

## US Mid-cap Banks

## 4Q23 Review: Bank of Hawaii Corp &amp; Zions Bancorp

## Industry Overview

**BOH: Status quo (outlook reverts to previous trajectory)**

Shares of BOH turned negative intraday on Monday following the higher-than-expected 2024 expense growth outlook. Meanwhile, mgmt's muffled response regarding the NIM trajectory (beyond 1Q24) in a lower rate environment didn't help.

Expenses are expected to increase 2-2.5% YoY in 2024 (vs consensus +1.7%), primarily driven by continued inflationary pressures. Putting aside the higher implied expense total, we were taken aback by the increase in growth rate (+2.25% vs +1.3% in 2023). After all, BOH had done a tremendous job managing expenses in 2023 below its +4% original outlook. Interestingly, the outlook for 2024 implies expenses would be stable/lower YoY vs mgmt's original 2023 guidance.

Mgmt expects the NIM to expand 2-4bp QoQ in 1Q. (Note: If 4Q NIM had expanded 3-5bp as expected, instead of remaining unchanged, 1Q outlook would imply stable NIM QoQ). Meanwhile, asset yields are expected to continue to benefit from accretive reinvestment opportunities. BOH has ~\$10bn in earning assets either repricing or maturing over the NTM with spreads that are +200-400bp vs back-book yields. Moreover, deposit repricing (albeit on a lag) should also help to offset the impact of interest rate cuts on variable-rate loans (29% at 4Q23). We forecast average NIM of 2.19% in 2024. Coupled with +2% loan growth, NII is expected to decline 5% YoY.

We modestly increase our 2024e EPS by 1% to \$3.68 (from \$3.63), entirely due to lower credit costs. BOH trades at a premium vs peers (19x our 2024e vs 11x peer median) despite a below average return profile. Reiterate our Underperform rating and \$46 PO.

**ZION: Credit drives EPS beat & raise**

Lower credit costs drive 4Q23 EPS beat as well as upward revision to our 2024e EPS estimate. (ZION reported core 4Q23 EPS of \$1.30 vs our/consensus \$1.05/0.98 estimate). That said, 2024 NII outlook (slightly decreasing YoY) was better-than-feared. The latter was likely responsible for the 250bp intraday increase in the stock price. We are raising our 2024e EPS by 16% to \$4.45 (from \$3.83), entirely due to lower provisions. Credit aside, we lowered our PPNR growth assumptions by 1% (implies -10% YoY).

FY2024 NII expected to decline slightly (i.e., -2% to -3%), less than -6% consensus forecast. Embedded within its outlook, Mgmt expects loans to remain relatively stable YoY, citing softening demand. We note ZION sounded more cautious on the economic backdrop vs peers. (Average mid-cap bank has guided to mid-single digit loan growth). Meanwhile, asset yields are expected to expand by up to 5bp per quarter for the next couple of quarters before being negatively impacted by lower rates. Finally, deposit costs should remain under control as mgmt balances funding needs against rate. We forecast NII to decline 4% in 2024.

Despite revising up our 2024e, we remain cautious on the stock and see better relative risk/reward elsewhere within our coverage. We reiterate our Underperform rating and \$41 PO.

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**Acronyms:****NII:** net interest income**NIM:** net interest margin**NTM:** next 12 months**PPNR:** pre-provision net revenue**Tickers mentioned:****BOH:** Bank of Hawaii Corp**ZION:** Zions Bancorp NA

**Exhibit 1: Bank of Hawaii (BOH) variance table**

New vs old EPS estimates, assumptions (\$ in millions unless noted)

