RECEIVED
FEB 03 2015
OFFICE OF THE SECRETARY

SECURITIES AND EXCHANGE COMMISSION

Administrative Proceeding
File No. 3-15945

In the Matter of

Thomas A. Neely, Jr.
Respondent

Expert Report of

Trent R. Feldman
President
Feldman Financial Advisors, Inc.
Washington, D.C.

February 2, 2015

A. Introduction

1. I, Trent R. Feldman, am President of Feldman Financial Advisors, Inc. My firm was founded in 1996 and provides financial valuation and consulting services to financial institutions. Much of my business practice focuses on the valuation of common stocks of commercial banks, savings institutions, and financial institution holding companies for initial public offerings, mergers and acquisitions, recapitalizations, employee stock ownership plans, stock options, estate and gift tax planning, and litigation matters. A summary of my education, professional background, training, and experience is attached as Appendix A. Based on my many years of experience, I am an expert in the valuation of common stocks of financial institutions and have been qualified as an expert valuation witness in various court jurisdictions. I have provided expert testimony and expert reports in legal proceedings related to financial institution valuations as detailed in Appendix A.

2. I have been retained by White Arnold & Dowd P.C., counsel to Thomas A. Neely, Jr. ("Respondent"), to provide an independent analysis of the impact on the shareholder value of Regions Financial Corporation ("Regions") of certain actions allegedly performed by the Respondent in his former capacity as Executive Vice President of Regions' Risk Management Credit Division. Specifically, the Respondent has been alleged by the Securities and Exchange Commission ("SEC") to have intentionally caused for approximately $168 million of specified commercial loans ("Specified Loans") to be classified as "accruing" versus "non-accruing" for purposes of financial reporting as of the quarter ended March 31, 2009.

3. For purposes of this report, I have assumed, pursuant to instructions of counsel, that the Specified Loans should have been categorized as non-accruing loans as of March 31, 2009. My opinion on the impact of shareholder value is based on comparing the actual stock

price and total market value of Regions on March 31, 2009 with the estimated stock price and total market value of Regions had the Specified Loans been classified fittingly as non-accruing as alleged by the SEC.

4. In performing the analysis and reaching the conclusions summarized in this report, I, along with my staff, have reviewed and considered the materials listed in Appendix B. I have also drawn on my own professional knowledge and experience of over 32 years in providing reports, opinions, and consulting services pertaining to the stock valuations of financial institutions. I will continue to read, review, and analyze materials relating to this proceeding and accordingly, may change, amend, or supplement this report at such time that additional relevant information comes to my attention.

B. Scope of Engagement

5. The firm of White Arnold & Dowd P.C. has retained me to review and analyze the financial performance and common stock price valuation of Regions as of March 31, 2009. Specifically, I have been requested to analyze the common stock price valuation of Regions at March 31, 2009 assuming that the Specified Loans were reclassified as non-accruing loans as of March 31, 2009. In addition, I have been requested to assume that the effects of this reclassification would have resulted, as alleged by the SEC, in an earnings reduction of approximately $11 million to Region's reported net income applicable to common shareholders for the quarter ended March 31, 2009 and a related decrease in Regions' earnings per common share of approximately $0.02 per share for the quarter ended March 31, 2009.

6. In connection with this engagement, I have read, reviewed, and analyzed certain information and financial data relating to the operating results of Regions as of March 31, 2009

and the stock price performance of Regions as of March 31, 2009 and the coterminous period shortly thereafter. I have also reviewed other financial data and materials that I considered relevant to this engagement. The summary opinions of my analyses are presented in this report. I am also available to present testimony on my opinions and other related findings.

C. Summary of Opinions

7. Based on the analysis performed as detailed in this report, I hold the following opinions to a reasonable degree of professional certainty:

- The Specified Loans represented an immaterial concentration (approximately 0.1%) of Regions' total assets as of March 31, 2009.

- The common stock of Regions was traded actively on the New York Stock Exchange and followed widely by investment research analysts and institutional investors. I reviewed the trading market valuation ratios of Regions and comparable banks as of March 31, 2009. Market price quotes of trades in Regions' common stock were reliable indications of value at March 31, 2009. The reasonableness of stock price valuations for Regions during this period is supported by my review of the trading price levels of comparable banks.

- Reclassifying the Specified Loans as non-accruing would have had an inconsequential impact on the stock price and total market value of Regions as of March 31, 2009. The per share stock price of Regions' common stock closed at $4.26 on March 31, 2009. The analysis I performed indicates that the effect of reclassifying the Specified Loans to non-accrual status would not have singularly resulted in a change of Regions' stock price at March 31, 2009.

- On an adjusted basis, I have calculated the estimated stock price of Regions' common stock as of March 31, 2009 at $4.26 per share and have therefore concluded that the stock price of Regions' common stock would not have changed from the actual price of $4.26 per share had the Specified Loans been reclassified as non-accruing.

- During the month of April 2009, the average closing stock price of Regions' common stock was $5.06 and the closing stock price of Regions' common stock as of April 30, 2009 was $4.49. I have also concluded that reclassifying the Specified Loans as non-accruing at March 31, 2009 would not have had a material impact on the stock price of Regions' common stock as of these periods.

D. Overview and Analysis

8. Regions is a financial holding company that is headquartered in Birmingham, Alabama, and operates in the South, Midwest, and Texas. Regions and its subsidiaries provide traditional commercial, retail, and mortgage banking services, as well as other financial services. Regions conducts its banking operations through Regions Bank, an Alabama chartered commercial bank that is a member of the Federal Reserve System. At March 31, 2009, Regions had total assets of approximately $142.0 billion and total stockholders' equity of approximately $16.8 billion. Based on its asset size, Regions was one of the nation's largest banks as of March 31, 2009.

9. The financial crisis and economic recession during the period from 2007 to 2009 had a disruptive impact on the U.S. economy and the financial services industry. Dramatic declines in real estate values had a profound effect on the U.S. financial markets and banking system. Deteriorating asset quality and rising credit losses contributed to the sharp decline and heightened volatility in banking industry profits in 2008 and 2009. Commercial banks and savings institutions insured by the Federal Deposit Insurance Corporation ("FDIC"), which had realized net income of $99.9 billion in 2007, saw industry profits fall to $4.5 billion in 2008 and descend to a net loss of $10.0 billion in 2009. The number of FDIC-insured bank failures increased from three in 2007 to 25 in 2008 and 140 in 2009.

10. The turmoil in the banking industry placed extraordinary downward pressure on the stock prices of financial institutions as investor concerns mounted over increases in non-performing assets, deepening operating losses, capital adequacy, and potential regulatory intervention. Stock price movement in the financials sector was extremely volatile and resulted in unprecedented low market valuations for many publicly traded banks. The KBW Bank Index,

which comprised the publicly traded common stocks of national money center banks and leading regional banks (including Regions), declined by 50.0% from December 31, 2007 to December 31, 2008.

11. Regions was not immune to the financial woes affecting the banking industry. Its loan exposure to the residential housing sector contributed to increased credit and other real estate expenses. Regions' net income declined from $1.3 billion in 2007 to a net loss of $5.6 billion in 2008, largely due to the recognition of a goodwill impairment charge of $6.0 billion in the fourth quarter of 2008 and an increase in the provision for loan losses from $555 million in 2007 to $2.1 billion in 2008. Non-performing assets (non-accruing loans and foreclosed properties) at Regions had nearly doubled from $864 million or 0.61% of total assets at December 31, 2007 to $1.7 billion or 1.17% of total assets at December 31, 2008. Stockholders' equity decreased to $16.8 billion at year-end 2008 versus $19.8 billion at year-end 2007 as a result of the $5.6 billion net loss, offset partially by $3.5 billion related to the issuance in November 2008 of preferred stock and a warrant for common stock under the Capital Purchase Program ("CPP") of the U.S. Department of the Treasury as part of the Troubled Asset Relief Program ("TARP"). Regions' Tier 1 regulatory capital, which excludes goodwill and other disallowed intangible assets, improved from $8.4 billion at year-end 2007 to $12.1 billion at year-end 2008. The closing price per share of the common stock of Regions had declined by 66.3% from $23.65 at December 31, 2007 to $7.96 at December 31, 2008.

12. For the quarter ended March 31, 2009, Regions reported net income available to common shareholders of $26 million or $0.04 per share on a diluted basis. In the corresponding quarter one year prior, Regions reported net income of $337 million or $0.48 per share. The annualized return on average assets ("ROA") was 0.07% for the quarter ended March 31, 2009,

compared to 0.95% for the quarter ended March 31, 2008. The annualized return on average equity ("ROE") was 0.61% for the quarter ended March 31, 2009, compared to 6.79% for the quarter ended March 31, 2008. The decrease in earnings from the one-year ago period mainly reflected a decline of $209 million in net interest income and an increase of $244 million in the provision for loan losses. Non-performing assets at Regions had increased to $2.3 billion or 1.64% of total assets at March 31, 2009, as compared to $1.7 billion or 1.17% of total assets at December 31, 2008. The closing price per share of the common stock price of Regions had declined by 46.5% from $7.96 at December 31, 2008 to $4.96 at March 31, 2009. Over the same time period, the KBW Bank Index had declined by 36.5%.

