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What's News

Business & Finance

◆ **Commercial property** losses hammered banks on three continents, punishing their share prices and elevating in particular the hazards faced by small and regional lenders. **A1, B10, B11**

◆ **McKinsey's** global managing partner, Bob Sternfels, narrowly survived an effort to unseat him, garnering a majority of partners' votes by Thursday to secure a second term as leader. **A1**

◆ **Facebook parent Meta** Platforms posted its best quarterly sales growth in more than two years and initiated its first-ever dividend, a testament to its investments in AI that have made targeted ads smarter. **A1**

◆ **Apple posted** a sales increase for the holiday quarter, ending a recent slump that had been one of the company's worst earnings streaks in more than two decades. **B1**

◆ **Amazon.com's** quarterly sales rose faster than expected, driven by strong e-commerce sales during the holiday shopping season. **B1**

◆ **U.S. stocks rallied** after a sharp selloff Wednesday, with the S&P 500, Dow and Nasdaq advancing 1.2%, 1% and 1.3%, respectively. **B11**

◆ **Universal Music** pulled songs from TikTok after it said it failed to reach a contract to license its music to the app. **B1**

◆ **An activist investor** has set its sights on Mattel and is seeking big changes to boost the toymaker's lackluster stock. **B1**

◆ **Shell's annual profit** fell last year as the European energy sector grapples with lower oil and gas prices and weaker refining margins. **B3**

World-Wide

◆ **European Union leaders** agreed to a \$54 billion budget-aid package for Ukraine, locking in their financing for Kyiv for the next four years and overcoming weeks of opposition from Prime Minister Viktor Orban of Hungary. **A1**

◆ **U.S. forces struck** targets belonging to Yemen's Houthi rebels, continuing an effort to degrade the Iran-backed group's military capabilities without triggering a broader war in the region. **A7**

◆ **Defense Secretary Lloyd Austin** apologized for not disclosing his cancer diagnosis, in his first public comments about the secrecy surrounding a hospitalization in January. **A7**

◆ **Britain's foreign secretary** said his country could officially recognize a Palestinian state after a cease-fire in Gaza without waiting for the outcome of talks between Israel and the Palestinians on a two-state solution. **A16**

◆ **A Harvard Medical School** scientist who studies deadly brain tumors faces accusations that more than two dozen papers he co-wrote contain scientific images that appear doctored or copied. **A5**

◆ **A Russian court ruled** to extend the pretrial detention of Radio Free Europe/Radio Liberty journalist Alsu Kurmasheva for a third time since she was taken into custody in October on a charge that she failed to register as a foreign agent. **A8**

◆ **Members of a Russian-language rock band** critical of Moscow's invasion of Ukraine left Thailand for Israel, after a week in detention over alleged immigration violations. **A8**

CONTENTS	Markets..... B11
Arts in Review A10-11	Markets Digest..... B7
Banking & Finance B10	Opinion..... A13-15
Business News..... B3	Sports..... A12
Crossword..... A11	Technology..... B4-5
Heard on Street..... B12	U.S. News..... A2-6
Mansion..... M1-12	World News..... A7-B16



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U.S. Pressure on Israel Grows Over War's Toll



STRIFE: A displaced Palestinian woman in the southern Gaza Strip tries to get a wireless signal to communicate with her relatives Thursday. The U.S. imposed sanctions against Israeli settlers and others it deemed responsible for attacks on Palestinians in the West Bank, as frustration grows in Washington with Israel's approach to the war with Hamas. **A7**

Commercial Property Losses Bruise Banks Around the Globe

Investors have wondered when the pain from the downturn in commercial property would hit banks. Recent days have shown it is

By Margot Patrick, Eliot Brown and Gina Heeb

happening right now, with lenders on three continents disclosing damage and two bank leaders resigning.

New York Community Bancorp stock fell 11% Thursday, extending a steep slide that began a day earlier when the

company disclosed troubles in its commercial property book and piled away millions of dollars for potential future losses. On Wednesday, it closed down 38%, its worst day on record.

Shares of Tokyo-based Aozora Bank fell more than 20% Thursday, the maximum allowed on a single day under stock-market rules, after it said losses in its U.S. office-loan portfolio will likely lead to a net loss for the year ending in March. It would be its first annual loss in 15 years. Its president will step down on April 1, the bank said.

In Switzerland, the private bank Julius Baer said Chief Executive Philipp Rickenbacher resigned after the company took a roughly \$700 million provision on loans it said it might not get back from Austrian property landlord Signa Group. The banking group said it would shut down the unit that made the loans.

What ties them together: Banks are big lenders to real-estate owners and developers, putting them on the front line of the downturn in office-building use and falling valuations. The risks are particularly

acute for small and regional lenders, which have far higher chunks of their loan portfolios in commercial real estate than big banks do. The SPDR S&P Regional Banking ETF fell more than 3% and the KBW Nasdaq Regional Banking Index shed about 2% Thursday. U.S. markets broadly were up.