KEY FORECAST VARIABLES:	3Q23	Actual 4Q23	Estimate 4Q23E	Variance	New 2024E	Old 2024E	Variance	New 2025E	Old 2025E	Variance
EOP Loans	13,921	13,968	13,964	0.03%	14,231	14,444	-1.48%	14,693	14,915	-1.49%
Average Loans	13,907	13,910	13,943	-0.23%	14,093	14,191	-0.69%	14,462	14,679	-1.48%
Average Earning Assets	22,709	21,802	21,763	0.18%	21,582	22,070	-2.21%	22,218	21,715	2.32%
Net Interest Margin (%)	2.13	2.13	2.16	-3bp	2.19	2.19	0bp	2.29	2.34	-5bp
Net Interest Income (FTE)	121.4	116.4	118.4	-1.67%	473.3	483.1	-2.03%	508.1	507.3	0.17%
Loan Loss Provision	2.0	2.5	5.8	-56.95%	11.7	27.2	-57.18%	21.8	21.9	-0.31%
Noninterest Revenues	43.2	43.9	41.3	6.35%	172.1	169.0	1.86%	174.5	171.3	1.86%
Securities Transactions	(2.1)	(1.6)	0.0	NA	0.0	0.0	NA	0.0	0.0	NA
Tot. Revenue	162	159	160	-0.61%	645	652	-1.02%	683	679	0.60%
Staff Expenses	58.8	54.0	58.2	-7.29%	240.9	245.5	-1.87%	248.1	252.8	-1.87%
Other Expenses	44.3	49.0	44.6	9.72%	187.2	181.1	3.37%	188.9	182.7	3.37%
Total Expenses	103.1	103.0	102.9	0.09%	428.1	426.5	0.36%	437.0	435.6	0.33%
Pre-Tax Income (FTE)	57.3	53.2	51.0	4.39%	205.7	198.3	3.71%	223.8	221.1	1.20%
FTE Tax Rate (%)	24.7	23.7	24.5	-1pp	24.5	23.2	1pp	24.5	23.2	1pp
Net Income	42.8	40.2	38.1	5.29%	153.4	150.9	1.68%	167.1	168.4	-0.77%
Available For Common	40.8	38.2	36.2	2mn	145.6	143.0	3mn	159.2	160.5	-1mn
<b>Op. EARNINGS PER SHARE (F.D.)</b>	<b>\$1.04</b>	<b>\$0.97</b>	<b>\$0.92</b>	<b>5%</b>	<b>\$3.68</b>	<b>\$3.63</b>	<b>1%</b>	<b>\$4.03</b>	<b>\$4.06</b>	<b>-1%</b>
<b>GAAP EPS (F.D.)</b>	<b>\$1.17</b>	<b>\$0.71</b>	<b>\$0.65</b>	<b>9%</b>	<b>\$3.68</b>	<b>\$3.63</b>	<b>1%</b>	<b>\$4.03</b>	<b>\$4.06</b>	<b>-1%</b>
Book Value Per Share	\$34.31	\$35.58	\$35.26	\$0.32	\$39.06	\$38.99	\$0.08	\$42.51	\$42.84	(\$0.33)
Tangible Book Value Per Share	\$33.52	\$34.78	\$34.47	\$0.32	\$38.27	\$38.20	\$0.08	\$41.71	\$42.04	(\$0.33)
Dividends Per Share	\$0.70	\$0.70	\$0.70	\$0.00	\$2.81	\$2.81	\$0.00	\$2.87	\$2.87	\$0.00
Average Fully-Diluted Shares	39.4	39.5	39.4	0mn	39.5	39.4	0mn	39.5	39.5	0mn
<b>CAPITAL RATIOS:</b>										
EOP Common Equity/Assets (%)	5.79	5.96	6.17	-21bp	6.57	6.66	-10bp	6.91	6.98	-7bp
Tang. Common Equity/Assets (%)	5.67	5.83	6.04	-21bp	6.44	6.54	-9bp	6.79	6.86	-7bp
Tangible Common Equity/RWA (%)	9.37	9.72	9.99	-27bp	10.73	10.81	-8bp	11.31	11.34	-3bp
Tier 1 Common/RWA (%)	11.29	11.33	11.77	-44bp	11.71	11.69	2bp	11.52	11.36	15bp
Tier 1/RWA (%)	12.53	12.56	13.05	-49bp	12.95	12.94	1bp	12.73	12.57	16bp
<b>PROFITABILITY RATIOS:</b>										
Return On Assets (%)	0.70	0.68	0.65	3bp	0.65	0.66	0bp	0.70	0.71	-1bp
Return On Common Equity (%)	11.87	11.14	10.38	76bp	9.84	9.72	12bp	9.89	9.94	-5bp
Return On Tangible Common Equity (%)	12.25	11.49	10.70	79bp	10.05	9.93	12bp	10.08	10.13	-5bp
Operating Expenses/Revenues (%)	62.65	64.23	64.43	-20bp	66.32	65.41	91bp	64.02	64.19	-17bp
<b>BALANCE SHEET ITEMS:</b>										
EOP Total Deposits	20,802	21,055	20,839	1.04%	20,515	21,178	-3.13%	20,808	21,484	-3.14%
AVG Total Deposits	20,492	20,704	20,821	-0.56%	20,372	21,022	-3.09%	20,662	21,331	-3.14%
EOP Total Assets	23,550	23,733	22,716	4.48%	23,651	23,263	1.67%	24,154	24,100	0.22%
EOP Equity	1,544	1,594	1,581	0.81%	1,733	1,730	0.18%	1,849	1,861	-0.69%
EOP Preferred Equity	180	180	180	0.00%	180	180	0.00%	180	180	0.00%
EOP Common Equity	1,364	1,414	1,401	0.91%	1,553	1,550	0.20%	1,669	1,681	-0.76%
EOP Tangible Common Equity	1,332	1,383	1,370	0.93%	1,521	1,518	0.21%	1,637	1,650	-0.78%
<b>CREDIT QUALITY INDICATORS:</b>										
Net Charge-Offs	2	2	3	-32.69%	9	25	-64.40%	17	17	0.00%
% Average Loans	0.06	0.05	0.07	-2bp	0.06	0.18	-11bp	0.12	0.12	0bp
Nonperforming Assets	12	12	12	0.98%	12	12	-0.66%	14	13	4.06%
% EOP Loans + OREO	0.08	0.08	0.08	0bp	0.09	0.08	0bp	0.09	0.09	1bp
Nonperforming Loans	10	10	10	-7.92%	10	11	-7.92%	11	12	-7.92%
% EOP Loans (excl. OREO)	0.08	0.07	0.08	-1bp	0.07	0.08	-1bp	0.07	0.08	-1bp
Loan Loss Reserve	145	146	149	-1.42%	149	151	-1.04%	154	156	-1.05%
% EOP Loans	1.04	1.05	1.06	-2bp	1.05	1.04	0bp	1.05	1.04	0bp
% Nonperforming Loans	1386.23	1517.29	1417.20	10008bp	1436.92	1337.01	9992bp	1443.90	1343.64	10026bp

