

Regional Banks: The Loan Growth Trade

Upgrading CMA to Buy. Keeping Powder Dry for Other Names.

- **The Loan Growth Trade** — Regional bank stocks have rallied over the past several quarters as they anticipated the benefit to earnings from higher interest rates. While that rally took place despite lackluster loan growth, accelerating loan growth will likely be the next catalyst to the push the stocks higher. Although it is by no means overwhelming, we see enough circumstantial evidence that loan growth may be on the verge of accelerating such that we think investors should increase their exposure to the regional bank space. As a result, we're upgrading CMA to Buy.
- **Circumstantial Evidence** — As has been well documented, loan growth in the current economic recovery has been anemic compared to previous economic recoveries (Figure 1). While there may be structural reasons why loan growth in this recovery may never approximate growth in previous recoveries, three pieces of circumstantial evidence suggest that loan growth may accelerate in the quarters ahead. First, while it's been customary in recent years for regional bank management teams to strike an optimistic note early in the year, commentary on the 4Q13 calls about customer optimism strikes us as materially different than in previous years. Second, business inventories have recently increased after a downtrend, and business inventory growth typically leads C&I lending by two quarters. Third, consumer deleveraging may be nearing an end, and the last time consumer finances were in the shape they're in now, consumer loan growth was roughly four times greater than the current rate.
- **3 Reasons Why Loan Growth Matters** — Loan growth matters for the regional bank stocks because (1) it directly impacts earnings through higher NII (2) loan growth is positively correlated with fee income growth and (3) loan growth is bullish for sentiment since investors are favorably disposed towards "growth." In order to dimension how much a pickup in loan growth might benefit regional bank stock valuations, we add ~5% to our loan growth assumptions and model the impact to earnings from higher NII and fees. We conservatively calculate that, on average, our '16 estimates would increase by ~9% and that our target prices would increase by ~10% assuming current market multiples (i.e., no multiple expansion). All of our calculations are laid out in Figures 5, 8 and 9.
- **CMA to Buy** — (1) Much of the aforementioned optimism has centered around deferred maintenance spending that can't be deferred much longer, and CMA should be a prime beneficiary given its business lending focus (2) it's the name generalists use to express thematic/macro views and (3) it's widely disliked by both the sell side (only ~10% of the Street has a Buy rating) and the buy side.

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Company	Ticker	Rating		Target Price		Current Year Earnings Estimates	
		Old	New	Old	New	Old	New
Comerica Inc	CMA	2	1	US\$52.00	US\$53.00	US\$3.15	US\$3.15
Regions	RF	2	2	US\$11.50	US\$11.50	US\$0.85	US\$0.85

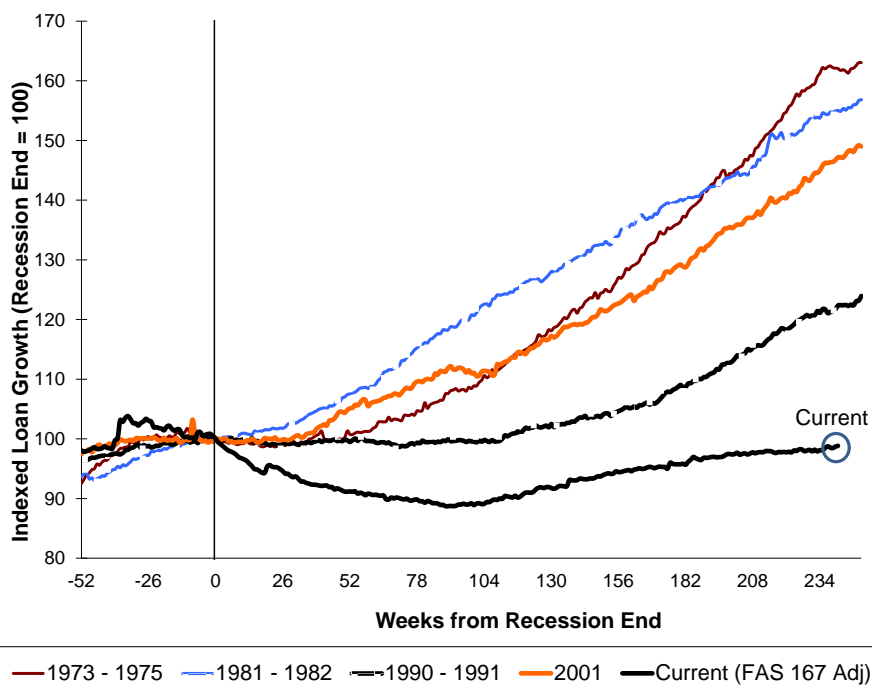
See Appendix A-1 for Analyst Certification, Important Disclosures and non-US research analyst disclosures.

