

Regions Financial Corp

RF
NYSE

B Outperform
Data as of 09/07/2012

SCHWAB EQUITY RATING

B Outperform
Percentile Ranking: 8
Data as of 09/07/2012

Last weeks rating: **B** Outperform
Percentile Ranking: 6
Data as of 08/31/2012

A	1-5	Strongly Outperform	BUY HOLD SELL
B	6-30	Outperform	
C	31-70	Marketperform	
D	71-95	Underperform	
F	96-100	Strongly Underperform	

For details about using Schwab Equity Ratings, please see the Schwab Center for Financial Research report "Managing a Portfolio Using Schwab Equity Ratings" in the Stocks article library under Market Insight.

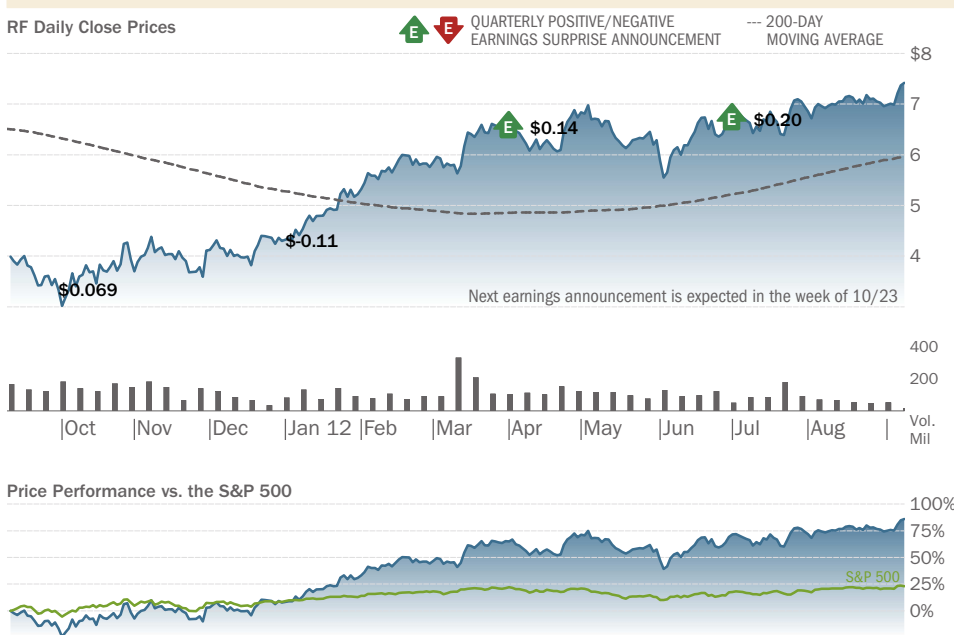
See page 4 for further documentation on Schwab Equity Ratings, **Important Disclosures, and Regulation Analyst Certification.**

RATIONALE BEHIND OUR **B** RATING ON RF

For details about inputs to Schwab Equity Rating, see "Schwab Equity Ratings Foundations" in the "Stocks" article library under Market Insight.

	THIS WEEK	LAST WEEK	IMPORTANCE
D FUNDAMENTAL GRADE			
Cash Flow Strength	Negative	Negative	Medium
Capital Intensity	Neutral	Neutral	Medium
Efficient Management of Working Capital	Neutral	Neutral	Low
B VALUATION GRADE			
Price Driven Valuation	Positive	Positive	High
Valuation Sentiment	Positive	Positive	Medium
A MOMENTUM GRADE			
Recent Price Performance vs. the Market	Positive	Positive	Medium
Recent Brokerage Analyst Sentiment Change	Positive	Positive	Low
Earnings Trend Surprise	Positive	Positive	Low
C RISK GRADE			
Business Geographic Diversification	Positive	Positive	Low
Institutional Sentiment	Negative	Negative	Low

PRICE & VOLUME HISTORY



BUSINESS SUMMARY

Source: S&P

Regions Financial Corporation operates as the holding company for Regions Bank that provides a range of commercial, retail, and mortgage banking services in the United States.

For more details, see page 2.