Source: BofA Global Research estimates, company filings

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**Exhibit 2: Zions Bancorp (ZION) variance table**

New vs old EPS estimates, assumptions (\$ in millions unless noted)

KEY FORECAST VARIABLES:	3Q23	Actual 4Q23	Estimate 4Q23E	Variance	New 2024E	Old 2024E	Variance	New 2025E	Old 2025E	Variance
EOP Loans	56,934	57,832	57,359	0.82%	58,000	57,522	0.83%	59,821	59,333	0.82%
Average Loans	57,014	57,177	57,146	0.05%	58,074	57,597	0.83%	58,910	58,427	0.83%
Average Earning Assets	80,678	80,971	80,913	0.07%	80,619	81,006	-0.48%	80,098	79,721	0.47%
Net Interest Margin (%)	2.93	2.91	2.84	7bp	2.95	2.89	5bp	3.00	3.00	0bp
Net Interest Income (FTE)	596.0	593.0	580.0	2.24%	2,375.7	2,342.7	1.41%	2,402.1	2,393.1	0.38%
Loan Loss Provision	41.0	0.0	50.0	NA	100.0	230.0	-56.52%	100.0	200.0	-50.00%
Noninterest Revenues	176.0	149.0	175.7	-15.17%	684.9	708.6	-3.36%	707.4	731.2	-3.25%
Securities Transactions	4.0	(1.0)	0.0	NA	0.0	0.0	NA	0.0	0.0	NA
Tot. Revenue	776	741	756	-1.94%	3,061	3,051	0.30%	3,110	3,124	-0.47%
Staff Expenses	311.0	301.0	314.1	-4.17%	1,312.9	1,321.3	-0.64%	1,345.7	1,354.3	-0.64%
OREO Expenses	0.0	0.0	0.0	NA	0.0	0.0	NA	0.0	0.0	NA
Other Expenses	184.0	188.0	174.7	7.60%	716.0	690.6	3.68%	729.1	702.7	3.76%
Total Expenses	496.0	491.0	488.8	0.45%	2,028.9	2,011.9	0.84%	2,074.8	2,057.0	0.86%
Pre-Tax Income (FTE)	235.0	250.0	216.8	15.30%	931.6	809.4	15.10%	934.7	867.3	7.78%
FTE Tax Rate (%)	25.9	19.4	23.7	-4pp	25.2	25.2	0pp	25.2	25.2	0pp
Net Income	174.1	201.4	165.4	21.76%	696.8	605.4	15.10%	699.2	648.7	7.78%
Available For Common	167.1	191.4	155.2	36mn	656.3	564.8	91mn	658.8	608.2	51mn
<b>Op. EARNINGS PER SHARE (F.D.)</b>	<b>\$1.13</b>	<b>\$1.30</b>	<b>\$1.05</b>	<b>23%</b>	<b>\$4.45</b>	<b>\$3.83</b>	<b>16%</b>	<b>\$4.46</b>	<b>\$4.12</b>	<b>8%</b>
<b>GAAP EPS (F.D.)</b>	<b>\$1.13</b>	<b>\$0.78</b>	<b>\$0.64</b>	<b>22%</b>	<b>\$4.45</b>	<b>\$3.83</b>	<b>16%</b>	<b>\$4.46</b>	<b>\$4.12</b>	<b>8%</b>
Book Value Per Share	\$32.91	\$35.44	\$34.51	\$0.94	\$43.69	\$42.13	\$1.55	\$51.86	\$49.96	\$1.90
Tangible Book Value Per Share	\$25.75	\$28.30	\$27.35	\$0.94	\$36.54	\$34.98	\$1.56	\$44.71	\$42.81	\$1.90
DividenDT Per Share	\$0.41	\$0.41	\$0.41	\$0.00	\$1.68	\$1.68	\$0.00	\$1.77	\$1.77	\$0.00