U.S. regional banks including PNC Financial Services Group, Citizens Financial Group and M&T Bank all fell 3% or more.

The pain in commercial real estate has been slow to unfold. Please turn to page A2

EU to Aid Kyiv With \$54 Billion As Hungary Relents

By Laurence Norman

BRUSSELS—European Union leaders agreed to a \$54 billion budget-aid package for Ukraine, locking in their financing for Kyiv for the next four years and overcoming weeks of opposition from Prime Minister Viktor Orban of Hungary.

The decision is a major boost for Ukraine, which could have started to run short of funds in the coming weeks to pay for salaries, pensions and other basic services. However, Ukraine is relying on still-blocked U.S. assistance to cover its full budget gap for 2024 and maintain military supplies.

EU leaders agreed to the aid package—a mix of long-term loans and grants—within minutes on Thursday following negotiations between Orban and several other EU leaders ahead of the summit. Orban had blocked the aid package at a December meeting.

Under the terms of the deal, the Ukraine aid package could be reviewed in two years to examine whether the assistance is still necessary. However, Hungary didn't win a veto, which would have given it the power to stop the assistance at that point.

"Continued EU financial support for Ukraine will strengthen long-term economic and financial stability, which is no less important than military assistance and sanctions pressure on Russia," President Volodymyr Zelensky of Ukraine

Please turn to page A8

◆ **Rock band critical of war** leaves Thailand..... **A8**

INSIDE



BUSINESS & FINANCE
Musk makes a push for Tesla to incorporate in Texas after Delaware ruling. **B1**



MANSION
Luxury closets get supersized, with enough space to entertain friends. **M1**

Inside the High-Stakes World Of Keeping Wordle Streaks Alive

Fans take heroic steps so they don't miss playing the many games that reset daily

By Sarah E. Needleman

Jerry Bellino became anxious soon after boarding her overnight flight home to Detroit last summer.

The plane's Wi-Fi wasn't working, which meant she wouldn't be able to use the final hours of her trip to maintain her longest streak yet of playing "Wordle" and about a dozen other games like it that reset daily, typically at the stroke of midnight.

"I was devastated," recalls Bellino, a 28-year-old education coordinator who normally checks off a handwritten list of each game after completing it to avoid accidentally skipping any. She had been playing the games for nearly a year, marking wins on her list

with a smiley face and losses with a sad face. Her travel buddy, also an avid player, suffered the same fate and was just as heartbroken. "We stared at each other in disbelief," Bellino says.

Since launching in 2021, the puzzle game "Wordle"—which calls for identifying a five-letter word in six tries—has inspired varieties of spin offs including "Bardle" (Shakespeare), "Nerdle" (math), "Gordle" (hockey), "Factionle" (trivia), "Daydle" (history), "Swordle" (Star Wars) and "Lewdle" (bad words). These mostly free games, available via web browsers or apps, unleash a new challenge once a day, so players have just 24 hours to solve each one.

Please turn to page A9

Top Leader Survives Tussle at McKinsey

By Chip Cutter and Russell Adams

Days before Christmas, McKinsey's top leader sent a note to the firm's more than 40,000 staffers asking how they would answer a simple question: "What is McKinsey?"

Bob Sternfels, the firm's global managing partner, wrote that the question had no simple answer, and he urged employees to think about how they define the consulting giant as it headed into 2024.

That keeps getting harder. McKinsey, which has long been at the pinnacle of the

consulting profession and has advised big companies and government leaders, and launched the careers of future CEOs and heads of state, is struggling to run its own shop.

Sternfels narrowly survived an effort to unseat him and install the firm's third leader since 2021. He garnered a majority of votes by Thursday to secure a second term, after failing to win enough support for re-election from partners in two earlier rounds of voting.

The voting laid bare dissatisfaction within one of the

Please turn to page A6

Senate Hopeful Has Pile of Unpaid Bills

Gov. Jim Justice is beloved in West Virginia, but not by his creditors

By Julie Steinberg and Kris Maher

WHITE SULPHUR SPRINGS, W.Va.—Jim Justice is arguably West Virginia's most popular politician and most prominent businessman. The dual feat is all the more impressive given how many people he owes money to.

A folksy native son, Justice rose to political power—he was elected governor in 2016—after assembling a sprawling collection of businesses, including coal companies, farms and even the storied Greenbrier resort. Now the 72-year-old is the favorite to succeed Joe Manchin as U.S. senator, a post that would elevate Justice to national prominence.

But the Justice empire is also well-known around the state for its unpaid bills.

Justice, his family and his companies have piled up hundreds of millions of dollars in liabilities to banks, coal companies and federal and state regulators, some of which the Justices are now disputing. At one point they even owed money to professional golfers Bubba Watson and Phil Mickelson.

The issues have extended even to basic supplies at the Justices' flagship property. The Greenbrier, a National Historic Landmark that the Justices bought out of bankruptcy in 2009, has been short on toiletries periodically because it hasn't paid

Please turn to page A9