

Regions Financial

Balanced quarter

Reiterate Rating: NEUTRAL | PO: 19.00 USD | Price: 17.95 USD

No change to EPS outlook

Regions Financial-RF shares reacted positively to 4Q23 results (on a rare positive day for bank stocks this earnings season) with core EPS of \$0.51, beating our/cons. \$0.47/0.48 ests. Beat driven by higher PPNR and lower tax rate. While FY24 NII guidance came in lighter (-4% vs. our pre-4Q forecast), lower expenses (-2%) brings PPNR generally in line. CET1 ratio -10bp QoQ to 10.2% (8.2% incl. MTM bond losses). Desire to manage CET1 ratio near 10% should mean continued capital deployment (we assume buybacks throughout 2024). At 10.3x 2024e EPS and 1.6x YE24e TBV vs. 16% ROTCE forecast (5.4% dividend yield), we see risk/reward as balanced. Maintain Neutral rating.

NIM set to rebound to 3.60-4.00% range

NII expected to fall 3-5% QoQ in 1Q24, FY24 NII between \$4.7-4.8bn (vs. \$5.3bn FY23) assuming 4 rate cuts. More cuts seen as better for deposit betas on the way down. FY24 NIM expected to average ~3.50% (vs. 3.60% 4Q23) due to remixing of \$2-3bn in low cost deposits by mid-2024. Mgmt. expects to exit 2024 with a NIM of ~3.60% and to maintain 3.60-4.00% range given \$20bn in hedges/yr (+ve in down rate backdrop), higher reinvestment rates (\$12-14bn/yr in fixed rate assets expected to reprice by +200-250bp), slower deposit mix-shift. We forecast FY24 NII -11.5% YoY, NIM of 3.51%.

Credit normalizing

Credit normalization continued with NPLs +17bp QoQ to 0.82% of loans, driven by downgrades within higher risk industries (consumer, trucking, healthcare, office, senior housing). Core NCOs (ex-GreenSky loan sale) fell 1bp QoQ to 39bp. Mgmt. guiding for NCOs in the 40-50bp range for FY24 or inline with the 46bp average pre-pandemic (2013-2019). SNC portfolio down \$1.1bn QoQ, although mgmt. noted the relationship nature of these loans (2/3rd of capital markets revenue tied to SNC book, 3/4th of SNC relationships generated fees/deposits). Office CRE balances fell 7.5% QoQ, reserves +120bp to 4.3% of loans. We forecast FY24 credit provisioning costs of \$700mn.

Capital flexibility

RF's capital position to serve as a positive differentiator relative to peers, allowing for self-help (buybacks), pursue inorganic opportunities (purchased servicing rights on \$6.2bn in residential mortgages in 3Q23) while providing the optionality to restructure the bond book. During today's call mgmt. noted that it was evaluating repositioning of the bond book (\$28.9bn; duration: ~4.5yrs) but was yet to make a final decision.

Estimates (Dec) (US\$)	2022A	2023A	2024E	2025E	2026E
EPS	2.38	2.22	1.85	2.16	2.40
GAAP EPS	2.28	2.10	1.85	2.16	2.40
EPS Change (YoY)	-5.2%	-6.7%	-16.7%	16.8%	11.1%
Consensus EPS (Bloomberg)			1.96	2.17	1.92
DPS	0.74	0.88	0.92	1.01	1.11
Valuation (Dec)					
P/E	7.5x	8.1x	9.7x	8.3x	7.5x
GAAP P/E	7.9x	8.5x	9.7x	8.3x	7.5x
Dividend Yield	4.1%	4.9%	5.1%	5.6%	6.2%

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19 January 2024

Equity

Key Changes

(US\$)	Previous	Current
2024E Rev (m)	7,215.7	7,105.0
2025E Rev (m)	7,500.2	7,383.0
2026E Rev (m)	7,678.5	7,561.2
2026E EPS	2.33	2.40