Average Fully-Diluted Shares	147.7	147.6	147.7	0mn	147.6	147.7	0mn	147.6	147.7	0mn
<b>CAPITAL RATIOS:</b>										
EOP Common Equity/Assets (%)	5.59	6.02	5.82	20bp	7.51	7.13	38bp	8.86	8.49	38bp
Tang. Common Equity/Assets (%)	4.43	4.87	4.67	19bp	6.36	5.99	37bp	7.74	7.36	38bp
Tangible Common Equity/RWA (%)	5.73	6.26	6.13	14bp	8.40	8.07	33bp	10.22	9.92	31bp
Tier 1 Common/RWA (%)	10.21	10.25	10.34	-8bp	11.27	11.13	14bp	11.82	11.71	11bp
Tier 1/RWA (%)	10.30	10.30	10.42	-12bp	11.32	11.22	10bp	11.87	11.81	6bp
<b>PROFITABILITY RATIOS:</b>										
Return On Assets (%)	0.79	0.91	0.75	16bp	0.81	0.69	12bp	0.81	0.74	7bp
Return On Common Equity (%)	13.42	15.25	12.33	292bp	11.21	9.98	124bp	9.31	8.92	39bp
Return On Tangible Common Equity (%)	17.17	19.54	15.66	388bp	13.69	12.28	142bp	10.95	10.56	39bp
Operating Expenses/Revenues (%)	64.25	66.17	64.69	148bp	66.29	65.94	36bp	66.72	65.84	88bp
<b>BALANCE SHEET ITEMS:</b>										
EOP Total Deposits	75,399	74,961	75,740	-1.03%	76,538	76,674	-0.18%	78,718	79,135	-0.53%
AVG Total Deposits	75,643	75,924	75,569	0.47%	75,310	75,685	-0.50%	77,628	77,905	-0.36%
EOP Total Assets	87,269	87,203	87,800	-0.68%	86,220	87,592	-1.57%	86,673	87,207	-0.61%
EOP Equity	5,315	5,691	5,552	2.51%	6,912	6,681	3.45%	8,123	7,842	3.58%
EOP Preferred Equity	440	440	440	0.00%	440	440	0.00%	440	440	0.00%
EOP Common Equity	4,875	5,251	5,112	2.72%	6,472	6,241	3.69%	7,683	7,402	3.80%
EOP Tangible Common Equity	3,815	4,192	4,052	3.46%	5,413	5,181	4.47%	6,624	6,342	4.45%
<b>CREDIT QUALITY INDICATORS:</b>										
Net Charge-Offs	14	9	15	-40.00%	50	145	-65.52%	88	200	-56.00%
% Average Loans	0.10	0.06	0.10	-4bp	0.09	0.25	-17bp	0.15	0.34	-19bp
Nonperforming Assets	219	219	263	-16.67%	306	367	-16.67%	336	403	-16.67%
% EOP Loans + OREO	0.38	0.38	0.46	-8bp	0.53	0.64	-11bp	0.56	0.68	-12bp
Nonperforming Loans	219	219	263	-16.67%	306	367	-16.67%	336	403	-16.67%
% EOP Loans (excl. OREO)	0.38	0.38	0.46	-8bp	0.53	0.64	-11bp	0.56	0.68	-12bp
Loan Loss Reserve	681	684	716	-4.47%	734	801	-8.36%	746	801	-6.87%
% EOP Loans	1.20	1.18	1.25	-7bp	1.27	1.39	-13bp	1.25	1.35	-10bp
% Nonperforming Loans	310.96	312.33	272.45	3988bp	240.13	218.37	2176bp	221.87	198.52	2335bp

