REGIONS FINANCIAL CORP
Form 424B5
March 14, 2012
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FILED PURSUANT TO RULE 424(B)(5)

REGISTRATION NO:333-165056

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Maximum Offering Price per Share	Maximum Aggregate Offering Price	Amount of Registration Fee(1)
Common Stock, par value $0.01 per share	152,900,000	$5.90	$902,110,000	$103,381

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933.

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PROSPECTUS SUPPLEMENT

(To Prospectus Dated February 24, 2010)

152,900,000 Shares

Regions Financial Corporation

Common Stock

We are offering 152,900,000 shares of our common stock, par value $0.01 per share (Common Stock). The Common Stock is listed on the New York Stock Exchange (the NYSE) under the symbol RF. On March 13, 2012, the last reported sale price of our Common Stock on the NYSE was $5.78 per share.

The net proceeds of this offering, together with the net proceeds from the pending sale of Morgan Keegan & Company, Inc. and related affiliates (Morgan Keegan) and other available funds, will be, subject to consultation with our banking regulators and the approval of the U.S. Department of the Treasury (the Treasury Department), used to repurchase all of our outstanding Fixed Rate Cumulative Perpetual Preferred Stock, Series A (the Series A Preferred Stock) issued to the Treasury Department under the Capital Purchase Program (the CPP). See Use of Proceeds. The consummation of this offering is not conditioned upon the repurchase of the Series A Preferred Stock or the consummation of the Morgan Keegan transaction.

Our Common Stock is not a savings account, deposit or other obligation of any of our bank or non-bank subsidiaries and is not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

Investing in our Common Stock involves risks. See Risk Factors beginning on page S-7 of this prospectus supplement to read about factors you should consider before buying Common Stock.

Neither the Securities and Exchange Commission, any state securities commission, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	$ 5.90	$ 902,110,000
Underwriting discounts and/or commissions	$ 0.177	$ 27,063,300
Proceeds to Regions Financial Corporation (before expenses)	$ 5.723	$ 875,046,700

The underwriters expect to deliver the Common Stock in book-entry form only, through the facilities of The Depository Trust Company, against payment on or about March 19, 2012.

Joint Book-Running Managers

Goldman, Sachs & Co.
Global Coordinator

J.P. Morgan
Capital Advisor

Barclays Capital

Deutsche Bank Securities

Lead Manager

Morgan Keegan

Co-Managers

Credit Suisse **Morgan Stanley** **Raymond James** **The Williams Capital Group, L.P.**

Prospectus Supplement dated March 14, 2012

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Prospectus Supplement

Prospectus

You may rely only on the information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference. Neither we nor any underwriter has authorized anyone to provide any other information. When you make a decision about whether to invest in the Common Stock, you should not rely upon any information other than the information in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference. You should assume that information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates. This prospectus supplement and the accompanying prospectus are not an offer to sell or solicitation of an offer to buy shares of the Common Stock in any circumstances under which the offer or solicitation is unlawful.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is the prospectus supplement, which describes the specific terms of this offering. The second part is the prospectus, which describes more general information, some of which may not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, together with additional information described below under the heading Where You Can Find More Information .

Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus supplement to we, us, our or similar references mean Regions Financial Corporation and not to its subsidiaries and references to Regions mean Regions Financial Corporation and its subsidiaries.

If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus, you should rely on the information set forth in this prospectus supplement.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. This prospectus supplement may be used only for the purpose for which it has been prepared. No one is authorized to give information other than that contained in this prospectus supplement and in the documents referred to in this prospectus supplement and which are made available to the public. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission, or SEC . Our SEC filings are available to the public over the Internet at the SEC s web site at www.sec.gov and on the investor relations page of our website at www.regions.com. (Except for SEC filings incorporated by reference in this prospectus supplement and the accompanying prospectus, none of the information on or that can be accessed through our website is part of this prospectus supplement or the accompanying prospectus.) You may also read and copy any document we file with the SEC at its public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room. Our SEC filings are also available at the offices of the New York Stock Exchange. For further information on obtaining copies of our public filings at the New York Stock Exchange, you should call 212-656-5060.