13. The non-performing assets reported by Regions amounted to $2.3 billion at March 31, 2009 and comprised non-accruing loans of $2.0 billion and foreclosed properties of $294 million. Excluding $393 million in non-performing assets held for sale, non-performing assets amounted to $1.9 billion at March 31, 2009 and had increased from $1.3 billion at December 31, 2008. The increase in non-performing assets excluding loans held for sale between December 31, 2008 and March 31, 2009 totaled $640 million and was attributable to additions of $1.1 billion to non-performing assets and reductions of $421 million related to loan charge-offs, foreclosed real estate write-downs, dispositions, payments, returns to accruing status, and loans moved to held for sale classification.

14. In addition to the non-performing asset totals reported by Regions, it was also disclosed by Regions in its Form 10-Q quarterly report for the quarter ended March 31, 2009 that loans past due 90 days and still accruing interest had increased from $554 million at December 31, 2008 to $782 million at March 31, 2009. Furthermore, Regions noted that it had approximately $813 million and $1.0 billion at December 31, 2008 and March 31, 2009,

respectively, of potential problem commercial and commercial real estate loans that were not included in non-accruing loans or in the accruing loans 90 days past due categories, which management had concerns regarding the ability of such borrowers to comply with stated repayment terms.

15. Regions had total assets of $142.0 billion and total stockholders' equity of $16.8 billion of March 31, 2009. The total loan portfolio of Regions amounted to $97.6 billion as of March 31, 2009 (including loans held for sale and excluding the allowance for loan losses). The Specified Loans represented approximately 0.2% of Regions' total loans and approximately 0.1% of Regions' total assets as of March 31, 2009.

16. Regions indicated in its Form 10-K annual report for the year ended December 31, 2008 that it placed loans on non-accrual status when management determined that "payment of all contractual principal and interest is in doubt, or the loan is past due 90 days or more as to principal and interest unless well-secured and in the process of collection." According to Regions, it was its practice to reverse uncollected interest income accrued on non-accrual loans in the current year and charge to interest income, and uncollected interest accrued from prior years on loans placed on non-accrual status in the current year was charged against the allowance for loan losses.

17. As customary for financial institutions, Regions maintained an allowance for loan losses to reflect its estimate of credit losses inherent in the loan portfolio. Because of its deteriorating asset quality in 2008 stemming from a slowing economy and a weakening housing market, Regions increased the allowance for loan losses from $1.3 billion or 1.37% of total loans at December 31, 2007 to $1.8 billion or 1.85% of total loans at December 31, 2008. As the level

of non-performing assets continued to rise through the first quarter of 2009, Regions further increased the allowance for loan losses to $1.9 billion or 1.91% of total loans at March 31, 2009.

18. Regions' non-accruing loans totaled $2.0 billion or 2.08% of total loans and 1.43% of total assets at March 31, 2009. Regions' non-performing assets (consisting of non-accruing loans and foreclosed properties) totaled $2.3 billion or 1.64% of total assets. The inclusion of the Specified Loans as non-accruing loans would have increased the total of non-accruing loans by 8.3% from $2.0 billion to $2.2 billion at March 31, 2009, increased the ratio of non-accruing loans to total loans from 2.08% to 2.26%, and increased the ratio of non-performing assets to total assets from 1.64% to 1.76%.

19. The SEC asserts that the failure to place the Specified Loans on non-accrual status led to overstatements for the quarter ended March 31, 2009 of Regions' income before income taxes by $16 million, Regions' net income applicable to common shareholders by approximately $11 million, and Region's earnings per common share by approximately $0.02 per share. Regions' actual operating results for the quarter ended March 31, 2009 indicated net income applicable to common shareholders of $26 million and earnings per common share of $0.04. Therefore, the revised operating results for Regions considering the overstatement of earnings alleged by the SEC would have reflected an adjusted amount of approximately $15 million in net income applicable to common shareholders and earnings per common share of approximately $0.02 for the quarter ended March 31, 2009.

20. The adjusted amount of approximately $15 million in net income applicable to common shareholders, or $0.02 per share, would have still resulted in profitable operating results for Regions in the first quarter of 2009 and exceeded the expectations of negative earnings by investment research analysts covering Regions' common stock. According to *Barron's,* analysts'

estimates of earnings per share of Regions for the first quarter of 2009 ranged from a best-case projection of a loss of $0.03 per share to a worst-case projection of a loss of $0.75 per share, with the consensus average estimate converging around a loss of $0.42 per share. Average earnings estimates reported by other industry sources were a loss of $0.39 per share (Thomson First Call) and a loss of $0.41 per share (Bloomberg).

21. As of March 31, 2009, the per share common stock price of Regions closed at $4.26. Based on approximately 695 million shares of common stock outstanding, the total market value of Regions' outstanding common stock was approximately $3.0 billion at March 31, 2009. As of March 31, 2009, Regions' common stock was listed for trading on the New York Stock Exchange. There was a very active and liquid trading market for shares of Regions' common stock. During the quarter ended March 31, 2009, the average trading volume of Regions' common stock was approximately 19 million shares per trading day. Regions' common stock was included in the S&P 500 stock index, one of the most commonly followed equity market indices, and also in the S&P 100 stock index, which is a subset of the S&P 500 and comprises large capitalization stocks from diverse industries.

22. Table 1 presents a timeline summary of key events involving Regions during the first half of 2009 that I have compiled from press releases and other public information sources. Table 2 provides a summary of the daily closing market price and trading volume of the common stock of Regions during the first half of 2009. The stock price information and trading volume data were sourced from SNL Financial LC, a leading financial information firm that collects and disseminates corporate, financial, and market data on the financial services industry.

23. The valuation of bank stocks is grounded in financial theory and also reflects existing market valuation factors. Operating fundamentals such as profitability, capitalization,

growth potential, dividend paying capacity, and risk management are pivotal factors that are analyzed in determining the market value of bank stocks. In addition, investors and analysts of bank stocks also rely on the comparables valuation methodology that involves comparing the subject company with other similar companies. The valuation method of relative comparison is especially useful for public companies that release substantial information to the public regarding their financial performance and also trade on active and liquid market exchanges whose participants are well informed about the financial performance of these companies.

24. The comparables valuation method utilizes valuation measures to compare the relative trading values of different companies. A valuation measure is normally a ratio or multiple calculated by dividing the market price (or total market value) of a company's stock by a specific financial variable that can be extracted or computed from the company's publicly available financial data. Historically, the most relevant valuation measures for valuing and analyzing bank stocks are based on price to earnings per share and price to book value per share. The price to earnings ratio is typically calculated on earnings results for the last twelve months ("LTM"), but may also be expanded to include consideration of core earnings, which exclude non-recurring or extraordinary items. The price to book value ratio is usually supplemented by calculation of the price to tangible book value ratio, which excludes goodwill and certain other intangible assets from the denominator to only evaluate tangible common equity as part of the valuation ratio. The price to tangible book value ratio has gained increased importance as tangible common equity has become a crucial benchmark in determining capital adequacy for regulatory purposes.

25. These valuation measures assume varying degrees of importance in valuing bank stocks depending on the company's specific performance characteristics and the overall industry

operating environment. For companies experiencing reporting operating losses, the price to earnings ratio results in a negative value, which is not meaningful or useful for comparative valuation purposes. Similarly, in a volatile industry environment in which earnings of various banks are reported at widely dissimilar or inordinate levels of performance, the resulting variability in price to earnings ratios may be less suitable for comparative valuation purposes. In these scenarios, the price to book value and price to tangible book value ratios assume a more pivotal role as valuation measures.

26. Regions regularly utilized a peer group to compare its own financial performance with other bank holding companies. A peer group was identified in its 2009 annual proxy statement (dated March 6, 2009) and referenced as a tool for comparing executive compensation and company performance. Regions also incorporated peer group comparisons in its investor presentations during 2009. The peer group specified in the 2009 annual proxy statement comprised the following companies: (1) Bank of America Corporation, (2) BB&T Corporation, (3) Comerica Inc., (4) Fifth Third Bancorp, (5) KeyCorp, (6) M&T Bank Corporation, (7) Marshall & Ilsley Corporation, (8) PNC Financial Services Group, Inc., (9) SunTrust Banks, Inc., (10) U.S. Bancorp, and (11) Wells Fargo & Company. Similar to Regions, the companies in this peer group were among the largest publicly traded commercial banks in the United States as of March 31, 2009. I have utilized the peer group from the 2009 annual proxy statement of Regions as a group of comparables ("Comparables") to perform financial and valuation analyses regarding the relative performance of Regions as of March 31, 2009. Table 3 provides comparative financial performance data for Regions and the Comparables as of or for the LTM ended March 31, 2009. Table 4 presents comparative market valuation data for Regions and the Comparables as of March 31, 2009.