Source: BofA Global Research estimates, company filings

**Exhibit 3: Stocks mentioned**

Prices and ratings for stocks mentioned in this report

BofA Ticker	Bloomberg ticker	Company name	Price	Rating
BOH	BOH US	Bank of Hawaii	US\$ 68.19	B-3-7
ZION	ZION US	Zions	US\$ 43.31	C-3-7

Source: BofA Global Research

BofA GLOBAL RESEARCH

## Price objective basis & risk

### Bank of Hawaii Corp. (BOH)

Our \$46 PO is based on applying a 50%/50% weighting between our 2024e EPS and 2024e TBV. We assign 15x/1.0x multiples respectively, below the bank's 5 year pre-pandemic median of 16.5x/2.8x due to a lower return profile.

Downside risks to our price objective are a longer-than-anticipated low rate environment and a reversal of local economic improvement. Upside risks are a stronger-than-expected economic rebound, better-than-expected capital distribution and a shorter-than-anticipated low rate environment.

### Zions Bancorp (ZION)

Our \$41 PO is based on a 50%/50% weighting between our 2024e EPS and 2024e tangible book value (TBV). We assign 11.5x and 1.1x multiples, respectively, below the bank's 5 year pre-pandemic median (15.2x and 1.4x) given the lack of idiosyncratic growth catalysts and risks to EPS visibility.

Upside risks to our PO are better-than-expected expense management and/or continued benign credit.

Downside risks are a deterioration in energy prices and/or an interest rate shock that drives higher debt service costs, potentially creating a credit issue.

## Analyst Certification

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

## North America - Banks Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
<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
	New York Community Bancorp	NYCB	NYCB US	Ebrahim H. Poonawala
	Northern Trust Corporation	NTRS	NTRS US	Ebrahim H. Poonawala
	Royal Bank of Canada	RY	RY US	Ebrahim H. Poonawala
	Royal Bank of Canada	YRY	RY CN	Ebrahim H. Poonawala
	Safehold, Inc	SAFE	SAFE US	Derek Hewett
	Sixth Street Specialty Lending, Inc	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
	PennyMac Mortgage Investment Trust	PMT	PMT US	Derek Hewett
	Popular Inc	BPOP	BPOP US	Brandon Berman
	Regions Financial	RF	RF US	Ebrahim H. Poonawala
	The PNC Financial Services Group, Inc.	PNC	PNC US	Ebrahim H. Poonawala
	Toronto-Dominion Bank	TD	TD US	Ebrahim H. Poonawala
	Toronto-Dominion Bank	YTD	TD CN	Ebrahim H. Poonawala