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Stock Data

Price	17.95 USD
Price Objective	19.00 USD
Date Established	14-Dec-2023
Investment Opinion	B-2-7
52-Week Range	13.72 USD -24.33 USD
Mkt Val / Shares Out (mn)	23,281 USD / 1,297.0
Free Float	99.5%
Average Daily Value	164.26 USD
BofA Ticker / Exchange	RF / NYS
Bloomberg / Reuters	RF US / RF.N
ROE (2024E)	10.4%
ESGMeter™	High

ESGMeter is not indicative of a company's future stock price performance and is not an investment recommendation or rating. ESGMeter is independent of BofA Global Research's equity investment rating, volatility risk rating, income rating, and price objective for that company. For full details, refer to "BofA ESGMeter Methodology".

See page 4 for definitions of acronyms used in the report ^W

iQprofileSM Regions Financial

Income Statement Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Net Interest Income	4,833	5,371	4,755	4,979	5,080
% change	22.1%	11.1%	-11.5%	4.7%	2.0%
Net Fee Income	NA	NA	NA	NA	NA
Securities Gains / (Losses)	(1)	(5)	0	0	0
Total Operating Income	7,211	7,629	7,105	7,383	7,561
Operating Expenses	(3,886)	(4,262)	(4,110)	(4,216)	(4,321)
% change	5.1%	9.7%	-3.6%	2.6%	2.5%
Provisions Expense	(271)	(553)	(700)	(600)	(545)
% change	NA	104.1%	26.6%	-14.3%	-9.2%
Operating Pre-Tax Income	3,054	2,814	2,295	2,567	2,695
Operating Net Income to Comm S/Hold.	2,230	2,093	1,672	1,861	1,960
GAAP Net Income	2,329	2,191	1,767	1,976	2,076

Balance Sheet Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Total Assets	155,220	152,194	149,310	148,641	151,525
Average Interest Earning Assets	143,995	137,853	135,613	136,883	139,647
Total Gross Customer Loans	97,363	98,779	104,647	107,289	110,174
% change	9.7%	1.5%	5.9%	2.5%	2.7%
Total Customer Deposits	131,743	127,788	121,889	123,372	124,914
% change	-5.3%	-3.0%	-4.6%	1.2%	1.2%
Tangible Equity	8,409	9,944	10,509	11,013	11,561
Common Shareholders' Equity	14,288	15,770	16,335	16,839	17,387

Key Metrics (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Net Interest Margin	3.36%	3.90%	3.51%	3.64%	3.64%
Effective Tax Rate	23.3%	22.1%	23.0%	23.0%	23.0%
Loan / Deposit Ratio	73.9%	77.3%	85.9%	87.0%	88.2%
Tangible Common Equity / Assets	5.4%	6.5%	7.0%	7.4%	7.6%
ROA	1.4%	1.3%	1.1%	1.3%	1.3%
ROE	15.2%	14.0%	10.4%	11.2%	11.5%
RoTE	23.4%	22.7%	16.4%	17.3%	17.4%
Dividend Payout Ratio	31.1%	39.4%	49.9%	46.9%	46.4%
Efficiency Ratio (Cost / Income Ratio)	53.9%	55.8%	57.8%	57.1%	57.1%

Quality of Earnings (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Total Non-Interest Inc / Operating Inc	33.0%	29.6%	33.1%	32.6%	32.8%
NPLs plus Foreclosed Real Estate / Loans	0.5%	0.8%	1.0%	1.1%	1.0%
Loan Loss Reserves / NPLs	291.05%	195.05%	176.76%	155.67%	177.06%
Loan Loss Reserves / Total Loans	1.50%	1.60%	1.70%	1.75%	1.74%

Company Sector

Banks-US Regionals

Company Description

Regions is a large cap regional bank based in the Southeast with more than \$150 billion in assets. Headquartered in Birmingham Alabama, the company has over 1,800 branches and a leading market share in Alabama, Tennessee and Mississippi. The company's lending portfolio focuses primarily on C&I, residential mortgages, home equity and commercial mortgage.

Investment Rationale

We view the risk/reward as balanced as strong expense management and recent balance sheet actions (derisking/hedging program) offset the potential for elevated credit losses.