27. The per share common stock price of Regions closed at $4.26 on March 31, 2009. Based on this market price and financial data as of March 31, 2009, Regions was valued at a price to book ratio of 21.9% and price to tangible book ratio of 40.3%. The market valuation ratios of Regions reflected a discount to the Comparables' median price to book ratio of 56.9% and median price to tangible book ratio of 66.9% as of March 31, 2009. The 21.9% price to book value ratio for Regions was computed by dividing the market price of $4.26 by the common book value per share of $19.43 as of March 31, 2009. The 40.3% price to tangible book ratio for Regions was computed by dividing the market price of $4.26 by the tangible common book value per share of $10.57 as of March 31, 2009.

28. For the LTM period ended March 31, 2009, Regions reported negative earnings available to common shareholders of $5.9 billion and negative core earnings of $1.9 billion. Four members of the Comparables -- Fifth Third Bancorp ("Fifth Third"), KeyCorp, Marshall & Ilsley Corporation ("M&I"), and SunTrust Banks, Inc. ("SunTrust") -- also reported negative earnings for the LTM period ended March 31, 2009. Because of the negative earnings position, Regions' price to earnings ratio and price to core earnings ratio are negative and reported as not meaningful ("NM"). The median price to earnings ratio was 12.2x for the Comparables as of March 31, 2009. Regions' earnings per share was -$8.54 for the LTM ended March 31, 2009 and its core earnings per share was -$2.69 for the same period. Regions' LTM ROA was -4.11% and its LTM ROE was -30.98%. In contrast, the Comparables' median LTM ROA was 0.21% and the median LTM ROE was 2.33% for the LTM ended March 31, 2009.

29. Based on various financial performance ratios, Regions' profitability indicators lagged the median ratios of the Comparables. Regions exhibited moderately higher levels of non-accruing loans and non-performing assets relative to the Comparables. Three of the

Comparables (Fifth Third, M&I, and SunTrust) displayed ratios of overall non-performing assets including all loans 90-plus days past due or restructured at levels exceeding that of Regions. Notably, the price to book value and price to tangible book value ratios of these three Comparables and Regions converged within a narrow range. Regions' price to book ratio of 21.9% was not too dissimilar to the corresponding ratios of 21.5%, 25.7%, and 32.5% for Fifth Third, SunTrust, and M&I, respectively. Regions' price to tangible book ratio of 40.3% closely approximated the corresponding ratios of 33.2%, 42.8%, and 38.9% for Fifth Third, SunTrust, and M&I. Based upon the review and analysis of the relative financial performance and market valuation of Regions and the Comparables, the closing market price for Regions' common stock as of March 31, 2009 was a reasonable indication of its market value.

30. Assuming that Regions had placed the Specified Loans on non-accrual status and recorded operating charges as described by the SEC, the financial performance ratios of Regions as of March 31, 2009 would have exhibited very modest adjustments and maintained the same magnitude of relative disparity versus the Comparables. Regions' ratio of non-accrual loans to total loans would have increased from 2.08% at March 31, 2009 to 2.26% and remained slightly above the Comparables' median of 2.02% but below the levels exhibited by Fifth Third, SunTrust, and M&I. Similarly, Regions' ratio of non-performing assets to total assets would have increased from 1.64% at March 31, 2009 to 1.76%, slightly exceeding the Comparables' median of 1.64% but remaining below the levels reported by Fifth Third (2.56%), SunTrust (2.93%), and M&I (3.91%).

31. Another measure of asset quality includes the measurement of non-performing assets plus restructured loans that are performing and loans that are 90-plus days past due and still accruing (collectively termed herein as "gross NPAs"). Based on this measure, Regions'

corresponding ratio of gross NPAs to total assets would have increased from 2.71% at March 31, 2009 to 2.83%, still exceeding the Comparables' median of 2.11% but remaining below the levels reported by Fifth Third (3.69%), SunTrust (3.50%), and M&I (4.66%). A measure of credit exposure to the cushion afforded by tangible equity and reserves is the "Texas ratio," defined as gross NPAs divided by the sum of tangible equity and the allowance for loan losses. Regions' Texas ratio would have increased from 30.72% at March 31, 2009 to 32.05% and remained above the Comparables' median of 25.28%. Among the Comparables, only the outliers represented by Fifth Third (35.49%), SunTrust (35.07%), and M&I (42.08%) reported Texas ratios higher than Regions' actual or adjusted ratios.

32. The additional $11 million charge to Regions' net income available to common shareholders would have reduced Regions' total equity capital by 0.1% from approximately $16.817 billion at March 31, 2009 to $16.806 billion. Similarly, the reduction in capital would have produced infinitesimal changes in Regions' capital ratios as of March 31, 2009: ratio of total equity to assets unchanged at 11.84%, ratio of tangible equity to assets adjusted from 7.85% to 7.84%, and ratio of tangible common equity to assets adjusted from 5.41% to 5.40%. Table 5 summarizes and compares the key changes in actual performance data of Regions versus the adjusted data of Regions.

33. The price to book value ratio is calculated by dividing the closing price of a company's common stock by the company's book value per share. The book value per share is reported or calculated quarterly based on the company's total common equity as reported in its publicly available financial statements. As of March 31, 2009, Regions had total common equity of approximately $13.501 billion and total common shares outstanding of 694,893,908. As a result, its book value per share was $19.43 as of March 31, 2009. Subtracting the amount of

$6.154 billion in goodwill and other intangible assets produced tangible common equity of $7.347 billion and tangible book value per share of $10.57 per share.

34. The stock price of Regions is reported by the New York Stock Exchange and referenced by investors and analysts at values reflecting two decimal places. Similarly, the book value per share and tangible book value share of Regions is reported by Regions and commonly referenced by investors, analysts, and market data providers at values that are rounded to two decimal places.

35. Applying an $11 million reduction to Regions' total common equity would reduce the corresponding amount to $13.490 billion at March 31, 2009 and the amount of tangible common equity to $7.336 billion. Assuming the common shares outstanding are unchanged at 694,893,908, the adjusted book value per share of Regions was $19.41 and adjusted tangible book value per share was $10.56 at March 31, 2009.

36. Regions' net loss available to common shareholders was $5.933 billion for the LTM ended March 31, 2009 and the loss per common share was $8.54 on a diluted basis. Applying the additional $11 million of losses would modestly deepen the loss by 0.2% to $5.944 billion and a loss per common share of $8.55. Regions' core earnings reflected a loss of $1.872 billion for the LTM ended March 31, 2009 and the core loss per common share was $2.69. Applying the additional $11 million of losses would modestly widen the loss by 0.6% to $1.883 billion and a core loss per common share of $2.71.

37. As an appraiser of the common stocks of financial institutions, I commonly apply weightings of different valuation measures to reach conclusions about stock value. When utilizing the market comparables method, I will regularly apply explicit weightings to the various market valuation ratios to arrive at determinations of estimated fair market value for the subject

company. Similarly, in reviewing and analyzing the reported stock value of a company, I will examine the resulting market valuation measures and any implied weightings of the corresponding measures.

38. Based on Regions' stock price, financial performance metrics, and stock valuation measures as of March 31, 2009, the price to book value and the price to tangible book value ratios were its most relevant valuation measures. Since Regions' LTM earnings and LTM core earnings were negative for the LTM ended March 31, 2009, the resulting price to earnings ratios were negative and therefore not meaningful. Accordingly, I have assumed an equal 50% weighting for the price to book approaches and price to tangible book value approaches as underpinning the stock value of $4.26 per share for Regions as of March 31, 2009. Calculating the imputed value of the price to book value approach produces a value of $4.26 (book value per share of $19.43 times 21.9% price to book ratio). Calculating the imputed value of the price to tangible book value approach produces a value of $4.26 (tangible book value per share of $10.57 times 40.3% price to tangible book ratio). Applying a 50% weighting to the resulting values of the two market valuation approaches results in the indicated value of $4.26 per share as of March 31, 2009.

39. In order to assess the potential impact of the additional $11 million charge on the market price of Regions' common stock, I applied the same market valuation ratios and weightings to the adjusted equity amounts of Regions. Calculating the imputed value of the price to book value approach produces a value of $4.26 (adjusted book value of $19.41 per share times 21.9% price to book ratio). Calculating the imputed value of the price to tangible book value approach produces a value of $4.26 (adjusted tangible book value of $10.56 per share times 40.3% price to tangible book ratio). Applying a 50% weighting to the resulting values of

the two market valuation approaches results in the indicated value of $4.26 per share as of March 31, 2009, assuming the $11 million reduction in equity of Regions as a result of reclassifying the Specified Loans. Therefore, I have concluded that the stock price of Regions' common stock would have remained $4.26 per share at March 31, 2009 had the Specified Loans been reclassified as non-accruing as of March 31, 2009. The summary analysis of the adjusted market value impact is presented in Table 6.