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Loan Growth Has Been Anemic in the Current Recovery...

As has been well documented, total loan growth in the current economic recovery has been anemic compared to previous recoveries:

Figure 1. Total Loan Growth in Current and Previous Economic Recoveries



Source: Citi Research, Fed H.8 Data

In order for total loan growth in the current recovery to equal the average of the last two recoveries at this point in the cycle, we calculate that it would have to increase by ~35%. While there may be structural reasons why loan growth in this recovery may never approximate loan growth in previous recoveries, the data nonetheless suggests that there is ample room for loan growth to increase from its current level.

...but Some Circumstantial Evidence Suggests that Loan Growth May Be About to Accelerate

Some circumstantial evidence suggests that loan growth may accelerate in the quarters ahead. To be sure, this evidence is by no means ironclad. However, it is enough to pique our interest as we think loan growth is the next likely catalyst for the regional bank stocks. If we are correct, the market will sniff the loan growth out before it actually occurs and the stocks will be bid up accordingly.

Evidence: Management Commentary About Customer Optimism

The first piece of circumstantial evidence we would point to is commentary from regional bank management teams made during the recent 4Q13 earnings calls. While it is difficult to quantify given the qualitative nature of the commentary, the degree of optimism strikes us as materially different from previous years, including commentary from some of the more conservative management teams.

Here are some illustrative quotes which contrast the change in optimism from the 4Q12 earnings calls to the 4Q13 earnings calls:

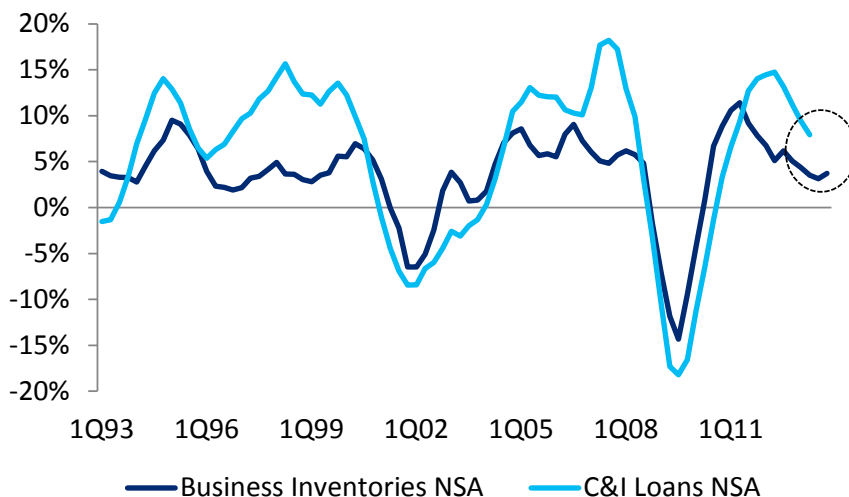
- “From my year-end customer calls and conversations with CEOs and business owners, there is now definitely more confidence going into 2014 than the prior year.” – *HBAN 4Q13 earnings call*
- “We have strong pipelines. But we’ve seen for now a number of months deferrals on closing loans on fundings, reflecting a restraint on investment and expansion by a number of businesses.” – *HBAN 4Q12 earnings call*
- “The big thing I would say is we’re seeing more diversified demand, both across lending segments and across markets.” – *RF 4Q13 earnings call*
- “Confidence is incrementally better, but it’s a little mixed. I would use the word mixed.” – *RF 4Q12 earnings call*
- “The sentiment is completely different. The sentiment is stronger than it’s been in all these --- last January as people are much more willing to talk about future investment. I think consumers are starting to think about doing things to add to their house or spend more money for improvements and maybe some discretionary items they hadn’t before.” – *USB 4Q13 earnings call*
- “I think it’s still a fairly uncertain environment and people at the first of the year aren’t jumping on anything new... I guess the recession ended 14 quarters ago, as I’m told. It probably doesn’t feel like it to all of us. Whatever recovery we’ve been under continues to be slow and methodical.” – *USB 4Q12 earnings call*

It has been customary in recent years for regional bank management teams to strike an optimistic note early in the year about expected loan growth in the back half of the year, so recent commentary should be taken with a grain of salt. That being said, it seems clear to us that the tone and substance of recent commentary does in fact differ from previous years’ commentary.

