

ModernGraham Valuation

Regions Financial Corp



Company Name:

Company Ticker RF

Date of Analysis

1/16/2019

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	\$15,962,952,366	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	-252.47%	Fail
5. Moderate PEmg Ratio	PEmg < 20	13.99	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.14	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

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	1.10
MG Growth Estimate	15.00%
MG Value	\$42.48
MG Value based on 3% Growth	\$16.00
MG Value based on 0% Growth	\$9.38
Market Implied Growth Rate	2.75%

MG Opinion

Current Price	\$15.44
% of Intrinsic Value	36.35%
Opinion	Undervalued
MG Grade	A-

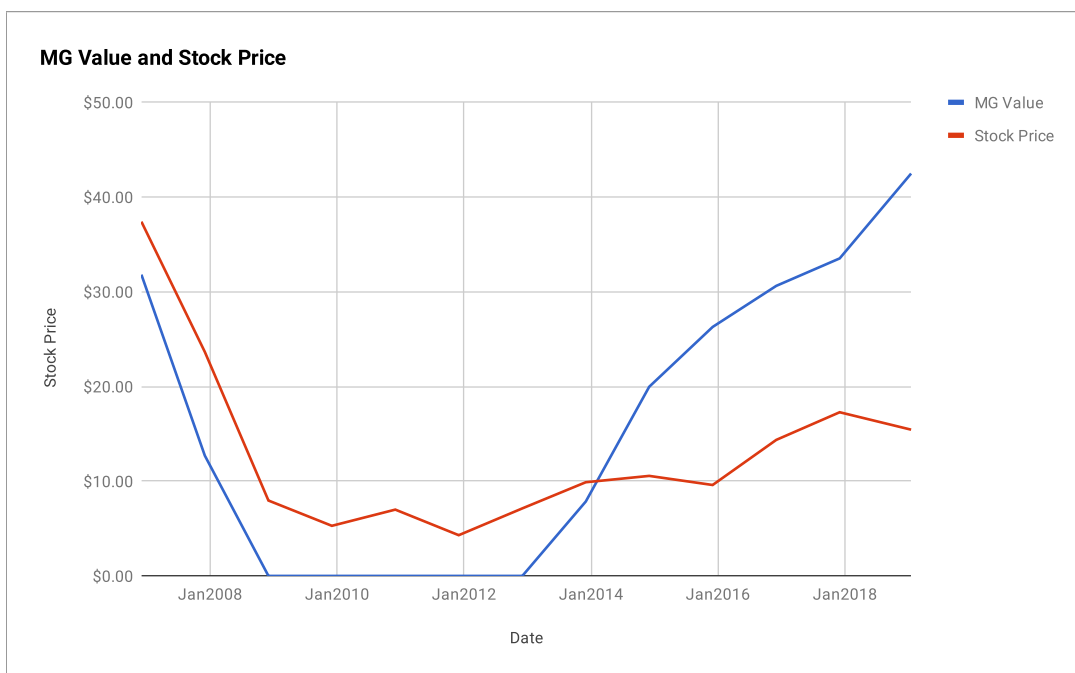
Stage 3: Information for Further Research

Graham Number	\$21.60
PEmg	13.99
PB Ratio	1.14
Dividend Yield	2.04%
Number of Consecutive Years of Dividend Growth	5

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.53	Next Fiscal Year Estimate	\$1.10
Dec2017	\$1.00	Dec2017	\$0.87
Dec2016	\$0.87	Dec2016	\$0.80
Dec2015	\$0.75	Dec2015	\$0.68
Dec2014	\$0.79	Dec2014	\$0.52
Dec2013	\$0.75	Dec2013	\$0.20
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	\$2.36
Dec2004	\$2.19	Dec2004	\$2.42
Dec2003	\$2.90	Dec2003	\$2.44
Dec2002	\$2.72	Dec2002	\$2.15
Dec2001	\$1.82	Balance Sheet Information 9/1/2018	
Dec2000	\$1.92	Long-Term Debt & Capital Lease Obligation	\$11,178,000,000
Dec1999	\$1.90	Total Assets	\$124,578,000,000
Dec1998	\$1.88	Intangible Assets	\$5,357,000,000
		Total Liabilities	\$109,808,000,000
		Shares Outstanding (Diluted Average)	1,095,000,000





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**
 - [10 Undervalued Stocks for the Enterprising Investor – April 2018](#)
 - [Regions Financial Corp Valuation – March 2018 SRF](#)
 - [Best Stocks Below Their Graham Number – August 2016](#)
 - [Best Stocks to Invest In: the Bank Industry – August 2016](#)
 - [Stocks Trading Below Their Graham Number – July 2016](#)

- Other ModernGraham posts about related companies**
 - [PNC Financial Services Group Inc Valuation – January 2019 \\$PNC](#)
 - [KeyCorp Valuation – January 2019 \\$KEY](#)
 - [Citigroup Inc Valuation – January 2019 \\$C](#)
 - [People's United Financial Inc Valuation – January 2019 \\$PBCT](#)
 - [JPMorgan Chase & Co Valuation – November 2018 \\$JPM](#)
 - [CVB Financial Corp Valuation – September 2018 \\$CVBF](#)
 - [Customers Bancorp Inc Valuation – September 2018 \\$CUBI](#)
 - [Sterling Bancorp Valuation – August 2018 \\$STL](#)
 - [S&T Bancorp Inc Valuation – August 2018 \\$STBA](#)
 - [Central Pacific Financial Corp Valuation – August 2018 \\$CPF](#)