## North America - Banks Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	TPG RE Finance Trust, Inc.	TRTX	TRTX US	Derek Hewett

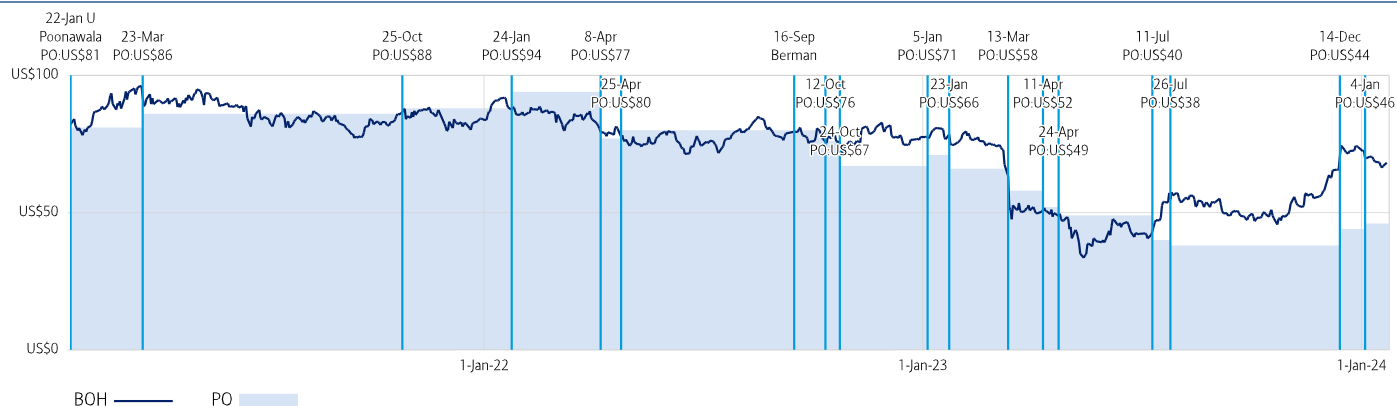
## UNDERPERFORM

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

## Disclosures

## Important Disclosures

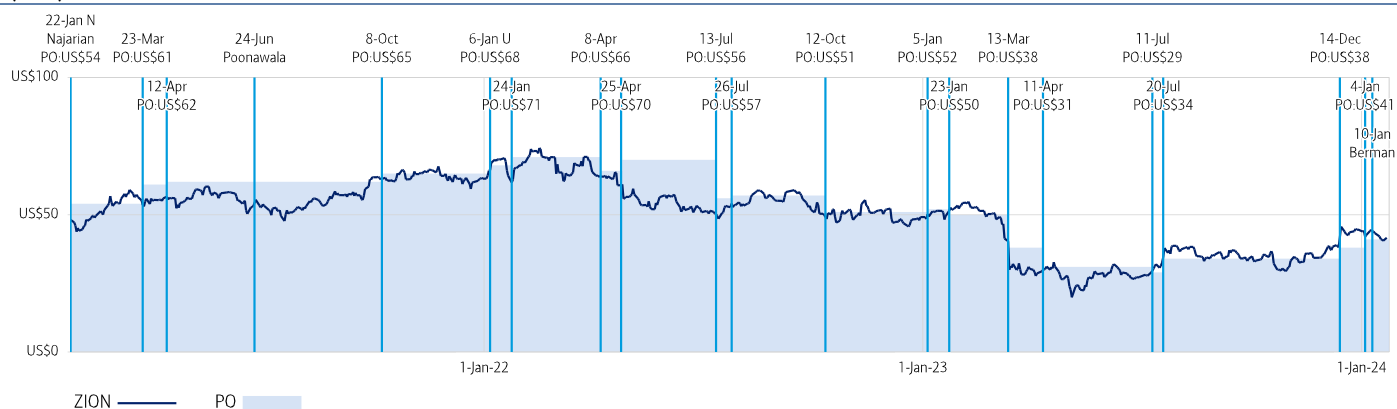
## Bank of Hawaii (BOH) Price Chart



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

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

## Zions (ZION) Price Chart



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

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

Coverage Universe	Count	Percent	Inv. Banking Relationships <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: 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.

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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.

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