Evidence: Growth in Business Inventories

In addition to the qualitative commentary above, some economic data may also portend a pickup in loan growth. Growth in business inventories has typically lead growth in C&I loans by about two quarters. As shown below, business inventories have recently increased after a downtrend:

Figure 2. Y/Y Growth in Business Inventories versus Growth in C&I Loans Lagged 2 Quarters



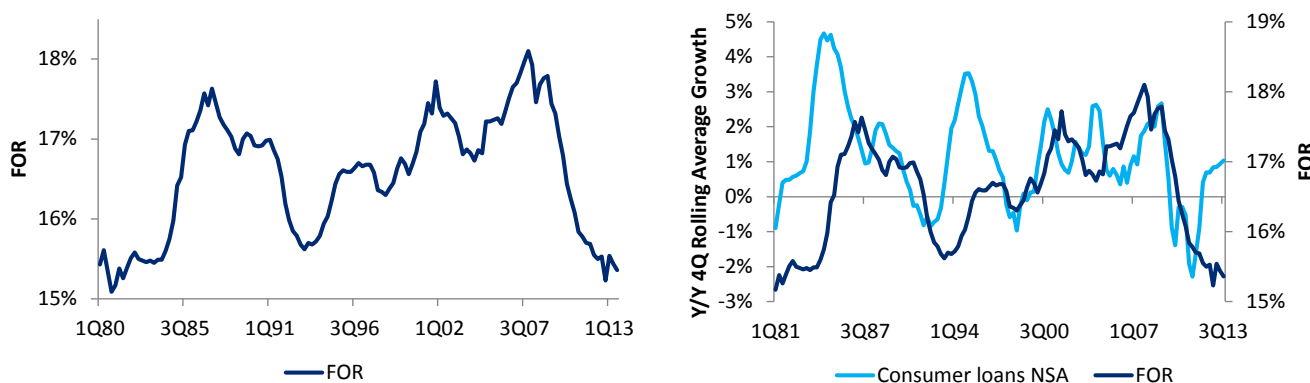
Source: Citi Research, Census Data, Fed H.8 Data, Haver

To the extent that the relationship between these two variables still holds, business borrowing may accelerate in the next few quarters.

Evidence: Consumer Deleveraging May Be Nearing an End

Consumer balance sheets are arguably in the best shape they have been in for quite some time, and this may lead to an increase in consumer borrowing. We examined the financial obligation ratio (FOR) and its relationship with consumer loan growth. The FOR represents a consumer's total debt service plus other financial obligations (i.e., auto lease payments) divided by disposable income.

Figure 3. Financial Obligation Ratio (left) and Financial Obligation Ratio versus Growth in Consumer Loans (right)



Source: Citi Research, Fed H.8 Data, Haver

Based on the data in the chart above, we observe that (1) consumer finances are in the best shape they have been in for some time and (2) the last time that consumers were in the equivalent financial shape, consumer loan growth was roughly four times greater than the current rate.

Why Loan Growth Matters for Regional Bank Stocks

As far as the regional bank stocks go, we think loan growth matters for at least three reasons: (1) loan growth directly impacts EPS through higher NII (2) loan growth is positively correlated with fee income growth and (3) investors are favorably disposed towards “growth.” Below we demonstrate that even a modest increase in loan and fee growth could materially benefit regional bank stock valuations.

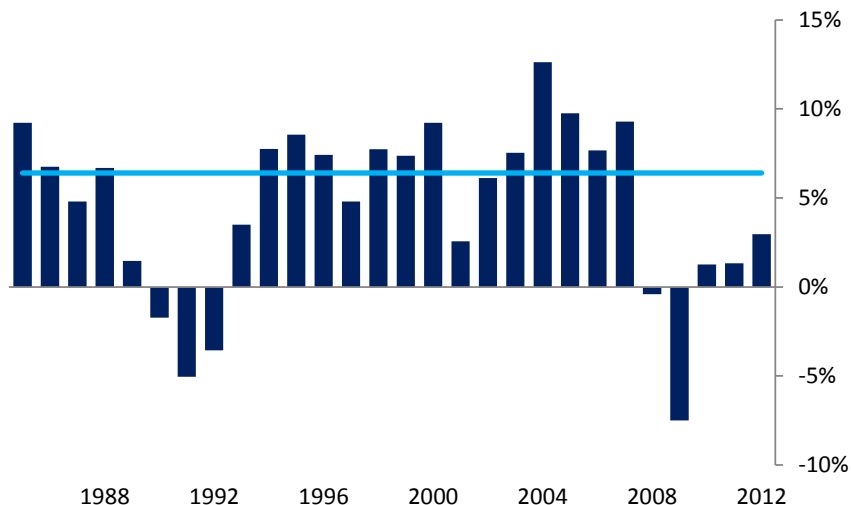
Loan Growth’s Direct Impact on EPS through Higher NII

Our sense is that many investors, particularly generalists, overestimate the impact loan growth has on regional bank earnings compared to the impact higher interest rates have on bank earnings. That being said, loan growth certainly does drive EPS higher. Below we use some simplifying assumptions to give a sense of how much our estimates might change if loan growth were to pick up.

