investors (each as defined under the Financial Advisers Regulations) by Merrill Lynch (Singapore) (Company Registration No 198602883D). Merrill Lynch (Singapore) is regulated by MAS. Merrill Lynch Equities (Australia) Limited (ABN 65 006 276 795), AFS License 235132 (MLEA) distributes this information in Australia only to 'Wholesale' clients as defined by s.761G of the Corporations Act 2001. With the exception of Bank of America N.A., Australia Branch, neither MLEA nor any of its affiliates involved in preparing this information is an Authorised Deposit-Taking Institution under the Banking Act 1959 nor regulated by the Australian Prudential Regulation Authority. No approval is required for publication or distribution of this information in Brazil and its local distribution is by Merrill Lynch (Brazil) in accordance with applicable regulations. Merrill Lynch (DIFC) is authorized and regulated by the DFSA. Information prepared and issued by Merrill Lynch (DIFC) is done so in accordance with the requirements of the DFSA conduct of business rules. BofA Europe (Frankfurt) distributes this information in Germany and is regulated by BaFin, the ECB and the CBI. BofA Securities entities, including BofA Europe and BofASE (France), may outsource/delegate the marketing and/or provision of certain research services or aspects of research services to other branches or members of the BofA Securities group. You may be contacted by a different BofA Securities entity acting for and on behalf of your service provider where permitted by applicable law. This does not change your service provider. Please refer to the [Electronic Communications Disclaimers](#) for further information.

This information has been prepared and issued by BofAS and/or one or more of its non-US affiliates. The author(s) of this information may not be licensed to carry on regulated activities in your jurisdiction and, if not licensed, do not hold themselves out as being able to do so. BofAS and/or MLPF&S is the distributor of this information in the US and accepts full responsibility for information distributed to BofAS and/or MLPF&S clients in the US by its non-US affiliates. Any US person receiving this information and wishing to effect any transaction in any security discussed herein should do so through BofAS and/or MLPF&S and not such foreign affiliates. Hong Kong recipients of this information should contact Merrill Lynch (Asia Pacific) Limited in respect of any matters relating to dealing in securities or provision of specific advice on securities or any other matters arising from, or in connection with, this information. Singapore recipients of this information should contact Merrill Lynch (Singapore) Pte Ltd in respect of any matters arising from, or in connection with, this information. For clients that are not accredited investors, expert investors or institutional investors Merrill Lynch (Singapore) Pte Ltd accepts full responsibility for the contents of this information distributed to such clients in Singapore.

#### General Investment Related Disclosures:

Taiwan Readers: Neither the information nor any opinion expressed herein constitutes an offer or a solicitation of an offer to transact in any securities or other financial instrument. No part of this report may be used or reproduced or quoted in any manner whatsoever in Taiwan by the press or any other person without the express written consent of BofA Securities.

This document provides general information only, and has been prepared for, and is intended for general distribution to, BofA Securities clients. Neither the information nor any opinion expressed constitutes an offer or an invitation to make an offer, to buy or sell any securities or other financial instrument or any derivative related to such securities or instruments (e.g., options, futures, warrants, and contracts for differences). This document is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of, and is not directed to, any specific person(s). This document and its content do not constitute, and should not be considered to constitute, investment advice for purposes of ERISA, the US tax code, the Investment Advisers Act or otherwise. Investors should seek financial advice regarding the appropriateness of investing in financial instruments and implementing investment strategies discussed or recommended in this document and should understand that statements regarding future prospects may not be realized. Any decision to purchase or subscribe for securities in any offering must be based solely on existing public information on such security or the information in the prospectus or other offering document issued in connection with such offering, and not on this document.

Securities and other financial instruments referred to herein, or recommended, offered or sold by BofA Securities, are not insured by the Federal Deposit Insurance Corporation and are not deposits or other obligations of any insured depository institution (including Bank of America, N.A.). Investments in general and, derivatives, in particular, involve numerous risks, including, among others, market risk, counterparty default risk and liquidity risk. No security, financial instrument or derivative is suitable for all investors. Digital assets are extremely speculative, volatile and are largely unregulated. In some cases, securities and other financial instruments may be difficult to value or sell and reliable information about the value or risks related to the security or financial instrument may be difficult to obtain. Investors should note that income from such securities and other financial instruments, if any, may fluctuate and that price or value of such securities and instruments may rise or fall and, in some cases, investors may lose their entire principal investment. Past performance is not necessarily a guide to future performance. Levels and basis for taxation may change.

BofA Securities is aware that the implementation of the ideas expressed in this report may depend upon an investor's ability to "short" securities or other financial instruments and that such action may be limited by regulations prohibiting or restricting "shortselling" in many jurisdictions. Investors are urged to seek advice regarding the applicability of such regulations prior to executing any short idea contained in this report.

This report may contain a trading idea or recommendation which highlights a specific identified near-term catalyst or event impacting a security, issuer, industry sector or the market generally that presents a transaction opportunity, but does not have any impact on the analyst's particular "Overweight" or "Underweight" rating (which is based on a three month trade horizon). Trading ideas and recommendations may differ directionally from the analyst's rating on a security or issuer because they reflect the impact of a near-term catalyst or event.

Foreign currency rates of exchange may adversely affect the value, price or income of any security or financial instrument mentioned in this report. Investors in such securities and instruments effectively assume currency risk.

BofAS or one of its affiliates is a regular issuer of traded financial instruments linked to securities that may have been recommended in this report. BofAS or one of its affiliates may, at any time, hold a trading position (long or short) in the securities and financial instruments discussed in this report.