OVERVIEW

Source: S&P

Price as of 9/7/12 **\$7.37**
Market Capitalization **10.4 Billion**
Asset Class **Mid Cap**
Beta **1.49**

SECTOR/INDUSTRY Schwab Industry Rating **A**

Source: S&P

Sector **Financials**
Industry **Commercial Banks**
Sub-Industry **Regional Banks**

Schwab Sector Viewpoint **Marketperform**

METRICS

Source: Reuters

VALUE METRICS	RF	S&P 500
P/E last 4Q	24.3	15.0
P/E forecast EPS	10.5	-
P/Free Cash Flow last 4Q	4.0	13.1
P/Sales last 4Q	1.92	1.29
Price/Book	.7	3.7
Dividend Yield(%)	.5	2.2
GROWTH METRICS (%)		
1 year sales growth	-7.5	7.5
3 year sales growth	-13.5	7.7
1 year EPS growth	548.2	6.3
3 year EPS growth	-	16.1
1-year forecast EPS growth	314.4	-
3-5 year EPS growth forecast	8.0	-
1 year dividend growth	.0	6.2
3 year dividend growth	-65.3	6.2
MOMENTUM METRICS (%)		
4 week stock price change	5.3	2.3
26 week stock price change	27.1	4.9
FINANCIAL METRICS (%)		
Gross margin	-	38.1
Net margin	12.0	8.6
Return on assets	.5	4.5
Return on equity	3.0	14.6
Return on invested capital	-	13.3
Long-term debt/capital	-	.34

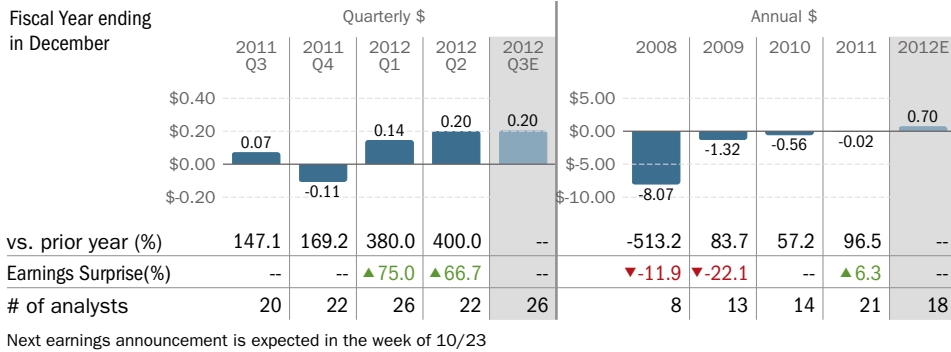
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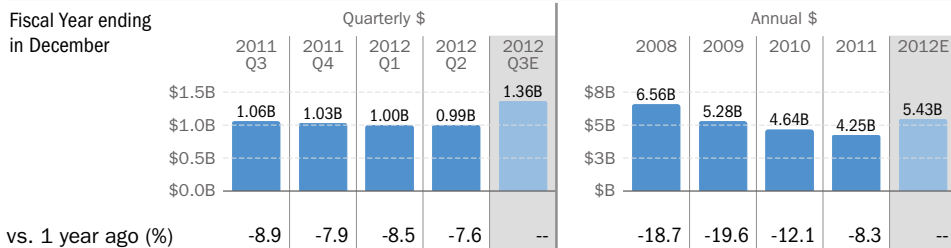
EARNINGS PER SHARE

Earnings data source: Reuters



REVENUE

Revenue data source: Reuters



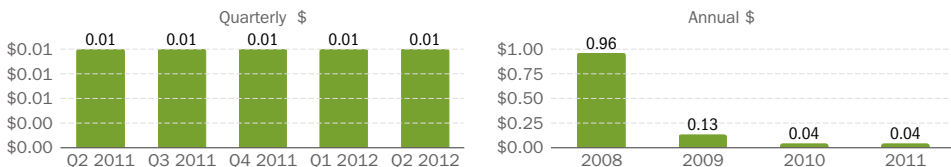
ANNUAL EARNINGS FORECAST

Source: Reuters

	MEAN FORECAST	CONSENSUS CHANGE IN LAST 30 DAYS	FORECAST RANGE	NUMBER OF FORECASTS
12/31/2012	\$0.70	\$0.01	\$0.51-\$0.80	18
12/31/2013	\$0.80	\$0.00	\$0.59-\$0.93	27
Next 5 Yr. Growth Rate	8.0%	0.0%	7.0%-10.0%	3

DIVIDENDS

Dividends data source: Reuters



Dividends are paid on a Quarterly basis.