Across our regional bank coverage universe we are currently assuming ~4% annual loan growth over the next few years. For the purpose of this sensitivity analysis, we make the following assumptions:

- We add ~5% to our loan growth assumptions in each year such that our estimated annual loan is ~9%. As shown below, median annual loan growth for the banking industry overall has been ~6% over the past thirty years but there have been several instances when loan growth was in the ~9% range:

Figure 4. Banking Industry’s Y/Y Loan Growth



Source: Citi Research, FDIC

When we examine the data for our regional bank coverage universe, annual loan growth has averaged ~7% and there have been several years of loan growth equal to or in excess of ~9%. As such, and given that loan to deposit ratios are hovering close to 20-year lows, it is not at all unreasonable that annual loan growth could accelerate to ~9% if the economic conditions improved.

- We assume ~28% efficiency ratio on the incremental net interest income generated by higher loan growth. Incremental non-credit expenses associated with loan growth should largely be related to increased compensation expense.

- We assume that incremental provision expenses equals ~1.3% of loans originated. Over the full cycle of the loan, provision expense should be higher but when the loans are originated it should be relatively low given how reserve accounting works.
- We assume a ~36% marginal tax rate.

As shown below, we estimate that adding ~5% to our loan growth assumptions would increase our '16 estimates on average by ~7% with a range of ~5% to ~11%:

Figure 5. Sizing Up '16 EPS Impact if Loan Growth Increased 5% Relative to Our Current Model Assumptions

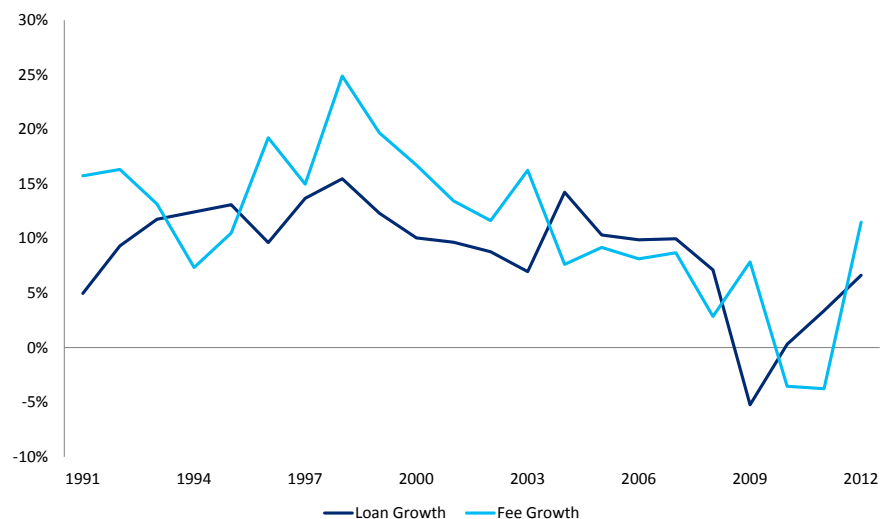
		CMA	FHN	FNFG	HBAN	KEY	RF	STI	ZION
a	Old NII	2,033	719	1,275	2,085	2,820	3,902	5,882	2,086
b	New NII	2,242	790	1,404	2,304	3,096	4,309	6,485	2,318
c = b - a	Incremental NII	209	71	129	219	276	407	602	232
d	Expense ratio on incremental NII	28%	28%	28%	28%	28%	28%	28%	28%
e = c x d	Incremental expenses	57	20	35	60	76	112	166	64
f = c - e	Incremental PTPP	151	52	93	159	200	295	437	168
g	Old loan book	49,640	16,311	23,969	47,753	59,985	85,182	142,704	42,378
h	New loan book	57,505	18,920	27,776	55,359	69,332	98,708	165,419	49,120
i = h - g	\$ of loan growth	7,865	2,609	3,807	7,606	9,348	13,527	22,715	6,743
j	Reserve on new loans	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%
k = i x j	Incremental provision	102	34	49	99	122	176	295	88
l = f - k	Incremental pre-tax income	49	18	44	60	78	119	141	80
m	Tax rate	36%	36%	36%	36%	36%	36%	36%	36%
n = l x (1 - m)	Incremental net income	31	11	28	38	50	76	90	51
o	Shares outstanding	168	219	350	791	797	1,285	495	184
p = n / o	Incremental EPS from higher NII	\$0.19	\$0.05	\$0.08	\$0.05	\$0.06	\$0.06	\$0.18	\$0.28
	as % of current '16 estimate	4.7%	5.5%	9.1%	5.4%	5.0%	5.9%	5.1%	11.2%