40. The trading pattern of Regions' common stock exhibited significant volatility during the first half of 2009. There were many trading days in which the closing stock price of Regions changed from the prior day's closing price by plus or minus 10%. Concerns abounded regarding the health of the U.S. banking system and, in particular, the capital adequacy of the nation's largest banks. Regions initiated capital raising activities in May 2009 as a response to the requirement by federal banking regulators that it needed an additional capital buffer of approximately $2.5 billion following the "stress test" analyses performed by the regulators on the nation's largest banks. Regions satisfied this requirement and successfully implemented the capital raising activities in May and June 2009, including the sale in May 2009 of 460 million shares of common stock at $4.00 per share for gross proceeds of approximately $1.8 billion.

41. As of April 30, 2009, the closing price of Regions' common stock was $4.49. For the 21 trading days in the month of April 2009, the average closing price of Regions' common stock was $5.06. Based on these levels of prices for the respective periods, I also calculated and concluded that the stock price value of Regions' common stock would not have changed singularly for these observed periods as a result of reclassifying the Specified Loans to non-accrual status and incurring an $11 million reduction in equity as of March 31, 2009. The summary analysis based on Regions' common stock price as of April 30, 2009 is presented in

Table 7. The summary analysis based on the average closing price of Regions' common stock for the month of April 2009 is presented in Table 8.

Table 1
Timeline Summary of Key Events
Regions Financial Corporation
January 1, 2009 to June 30, 2009

January 15, 2009	Regions declared a quarterly cash dividend of $0.10 per share.
January 20, 2009	Regions reported a loss of $6.2 billion for the quarter ended December 31, 2008 and a loss of $5.6 billion for the year ended December 31, 2008, largely due to a goodwill impairment charge of $6.0 billion.
February 6, 2009	Regions announced that it had assumed from the FDIC approximately $285 million in total deposits of FirstBank Financial Services, based in Henry County, Georgia, in a failed bank transaction.
February 25, 2009	Regions filed its annual report on Form 10-K for the year ended December 31, 2008 with the SEC.
April 16, 2009	Regions announced that its quarterly cash dividend was being reduced from $0.10 to $0.01 per common share to further strengthen its capital position. In connection with a presentation at the annual stockholders meeting, C. Dowd Ritter, Chairman, President and Chief Executive Officer of Regions, announced that Regions would report a profit for the quarter ended March 31, 2009.
April 21, 2009	Regions announced earnings for the quarter ended March 31, 2009 of $26 million in net income available to common shareholders or $0.04 per share.
April 25, 2009	FIG Partners LLC lowers investment opinion of Regions to "underperform" from "market perform" based on capital concerns.
May 4, 2009	Standard & Poor's ("S&P") placed Regions on "CreditWatch Negative" as part of an ongoing industry-wide review conducted by S&P on the banking sector as a result of credit quality concerns.
May 5, 2009	Moody's Investors Service ("Moody's") placed Regions' credit ratings under review for possible downgrade.
May 7, 2009	The Federal Reserve Board ("FRB") publicly announced the results of the capital assessment "stress test" for each of the 19 largest U.S. bank holding companies. Regions announced the final results of the Supervisory Capital Assessment Program ("SCAP") conducted by the federal banking regulators. Under the adverse "what-if" scenario contemplated by the SCAP, Regions committed to increase its common equity by $2.5 billion and strengthen its Tier 1 common risk-based capital ratio by November 9, 2009.

May 11, 2009	Regions filed its quarterly report on Form 10-Q for the quarter ended March 31, 2009.
May 15, 2009	Fitch Ratings ("Fitch") placed Regions on "Rating Watch Negative" as part of an ongoing industry review of credit vulnerability concerns in the banking industry.
May 18, 2009	Moody's lowered the credit ratings on Regions' senior notes, subordinated notes, and junior subordinated notes to Baa3, Ba1, and Ba2 from A3, Baa1 and Baa1, respectively.
May 20, 2009	Regions announced that it had commenced public offerings of $1 billion of its common shares and $250 million of new mandatory convertible preferred shares, along with the offering to exchange common shares for outstanding trust preferred securities. Regions indicated later in the day that it had successfully priced a public offering of 400 million shares at a price of $4.00 per share and a public offering of 250,000 shares of mandatory convertible preferred stock for $1,000 per share.
May 21, 2009	FBR Capital Markets increased the investment opinion of Regions to "outperform" from "market perform" and raised the price target to $7.00 from $6.00. FIG Partners LLC increased the investment opinion of Regions to "market perform" from "underperform."
May 27, 2009	Regions issued and sold 460 million shares of its common stock (which included 60 million optional shares purchased by the underwriters) at a price of $4.00 per share and 250,000 shares of its 10% mandatory convertible preferred stock for $1,000 per share. The offerings generated gross proceeds of approximately $2.09 billion, without giving effect to the exercise of the underwriters' options to purchase additional shares of the mandatory convertible preferred stock.
May 27, 2009	Deutsche Bank Securities, Inc. upgraded the investment opinion of Regions to "buy" from "hold" with a price target of $5.00.
June 5, 2009	The underwriters exercised in full their option to purchase an additional $37.5 million of the 10% mandatory convertible preferred stock and this transaction closed on June 10, 2009.
June 15, 2009	FTN Equity Capital Markets upgraded the investment opinion of Regions to "buy" from "neutral."
June 16, 2009	Fitch lowered the credit ratings on Regions' senior notes, subordinated notes, and junior subordinated notes to A-, BBB+, and BBB from A, A-, and BBB+, respectively, and changed the rating on Regions to negative from Rating Watch Negative.

June 17, 2009	S&P lowered the credit ratings on Regions' senior notes, subordinated notes, and junior subordinated notes to BBB+, BBB, and BB+ from A, A-, and BBB, respectively, and changed the outlook on Regions to negative from CreditWatch Negative.
June 18, 2009	Regions announced that in connection with the offer to exchange up to 110 million of its common shares for outstanding 6.625% trust preferred securities, approximately $202 million in aggregate liquidation amount of the 6.625% trust preferred securities, representing approximately 28.9% of the $700 million aggregate liquidation amount of trust preferred securities outstanding prior to the exchange offer, was tendered. An aggregate of approximately 33 million shares of Regions' common stock would be issued upon settlement of the exchange offer. Regions also announced that it would have raised $2.5 billion cumulatively when the announced exchange offer of common stock for trust preferred securities settles on June 22, 2009. This fully met the Tier 1 common equity capital requirements prescribed by the SCAP before the deadline of November 9, 2009. The public offering of common stock generated net proceeds of $1.8 billion and the public offering of mandatory convertible preferred stock generated net proceeds of $278 million. The exchange offer of common stock for trust preferred securities generated additional Tier 1 common equity of $172 million. In addition to these public offerings, Regions sold shares it owned in Visa Inc. and other securities, which generated capital of $117 million. As a result of these capital raising efforts, Regions also expected that approximately $200 million of deferred tax assets would be included in its Tier 1 common equity buffer required by SCAP.

Source: Regions, press releases and SEC filings; news articles.

Table 2
Common Stock Price and Trading Volume Data
Regions Financial Corporation (NYSE: RF)