SCHWAB SECTOR STOCK LIST

Price as of: 9/7/2012

TICKER	COMPANY	PRICE	SCHWAB EQUITY RATING	GICS INDUSTRY
FAF	First American Financial	\$19.52	A	Property & Casualty Insurance
HCC	HCC Insurance Hldgs	33.76	A	Multi-line Insurance
RGA	Reinsurance Group of Amer	59.89	A	Reinsurance
STI	SunTrust Banks	27.50	A	Regional Banks
TMK	Torchmark Corp	52.27	A	Life & Health Insurance

OTHER OPINIONS

S&P's Recommendation RATING SINCE 03/15/2012
★ ★★ ★★★★★

Credit Suisse Rating RATING SINCE 02/10/2012
UNDERPERFORM NEUTRAL **OUTPERFORM**

Argus 12 Month Rating
RATING NOT AVAILABLE

Ned Davis Rating RATING SINCE 10/03/2011
SELL **NEUTRAL** BUY

Market Edge Second Opinion® RATING SINCE 07/30/2012
AVOID NEUTRAL **LONG**

Reuter's Average Rating RATING SINCE 08/22/2012
NO OPINION SELL UNDER-PERFORM HOLD **OUT-PERFORM** BUY

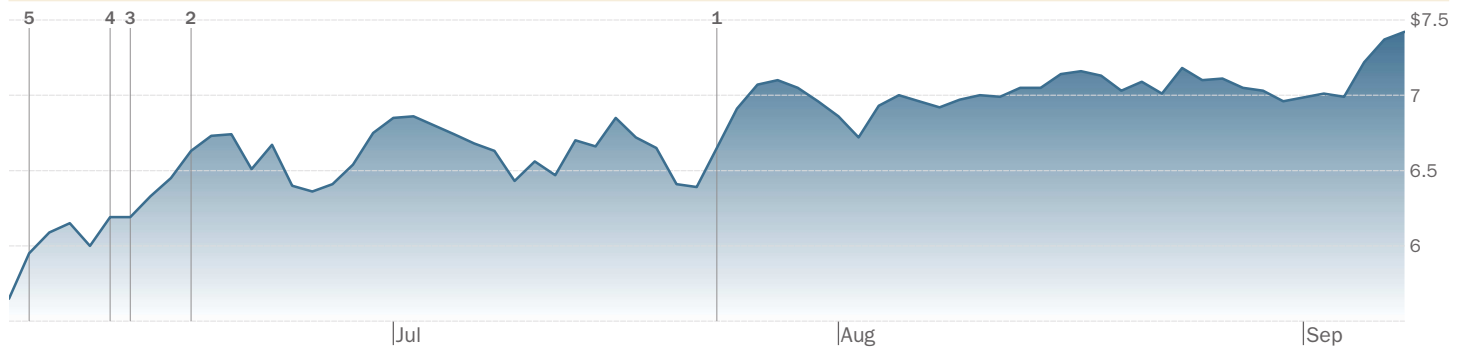
BUSINESS DESCRIPTION

Source: Reuters

Regions Financial Corporation (Regions) is a financial holding company. Regions operate throughout the South, Midwest and Texas. The Company provides traditional commercial, retail and mortgage banking services, as well as other financial services in the fields of investment banking, asset management, trust, mutual funds, securities brokerage, insurance and other specialty financing. Regions conduct its banking operations through Regions Bank, a commercial bank. As of December 31, 2011, Regions operated approximately 2,100 automated teller machines (ATMs) and 1,726 banking offices in Alabama, Arkansas, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, South Carolina, Tennessee, Texas and Virginia. It provides additional financial services through its subsidiaries, which includes Morgan Keegan & Company, Inc. and Regions Insurance Group, Inc. In April 2012, it sold Morgan Keegan & Company, Inc. and related affiliates to Raymond James

Regions Financial Corp

NEWS HEADLINES



1 07/24/12 12:38 pm ET ... S&P KEEPS HOLD RECOMMENDATION ON SHARES OF REGIONS FINANCIAL CORP. (RF 6.6*):** Following Q2 results, we raise our '12 EPS estimate to \$0.71 from \$0.59, and our '13 estimate to \$0.80 from \$0.72, on our improved revenue and credit cost outlook for both years. We also increase our target price to \$8, up \$1, based on a 10.0X multiple on our '13 estimate. This 10.0X target multiple is about halfway between the current multiples of RF's two major Southeastern peers, and reflects RF's return to profitability, tempered by our concerns over revenue growth and competition. Q2 EPS of \$0.20 vs. \$0.02 beat our \$0.16 estimate on sharply reduced loan loss provisions. /Erik Oja

2 06/18/12 Regions Financial Corp. announced that it named John Owen its new head of business lines and announced certain organizational changes. In his new role, Owen will be responsible for consumer services, consumer lending, wealth management and business services. Chief Marketing Officer Scott Peters will become head of consumer services, the position Owen held since 2009. The company also announced organizational changes. Keith Herron, the company's president for the midsouth region, will serve as new head of strategic planning and execution and will report to Chief Administrative Officer David Edmonds. The company also announced that it is streamlining its geographic structure into three regions - east, south and mid-America - in a move to boost efficiency while preserving local presence.