Source: Citi Research

Loan Growth is Positively Correlated with Fee Growth

It is important to note that an acceleration in loan growth would not likely happen in isolation. As shown below, loan growth and fee income growth have historically been positively correlated:

Figure 6. Relationship Between Loan Growth and Fee Income Growth



Source: Citi Research, SNL Financial

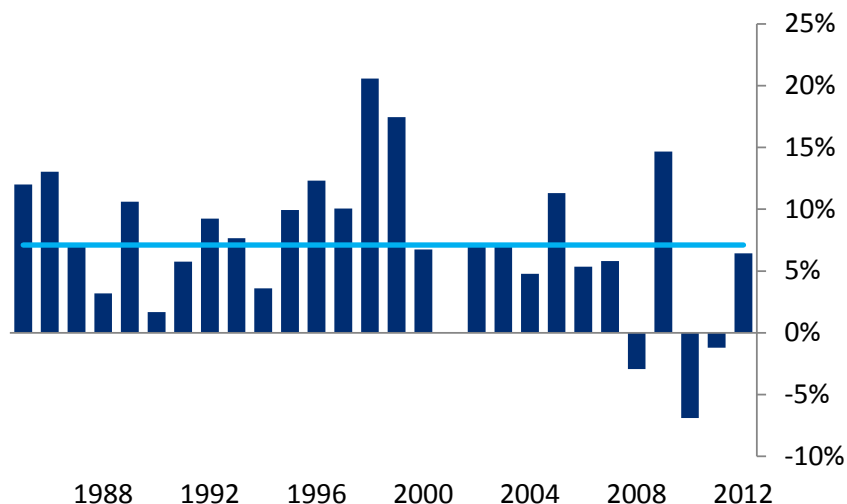
Intuitively, this relationship makes sense. If economic activity picks up, we would expect businesses and consumers to both borrow more as well utilize more of the fee generating services provided by banks.

To try and dimension how much fee income growth would accompany loan growth, we looked at the historical relationship between the two variables. As a very rough rule of thumb, we found that fee income has grown at ~1.2x the rate of loan growth.

Using that rule of thumb, we then try to size up what a ~5% increase in loan growth could mean for fee growth. For the purpose of this sensitivity analysis, we make the following assumptions:

- We assume core fees grow at ~6% y/y (equals $\sim 1.2 \times 5\%$ loan growth) above and beyond our current growth assumptions of low single digit growth. As shown below, annual fee growth industry wide has averaged ~7% with several years above that average:

Figure 7. Banking Industry's Y/Y Fee Growth



Source: Citi Research, FDIC

As such, assuming annual fee income growth in the high single digit range during an expansion period does not strike us as a heroic assumption.

- We assume a ~50% expense ratio on the incremental fees
- We assume a ~36% marginal tax rate

As shown below, we estimate that adding ~6% to our fee growth assumptions would increase our '16 estimates on average by ~3%:

Figure 8. Sizing Up '16 EPS Impact if Fee Income Growth Increased 6% Relative to Our Current Model Assumptions

		CMA	FHN	FNFG	HBAN	KEY	RF	STI	ZION
q	Old core fee income estimate	888	590	381	1,003	1,829	1,974	3,388	550
r	Assumed growth in core fees	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
s = q x (1 + r)	New core fee income estimate	941	625	404	1,063	1,939	2,093	3,592	583
t = s - q	Incremental NII	53	35	23	60	110	118	203	33
u	Expense ratio on incremental fees	50%	50%	50%	50%	50%	50%	50%	50%
v = t x u	Incremental expenses	27	18	11	30	55	59	102	17
w = t - v	Incremental pre-tax income	27	18	11	30	55	59	102	17
y	Tax rate	36%	36%	36%	36%	36%	36%	36%	36%
z = w x (1 - y)	Incremental net income	17	11	7	19	35	38	65	11
aa	Shares outstanding	168	219	350	791	797	1,285	495	184
bb = z / aa	Incremental EPS from higher fees	\$0.10	\$0.05	\$0.02	\$0.02	\$0.04	\$0.03	\$0.13	\$0.06
	as % of current '16 estimate	2.6%	5.4%	2.4%	2.7%	3.5%	2.9%	3.7%	2.3%

Source: Citi Research

Dimensioning the Potential Valuation Implications

Next we try to size up the valuation implications associated with higher loan and fee growth. To do this, we capitalize the EPS uplift we calculated above from higher NII and fees at the current market multiple:

Figure 9. Sizing Up the Valuation Impact

	Valuation Impact	CMA	FHN	FNFG	HBAN	KEY	RF	STI	ZION
cc	2015 consensus est	\$3.27	\$0.87	\$0.74	\$0.79	\$1.12	\$0.93	\$3.31	\$2.03
dd	Recent price	\$46.63	\$11.64	\$8.65	\$9.14	\$12.84	\$10.30	\$38.34	\$29.95
ee = dd / cc	2015 multiple	14.3x	13.4x	11.6x	11.6x	11.4x	11.1x	11.6x	14.8x
ff = p + bb	Incremental EPS	\$0.29	\$0.10	\$0.10	\$0.07	\$0.11	\$0.09	\$0.31	\$0.34
	as % of current '16 estimate	7.3%	10.9%	11.5%	8.1%	8.6%	8.9%	8.7%	13.5%
gg = ff x ee	Value to share price	\$4.13	\$1.40	\$1.18	\$0.85	\$1.22	\$0.99	\$3.63	\$4.97
hh	Discount factor	10%	10%	10%	10%	10%	10%	10%	10%
ii = gg / (1 + hh)	Discounted value to share price	\$3.75	\$1.27	\$1.07	\$0.77	\$1.11	\$0.90	\$3.30	\$4.52
jj = ii / dd	Potential valuation upside	8.0%	10.9%	12.4%	8.4%	8.7%	8.7%	8.6%	15.1%

Source: Citi Research

* Recent price as of 2/12/14

As shown above, an increase of ~5% in loan growth could drive valuations higher, on average, by ~10%. Importantly, our analysis assumes no multiple expansion. Our sense is that multiple expansion would likely occur if loan growth were to accelerate.

Upgrade CMA to Buy. Keeping Some Dry Powder.

We are upgrading CMA from Neutral to Buy as part of our loan growth trade thesis. To be clear, we do not have a significant edge on which of our banks would grow loans fastest should our loan growth thesis play out. That will depend heavily on the nature of the loan growth (lending vertical, geography, etc.). As such, our call is at least as much a group call as it is a name specific call.

At this juncture, CMA is our vehicle of choice to express our view:

- Much of the recent optimism about a potential pickup in loan growth stems from the view that corporate customers are more likely to borrow than they have been in previous quarters. There has been talk of deferred maintenance that cannot be deferred much longer. To the extent that business lending accelerates, CMA should be a prime beneficiary given its focus on business lending.
- CMA has more upside to our target price than the other banks we cover and meets our firm's 15% ETR threshold for a Buy rating.
- CMA is the regional bank name that generalists use most to express thematic/macro views given its relatively "clean" story and asset sensitivity.
- We view CMA as having lower idiosyncratic risk than many of its peers. That is, we think the risk to our Buy rating derives more from macro risks than the risk that management will not execute well or mismanage its message to investors.
- CMA is widely disliked by both the sell side (only ~10% of the Street has a Buy rating) and the buy side.

We are not upgrading any other names at this point because none have enough upside to warrant a Buy rating. That could change if we see additional evidence to support our loan growth trade thesis or if we get a pullback in the stocks. Although RF remains Neutral-rated for us, we rank it second after CMA as a vehicle to express our loan growth trade view.

Company Focus

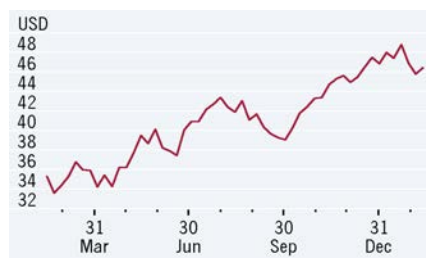
- Target Price Change
- Rating Change

Comerica Inc (CMA) Upgrade to Buy

- **Upgrade to Buy** — We are upgrading CMA from Neutral to Buy as part of our loan growth trade thesis. Please see the main section of the note above for a more thorough explanation. We're tweaking our target price from \$52 to \$53 as we believe a modest premium to the current market multiple is warranted given that CMA would likely be a prime beneficiary if our loan growth trade thesis plays out.

Buy	1
<i>from Neutral</i>	
Price (13 Feb 14)	US\$46.64
Target price	US\$53.00
<i>from US\$52.00</i>	
Expected share price return	13.6%
Expected dividend yield	1.5%
Expected total return	15.2%
Market Cap	US\$8,488M

Price Performance
(RIC: CMA.N, BB: CMA US)



EPS	Q1	Q2	Q3	Q4	FY	FC Cons
2013A	0.71A	0.76A	0.78A	0.77A	3.15A	3.00A
2014E	0.75E	0.76E	0.82E	0.82E	3.15E	3.03E
Previous	0.75E	0.76E	0.82E	0.82E	3.15E	na
2015E	na	na	na	na	3.35E	3.27E
Previous	na	na	na	na	3.35E	na
2016E	na	na	na	na	3.95E	3.98E
Previous	na	na	na	na	3.95E	na

Source: Company Reports and dataCentral, Citi Research. FC Cons: First Call Consensus.

