

## Global Research Marketing

## US BofA Financials Conference: What did we learn?

**Banks: Investors biased towards larger-cap**

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

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

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

**Optimism in reinsurance, personal lines pivoting to growth**

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

**Agree with Alt CEO bullishness; still positive after run**

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

26 February 2024

Equity  
Global  
Financials

**Thomas (T.J.) Thornton**  
Head of Research Marketing  
BofAS  
+1 646 855 2449  
[thomas.thornton2@bofa.com](mailto:thomas.thornton2@bofa.com)

**Ebrahim H. Poonawala**  
Research Analyst  
BofAS

**Craig Siegenthaler, CFA**  
Research Analyst  
BofAS

**Joshua Shanker**  
Research Analyst  
BofAS

**Mihir Bhatia**  
Research Analyst  
BofAS

**Jason Kupferberg**  
Research Analyst  
BofAS

**Brandon Berman**  
Research Analyst  
BofAS

**Joseph Tumillo, CFA**  
Research Analyst  
BofAS

Trading ideas and investment strategies discussed herein may give rise to significant risk and are not suitable for all investors. Investors should have experience in relevant markets and the financial resources to absorb any losses arising from applying these ideas or strategies.

**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 11 to 14. Analyst Certification on page 8. Price Objective Basis/Risk on page 6.**

12663325

Timestamp: 26 February 2024 12:10PM EST

## Selective green shoots for brokers & exchanges

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

## Banks Continued: Mgmt. updates suggest EPS resiliency

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

## Key Notes from the Financials Conference

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

Takeaways from management meetings at Financial Services Conference

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

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

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

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

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

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

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



**Stocks mentioned**

Prices and ratings for stocks mentioned in this report

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

Source: BofA Global Research

**Price objective basis & risk****Bread Financial Holdings Inc (BFH)**

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

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

**Citigroup Inc. (C)**

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

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

**FleetCor Technologies Inc. (FLT)**

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

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

**Goldman Sachs (GS)**

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

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

### **KeyCorp (KEY)**

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

### **MGIC Investment Corp. (MTG)**

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

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

### **Morgan Stanley (MS)**

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

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

### **OneMain Holdings, Inc. (OMF)**

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

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

### **The Bank of New York Mellon Corporation (BK)**

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

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

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

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

to the macro backdrop.

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

### **Western Union (WU)**

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

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

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

## **Analyst Certification**

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

## **Special Disclosures**

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

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



## North America - Banks Coverage Cluster

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

## North America - Banks Coverage Cluster

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

## UNDERPERFORM

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

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

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

## NEUTRAL

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

## UNDERPERFORM

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

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

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

## Disclosures

### Important Disclosures

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

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	100	49.75%	Buy	84	84.00%
Hold	54	26.87%	Hold	41	75.93%
Sell	47	23.38%	Sell	35	74.47%

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

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	156	53.79%	Buy	94	60.26%
Hold	72	24.83%	Hold	48	66.67%
Sell	62	21.38%	Sell	35	56.45%

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

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	45	50.56%	Buy	25	55.56%
Hold	26	29.21%	Hold	13	50.00%
Sell	18	20.22%	Sell	7	38.89%

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

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	215	53.09%	Buy	111	51.63%
Hold	97	23.95%	Hold	45	46.39%
Sell	93	22.96%	Sell	24	25.81%

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

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	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%

<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 stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

**FUNDAMENTAL EQUITY OPINION KEY:** Opinions include a Volatility Risk Rating, an Investment Rating and an Income Rating. **VOLATILITY RISK RATINGS**, indicators of potential price fluctuation, are: A - Low, B - Medium and C - High. **INVESTMENT RATINGS** reflect the analyst's assessment of both a stock's absolute total return potential as well as its attractiveness for investment relative to other stocks within its Coverage Cluster (defined below). Our investment ratings are: 1 - Buy stocks are expected to have a total return of at least 10% and are the most attractive stocks in the coverage cluster; 2 - Neutral stocks are expected to remain flat or increase in value and are less attractive than Buy rated stocks and 3 - Underperform stocks are the least attractive stocks in a coverage cluster. An investment rating of 6 (No Rating) indicates that a stock is no longer trading on the basis of fundamentals. Analysts assign investment ratings considering, among other things, the 0-12 month total return expectation for a stock and the firm's guidelines for ratings dispersions (shown in the table below). The current price objective for a stock should be referenced to better understand the total return expectation at any given time. The price objective reflects the analyst's view of the potential price appreciation (depreciation).