Stock Data

Average Daily Volume 9,151,143

Quarterly Earnings Estimates

	2023	2024
Q1	0.63A	0.41E
Q2	0.59A	0.43E
Q3	0.49A	0.47E
Q4	0.51A	0.53E

Exhibit 1: Our RF 2024e/2025e estimates remained relatively unchanged

RF Variance Table (new vs. old estimates, assumptions)

		Actual	Estimate		New	Old		New	Old	
	3Q23	4Q23	4Q23E	Variance	2024E	2024E	Variance	2025E	2025E	Variance
KEY FORECAST VARIABLES:										
EOP Loans	99,401	98,779	99,435	-0.66%	104,647	101,242	3.36%	107,289	103,836	3.33%
Average Loans	99,695	98,752	99,418	-0.67%	100,122	100,512	-0.39%	105,968	102,539	3.34%
Average Earning Assets	138,640	136,985	139,403	-1.73%	135,613	140,060	-3.17%	136,883	141,881	-3.52%
Net Interest Margin (%)	3.73	3.60	3.53	7bp	3.51	3.53	-2bp	3.64	3.62	2bp
Net Interest Income (FTE)	1,304.0	1,244.0	1,242.0	0.16%	4,755.5	4,942.4	-3.78%	4,979.4	5,139.0	-3.11%
Loan Loss Provision	145.0	155.0	160.0	-3.13%	700.0	700.0	0.00%	600.0	600.0	0.00%
Noninterest Revenues	567.0	583.0	562.0	3.74%	2,349.6	2,273.8	3.33%	2,403.5	2,360.9	1.80%
Securities Transactions	(1.0)	(2.0)	0.0	NA	0.0	0.0	NA	0.0	0.0	NA
Tot. Revenue	1,870	1,825	1,804	1.17%	7,105	7,216	-1.54%	7,383	7,500	-1.56%
Total Expenses	1,089.0	1,038.0	1,031.4	0.64%	4,110.1	4,214.0	-2.47%	4,216.4	4,317.6	-2.35%
Pre-Tax Income (FTE)	636.0	632.0	612.6	3.17%	2,295.0	2,302.2	-0.31%	2,566.6	2,582.3	-0.61%
FTE Tax Rate (%)	22.5	20.6	24.0	-3pp	23.0	23.0	0pp	23.0	23.0	0pp
Net Income	493.0	502.0	465.5	7.83%	1,767.1	1,772.7	-0.31%	1,976.3	1,988.4	-0.61%
Available For Common	468.0	478.0	440.8	37mn	1,672.1	1,677.6	-6mn	1,861.0	1,873.2	-12mn
Op. EARNINGS PER SHARE (F.D.)	\$0.49	\$0.51	\$0.47	9%	\$1.85	\$1.85	0%	\$2.16	\$2.16	0%
GAAP EPS (F.D.)	\$0.49	\$0.39	\$0.38	4%	\$1.85	\$1.85	0%	\$2.16	\$2.16	0%
Book Value Per Share	\$15.38	\$17.07	\$15.80	\$1.26	\$18.44	\$17.41	\$1.03	\$20.07	\$19.34	\$0.73
Tangible Book Value Per Share	\$9.16	\$10.76	\$9.52	\$1.25	\$11.73	\$10.72	\$1.02	\$12.99	\$12.34	\$0.66
DividenDT Per Share	\$0.24	\$0.24	\$0.24	\$0.00	\$0.92	\$0.92	\$0.00	\$1.01	\$1.01	\$0.00
Average Fully-Diluted Shares	940.0	931.0	934.0	-3mn	906.9	909.0	-2mn	862.5	869.0	-7mn