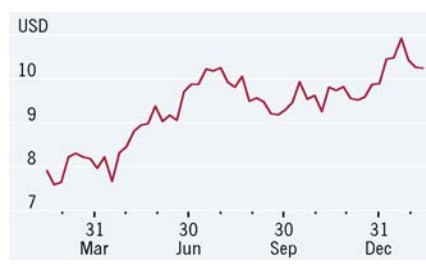
Company Focus

Regions Financial Corp (RF) Favorite Name Among Neutrals

- **Favorite Name Among Neutrals** — We remain Neutral on RF at its current valuation. Please see the main section of the note above for a more thorough explanation of our thoughts.

Neutral	2
Price (13 Feb 14)	US\$10.26
Target price	US\$11.50
Expected share price return	12.1%
Expected dividend yield	1.8%
Expected total return	13.8%
Market Cap	US\$14,138M

Price Performance
(RIC: RF.N, BB: RF US)



EPS	Q1	Q2	Q3	Q4	FY	FC Cons
2013A	0.22A	0.19A	0.19A	0.18A	0.78A	0.82A
2014E	0.21E	na	na	na	0.85E	0.86E
Previous	0.21E	na	na	na	0.85E	na
2015E	na	na	na	na	0.95E	0.93E
Previous	na	na	na	na	0.95E	na
2016E	na	na	na	na	1.00E	1.02E
Previous	na	na	na	na	1.00E	na

Source: Company Reports and dataCentral, Citi Research. FC Cons: First Call Consensus.

Companies mentioned in this report include:

First Horizon National Corp (FHN.N; US\$11.86; 2)
First Niagara Financial Group Inc (FNFG.O; US\$8.54; 2)
Huntington Bancshares Inc (HBAN.O; US\$9.09; 2)
Keycorp (KEY.N; US\$12.88; 2)
SunTrust Banks (STI.N; US\$37.44; 2)
Zions Bancorp (ZION.O; US\$30.33; 2)

Comerica Inc

Company description

CMA is one of the 20 largest banking companies in the United States. Originally headquartered in Detroit, Michigan, CMA moved its headquarters to Dallas, Texas in 2007. CMA operates banking offices in California, Florida, Michigan, and Texas. Outside of Michigan, CMA primarily operates as a commercial business lender.

Investment strategy

We rate the shares of CMA as Buy (1).

CMA is our preferred vehicle to express our view that loan growth may accelerate in the quarters ahead given (1) it would benefit from a pickup in business activity given its focus on business customers (2) its valuation and (3) it is the name that generalists use to express thematic views given its relatively “clean” story and asset sensitivity.

Valuation

We value CMA at \$53. Our target price is derived by assigning a ~14.6x P/E multiple to our '16 estimate of \$3.95 and discounting it back one year at ~10%. ~14.3x is where CMA is currently trading off of '15 consensus estimates, and we believe a modest premium is warranted given the likelihood that CMA would be a prime beneficiary if our loan growth trade thesis plays out.

Risks

Factors that could lead the company to exceed our target price include a quicker-than-expected increase in interest rates, better-than-expected economic growth, faster-than-expected loan growth, stronger-than-expected credit quality and/or M&A activity at an attractive price.

Factors that could cause the company to fail to achieve our target price include a prolonged low rate environment, worse-than-expected economic growth, slower-than-expected loan growth, increased loan competition and/or weaker-than-expected credit quality.

Regions Financial Corp

Company description

RF is one of the 50 largest bank holding companies in the United States with operations mostly concentrated in the South, Midwest and Texas and is headquartered in Birmingham, AL. RF operates in three lines of business: Business Services, Consumer and Wealth Management.

Investment strategy

We rate the shares of RF Neutral (2).

We view RF as a story in transformation. Having recently repaid TARP and subsequently enjoyed an upgrade to an investment grade rating, RF is in a position to ramp up its loan growth given that: (1) it can now participate in more syndicates and issue more LOCs; and (2) it no longer needs to keep as much cash on hand and can instead deploy it to make loans. That being said, the near-term offset to loan growth is that RF has one of the highest run-off portfolios in our coverage universe. RF must also work through its remaining credit issues. At its current price, we think RF is trading close to fair value.

Valuation

We value RF at \$11.50. Our target price is derived by assigning a ~12.5x P/E multiple to our '16 estimate of \$1.00 and discounting it back one year at ~10%. ~12.5x represents a ~5% premium to where RF is currently trading off of '15 consensus estimates and is about where RF's peers are trading. We believe a ~12.5x multiple is warranted as we expect RF's valuation discount relative to its peers to close given its improving operating performance and asset sensitivity.

Risks

Factors that could lead the company to exceed our target price include a quicker-than-expected increase in interest rates, better-than-expected economic growth, faster-than-expected loan growth, stronger-than-expected credit quality and/or M&A activity at an attractive price.