The SEC allows us to incorporate by reference into this prospectus supplement the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus supplement and information that we subsequently file with the SEC will automatically update and supersede information in this prospectus supplement and in our other filings with the SEC. We incorporate by reference the documents listed below, which we have already filed with the SEC, and any future filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or Exchange Act, until we sell all the Common Stock offered by this prospectus supplement (in each case, other than information that is deemed, under SEC rules, not to have been filed):

- Our Annual Report on Form 10-K for the year ended December 31, 2011, dated February 24, 2012;

- Our Current Reports on Form 8-K, dated August 25, 2011, October 21, 2011, January 12, 2012, February 24, 2012 and March 13, 2012 (Item 8.01 and Item 9.01 only);

- Our Definitive Proxy Statement on Schedule 14A, dated March 29, 2011; and

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The description of our Common Stock contained in our registration statement on Form 8-K filed on July 1, 2004 with the SEC pursuant to which our Common Stock was registered under Section 12 of the Exchange Act, including any amendment or report filed for the purpose of updating such description.

You may request a copy of these filings (other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing) at no cost, by writing or calling us at the following address:

Regions Financial Corporation

Investor Relations

1900 Fifth Avenue North

Birmingham, Alabama 35203

Telephone: (205) 581-7890

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

The information included or incorporated by reference in this prospectus supplement and the accompanying prospectus may include forward-looking statements which reflect Regions current views with respect to future events and financial performance. The Private Securities Litigation Reform Act of 1995 (the Act) provides a safe harbor for forward-looking statements that are identified as such and are accompanied by the identification of important factors that could cause actual results to differ materially from the forward-looking statements. For these statements, we, together with our subsidiaries, unless the context implies otherwise, claim the protection afforded by the safe harbor in the Act. Forward-looking statements are not based on historical information, but rather are related to future operations, strategies, financial results or other developments. Forward-looking statements are based on management s expectations as well as certain assumptions and estimates made by, and information available to, management at the time the statements are made. Those statements are based on general assumptions and are subject to various risks, uncertainties and other factors that may cause actual results to differ materially from the views, beliefs and projections expressed in such statements. These risks, uncertainties and other factors include, but are not limited to, those described below:

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) became law on July 21, 2010, and a number of legislative and regulatory proposals remain pending. Additionally, the Treasury Department and federal banking regulators continue to implement, but are also beginning to wind down, a number of programs to address capital and liquidity in the banking system. Proposed rules, including those that are related to the various regulatory capital and liquidity proposals and standards, referred to as Basel III, adopted by the Basel Committee on Banking Supervision, could require banking institutions to increase levels of capital and to satisfy liquidity requirements. All of the foregoing may have significant effects on Regions and the financial services industry, the exact nature and extent of which cannot be fully determined at this time.

Regions ability to mitigate the impact of the Dodd-Frank Act on debit interchange fees through revenue enhancements and other revenue measures, which will depend on various factors, including the acceptance by customers of modified fee structures for Regions products and services.

The impact of compensation and other restrictions imposed under the Troubled Asset Relief Program (TARP) until Regions repays the outstanding preferred stock issued under TARP, including restrictions on Regions ability to attract and retain talented executives and associates.

Regions ability to complete the contemplated repurchase of our Series A Preferred Stock issued to the Treasury Department under the CPP.

Possible additional loan losses, impairment of goodwill and other intangibles, and adjustment of valuation allowances on deferred tax assets and the impact on earnings and capital.

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Possible changes in interest rates may increase funding costs and reduce earning asset yields, thus reducing margins. Increases in benchmark interest rates would also increase debt service requirements for customers whose terms include a variable interest rate, which may negatively impact the ability of borrowers to pay as contractually obligated.

Possible changes in general economic and business conditions in the United States in general and in the communities Regions serves in particular, including any prolonging or worsening of the current unfavorable economic conditions, including unemployment levels.

Possible changes in the creditworthiness of customers and the possible impairment of the collectability of loans.

Possible changes in trade, monetary and fiscal policies, laws and regulations, and other activities of governments, agencies, and similar organizations, may have an adverse effect on our business.

The current stresses in the financial and real estate markets, including possible continued deterioration in property values.

Regions ability to manage fluctuations in the value of assets and liabilities and off-balance sheet exposure so as to maintain sufficient capital and liquidity to support our business.

Regions ability to achieve the earnings expectations related to businesses that have been acquired or that may be acquired in the future.

Regions ability to expand into new markets and to maintain profit margins in the face of competitive pressures.

Regions ability to develop competitive new products and services in a timely manner and the acceptance of such products and services by our customers and potential customers.

Regions ability to keep pace with technological changes.

Regions ability to effectively manage credit risk, interest rate risk, market risk, operational risk, legal risk, liquidity risk, reputational risk and regulatory and compliance risk.