Trading Date	RF Closing Price	RF Trading Volume (000s)	RF Daily Price Change (%)	KBW Index Daily Change (%)	RF YTD Price Change (%)	KBW Index YTD Change (%)	Comment
12/31/08	7.96	9,691	-	-	-	-	
01/02/09	8.61	8,917	8.2%	1.9%	8.2%	1.9%	
01/05/09	8.72	12,012	1.3%	-3.7%	9.5%	-1.8%	
01/06/09	8.83	7,776	1.3%	1.4%	10.9%	-0.5%	
01/07/09	7.91	11,289	-10.4%	-5.3%	-0.6%	-5.8%	
01/08/09	7.79	9,061	-1.5%	-0.4%	-2.1%	-6.1%	
01/09/09	7.17	11,123	-8.0%	-4.2%	-9.9%	-10.1%	
01/12/09	7.02	12,212	-2.1%	-6.1%	-11.8%	-15.6%	
01/13/09	7.21	13,710	2.7%	1.8%	-9.4%	-14.0%	
01/14/09	6.85	12,121	-5.0%	-6.0%	-13.9%	-19.2%	
01/15/09	6.10	17,509	-10.9%	-8.0%	-23.4%	-25.7%	
01/16/09	6.07	16,683	-0.5%	-4.1%	-23.7%	-28.8%	
01/20/09	4.60	28,077	-24.2%	-19.7%	-42.2%	-42.8%	-- Regions reported $6.2 billion loss for 4Q08 and
01/21/09	4.95	22,708	7.6%	14.6%	-37.8%	-34.5%	$5.6 billion loss for FY08.
01/22/09	4.25	18,335	-14.1%	-5.9%	-46.6%	-38.4%	
01/23/09	4.66	15,575	9.6%	4.1%	-41.5%	-35.8%	
01/26/09	4.10	12,731	-12.0%	-3.0%	-48.5%	-37.8%	
01/27/09	4.08	13,194	-0.5%	3.3%	-48.7%	-35.7%	
01/28/09	4.56	20,611	11.8%	14.4%	-42.7%	-26.5%	
01/29/09	4.14	15,148	-9.2%	-8.3%	-48.0%	-32.6%	
01/30/09	3.46	19,375	-16.4%	-3.9%	-56.5%	-35.2%	
02/02/09	2.92	27,038	-15.6%	-0.7%	-63.3%	-35.6%	
02/03/09	2.61	21,509	-10.6%	-5.2%	-67.2%	-39.0%	
02/04/09	2.50	15,652	-4.2%	-1.5%	-68.6%	-39.9%	
02/05/09	2.83	28,920	13.2%	1.8%	-64.4%	-38.8%	
02/06/09	4.20	47,574	48.4%	11.9%	-47.2%	-31.5%	-- Regions announced failed bank acquisition.
02/09/09	4.64	32,890	10.5%	2.2%	-41.7%	-30.0%	
02/10/09	3.24	47,192	-30.2%	-13.9%	-59.3%	-39.7%	
02/11/09	3.68	26,649	13.6%	6.0%	-53.8%	-36.0%	
02/12/09	3.57	21,367	-3.0%	-2.8%	-55.2%	-37.8%	
02/13/09	3.38	13,068	-5.3%	-5.3%	-57.5%	-41.1%	
02/17/09	3.09	21,012	-8.6%	-10.0%	-61.2%	-47.0%	
02/18/09	2.99	17,067	-3.2%	-0.3%	-62.4%	-47.2%	
02/19/09	2.64	11,322	-11.7%	-6.8%	-66.8%	-50.7%	
02/20/09	2.84	23,818	7.6%	-0.6%	-64.3%	-51.0%	
02/23/09	2.69	16,631	-5.3%	0.0%	-66.2%	-51.0%	
02/24/09	3.29	28,278	22.3%	13.6%	-58.7%	-44.4%	
02/25/09	3.76	38,853	14.3%	2.4%	-52.8%	-43.0%	-- Regions filed 10-K report for FY08.
02/26/09	3.94	38,119	4.8%	4.8%	-50.5%	-40.3%	
02/27/09	3.42	34,591	-13.2%	-8.7%	-57.0%	-45.5%	

Trading Date	RF Closing Price	RF Trading Volume (000s)	RF Daily Price Change (%)	KBW Index Daily Change (%)	RF YTD Price Change (%)	KBW Index YTD Change (%)	Comment
03/02/09	3.57	20,407	4.4%	-6.4%	-55.2%	-49.0%	
03/03/09	3.43	13,486	-3.9%	-1.6%	-56.9%	-49.8%	
03/04/09	3.52	11,996	2.6%	-3.3%	-55.8%	-51.5%	
03/05/09	3.10	15,960	-11.9%	-11.8%	-61.1%	-57.2%	
03/06/09	2.94	16,815	-5.2%	-1.8%	-63.1%	-58.0%	
03/09/09	3.27	16,475	11.2%	5.3%	-58.9%	-55.8%	
03/10/09	3.74	18,512	14.4%	15.6%	-53.0%	-48.9%	
03/11/09	3.53	17,116	-5.6%	3.0%	-55.7%	-47.3%	
03/12/09	3.76	27,859	6.5%	11.2%	-52.8%	-41.4%	
03/13/09	3.89	13,827	3.5%	-1.4%	-51.1%	-42.3%	
03/16/09	3.85	16,166	-1.0%	-0.2%	-51.6%	-42.4%	-- Ex-dividend date for $0.10 cash dividend.
03/17/09	4.09	12,713	6.2%	6.1%	-48.6%	-38.8%	
03/18/09	4.95	26,288	21.0%	11.1%	-37.8%	-32.0%	
03/19/09	4.34	20,495	-12.3%	-9.1%	-45.5%	-38.2%	
03/20/09	4.02	17,177	-7.4%	-5.0%	-49.5%	-41.2%	
03/23/09	4.50	22,106	11.9%	18.6%	-43.5%	-30.3%	
03/24/09	4.49	20,633	-0.2%	-7.3%	-43.6%	-35.4%	
03/25/09	4.69	17,120	4.5%	4.9%	-41.1%	-32.3%	
03/26/09	4.55	13,942	-3.0%	0.5%	-42.8%	-32.0%	
03/27/09	4.32	11,550	-5.1%	-3.3%	-45.7%	-34.2%	
03/30/09	3.90	11,897	-9.7%	-10.3%	-51.0%	-41.0%	
03/31/09	4.26	11,873	9.2%	7.6%	-46.5%	-36.5%	
04/01/09	4.41	13,534	3.5%	3.6%	-44.6%	-34.2%	
04/02/09	4.45	14,064	0.9%	1.8%	-44.1%	-33.0%	
04/03/09	4.56	11,447	2.5%	3.7%	-42.7%	-30.5%	
04/06/09	4.23	11,121	-7.2%	-3.8%	-46.9%	-33.2%	
04/07/09	3.99	8,534	-5.7%	-3.5%	-49.9%	-35.5%	
04/08/09	3.83	9,472	-4.0%	-1.5%	-51.9%	-36.5%	
04/09/09	4.31	24,429	12.5%	20.1%	-45.9%	-23.7%	
04/13/09	5.03	24,718	16.7%	7.9%	-36.8%	-17.7%	
04/14/09	4.73	24,231	-6.0%	-8.1%	-40.6%	-24.4%	
04/15/09	5.00	13,223	5.7%	5.1%	-37.2%	-20.6%	
04/16/09	6.70	74,214	34.0%	2.1%	-15.8%	-18.9%	-- Regions indicated it would report profitable 1Q09
04/17/09	7.23	62,195	7.9%	3.4%	-9.2%	-16.1%	and reduced quarterly dividend to $0.01 from $0.10.
04/20/09	5.80	28,863	-19.8%	-15.4%	-27.1%	-29.0%	
04/21/09	6.14	53,901	5.9%	8.1%	-22.9%	-23.2%	-- Regions released 1Q09 earnings report.
04/22/09	5.80	42,250	-5.5%	-4.9%	-27.1%	-26.9%	
04/23/09	5.82	37,619	0.3%	3.7%	-26.9%	-24.2%	
04/24/09	5.56	49,489	-4.5%	2.9%	-30.2%	-22.0%	
04/27/09	4.91	28,849	-11.7%	-4.9%	-38.3%	-25.9%	-- Regions was rumored to be among several large
04/28/09	4.71	27,104	-4.1%	-2.9%	-40.8%	-28.0%	banks failing the capital stress test.
04/29/09	4.66	26,766	-1.1%	5.0%	-41.5%	-24.4%	
04/30/09	4.49	26,542	-3.6%	-2.1%	-43.6%	-26.0%	