BofA Securities, through business units other than BofA Global Research, may have issued and may in the future issue trading ideas or recommendations that are inconsistent with, and reach different conclusions from, the information presented herein. Such ideas or recommendations may reflect different time frames, assumptions, views and analytical methods of the persons who prepared them, and BofA Securities is under no obligation to ensure that such other trading ideas or recommendations are brought to the attention of any recipient of this information.

In the event that the recipient received this information pursuant to a contract between the recipient and BofAS for the provision of research services for a separate fee, and in connection therewith BofAS may be deemed to be acting as an investment adviser, such status relates, if at all, solely to the person with whom BofAS has contracted directly and does not extend beyond the delivery of this report (unless otherwise agreed specifically in writing by BofAS). If such recipient uses the services of BofAS in connection with the sale or purchase of a security referred to

herein, BofAS may act as principal for its own account or as agent for another person. BofAS is and continues to act solely as a broker-dealer in connection with the execution of any transactions, including transactions in any securities referred to herein.

#### Copyright and General Information:

Copyright 2024 Bank of America Corporation. All rights reserved. IQdatabase® is a registered service mark of Bank of America Corporation. This information is prepared for the use of BofA Securities clients and may not be redistributed, retransmitted or disclosed, in whole or in part, or in any form or manner, without the express written consent of BofA Securities. BofA Global Research information is distributed simultaneously to internal and client websites and other portals by BofA Securities and is not publicly-available material. Any unauthorized use or disclosure is prohibited. Receipt and review of this information constitutes your agreement not to redistribute, retransmit, or disclose to others the contents, opinions, conclusion, or information contained herein (including any investment recommendations, estimates or price targets) without first obtaining express permission from an authorized officer of BofA Securities.

Materials prepared by BofA Global Research personnel are based on public information. Facts and views presented in this material have not been reviewed by, and may not reflect information known to, professionals in other business areas of BofA Securities, including investment banking personnel. BofA Securities has established information barriers between BofA Global Research and certain business groups. As a result, BofA Securities does not disclose certain client relationships with, or compensation received from, such issuers. To the extent this material discusses any legal proceeding or issues, it has not been prepared as nor is it intended to express any legal conclusion, opinion or advice. Investors should consult their own legal advisers as to issues of law relating to the subject matter of this material. BofA Global Research personnel's knowledge of legal proceedings in which any BofA Securities entity and/or its directors, officers and employees may be plaintiffs, defendants, co-defendants or co-plaintiffs with or involving issuers mentioned in this material is based on public information. Facts and views presented in this material that relate to any such proceedings have not been reviewed by, discussed with, and may not reflect information known to, professionals in other business areas of BofA Securities in connection with the legal proceedings or matters relevant to such proceedings.

This information has been prepared independently of any issuer of securities mentioned herein and not in connection with any proposed offering of securities or as agent of any issuer of any securities. None of BofAS any of its affiliates or their research analysts has any authority whatsoever to make any representation or warranty on behalf of the issuer(s). BofA Global Research policy prohibits research personnel from disclosing a recommendation, investment rating, or investment thesis for review by an issuer prior to the publication of a research report containing such rating, recommendation or investment thesis.

Any information relating to the tax status of financial instruments discussed herein is not intended to provide tax advice or to be used by anyone to provide tax advice. Investors are urged to seek tax advice based on their particular circumstances from an independent tax professional.

The information herein (other than disclosure information relating to BofA Securities and its affiliates) was obtained from various sources and we do not guarantee its accuracy. This information may contain links to third-party websites. BofA Securities is not responsible for the content of any third-party website or any linked content contained in a third-party website. Content contained on such third-party websites is not part of this information and is not incorporated by reference. The inclusion of a link does not imply any endorsement by or any affiliation with BofA Securities. Access to any third-party website is at your own risk, and you should always review the terms and privacy policies at third-party websites before submitting any personal information to them. BofA Securities is not responsible for such terms and privacy policies and expressly disclaims any liability for them.

All opinions, projections and estimates constitute the judgment of the author as of the date of publication and are subject to change without notice. Prices also are subject to change without notice. BofA Securities is under no obligation to update this information and BofA Securities ability to publish information on the subject issuer(s) in the future is subject to applicable quiet periods. You should therefore assume that BofA Securities will not update any fact, circumstance or opinion contained herein.

Subject to the quiet period applicable under laws of the various jurisdictions in which we distribute research reports and other legal and BofA Securities policy-related restrictions on the publication of research reports, fundamental equity reports are produced on a regular basis as necessary to keep the investment recommendation current.

Certain outstanding reports or investment opinions relating to securities, financial instruments and/or issuers may no longer be current. Always refer to the most recent research report relating to an issuer prior to making an investment decision.

In some cases, an issuer may be classified as Restricted or may be Under Review or Extended Review. In each case, investors should consider any investment opinion relating to such issuer (or its security and/or financial instruments) to be suspended or withdrawn and should not rely on the analyses and investment opinion(s) pertaining to such issuer (or its securities and/or financial instruments) nor should the analyses or opinion(s) be considered a solicitation of any kind. Sales persons and financial advisors affiliated with BofAS or any of its affiliates may not solicit purchases of securities or financial instruments that are Restricted or Under Review and may only solicit securities under Extended Review in accordance with firm policies.

Neither BofA Securities nor any officer or employee of BofA Securities accepts any liability whatsoever for any direct, indirect or consequential damages or losses arising from any use of this information.