Regions ability to ensure adequate capitalization which is impacted by inherent uncertainties in forecasting credit losses.

The cost and other effects of material contingencies, including litigation contingencies, and any adverse judicial, administrative, or arbitral rulings or proceedings.

The effects of increased competition from both banks and non-banks.

The effects of geopolitical instability and risks such as terrorist attacks.

Possible changes in consumer and business spending and saving habits could affect our ability to increase assets and to attract deposits.

The effects of weather and natural disasters such as floods, droughts, wind, tornadoes and hurricanes, and the effects of man-made disasters.

Possible downgrades in ratings issued by rating agencies.

Possible changes in the speed of loan prepayments by Regions customers and loan origination or sales volumes.

Possible acceleration of prepayments on mortgage-backed securities due to low interest rates, and the related acceleration of premium amortization on those securities.

The effects of problems encountered by larger or similar financial institutions that adversely affect Regions or the banking industry generally.

Regions ability to receive dividends from its subsidiaries.

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The effects of the failure of any component of Regions business infrastructure which is provided by a third party.

Changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board or other regulatory agencies.

With regard to the sale of Morgan Keegan (Morgan Keegan Sale):

the possibility that regulatory and other approvals and conditions to the transaction are not received on a timely basis or at all; the possibility that modifications to the terms of the transaction may be required in order to obtain or satisfy such approvals or conditions; changes in the anticipated timing for closing the transaction; business disruption during the pendency of or following the transaction; diversion of management time on transaction-related issues; reputational risks; any downward purchase price adjustment; potential post-closing indemnification expenses; and the reaction of customers and counterparties to the transaction; and

the effect that a delay in the consummation of the Morgan Keegan Sale or our inability to consummate the Morgan Keegan Sale will have on our ability to repurchase the Series A Preferred Stock.

The effects of any damage to Regions reputation resulting from developments related to any of the items identified above.

The words believe, expect, anticipate, project and similar expressions often signify forward-looking statements. You should not place undue reliance on any forward-looking statements, which speak only as of the date made. We assume no obligation to update or revise any forward-looking statements that are made from time to time.

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SUMMARY

This summary highlights selected information contained elsewhere or incorporated by reference in this prospectus supplement and may not contain all the information that you need to consider in making your investment decision. You should carefully read this entire prospectus supplement and the accompanying prospectus, as well as the information incorporated by reference herein, before deciding whether to invest in the Common Stock. You should pay special attention to the Risk Factors section of this prospectus supplement and contained in our Annual Report on Form 10-K for the year ended December 31, 2011 to determine whether an investment in the Common Stock is appropriate for you.

Regions Financial Corporation

Regions Financial Corporation is a Delaware corporation and financial holding company headquartered in Birmingham, Alabama, which operates throughout the South, Midwest and Texas. Regions provides traditional commercial, retail and mortgage banking services, as well as other financial services in the fields of investment banking, asset management, trust, mutual funds, securities brokerage, insurance and other specialty financing. At December 31, 2011, Regions had total consolidated assets of approximately $127.0 billion, total consolidated deposits of approximately $95.6 billion and total consolidated stockholders equity of approximately $16.5 billion.

Our principal executive offices are located at 1900 Fifth Avenue North, Birmingham, Alabama 35203, and its telephone number at that address is (205) 944-1300.

Recent Developments

Comprehensive Capital Analysis and Review

In November 2011, the Board of Governors of the Federal Reserve System (Federal Reserve) issued a final rule that requires U.S. bank holding companies with total consolidated assets of $50 billion or more (such as Regions) to submit annual capital plans to the appropriate Federal Reserve Bank for approval. The Federal Reserve also published instructions regarding stress testing required to be included as part of those plans. The capital analysis and review process provided for in the rule is known as the Comprehensive Capital Analysis and Review (the CCAR). The purpose of the capital plan is to ensure that these bank holding companies have robust, forward-looking capital planning processes that account for each company s unique risks and that they maintain sufficient capital to continue operations during times of economic and financial stress. The capital plans are required to be submitted on an annual basis. The comprehensive capital plans, which are prepared using Basel I capital guidelines, include a view of capital adequacy under four scenarios a bank holding company-defined baseline scenario, a baseline scenario provided by the Federal Reserve, at least one bank holding company-defined stress scenario and a stress scenario provided by the Federal Reserve. The rules require, among other things, that a covered bank holding company may not make a capital distribution unless it will meet all minimum regulatory capital ratios and have a ratio of Tier 1 common equity to risk-weighted assets of at least 5% after making the distribution. The rules also provide that the Federal Reserve may object to a capital plan if the plan does not show that the covered bank holding company will maintain a Tier 1 common equity ratio of at least 5% on a pro forma basis under expected and stressful conditions throughout the nine-quarter planning horizon covered by the capital plan. Covered bank holding companies, including Regions, may pay dividends and repurchase stock only in accordance with a capital plan that has been reviewed and approved by the Federal Reserve.