Trading Date	RF Closing Price	RF Trading Volume (000s)	RF Daily Price Change (%)	KBW Index Daily Change (%)	RF YTD Price Change (%)	KBW Index YTD Change (%)	Comment
05/01/09	4.39	14,480	-2.2%	-2.0%	-44.8%	-27.5%	
05/04/09	5.53	47,691	26.0%	14.7%	-30.5%	-16.9%	
05/05/09	5.49	30,331	-0.7%	-1.6%	-31.0%	-18.2%	
05/06/09	5.83	66,834	6.2%	11.5%	-26.8%	-8.8%	
05/07/09	5.23	42,992	-10.3%	-3.5%	-34.3%	-12.0%	-- FRB announced stress test results for large banks.
05/08/09	6.53	68,338	24.9%	12.1%	-18.0%	-1.3%	
05/11/09	5.92	34,953	-9.3%	-7.1%	-25.6%	-8.3%	-- Regions filed 10-Q for 1Q09.
05/12/09	5.35	36,450	-9.6%	-4.2%	-32.8%	-12.1%	
05/13/09	4.70	34,111	-12.1%	-6.5%	-41.0%	-17.8%	
05/14/09	4.98	24,667	6.0%	3.7%	-37.4%	-14.8%	
05/15/09	4.85	22,591	-2.6%	-3.0%	-39.1%	-17.3%	
05/18/09	5.43	37,149	12.0%	7.5%	-31.8%	-11.1%	
05/19/09	5.24	32,969	-3.5%	-3.4%	-34.2%	-14.1%	
05/20/09	4.89	102,739	-6.7%	-2.8%	-38.6%	-16.5%	-- Regions priced common stock offering at $4.00.
05/21/09	4.10	570,460	-16.2%	-1.7%	-48.5%	-18.0%	
05/22/09	4.04	101,604	-1.5%	-1.9%	-49.2%	-19.5%	
05/26/09	3.83	112,071	-5.2%	4.0%	-51.9%	-16.3%	
05/27/09	3.96	89,565	3.4%	-3.8%	-50.3%	-19.5%	
05/28/09	4.02	65,792	1.5%	2.9%	-49.5%	-17.1%	
05/29/09	4.19	82,740	4.2%	1.9%	-47.4%	-15.6%	
06/01/09	3.99	58,704	-4.8%	-0.5%	-49.9%	-16.0%	
06/02/09	4.00	47,853	0.3%	-1.5%	-49.7%	-17.2%	
06/03/09	4.04	38,674	1.0%	-1.5%	-49.2%	-18.5%	
06/04/09	4.08	71,374	1.0%	4.8%	-48.7%	-14.5%	
06/05/09	4.00	51,567	-2.0%	-2.1%	-49.7%	-16.4%	
06/08/09	4.07	32,827	1.8%	1.3%	-48.9%	-15.3%	
06/09/09	4.06	21,829	-0.2%	0.5%	-49.0%	-14.9%	
06/10/09	4.00	29,959	-1.5%	-1.3%	-49.7%	-16.0%	
06/11/09	4.37	103,981	9.3%	2.6%	-45.1%	-13.8%	
06/12/09	4.46	38,747	2.1%	1.1%	-44.0%	-12.9%	
06/15/09	4.33	47,528	-2.9%	-2.5%	-45.6%	-15.1%	-- Ex-dividend date for $0.01 cash dividend.
06/16/09	4.25	39,746	-1.8%	-2.4%	-46.6%	-17.1%	
06/17/09	3.99	57,713	-6.1%	-3.3%	-49.9%	-19.9%	
06/18/09	4.03	35,302	1.0%	3.0%	-49.4%	-17.5%	-- Regions indicated completion of capital raising
06/19/09	4.13	65,580	2.5%	2.1%	-48.1%	-15.8%	activities resulted in $2.5 billion addition.
06/22/09	3.84	43,226	-7.0%	-6.6%	-51.8%	-21.4%	
06/23/09	3.76	33,199	-2.1%	1.0%	-52.8%	-20.6%	
06/24/09	3.81	23,281	1.3%	1.1%	-52.1%	-19.7%	
06/25/09	3.96	31,071	3.9%	1.9%	-50.3%	-18.2%	
06/26/09	3.95	30,679	-0.3%	0.4%	-50.4%	-17.8%	
06/29/09	4.07	31,830	3.0%	1.6%	-48.9%	-16.5%	
06/30/09	4.04	23,857	-0.7%	-1.5%	-49.2%	-17.8%	

Source: SNL Financial LC.

Table 3
Comparative Financial Performance Ratios
Regions Financial Corporation and Comparables Group
As of or For the Last Twelve Months Ended March 31, 2009

Company	Total Assets ($Mil.)	LTM ROA(1) (%)	LTM ROE(1) (%)	Tang. Equity/ Assets (%)	Non-accruing Loans/ Loans/ (%)	NPAs (2) / Assets (%)	Gross NPAs (3) / Assets (%)	Gross NPAs/ (TanEq. +ALL) (%)
Regions Financial Corporation (AL)	141,980	(4.11)	(30.98)	7.85	2.08	1.64	2.71	30.72
Regions Financial -- Adjusted	141,969	(4.12)	(31.03)	7.84	2.26	1.76	2.83	32.05
Comparables Average	444,694	(0.42)	(4.23)	7.69	2.39	1.92	2.47	26.70
Comparables Median	143,425	0.21	2.33	7.40	2.02	1.64	2.11	25.28
Bank of America Corporation (NC)	2,321,963	0.21	2.33	6.43	2.86	1.33	1.62	21.80
BB&T Corporation (NC)	143,425	0.95	9.32	7.40	1.72	1.92	2.35	27.94
Comerica Incorporated (TX)	67,370	0.09	1.01	10.46	2.02	1.59	1.91	16.36
Fifth Third Bancorp (OH)	119,313	(2.13)	(23.08)	8.00	3.29	2.56	3.69	35.49
KeyCorp (OH)	97,834	(2.17)	(23.83)	9.45	2.42	2.04	2.51	21.67
M&T Bank Corporation (NY)	64,883	0.63	6.26	5.76	1.97	1.64	1.85	27.34
Marshall & Ilsley Corporation (WI)	61,790	(3.67)	(34.15)	9.00	4.21	3.91	4.66	42.08
PNC Financial Services Group (PA)	286,422	0.53	4.91	6.67	1.72	1.25	1.49	18.77
SunTrust Banks, Inc. (GA)	179,116	(0.24)	(2.12)	8.76	3.55	2.93	3.50	35.07
U.S. Bancorp (MN)	263,624	0.86	8.77	7.10	1.36	1.03	2.11	25.28
Wells Fargo & Company (CA)	1,285,891	0.35	4.06	5.51	1.18	0.92	1.55	21.87

(1) ROA and ROE calculated based on net income available to common shareholders.
(2) Non-performing assets (NPAs) include non-accruing loans and foreclosed assets.
(3) Gross NPAs include non-performing assets, loans 90+ days past due and still accruing, and restructured loans.

Source: SNL Financial LC; Feldman Financial Advisors for adjusted Regions' data.

Table 4
Comparative Market Valuation Data
Regions Financial Corporation and Comparables Group
Based on Market Price and Financial Data as of March 31, 2009

Company	Closing Market Price ($)	Total Market Value ($Mil.)	Price/ LTM EPS (x)	Price/ Core EPS (x)	Price/ Book Value (%)	Price/ Tang. Book (%)	Price/ Total Assets (%)
Regions Financial Corporation (AL)	4.26	2,960	NM	NM	21.9	40.3	2.13
Comparables Average	NA	15,603	16.8	9.5	60.1	113.0	4.63
Comparables Median	NA	5,028	12.2	8.6	56.9	66.9	4.24
Bank of America Corporation (NC)	6.82	43,654	8.2	5.7	26.3	62.5	1.94
BB&T Corporation (NC)	16.92	9,485	7.0	7.6	72.7	134.7	6.76
Comerica Incorporated (TX)	18.31	2,768	46.9	NM	54.9	56.6	4.24
Fifth Third Bancorp (OH)	2.92	1,685	NM	NM	21.5	33.2	1.46
KeyCorp (OH)	7.87	3,924	NM	NM	56.9	66.9	4.15
M&T Bank Corporation (NY)	45.24	5,028	12.3	8.2	79.4	169.1	7.82
Marshall & Ilsley Corporation (WI)	5.63	1,496	NM	NM	32.5	38.9	2.49
PNC Financial Services Group (PA)	29.29	13,034	12.2	10.3	70.3	168.4	4.72
SunTrust Banks, Inc. (GA)	11.74	4,188	NM	NM	25.7	42.8	2.41
U.S. Bancorp (MN)	14.61	25,693	11.8	9.0	133.2	274.8	10.08
Wells Fargo & Company (CA)	14.24	60,682	19.2	16.0	87.5	195.3	4.86

Source: SNL Financial LC.

Table 5
Comparative Financial Data: Actual and Adjusted
Regions Financial Corporation
As of or For the Period Ended March 31, 2009
(Dollars in Millions, Except for Per Share Data)

	Regions Actual 3/31/09	Absolute Change	Regions Adjusted 3/31/09	Percent Change
Selected Financial Data				
Total Assets	$ 141,980	$ (11)	$ 141,969	0.0%
Total Equity	16,817	(11)	16,806	-0.1%
Tangible Equity	10,663	(11)	10,652	-0.1%
Total Common Equity	13,501	(11)	13,490	-0.1%
Tangible Common Equity	7,347	(11)	7,336	-0.1%
Non-performing Assets	2,328	168	2,496	7.2%
LTM Earnings	(5,933)	(11)	(5,944)	0.2%
Quarterly Earnings	26	(11)	15	-42.3%
Selected Financial Ratios				
Total Equity / Assets	11.84%	0.00%	11.84%	0.0%
Tangible Equity / Assets	7.85%	-0.01%	7.84%	-0.1%
Tangible Common Equity / Assets	5.41%	-0.01%	5.40%	-0.2%
Non-performing Assets / Total Assets	1.64%	0.12%	1.76%	7.3%
LTM ROA	-4.11%	-0.01%	-4.12%	0.2%
LTM ROE	-30.98%	-0.05%	-31.03%	0.2%
Annualized Quarter ROA	0.07%	-0.03%	0.04%	-42.9%
Annualized Quarter ROE	0.61%	-0.25%	0.36%	-41.0%
Selected Common Shareholder Data				
Book Value Per Share	$19.43	($0.02)	$19.41	-0.1%
Tangible Book Value Per Share	$10.57	($0.01)	$10.56	-0.1%
LTM Earnings Per Share	($8.54)	($0.01)	($8.55)	0.1%
Quarter Earnings Per Share	$0.04	($0.02)	$0.02	-50.0%

Source: Regions; Feldman Financial Advisors for adjusted Regions' data.

