

# ModernGraham Valuation

Regions Financial  
Corp



Company Name:

Company Ticker RF

Date of Analysis

6/26/2016

## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass all 6 of the following tests.*

|                                    |  |                 |      |
|------------------------------------|--|-----------------|------|
| 1. Adequate Size of the Enterprise | Market Cap > \$2Bil  | \$9,753,138,513 | Pass |
| 2. Earnings Stability              | Positive EPS for 10 years prior  |                 | Fail |
| 3. Dividend Record                 | Dividend Payments for 10 years prior   |                 | Pass |
| 4. Earnings Growth                 | Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end | -130.53%        | Fail |
| 5. Moderate PEmg Ratio             | PEmg < 20  | 11.13           | Pass |
| 6. Moderate Price to Assets        | PB Ratio < 2.5 OR PB*PEmg < 50   | 0.64            | Pass |

*Enterprising Investor; must pass all 3 of the following tests, or be suitable for the Defensive Investor.*

|                       |                                |  |      |
|-----------------------|--------------------------------|--|------|
| 1. Earnings Stability | Positive EPS for 5 years prior |  | Pass |
| 2. Dividend Record    | Currently Pays Dividend        |  | Pass |
| 3. Earnings Growth    | EPSmg greater than 5 years ago |  | Pass |

### Suitability

|                     |            |
|---------------------|------------|
| <b>Defensive</b>    | <b>No</b>  |
| <b>Enterprising</b> | <b>Yes</b> |

## Stage 2: Determination of Intrinsic Value

|                             |                |
|-----------------------------|----------------|
| EPSmg                       | 0.77           |
| MG Growth Estimate          | 15.00%         |
| <b>MG Value</b>             | <b>\$29.52</b> |
| MG Value based on 3% Growth | \$11.12        |
| MG Value based on 0% Growth | \$6.52         |
| Market Implied Growth Rate  | 1.31%          |

### MG Opinion

|                      |                    |
|----------------------|--------------------|
| Current Price        | \$8.53             |
| % of Intrinsic Value | 28.90%             |
| <b>Opinion</b>       | <b>Undervalued</b> |
| <b>MG Grade</b>      | <b>B</b>           |

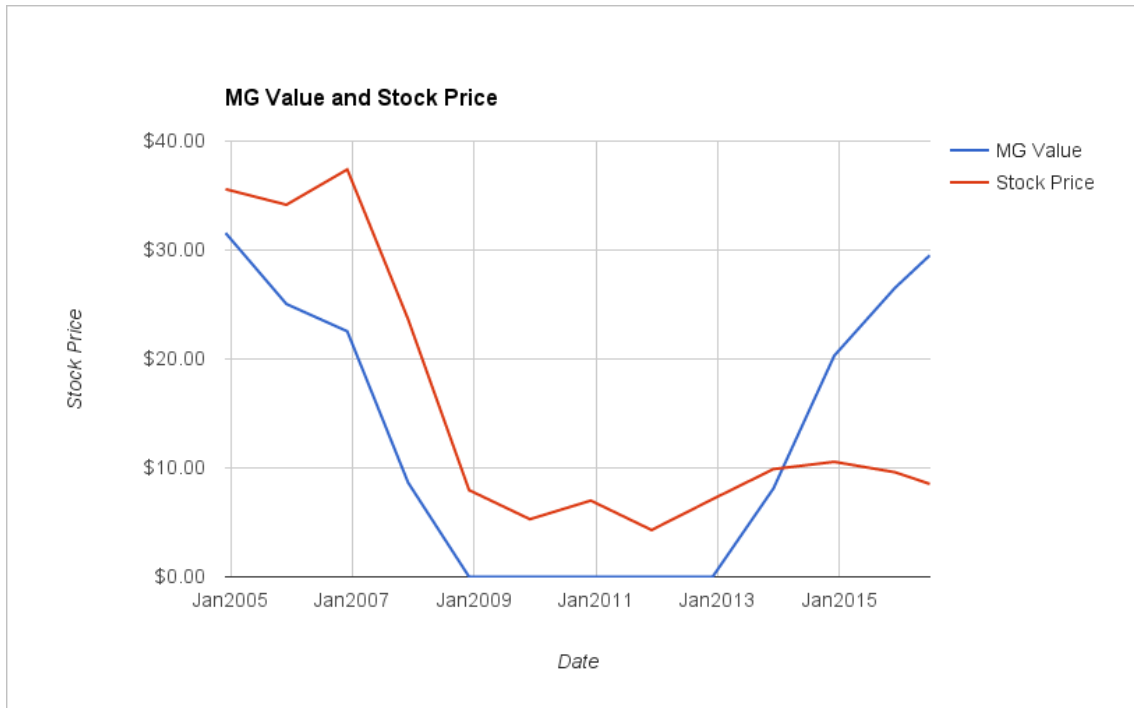
## Stage 3: Information for Further Research