CAPITAL RATIOS:										
EOP Common Equity/Assets (%)	9.40	10.36	9.49	87bp	10.94	9.92	102bp	11.33	10.37	96bp
Tang. Common Equity/Assets (%)	5.75	6.72	5.87	85bp	7.25	6.35	90bp	7.64	6.87	77bp
Tangible Common Equity/RWA (%)	6.78	7.84	6.98	86bp	8.65	7.72	93bp	9.11	8.35	76bp
Tier 1 Common/RWA (%)	10.29	10.23	10.29	-6bp	10.64	10.49	15bp	10.62	10.49	13bp
Tier 1/RWA (%)	11.60	11.50	11.13	37bp	12.67	11.34	133bp	12.66	11.33	133bp
PROFITABILITY RATIOS:										
Return On Assets (%)	1.26	1.30	1.20	10bp	1.16	1.14	2bp	1.33	1.26	6bp
Return On Common Equity (%)	12.62	12.55	12.01	55bp	10.41	11.15	-74bp	11.22	11.74	-53bp
Return On Tangible Common Equity (%)	20.72	21.60	20.05	155bp	16.34	18.22	-188bp	17.29	18.53	-124bp
Operating Expenses/Revenues (%)	58.20	56.81	57.17	-36bp	57.85	58.40	-55bp	57.11	57.57	-46bp
BALANCE SHEET ITEMS:										
EOP Total Deposits	126,199	127,788	126,055	1.37%	121,889	127,466	-4.38%	123,372	129,064	-4.41%
AVG Total Deposits	125,220	126,414	126,127	0.23%	125,547	126,725	-0.93%	122,630	128,265	-4.39%
EOP Total Assets	153,624	152,194	154,620	-1.57%	149,310	156,014	-4.30%	148,641	158,419	-6.17%
EOP Preferred Equity	1,659	1,659	1,659	0.00%	1,659	1,659	0.00%	1,659	1,659	0.00%
EOP Common Equity	14,441	15,770	14,681	7.42%	16,335	15,475	5.56%	16,839	16,423	2.54%
EOP Tangible Common Equity	8,600	9,944	8,840	12.49%	10,509	9,634	9.09%	11,013	10,582	4.08%
CREDIT QUALITY INDICATORS:										
Net Charge-Offs	101	132	125	5.60%	500	490	2.04%	500	600	-16.67%
% Average Loans	0.40	0.53	0.50	3bp	0.50	0.49	1bp	0.47	0.59	-11bp
Nonperforming Assets	659	823	738	11.49%	1,034	940	10.03%	1,235	1,160	6.46%
% EOP Loans + OREO	0.66	0.83	0.74	9bp	0.99	0.93	6bp	1.15	1.12	3bp
Nonperforming Loans	644	808	708	14.09%	1,005	881	14.07%	1,205	1,101	9.50%
% EOP Loans (excl. OREO)	0.65	0.82	0.71	11bp	0.96	0.87	9bp	1.12	1.06	6bp
Loan Loss Reserve	1,547	1,576	1,582	-0.38%	1,776	1,792	-0.89%	1,876	1,792	4.69%
% EOP Loans	1.56	1.60	1.60	0bp	1.70	1.78	-7bp	1.76	1.73	2bp
% Nonperforming Loans	240.22	195.05	223.38	-2833bp	176.76	203.44	-2669bp	155.67	162.83	-716bp