On January 9, 2012, we submitted a capital plan to the Federal Reserve pursuant to the CCAR, which provided for this offering, a $500 million dividend to us from Regions Bank and upon completion of the those two items and the consummation of the Morgan Keegan Sale, the repurchase of our Series A Preferred Stock. The Federal Reserve has completed its review of the capital plan and has informed us that it had no objections to our capital plan, including the foregoing capital actions.

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In connection with the CCAR, on March 13, 2012, the Federal Reserve disclosed its projections of pro-forma, post-stress pre-provision income and losses and pro-forma, post stress capital ratios under the Federal Reserve s Supervisory Stress Scenario for the 19 institutions, including Regions, that participated in the 2011 CCAR. The disclosure for each institution includes pro-forma, post stress estimates of Tier 1 Common, Tier 1 Capital, Total Risk Based Capital and the Tier 1 Leverage ratios (in each case, as defined in the CCAR rules) at year-end 2013 under the Supervisory Stress Scenario, as well as the lowest levels for each of these ratios regardless of when they occurred during the review period (in each case taking into account planned capital actions). Regions exceeded the minimum required capital level over the entire review period.

The Federal Reserve also calculated stressed capital ratios for the review period excluding proposed capital actions and assuming no material capital issuances from March 16 through March 31, 2012. For Regions, this means that under this scenario, the Federal Reserve excluded this offering of Common Stock. Regions does not believe the Federal Reserve s estimate of minimum Tier 1 Common ratio assuming no capital actions is relevant given our planned capital actions. Unlike a dividend raise or share repurchase that may continue during the nine-quarter review period, the capital actions Regions has proposed (including this offering) are currently being executed and we expect will be completed in a matter of weeks. In addition, the Federal Reserve s calculations under this scenario give effect to the repurchase of our Series A Preferred Stock, even though the capital actions required to repurchase the Series A Preferred Stock are themselves excluded. Nonetheless, even under this scenario, Regions results still exceed the minimum required capital levels throughout the review period.

The projections released by the Federal Reserve in connection with the CCAR are based on a hypothetical, severely adverse macroeconomic and financial market scenario developed by the Federal Reserve, featuring a deep recession in the United States, significant declines in asset prices and a slowdown in global economic activity, including a peak unemployment rate of 13%, a 50% drop in equity prices, and a 21% decline in housing prices. The supervisory stress scenario is not the Federal Reserve s forecast for the economy, but was designed to represent an unlikely outcome that may occur if the U.S. economy were to experience a deep recession at the same time that economic activity in other major economies contracted significantly. The projections should not be interpreted as expected or likely outcomes for Regions, but rather as possible results under hypothetical, highly adverse conditions. The projections incorporate a number of conservative modeling assumptions, which differ from assumptions Regions uses in its capital planning.

Anticipated Repurchase of Our Series A Preferred Stock

In November 2008, as part of the CPP, we issued 3,500,000 shares of our Series A Preferred Stock to the Treasury Department for an aggregate purchase price of $3.5 billion. In connection with the purchase of our Series A Preferred Stock, the Treasury Department also received a warrant to purchase 48,253,677 shares of our Common Stock at an initial per share exercise price of $10.88, subject to certain adjustments.

