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# What To Expect From Bank Of America Stock In 2025?



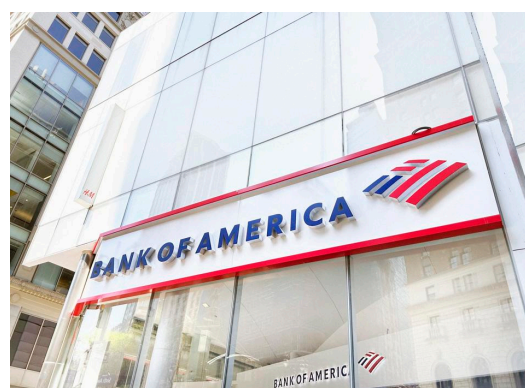
By **Trefis Team**, Contributor. ⓘ Building a platform to do the...  
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**Bank of America's stock** (NYSE: BAC) posted a better-than-expected set of Q4 2024 earnings, led by stronger investment banking business and higher net interest income. Net profits more than doubled year-over-year to \$6.67 billion, or \$0.82 per share, while revenues were up 15% to \$25.5 billion. Net interest income -



3% to \$14.5 billion, coming in slightly ahead of estimates. The investment banking business

was a particularly strong performer over Q4, with fees up 44% to \$1.65 billion. Mergers and acquisitions activity has picked up from nearly a decade-low in 2023. Companies have also been focusing on issuing more debt and equity capital. Sales and trading

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revenue were up 10% over the quarter, with equities up 6% while fixed income, currencies, and commodities were up by an even stronger 13%. The broader U.S. banking sector has been faring well this earnings season led by rising stock markets which helped trading activity, softer interest rates, stronger dealmaking activity, and general positivity about the economy. For instance, Bank of America's rival JPMorgan just reported record annual profits for 2024, while Goldman Sachs has also seen profits pick up after witnessing a post-Covid lull. Separately, in the cryptocurrency world, see [Solana Price To \\$400 Next?](#)

The increase in BAC stock over the last 4-year period has been far from consistent, with annual returns being more volatile than the S&P 500. Returns for the stock were 50% in 2021, -24% in 2022, 5% in 2023, and 34% in 2024. The Trefis [High Quality Portfolio](#), with a collection of 30 stocks, is much less volatile. And it has **comfortably outperformed the S&P 500** over the last 4-year period. **Why is that?** As a group, HQ Portfolio stocks provided better returns with less risk versus the benchmark index; less of a roller-coaster ride as evident in [HQ Portfolio performance metrics](#). Given the current uncertain macroeconomic environment around rate cuts and multiple wars, could BAC face a similar situation as it did in 2022 and 2023 and **underperform the S&P** over the next 12 months - or will it see a strong jump?

Looking ahead, things could get better. Higher interest rates in recent years weighed on lenders as they had to pay more interest to depositors. However, with the Fed easing rates since September, we could see this softening in the near term helping drive up loan demand while lowering the costs of deposits. Bank of America expects NII of as much as \$14.6 billion for Q1 2025 and has indicated that the metric could grow sequentially every quarter this year, reaching as much as \$15.7 billion by Q4. NII is an important metric for Bank Of America, as it has a large deposit base compared to rivals.

Separately, the election of Donald Trump to the U.S. presidency for a second term is also expected to benefit the financial sector at large. Investors are betting that the Trump administration's focus on deregulation could translate into a more lenient approach to bank oversight versus the Biden administration, with antitrust-related rules also potentially easing. This could help banks boost their revenues, via higher deal volumes, and lending activity, as well as possibly lower compliance costs which could directly boost profitability. Trump has also been in favor of tax cuts, which could also help the bottom lines of banks such as Bank Of America. Overall, lower interest rates and more political certainty post-election could spur investment banking and M&A-related activity. Additionally, lower interest rates and more political certainty

post-election could spur investment banking activity, with increased debt and equity issuances with M&A-related activity also poised to increase. Overall, at its current price of \$47 per share, BAC is trading around the Trefis’ estimate for **Bank of America’s valuation**.

Returns	Jan 2025 MTD [1]	Since start of 2024 [1]	2017-25 Total [2]
BAC Return	6%	42%	153%
S&P 500 Return	1%	24%	165%
Trefis Reinforced Value Portfolio	3%	20%	774%

[1] Returns as of 1/17/2025

[2] Cumulative total returns since the end of 2016

BAC Return Compared With Trefis Reinforced Portfolio  
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