Factors that could cause the company to fail to achieve our target price include a prolonged low rate environment, worse-than-expected economic growth, slower-than-expected loan growth, increased loan competition and/or weaker-than-expected credit quality.

Appendix A-1

Analyst Certification

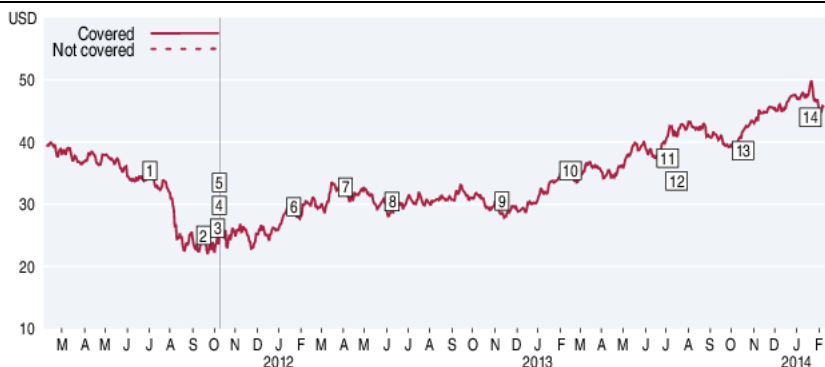
The research analyst(s) primarily responsible for the preparation and content of this research report are named in bold text in the author block at the front of the product except for those sections where an analyst's name appears in bold alongside content which is attributable to that analyst. Each of these analyst(s) certify, with respect to the section(s) of the report for which they are responsible, that the views expressed therein accurately reflect their personal views about each issuer and security referenced and were prepared in an independent manner, including with respect to Citigroup Global Markets Inc and its affiliates. No part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) expressed by that research analyst in this report.

IMPORTANT DISCLOSURES

Comerica Inc (CMA)

Ratings and Target Price History Fundamental Research

Analyst: Josh Levin, CFA
Covered since April 4 2012



	Date	Rating	Target Price	Closing Price
1	4-Jul-11	2M	*37.00	35.39
2	16-Sep-11	2M	*27.00	24.93
3	6-Oct-11	2M	*25.00	24.93
4	8-Oct-11	Stock rating system changed		
5	8-Oct-11	*2	25.00	23.51

* Indicates change

	Date	Rating	Target Price	Closing Price
6	23-Jan-12	2	*29.00	29.50
7	4-Apr-12	*3	29.00	32.02
8	8-Jun-12	3	*28.00	29.49
9	12-Nov-12	*2	28.00	28.61
10	15-Feb-13	*3	*31.00	34.83

	Date	Rating	Target Price	Closing Price
11	3-Jul-13	*2	*41.00	40.93
12	16-Jul-13	2	*40.00	40.86
13	17-Oct-13	2	*42.00	41.77
14	21-Jan-14	2	*52.00	49.51

Rating/target price changes above reflect Eastern Standard Time

Comerica Inc (CMA)

Ratings and Target Price History Best Ideas Research Relative Call (3 Month)

Analyst: Josh Levin, CFA
Covered since April 4 2012



	Date	Rating	Target Price	Closing Price
1	27-Apr-11	*REM LP	-	37.99
2	25-Jan-12	*ADD LP	-	29.19
3	1-May-12	*REM LP	-	32.58

* Indicates change

	Date	Rating	Target Price	Closing Price
4	12-May-12	*ADD LP	-	31.51
5	26-Oct-12	*REM LP	-	29.22
6	15-Feb-13	*ADD LP	-	34.83

	Date	Rating	Target Price	Closing Price
7	7-Oct-13	*REM LP	-	38.76

Rating/target price changes above reflect Eastern Standard Time

Regions Financial Corp (RF)

Ratings and Target Price History

Fundamental Research

Analyst: Josh Levin, CFA
Covered since April 4 2012



	Date	Rating	Target Price	Closing Price
1	19-Apr-11	2H	*8.50	7.17
2	2-Jun-11	Coverage terminated		
3	8-Oct-11	Stock rating system changed		

* Indicates change

	Date	Rating	Target Price	Closing Price
4	4-Apr-12	*2	*7.00	6.47
5	23-Jan-13	2	*8.00	7.66
6	3-Jul-13	2	*10.50	9.88

	Date	Rating	Target Price	Closing Price
7	22-Oct-13	2	*10.00	9.68
8	21-Jan-14	2	*11.50	10.86

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Regions Financial Corp (RF)

Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: Josh Levin, CFA
Covered since April 4 2012



	Date	Rating	Target Price	Closing Price
1	3-Aug-11	*REM LP	-	5.77

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