Table 6
Adjusted Market Value Impact
Regions Financial Corporation
Based on Closing Market Price of Regions as of March 31, 2009

Market Price Period: **March 31, 2009**
Financial Data Date: **March 31, 2009**

Actual Data

Closing Market Price	$4.26		
Shareholder Variable Measure		Market Valuation Metric	
Book Value	$19.43	Price/Book Value	21.9%
Tangible Book Value	$10.57	Price/Tangible Book Value	40.3%
LTM EPS	($8.54)	Price/LTM EPS	NM
LTM Core EPS	($2.69)	Price/Core EPS	NM

Applied Weighting	Variable	Valuation Ratio	Imputed Price	Weighting	
Price/Book Value	$19.43	21.9%	$4.26	50.0%	
Price/Tangible Book Value	$10.57	40.3%	$4.26	50.0%	
Price/LTM EPS	($8.54)	NM	NM	0.0%	
Price/Core EPS	($2.69)	NM	NM	0.0%	
Weighted Value Per Share					**$4.26**

Total Market Capitalization	
Price Per Share	$4.26
Common Shares Outstanding (mil.)	694.9
Total Market Capitalization ($mil.)	**$2,960.2**

Adjusted Data

Shareholder Variable Meaure		Market Valuation Metric	
Book Value	$19.41	Price/Book Value	21.9%
Tangible Book Value	$10.56	Price/Tangible Book Value	40.3%
LTM EPS	($8.55)	Price/LTM EPS	NM
LTM Core EPS	($2.71)	Price/Core EPS	NM

Applied Weighting	Variable	Valuation Ratio	Imputed Price	Weighting	
Price/Book Value	$19.41	21.9%	$4.26	50.0%	
Price/Tangible Book Value	$10.56	40.3%	$4.26	50.0%	
Price/LTM EPS	($8.55)	NM	0.00%	0.0%	
Price/Core EPS	($2.71)	NM	0.00%	0.0%	
Weighted Value Per Share					**$4.26**

Total Market Capitalization	
Price Per Share	$4.26
Common Shares Outstanding (mil.)	694.9
Total Market Capitalization ($mil.)	**$2,960.2**

Comparison of Actual versus Adjusted

	Actual	Adjusted	Amount Change	Percent Change
Price Per Share	**$4.26**	**$4.26**	**$0.00**	**0.0%**
Total Market Capitalization ($mil.)	**$2,960.2**	**$2,960.2**	**$0.0**	**0.0%**

Table 7
Adjusted Market Value Impact
Regions Financial Corporation
Based on Closing Market Price of Regions as of April 30, 2009

Market Price Period: **April 30, 2009**
Financial Data Date: **March 31, 2009**

Actual Data

Closing Market Price	$4.49			
Shareholder Variable Measure		Market Valuation Metric		
Book Value	$19.43	Price/Book Value		23.1%
Tangible Book Value	$10.57	Price/Tangible Book Value		42.5%
LTM EPS	($8.54)	Price/LTM EPS		NM
LTM Core EPS	($2.69)	Price/Core EPS		NM

Applied Weighting	Variable	Valuation Ratio	Imputed Price	Weighting	
Price/Book Value	$19.43	23.1%	$4.49	50.0%	
Price/Tangible Book Value	$10.57	42.5%	$4.49	50.0%	
Price/LTM EPS	($8.54)	NM	NM	0.0%	
Price/Core EPS	($2.69)	NM	NM	0.0%	
Weighted Value Per Share					**$4.49**

Total Market Capitalization	
Price Per Share	$4.49
Common Shares Outstanding (mil.)	694.9
Total Market Capitalization ($mil.)	**$3,120.1**

Adjusted Data

Shareholder Variable Meaure		Market Valuation Metric	
Book Value	$19.41	Price/Book Value	23.1%
Tangible Book Value	$10.56	Price/Tangible Book Value	42.5%
LTM EPS	($8.55)	Price/LTM EPS	NM
LTM Core EPS	($2.71)	Price/Core EPS	NM

Applied Weighting	Variable	Valuation Ratio	Imputed Price	Weighting	
Price/Book Value	$19.41	23.1%	$4.49	50.0%	
Price/Tangible Book Value	$10.56	42.5%	$4.49	50.0%	
Price/LTM EPS	($8.55)	NM	0.00%	0.0%	
Price/Core EPS	($2.71)	NM	0.00%	0.0%	
Weighted Value Per Share					**$4.49**

Total Market Capitalization	
Price Per Share	$4.49
Common Shares Outstanding (mil.)	694.9
Total Market Capitalization ($mil.)	**$3,120.1**

Comparison of Actual versus Adjusted

	Actual	Adjusted	Amount Change	Percent Change
Price Per Share	**$4.49**	**$4.49**	**$0.00**	**0.0%**
Total Market Capitalization ($mil.)	**$3,120.1**	**$3,120.1**	**$0.0**	**0.0%**

Table 8
Adjusted Market Value Impact
Regions Financial Corporation
Based on Average Closing Market Price of Regions for April 2009

Market Price Period **Month of April 2009 (Average Closing Price)**
Financial Data Date: **March 31, 2009**

Actual Data

Average Closing Market Price $5.06

Shareholder Variable Measure		Market Valuation Metric	
Book Value	$19.43	Price/Book Value	26.0%
Tangible Book Value	$10.57	Price/Tangible Book Value	47.9%
LTM EPS	($8.54)	Price/LTM EPS	NM
LTM Core EPS	($2.69)	Price/Core EPS	NM

Applied Weighting	Variable	Valuation Ratio	Imputed Price	Weighting	
Price/Book Value	$19.43	26.0%	$5.06	50.0%	
Price/Tangible Book Value	$10.57	47.9%	$5.06	50.0%	
Price/LTM EPS	($8.54)	NM	NM	0.0%	
Price/Core EPS	($2.69)	NM	NM	0.0%	
Weighted Value Per Share					**$5.06**

Total Market Capitalization	
Price Per Share	$5.06
Common Shares Outstanding (mil.)	694.9
Total Market Capitalization ($mil.)	**$3,516.2**

Adjusted Data

Shareholder Variable Meaure		Market Valuation Metric	
Book Value	$19.41	Price/Book Value	26.0%
Tangible Book Value	$10.56	Price/Tangible Book Value	47.9%
LTM EPS	($8.55)	Price/LTM EPS	NM
LTM Core EPS	($2.71)	Price/Core EPS	NM

Applied Weighting	Variable	Valuation Ratio	Imputed Price	Weighting	
Price/Book Value	$19.41	26.0%	$5.05	50.0%	
Price/Tangible Book Value	$10.56	47.9%	$5.06	50.0%	
Price/LTM EPS	($8.55)	NM	0.00%	0.0%	
Price/Core EPS	($2.71)	NM	0.00%	0.0%	
Weighted Value Per Share					**$5.06**

Total Market Capitalization	
Price Per Share	$5.06
Common Shares Outstanding (mil.)	694.9
Total Market Capitalization ($mil.)	**$3,516.2**

Comparison of Actual versus Adjusted

	Actual	Adjusted	Amount Change	Percent Change
Price Per Share	**$5.06**	**$5.06**	**$0.00**	**0.0%**
Total Market Capitalization ($mil.)	**$3,516.2**	**$3,516.2**	**$0.0**	**0.0%**

Appendix A
Professional Background and Experience
Trent R. Feldman

Trent R. Feldman is President of the financial consulting and advisory firm of Feldman Financial Advisors, Inc., located in Washington, D.C. The firm provides a wide range of management and financial consulting services to financial institutions including commercial banks, savings banks, savings and loan associations, mortgage companies, and insurance companies, as well as non-financial firms in the housing and other mortgage-related industries.

Mr. Feldman manages the firm's consulting and advisory services in financial institution valuations including mergers and acquisitions, closely held companies, mutual-to-stock conversions, and corporate valuations involving litigation. In over 30 years at his current and previous firms, Mr. Feldman has valued in excess of 400 thrifts and banks for the purpose of issuing common stock in initial public offerings ("IPOs"). The value of the IPOs totaled over $10 billion approximately. The extensive number of valuations has included firms nationwide, both large and small as well as healthy and distressed. In addition, Mr. Feldman has advised clients in over 75 merger and acquisition situations. The acquisition values totaled over $2 billion approximately. Mr. Feldman has provided financial advice to both buying and selling financial institutions. Mr. Feldman has also provided numerous valuations for purposes of fairness opinions, recapitalizations, stock repurchases, employee stock ownership plans, stock option pricings, charitable contributions, and estate and gift tax planning.