3 06/13/12 Regions Financial Corp. announced it has hired three specialty bankers to join its Restaurant, Healthcare, and Technology & Defense Banking groups. Robert Daniel has been named group head and managing director of the Restaurant Banking group in Atlanta, reporting to John Barton, specialized industries executive for Regions Bank. Daniel has more than 18 years of experience in restaurant banking, most recently with GE Capital Finance, where he served as senior vice president for sponsor coverage and sales manager for chain coverage; and Bank of America, where his positions included managing director of the restaurant finance group. Greg Jones has been named managing director of the Technology & Defense Banking group in Charlotte, reporting to David Sozio, group head and managing director. Jones will cover both the technology services and the defense/government services industry sectors. Chris Rogers has been named managing director of the Healthcare Banking group in Nashville, reporting to Brooks Hubbard, group head and managing director.

4 06/12/12 Regions Financial Corp. announced that Jim Breaux has been named vice president and national sales executive of funeral trust and cemetery services.

5 06/06/12 Regions Financial Corp. announced that John Owen has been named the company's new head of Business Lines, responsible for Consumer Services, Consumer Lending, Wealth Management and Business Services. In his expanded role he will help foster greater innovation and effectiveness across all business lines. Regions' Chief Marketing Officer, Scott Peters, succeeds Owen as head of Consumer Services. The company also announced several related organizational changes that will drive growth and efficiency across its lines of business and 16 state footprint. Keith Herron will now serve as the company's new head of strategic planning & execution, reporting to Chief Administrative Officer David Edmonds. In this new role he will more rapidly translate the company's strategic priorities into action throughout its markets, focusing on critical priorities such as cross-sell, account retention, service quality, performance management and business process improvement, among others, and will continue to serve on the company's Operating Committee. Herron most recently served as president of Regions' Midsouth Region. The company also announced that it is streamlining its geographical structure into three regions, allowing it to preserve local presence and authority while enhancing overall efficiency. The three regions are: East, led by Brett Couch and headquartered in Tampa, which includes Florida (excluding the Florida Panhandle), East Tennessee, Georgia, North Carolina, South Carolina and Virginia; South, led by John Turner and headquartered in Birmingham, which includes Alabama, South Louisiana, Mississippi and the Florida Panhandle; and - Mid-America, led by Ronnie Smith and headquartered in Nashville, which includes Middle and West Tennessee, Texas, North Louisiana, Missouri, Arkansas, Indiana, Kentucky, Illinois and Iowa. John Owen has led Regions' Consumer Services Group since 2009. Prior to this he served as head of Operations and Technology. Keith Herron most recently served as president of the Midsouth Region. Scott Peters joined the company in 2004 as chief marketing officer. Prior to joining Regions, he served as executive vice president of Fidelity Personal Investments, as well as director of Mass Market Retail Banking at KeyCorp.

Regions Financial Corp

IMPORTANT DISCLOSURES FOR RF

CR1 Schwab received compensation for products or services other than investment banking services from this company in the past 12 months.

CR2 This company is, or during the past 12 months prior to distribution was, a client of Schwab. The type of services provided were non-investment banking securities-related services

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Regulation Analyst Certification: The views expressed in this research report accurately reflect Schwab's quantitative research model, and no part of Schwab's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views disclosed in the research report.

Note the Price Chart in the disclosures of this report which shows the rating and price history over applicable periods for this stock, including if and when coverage was terminated or suspended.

Within the previous 12 months, the percentage of companies that have a Schwab Equity Rating and for which Schwab has provided investment banking services are as follows:

- Less than 1% in Buy Category (Schwab Equity Ratings and Schwab Equity Ratings International of A or B)
- Less than 1% in Hold Category (Schwab Equity Ratings and Schwab Equity Ratings International of C)
- Less than 1% in Sell Category (Schwab Equity Ratings and Schwab Equity Ratings International of D or F)

Price History for RF

Schwab Equity Rating History for RF



SCHWAB EQUITY RATINGS MEANING AND DISTRIBUTION

Schwab Equity Ratings are assigned to approximately 3000 of the largest (by market capitalization) stocks of issuers headquartered or incorporated in the U.S. or in certain foreign nations where companies typically incorporate or locate for tax or operational reasons. The explanation and table below are included to assist you in using Schwab Equity Ratings as one component of your own research to evaluate stocks and investment opportunities.