|  |         |
|--|---------|
| Graham Number                                  | \$14.93 |
| PEmg   | 11.13   |
| PB Ratio                                       | 0.64    |
| Dividend Yield                                 | 2.81%   |
| Number of Consecutive Years of Dividend Growth | 4       |

### Useful Links:

|  |                               |
|--|-------------------------------|
| <a href="#">ModernGraham tagged articles</a> | <a href="#">Morningstar</a>   |
| <a href="#">Google Finance</a>               | <a href="#">MSN Money</a>     |
| <a href="#">Yahoo Finance</a>                | <a href="#">Seeking Alpha</a> |
| <a href="#">GuruFocus</a>                    | <a href="#">SEC Filings</a>   |

| EPS History               |         | EPSmg History                             |                   |
|---------------------------|---------|---|-------------------|
| Next Fiscal Year Estimate | \$0.77  | Next Fiscal Year Estimate                 | \$0.77            |
| Dec2015                   | \$0.75  | Dec2015                                   | \$0.69            |
| Dec2014                   | \$0.80  | Dec2014                                   | \$0.53            |
| Dec2013                   | \$0.77  | Dec2013                                   | \$0.21            |
| Dec2012                   | \$0.71  | Dec2012                                   | -\$0.69           |
| Dec2011                   | -\$0.34 | Dec2011                                   | -\$1.49           |
| Dec2010                   | -\$0.62 | Dec2010                                   | -\$1.75           |
| Dec2009                   | -\$1.27 | Dec2009                                   | -\$1.73           |
| Dec2008                   | -\$8.09 | Dec2008                                   | -\$1.26           |
| Dec2007                   | \$1.76  | Dec2007                                   | \$2.21            |
| Dec2006                   | \$2.67  | Dec2006                                   | \$2.47            |
| Dec2005                   | \$2.15  | Dec2005                                   | \$2.39            |
| Dec2004                   | \$2.19  | Dec2004                                   | \$2.50            |
| Dec2003                   | \$2.90  | Dec2003                                   | \$2.61            |
| Dec2002                   | \$2.72  | Dec2002                                   | \$2.42            |
| Dec2001                   | \$2.24  | Dec2001                                   | \$2.25            |
| Dec2000                   | \$2.38  | Dec2000                                   | \$2.20            |
| Dec1999                   | \$2.35  | <b>Balance Sheet Information 3/1/2016</b> |                   |
| Dec1998                   | \$1.88  | Long-Term Debt                            | \$7,851,000,000   |
| Dec1997                   | \$2.15  | Total Assets                              | \$125,539,000,000 |
| Dec1996                   | \$1.81  | Intangible Assets                         | \$5,363,000,000   |
|                           |         | Total Liabilities                         | \$108,328,000,000 |
|                           |         | Shares Outstanding (Diluted Average)      | 1,291,000,000     |





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

## Recommended Reading:

Other  
ModernGraham  
posts about the  
company

- [58 Companies in the Spotlight This Week – 1/31/15](#)
- [Regions Financial Corporation Annual Valuation – 2015 \\$RF](#)
- [14 Companies in the Spotlight This Week – 1/25/14](#)
- [Regions Financial Corp \(RF\) Annual Valuation](#)

Other  
ModernGraham  
posts about related  
companies

- [State Street Corp Valuation – June 2016 \\$STT](#)
- [KeyCorp Valuation – June 2016 \\$KEY](#)
- [PNC Financial Services Group Inc Valuation – June 2016 \\$PNC](#)
- [People's United Financial Inc Valuation – June 2016 \\$PBCT](#)
- [BB&T Corporation Valuation – May 2016 \\$BBT](#)
- [SunTrust Banks Inc Valuation – February 2016 \\$STI](#)
- [Comerica Inc Stock Valuation – February 2016 \\$CMA](#)
- [U.S. Bancorp Valuation – February 2016 \\$USB](#)
- [JP Morgan Chase Valuation – January 2016 Update \\$JPM](#)
- [Comerica Inc Stock Valuation – February 2016 \\$CMA](#)