Prior to establishing Feldman Financial Advisors in 1996, Mr. Feldman was a Managing Director at Kaplan Associates and Kaplan, Smith & Associates (an affiliate of Credit Suisse First Boston), where he was active in the respective firms' merger and acquisition and valuation practices since 1982. Mr. Feldman also spent 12 years at the Federal Home Loan Bank Board ("FHLBB") in a variety of positions. He served as the assistant to four Chairmen of the FHLBB and was involved in all facets of developing FHLBB policy. In addition, his other positions at the FHLBB included: Congressional Liaison Officer; Senior Analyst in the Office of Industry Development; and, Regional Director of the Federal Savings and Loan Insurance Corporation. Prior to joining the FHLBB, Mr. Feldman served two years as a Staff Assistant in the California State Legislature. He joined the legislature after receiving his Bachelors and Masters degrees from the University of California, Los Angeles.

In the past, Mr. Feldman has served as an expert witness on several occasions. Mr. Feldman provided court testimony in the following cases:

1. *Lieb v. Tillman*
   (United States District Court for the Western District of Texas)
   The case involved the valuation of a privately held savings institution in Texas at a date preceding its subsequent seizure by federal regulatory authorities.

2. *SGL, Inc. v. Farmers and Merchants Bank and Trust of Watertown, South Dakota*
   (Fourth Judicial Circuit Court)
   The case involved the failure of the defendant to close on the acquisition of plaintiff after a definitive agreement for the acquisition had been agreed upon by both parties.

3. *Statesman Savings Holding Corp., et al. v. United States of America*
(United States Court of Federal Claims)
The case involved the valuation of a savings institution subsequent to a decision by the U.S. Supreme Court that the United States had breached a contract with the thrift. Mr. Feldman was qualified by the Court of Claims as an expert in bank valuations.

Also, Mr. Feldman provided a deposition as to certain valuation questions regarding Sunbelt Federal Savings Bank in Louisiana with respect to its Employee Stock Ownership Plan. Additionally, Mr. Feldman provided an expert report and deposition testimony in *Standard Chartered PLC v. Price Waterhouse LLP* (Superior Court of the State of Arizona) with regard to the valuation of a commercial banking institution. Mr. Feldman provided an expert report to defendant's counsel in *Sparrowk, et al. v. Stockmans Bank, et al.* (Superior Court of California) with respect to litigation involving the value of common stock repurchased during a corporate reorganization.

Mr. Feldman also provided a report to the Steamship Trade Association Pension Fund with respect to litigation involving the value of the common stock of a savings institution that was partially owned by the Pension Fund.

Mr. Feldman has provided depositions in the following matters:

1. *Richard Lashley and PL Capital, LLC v. Central Bancorp, Inc., et al.*
Civil Action No. 02-11931-EPH, U.S. District Court For the District of Massachusetts

2. *Statewide Savings Bank, S.L.A. v. United States*
Case No. 95-779C, U.S. Court of Federal Claims

3. *Admiral Financial Corporation v. United States*
Case No. 93-489C, U.S. Court of Federal Claims

4. *Guardian Savings and Loan Association v. The Guardian Life Insurance Company of America*
Civil Action No. H-99-1146, U.S. District Court for the Southern District of Texas

5. *Home Savings of America, FSB v. United States*
Case No. 92-620C, U.S. Court of Federal Claims

Appendix B

List of Materials Considered

24/7 Wall St., News Article - "Regions Financial, Fifth Third, And KeyCorp Are Probably Banks That Failed Stress Test" (4/25/09).

Associated Press, News Article - "Regions Financial to Report Surprise Q1 Profit" by Sara Lepro (4/16/09).

Barron's, News Article - "Regions Financial Joins Campaign Of Upbeat Banks" by Bob O'Brien (4/16/09).

Bloomberg, News Article - "Regions Soars as CEO Announces First-Quarter Profit" by David Mildenberg (4/16/09).

Federal Deposit Insurance Corporation, Annual Income and Expense Data, 1984-2013.

Federal Deposit Insurance Corporation, Historical Trends, 1990-2014YTD.

Federal Deposit Insurance Corporation, Quarterly Banking Profile, 2008 Fourth Quarter.

Federal Deposit Insurance Corporation, Quarterly Banking Profile, 2009 First Quarter.

Regions Financial Corporation, Form 8-K Earnings Release (1/20/09).

Regions Financial Corporation, Form 8-K Earnings Release (4/21/09).

Regions Financial Corporation, Form 8-K Earnings Release (7/21/09).

Regions Financial Corporation, Form 8-K Investor Presentation (1/28/09).

Regions Financial Corporation, Form 8-K Investor Presentation (2/05/09).

Regions Financial Corporation, Form 8-K Investor Presentation (5/20/09).

Regions Financial Corporation, Form 8-K Stockholders Meeting Presentation (4/16/09).

Regions Financial Corporation, Form 10-K Annual Report, December 31, 2008 (2/25/09).

Regions Financial Corporation, Form 10-Q Quarterly Report, March 31, 2009 (5/11/09).

Regions Financial Corporation, Form 10-Q/A Amended Quarterly Report, March 31, 2009 (5/13/09).

Regions Financial Corporation, Form DEF 14A Definitive Proxy Statement (3/06/09).

Regions Financial Corporation, Final Pricing Term Sheet (5/21/09).

Regions Financial Corporation, Press Release - FDIC Assisted Merger (2/06/09).

Regions Financial Corporation, Press Release - Supervisory Capital Assessment Program Findings (5/07/09).

Regions Financial Corporation, Press Release - Announcement of Capital Raise (5/20/09).

Regions Financial Corporation, Press Release - Successful $1.85 Billion Capital Raise (5/20/09).

Regions Financial Corporation, Press Release - Completion of Capital Raise (6/18/09).

Regions Financial Corporation, Press Release - Quarterly Dividend of $0.10 (1/15/09).

Regions Financial Corporation, Press Release - Quarterly Dividend of $0.01 (4/16/09).

Regions Financial Corporation, Press Release - Quarterly Dividend of $0.01 (7/16/09).

Regions Financial Corporation, Prospectus - Common Stock Offering (5/22/09).

Securities and Exchange Commission, Order Instituting Cease-and-Desist Proceeding In the Matter of Thomas A. Neely, Jr. (6/25/14).

Securities and Exchange Commission, "Testimony Concerning The Effects of Decimalization on the Securities Markets" by Laura S. Unger, Acting Chair (5/24/01).

SNL Financial LC, News Article - "State Street plummets, Regions takes a dive amid broad decline in financials" (1/20/09).

SNL Financial LC, News Article - "Regions may raise capital to combat credit concerns" (1/20/09).

SNL Financial LC, News Article - "Bove: Regions Financial could cut dividend to 1 cent per share" (1/26/09).

SNL Financial LC, News Article - "Moody's downgrades Regions, units with negative outlook" (2/02/09).

SNL Financial LC, News Article - "Top 50 banks and thrifts" (3/10/09).

SNL Financial LC, News Article - "Q1 Bank earnings preview: More of the same" (4/09/09).

SNL Financial LC, News Article - "Regions Financial says it will report Q1 profit" (4/16/09).

SNL Financial LC, News Article - "Regions reports Q1 EPS of 4 cents" (4/21/09).

SNL Financial LC, News Article Update - "Regions execs discuss credit trends, asset sales" (4/21/09).

SNL Financial LC, News Article - "FIG Partners LLC lowers Regions Financial to underperform" (4/25/09).

SNL Financial LC, News Article - "WSJ: Regulators push Citi, BofA to raise more capital" (4/28/09).

SNL Financial LC, News Article - "S&P places 23 banking institutions on watch for ratings downgrade" (5/04/09).

SNL Financial LC, News Article - "Stress test results released; banks need additional $74.6 billion" (5/07/09).

SNL Financial LC, News Article - "Fitch places major banks on Rating Watch Negative" (5/18/09).

SNL Financial LC, News Article - "Moody's downgrades Regions Financial" (5/19/09).

SNL Financial LC, News Article - "Analysts upgrade Regions Financial" (5/21/09).

SNL Financial LC, News Article - "Deutsche Bank Securities Inc. raises Regions Financial to buy" (5/27/09).

SNL Financial LC, News Article - "Top 50 US banks and thrifts" (6/03/09).

SNL Financial LC, News Article - "FTN Equity Cap Markets Corp. upgrades Regions Financial to buy" (6/15/09).

SNL Financial LC, News Article - "S&P cuts bank ratings and warns of structural transformation" (6/17/09).

SNL Financial LC, Stock Price Data - Regions Financial Corporation and KBW Bank Index, Monthly December 2007 to December 2008.

SNL Financial LC, Stock Price Data - Regions Financial Corporation and KBW Bank Index, Daily December 2008 to June 2009.