Schwab rates stocks using a scale of A/B/C/D/F. Schwab's outlook is that "A" rated stocks, on average, will strongly outperform and "F" rated stocks, on average, will strongly underperform the equities market over the next 12 months. Schwab Equity Ratings are based upon a disciplined, systematic approach that evaluates each stock on the basis of a wide variety of investment criteria from four broad categories: Fundamentals, Valuation, Momentum, and Risk. This approach attempts to gauge investor expectations since stock prices tend to move in the same direction as changes in investor expectations. Stocks with low and potentially improving investor expectations tend to receive the best Schwab Equity Ratings ("A" or "B" ratings), while stocks with high and potentially falling investor expectations tend to receive the worst Schwab Equity Ratings ("D" or "F" ratings). From time to time, Schwab may update the Schwab Equity Ratings methodology.

Schwab Equity Ratings Distribution

Schwab Equity Rating	Percentile Ranking Distribution	Distribution of Rating Within Sector	12 Month Return Outlook	General Buy/Hold/Sell Guidance*
A	1 - 5	Top 5%	Strongly Outperform	Buy
B	6 - 30	Next 25%	Outperform	Buy
C	31 - 70	Next 40%	Marketperform	Hold
D	71 - 95	Next 25%	Underperform	Sell
F	96 - 100	Bottom 5%	Strongly Underperform	Sell

*The general buy/hold/sell guidance is relative to other rated equities only. Before considering whether to take any action, an investor should consider whether equities generally are performing well in comparison to other asset classes and whether other equities in the same sector or category with the same or better rating may be more appropriate.

Investment Rating Explanation

A (Strongly Outperform): If an investor is looking to add a stock to his or her portfolio, "A" rated stocks may be the best candidates for consideration.

B (Outperform): An investor looking to add a stock to his or her portfolio might also consider a "B" rated stock, though preference should be given to "A" rated stocks.

C (Marketperform): An investor would not usually consider a "C" rated stock for purchase. An investor that has a "C" rated stock in his or her portfolio should consider continuing to hold the stock, and might monitor the stock's ongoing performance and compare the potential benefits of owning a stock with higher ratings.

D (Underperform): An investor holding a "D" rated stock should consider whether it is appropriate to continue to hold that stock in his or her portfolio. An investor would not usually consider a "D" rated stock for purchase.

F (Strongly Underperform): An investor holding an "F" rated stock should consider whether it is appropriate to eliminate that stock from his or her portfolio. An investor would not usually consider an "F" rated stock for purchase.

Percentile Rankings Explanation: Each of the approximately 3000 stocks rated in the Schwab Equity Ratings universe is given a score that is derived from several research factors. The assignment of a final Schwab Equity Rating depends on how well a given stock scores on each of the factors and then on how that stock's average factor score compares to the average factor scores of other stocks in the same sector. The result is a stock's within-sector, or "sector-neutral," percentile ranking. The lowest percentile rankings represent the best scores and correspond to the best letter grades. For example, in a sector with 400 stocks, the top 20 stocks (5 percent) would receive a percentile ranking of 1 and the bottom 20 stocks would receive a percentile ranking of 100. Furthermore, stocks ranked in percentile groups 1-5 within a sector are rated "A" and those in percentile groups 6-30 are rated "B." The Schwab Equity Ratings distribution table above illustrates the percentile rankings and approximate Schwab Equity Ratings distributions.

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Descriptions for Non-Rated Stocks

Category	Definition	Description
NR	Not Rated	Schwab has decided not to publish a rating on this stock due to unusual or extraordinary business circumstances related to this company. Although Schwab generally does not monitor C, D, and F rated stocks for unusual or extraordinary business circumstances, from time to time, a rating of NR may appear on a particular stock.
NA	Not Available	A Schwab Equity Rating is not available on this stock due to insufficient information about this stock.
NC	Not Covered	This stock is not currently in the Schwab Equity Rating universe or is prohibited from coverage for regulatory or other reasons.

Modifiers

Category	Definition	Description
*	Check News	Check current news because a potentially significant event has been announced for an A or B rated stock.