Source: BofA Global Research estimates, company filings

BofA GLOBAL RESEARCH



Acronyms

CET1 - common equity tier 1

CRE - commercial real estate

MTM – mark-to-market

NCOs - net charge-offs

NPLs – nonperforming loans

NII - net interest income

NIM - net interest margin

PPNR – pre-provision net revenue

ROTCE - return on tangible common equity

SNC – shared national credit

TBV – tangible book value



Price objective basis & risk

Regions Financial (RF)

Our \$19 PO is based on 50%/50% weighting between our 2024e EPS and 2024e TBV. We assign 12.0x/1.4x multiples respectively, below the bank's 5 year pre pandemic median of 12.3x/1.5x given heightened 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, greater than anticipated operating losses due to check fraud.

Analyst Certification

I, Ebrahim H. Poonawala, 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
BUY	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
NEUTRAL	AGNC Investment Corp	AGNC	AGNC US	Derek Hewett
	Ally Financial	ALLY	ALLY US	Brandon Berman



North America - Banks Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	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
	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

IQmethodSM Measures Definitions

Business Performance

Return On Capital Employed

Return On Equity

Operating Margin

Earnings Growth

Free Cash Flow

Quality of Earnings

Cash Realization Ratio

Asset Replacement Ratio

Tax Rate

Net Debt-To-Equity Ratio

Interest Cover

Valuation Toolkit

Price / Earnings Ratio

Price / Book Value

Dividend Yield

Free Cash Flow Yield

Enterprise Value / Sales

EV / EBITDA

Numerator

NOPAT = (EBIT + Interest Income) × (1 – Tax Rate) + Goodwill Amortization

Net Income

Operating Profit

Expected 5 Year CAGR From Latest Actual

Cash Flow From Operations – Total Capex

Numerator

Cash Flow From Operations

Capex

Tax Charge

Net Debt = Total Debt – Cash & Equivalents

EBIT

Numerator

Current Share Price

Current Share Price

Annualised Declared Cash Dividend

Cash Flow From Operations – Total Capex

EV = Current Share Price × Current Shares + Minority Equity + Net Debt +

Other LT Liabilities

Enterprise Value

Denominator

Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill Amortization

Shareholders' Equity

Sales

N/A

N/A

Denominator

Net Income

Depreciation

Pre-Tax Income

Total Equity

Interest Expense

Denominator

Diluted Earnings Per Share (Basis As Specified)

Shareholders' Equity / Current Basic Shares

Current Share Price

Market Cap = Current Share Price × Current Basic Shares

Sales

Basic EBIT + Depreciation + Amortization

Valuation Toolkit

Numerator

Denominator

*IQmethod*SM is the set of BofA Global Research standard measures that serve to maintain global consistency under three broad headings: Business Performance, Quality of Earnings, and validations. The key features of iQmethod are: A consistently structured, detailed, and transparent methodology. Guidelines to maximize the effectiveness of the comparative valuation process, and to identify some common pitfalls.

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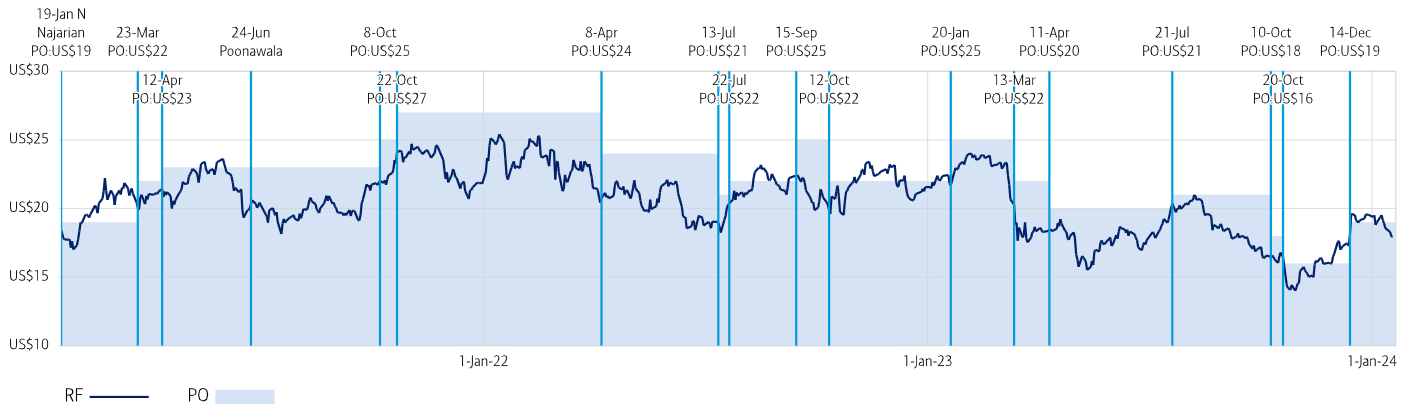
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Regions Financial (RF) Price Chart



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 ^{R1}	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 ^{R1}	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%

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{R2}
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Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

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