

Investment Banking Update



Stephens served as exclusive financial advisor to Regions in the transaction

Transaction Details

- On June 8, 2021, Regions Bank, a subsidiary of Regions Financial Corporation (NYSE: RF) ("Regions"), announced it has entered into a definitive agreement to acquire home improvement lender EnerBank USA ("EnerBank")
 - Regions' acquisition of EnerBank from CMS Energy Corporation is expected to close in the fourth quarter of 2021, subject to regulatory approvals and satisfaction of customary closing conditions
- The acquisition continues Regions' strategy of acquiring businesses that deliver important additional products for Regions' customers

Stephens Contacts

- Bruce Miller, *Managing Director – Specialty Finance* ([Bio](#))
- Blair Farinholt, *Managing Director – Specialty Finance* ([Bio](#))
- Brian Branson, *Managing Director – Depositories* ([Bio](#))

According to Regions' Press Release

Regions Financial Corporation

Regions Financial Corporation (NYSE: RF), with \$153 billion in assets, is a member of the S&P 500 Index and is one of the nation's largest full-service providers of consumer and commercial banking, wealth management, and mortgage products and services.

EnerBank USA

EnerBank USA® is the largest specialized home improvement FDIC-insured bank in the country, providing home improvement loans through strategic business partners and independent home improvement contractors. EnerBank's mission is to grow contractors' businesses by increasing leads, boosting close rates, and growing average job size, while helping homeowners fulfill their home improvement dreams.

Sources: Company Provided and Publicly Available information.

(1) Loan size is on average \$14,000 with weighted average life of ~3 years.

(2) On average, 6-7% of the loan yield is paid by the consumer, 2-3% is paid by the contractor.

(3) \$2.7B of outstanding non-transaction deposits; WAL of deposits is ~2 years; Regions will replace EnerBank's funding base over time.

This material has been prepared solely for informative purposes as of its stated date and is not a solicitation, or an offer, to buy or sell any security. It does not purport to be a complete description of the securities, markets or developments referred to in the material. Information included in the material was obtained from sources which we consider reliable, but we have not independently verified such information and do not guarantee that it is accurate or complete. No subsequent publication or distribution of this material shall mean or imply that any such information or opinion remains current at any time after the stated date of the material. We do not undertake to advise you of any changes in any such information or opinion. Additional information is available upon request.

"Stephens" is the brand name for a family of independent privately held financial services firms, including Stephens Europe Limited, which is authorized and regulated by the Financial Conduct Authority (Registered office 12 Arthur Street, London, EC4R 9AB, Registered number 8817024) and Stephens Inc. which is regulated by the United States Securities and Exchange Commission and the Financial Industry Regulatory Authority (Home Office: 111 Center Street, Little Rock, AR USA, 501-377-2000). Stephens Inc. is a member of NYSE and SIPC. For more information, visit www.stephens.com. © 2021 Stephens

Notable EnerBank Metrics (as of March 31, 2021)

Contractor Network	10,000+
Loan Balances ⁽¹⁾	~\$2.8B
Average Customer FICO	763
Average Annual Net Losses	<1.5%
Gross Loan Effective Yield ⁽²⁾	~9%
Deposit Cost ⁽³⁾	~1.5%
Efficiency Ratio	<40%