Although Schwab generally does not monitor C, D, and F rated stocks for current news, from time to time, asterisks may appear on a particular stock due to certain circumstances (e.g. a merger or acquisition announcement). In any event, you should always check news on a stock before placing a trade. The absence of an asterisk does not imply that there is no current pertinent news on a particular stock.

SCHWAB INDUSTRY RATINGS MEANING AND DISTRIBUTION

About Schwab Industry Ratings

The Schwab Center for Financial Research (SCFR) uses an objective and disciplined approach to rank industries as classified by the widely recognized GICS (Global Industry Classification Standard) groupings. The GICS structure is comprised of sectors, industry groups, industries and sub-industries. Schwab Industry Ratings is a ranking at the industry level.

The term industry is used to describe a business activity (e.g. software, airlines, beverages). If a company participates in multiple business activities, it is usually considered to be in the industry in which most of its revenues is derived.

There are three component grades underlying Schwab Industry Ratings. Each Schwab Industry Rating component grade and respective factors are calculated for each stock in the Schwab Equity Ratings® universe of 3200 stocks and ranked relative to the universe. Stock rankings are then aggregated into an average score for each GICS industry. Next, average scores are ranked relative to the GICS industries and each industry is assigned a Schwab Industry Rating grade of "A", "B", "C", "D" or "F." An industry must include at least 6 companies in order to be rated.

Charles Schwab & Co., Inc. ("Schwab") rates industries "A", "B", "C", "D" or "F". Schwab's outlook is that "A" rated industries, on average, will strongly outperform and "F" rated industries, on average, will strongly underperform the broad equities market over the next 12 months. Schwab Industry Ratings are based upon a disciplined, systematic approach that evaluates each industry on the basis of a wide variety of investment criteria from three broad categories: Fundamental Perspective, Valuation Perspective and Momentum Perspective. This approach attempts to gauge investor expectations and the potential of an industry. Schwab Industry Ratings are not based on the Schwab Equity Ratings of the securities within the industry. Over time, the methodology upon which Schwab Industry Ratings are based may be altered.

How to use Schwab Industry Ratings

There are two uses for Schwab Industry Ratings. The primary use should be for stock selection in conjunction with Schwab Equity Ratings. The other use can be for clients interested in pursuing industry over- and under-weightings within their portfolios and/or industry rotation strategies. It is important for investors to maintain a well diversified portfolio.

How to use Schwab Industry Ratings in conjunction with Schwab Equity Ratings

In conjunction with Schwab Equity Ratings, Schwab Industry Ratings can be useful in screening new stock purchases and in identifying portfolio holdings for possible sale. Schwab Equity Ratings should be given more consideration when making individual stock buy and sell decisions. For example, a "D" or "F" rated stock in an "A" rated industry is still considered a sell candidate by Schwab. Schwab's outlook is that among stocks with similar Schwab Equity Ratings, those with high industry ratings will outperform those with low industry ratings over a 12-month time horizon.

Sector and industry diversification is a critical building block in portfolio construction. A review of sector weights coupled with individual stock concentration is a critical step in evaluating portfolio risk. Simply investing in industries or sectors that Schwab rates highly will not result in a diversified portfolio. To find out how well diversified your portfolio is, Schwab clients should use the Portfolio Checkup tool on schwab.com.

Schwab Industry Ratings Distribution

Schwab Industry Rating	Schwab Industry Rating Distribution	12 Month Investment Outlook for Industry
A	Top 20%	Strongly Outperform
B	Next 20%	Outperform
C	Next 20%	Marketperform
D	Next 20%	Underperform
F	Bottom 20%	Strongly Underperform

Schwab Industry Ratings should not be considered as guidance for buying, holding or selling an individual security. Please refer to the Schwab Equity Ratings for information on general buy, hold and sell guidance for individual equities.

Descriptions for Non-Rated Industries

Category	Definition	Description
NR	Not Rated	Schwab has decided not to publish a rating on this industry due to unusual or extraordinary business circumstances related to this industry.
NC	Not Covered	This industry is not currently in the Schwab Industry Ratings universe or there are an insufficient number of companies in the industry for Schwab to provide a rating.

Modifiers

Category	Definition	Description
*	Check News	Check current news because a potentially significant event has been announced for a rated industry. Asterisks may appear on a particular industry due to certain circumstances. In any event, you should always check news.

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¹Markit on Demand used Standard & Poor's (S&P) data in making its calculations.