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

<sup>R2</sup> Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

**INCOME RATINGS**, indicators of potential cash dividends, are: 7 - same/higher (dividend considered to be secure), 8 - same/lower (dividend not considered to be secure) and 9 - pays no cash dividend. **Coverage Cluster** is comprised of stocks covered by a single analyst or two or more analysts sharing a common industry, sector, region or other classification(s). A stock's coverage cluster is included in the most recent BofA Global Research report referencing the stock.

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



One or more analysts contributing to this report owns stock of the covered issuer: KeyCorp, Morgan Stanley

BofAS or one of its affiliates acts as a market maker for the equity securities recommended in the report: BNY Mellon, Bread Financial, Citigroup, FleetCor, Goldman Sachs, KeyCorp, MGIC Investment, Morgan Stanley, OneMain Holdings, Truist Financial, Western Union.

BofAS or an affiliate was a manager of a public offering of securities of this issuer within the last 12 months: 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: Bank of New York Mel, Bread Financial, Citigroup, FleetCor Technologie, Goldman Sachs, KeyCorp, MGIC Investment Corp, Morgan Stanley, OneMain Holdings, Truist Financial, Western Union.

BofAS or an affiliate has received compensation from the issuer for non-investment banking services or products within the past 12 months: Bank of New York Mel, Bread Financial, Citigroup, FleetCor Technologie, Goldman Sachs, KeyCorp, Morgan Stanley, OneMain Holdings, Truist Financial, Western Union.

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: Bank of New York Mel, Bread Financial, Citigroup, FleetCor Technologie, Goldman Sachs, KeyCorp, Morgan Stanley, OneMain Holdings, Truist Financial, Western Union.

BofAS or an affiliate has received compensation for investment banking services from this issuer within the past 12 months: Bank of New York Mel, Bread Financial, Citigroup, FleetCor Technologie, Goldman Sachs, KeyCorp, MGIC Investment Corp, Morgan Stanley, Truist Financial, Western Union.

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: Bank of New York Mel, Citigroup, Goldman Sachs, KeyCorp, Morgan Stanley, OneMain Holdings, Truist Financial, Western Union.

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: Citigroup, Goldman Sachs, KeyCorp, Morgan Stanley, Truist Financial.

BofAS or one of its affiliates is willing to sell to, or buy from, clients the common equity of the issuer on a principal basis: BNY Mellon, Bread Financial, Citigroup, FleetCor, Goldman Sachs, KeyCorp, MGIC Investment, Morgan Stanley, OneMain Holdings, Truist Financial, Western Union.

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: Bank of New York Mel, Bread Financial, Citigroup, FleetCor Technologie, Goldman Sachs, KeyCorp, Morgan Stanley, OneMain Holdings, Truist Financial, Western Union.

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.

## 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.

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.

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.

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.**

### Information relating to Non-US affiliates of BofA Securities and Distribution of Affiliate Research Reports:

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.bofaml.com/BofASEdisclaimer](http://www.bofaml.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.

This report may contain a short-term trading idea or recommendation, which highlights a specific near-term catalyst or event impacting the issuer or the market that is anticipated to have a short-term price impact on the equity securities of the issuer. Short-term trading ideas and recommendations are different from and do not affect a stock's fundamental equity rating, which reflects both a longer term total return expectation and attractiveness for investment relative to other stocks within its Coverage Cluster. Short-term trading ideas and recommendations may be more or less positive than a stock's fundamental equity rating.

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.

Foreign currency rates of exchange may adversely affect the value, price or income of any security or financial instrument mentioned herein. Investors in such securities and instruments, including ADRs, 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.

#### BofA ESGMeter Methodology:

ESGMeter is a proprietary metric based on quantitative analysis and fundamental analyst inputs that reflects our assessment of a company's Environmental, Social and Governance-related attributes. The ESGMeter is intended to indicate a company's likelihood of experiencing stronger financial stability (higher return on equity and lower earnings and price volatility) over the next three years relative to peer group. There are three ESGMeter levels - Low, Medium, and High - which indicate whether a company has attributes most likely to translate into superior financial stability (in the case of a High level) or weaker financial stability (in the case of a Low level) over the next three years relative to its peer group. A Medium level suggests that a company exhibits ESG characteristics that are likely associated with financial stability results in line with its peer group over the next three years. Full details of our methodology, financial stability definition and disclaimers are available at [BofA ESGMeter methodology](#). ESGMeter is not indicative of a company's future stock price performance and is not an investment recommendation or rating. ESGMeter is independent of the BofA Global Research fundamental equity analyst's investment rating, volatility risk rating, income rating or price objective for that company.

#### 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.