Following completion of this offering and the Morgan Keegan Sale described in Morgan Keegan Sale below, we intend to repurchase all 3,500,000 shares of our Series A Preferred Stock issued to the Treasury Department at such time as the Treasury Department and the Federal Reserve authorizes such repurchase. The repurchase will be made at an aggregate purchase price of $3.5 billion plus accrued and unpaid dividends to the date of repurchase. Based upon communications with the Federal Reserve in conjunction with its assessment of our capital plan, we anticipate that, upon completion of this offering and the Morgan Keegan Sale, we will have sufficient capital to repurchase our Series A Preferred Stock. We will use the net proceeds of this offering, the net proceeds of the Morgan Keegan Sale, and other available funds (including an expected dividend of $500 million from our bank subsidiary, Regions Bank) for the repurchase of our Series A Preferred Stock. See Use of Proceeds. We have consistently stated that our intention was to repurchase the Series A Preferred Stock at a time that was prudent for us and when it could be accomplished in a shareholder friendly manner. In making the determination to request approval to repurchase the Series A Preferred Stock at this time, we considered, among other things, the substantial improvement in our credit profile and trends, the recent enhancement of our risk management team and systems and our improving financial results (excluding the goodwill impairment taken by us in the fourth quarter of 2011 in connection with the Morgan Keegan Sale), as well as the additional liquidity at the holding company level to be provided by the Morgan Keegan Sale.

In the period in which we repurchase our Series A Preferred Stock, we will accelerate the accretion of the issuance discount on our Series A Preferred Stock and record a corresponding reduction in retained earnings, which will impact earnings per share of Common Stock (i.e., reduce net income available to holders of our Common Stock in an amount equal to the issuance discount accelerated). The issuance discount is due to the carrying value of our Series A Preferred Stock being less than its liquidation value, as the carrying value of our Series A Preferred Stock is based on its fair value at issuance. As of December 31, 2011, the amount of the issuance discount on our Series A Preferred Stock was approximately $81 million.

Following completion of (i) this offering (assuming net proceeds of $875 million), (ii) repurchase of our Series A Preferred Stock, and (iii) the Morgan Keegan Sale, we expect that our pro forma Tier 1 capital and Tier 1 common risk-based (non-GAAP) ratios would be approximately 10.55% and 9.51%, based on the December 31, 2011 ratios of 13.28% and 8.51%, respectively. See Capitalization beginning on page S-14 below for a reconciliation of the GAAP measure to the corresponding non-GAAP measure.

Morgan Keegan Sale

On January 11, 2012, Regions entered into a stock purchase agreement to sell Morgan Keegan & Company, Inc. and related affiliates to Raymond James Financial, Inc. (Raymond James) for approximately $930 million in cash, subject to adjustment. As part of the transaction, Morgan Keegan will also pay Regions a dividend of $250 million before closing, pending regulatory approval, resulting in total proceeds of approximately $1.18 billion to Regions, subject to adjustment. The transaction is anticipated to close on or around April 2, 2012, subject to regulatory approvals and other customary closing conditions. On February 23, 2012, the Antitrust Division of the United Stated Department of Justice granted early termination of the review period under the Hart-Scott-Rodino Antitrust Improvement Act in connection with the transaction. The transaction is also subject to approval by the Financial Industry Regulatory Authority, Inc. (FINRA). Regions Investment Management, Inc., formerly known as Morgan Asset Management, and Regions Morgan Keegan Trust are not included in the sale and will remain as part of Regions after the closing.

The transaction purchase price is subject to adjustment at the closing and after the closing based on the closing tangible equity of the entities being sold and is subject to further adjustment after the closing based on the retention of Morgan Keegan associates in the period 90 days after closing. Regions believes such adjustments to the purchase price will not have a material impact on our consolidated financial statements.

Additionally, beginning on the closing date, Regions will indemnify Raymond James for all litigation matters related to pre-closing activities. At closing, Regions will recognize the fair value of this indemnification, which will require an estimate of approximately $210 million of additional liabilities, and will be included in the gain / (loss) on disposition. The Morgan Keegan Sale is expected to reduce our overall risk profile, provide substantial liquidity at the holding company level, and establish a business relationship with Raymond James, which is expected to provide incremental revenue opportunities.

First Quarter of 2012

Comparing current expectations for first quarter 2012 results from continuing operations with the actual results reported in the fourth quarter of 2011, we anticipate the following:

- Lower average earning assets driven primarily by further declines in investor real estate and home equity loans outstanding, partially offset by an increase in average investment securities balances and higher commercial and industrial loan balances;

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Total average deposits to remain stable with a continued shift in the mix to include higher low-cost deposits;

A decrease in net interest income attributable to lower earning assets and higher mortgage prepayments with a resulting net interest margin consistent with the level in the fourth quarter of 2011;

Higher non-interest revenues due to an increase in mortgage income, assuming that securities gains and leveraged lease termination income on a combined basis are relatively stable with the fourth quarter;

Total revenues (net interest income plus non-interest income) should be relatively stable;

Non-interest expenses, excluding the goodwill impairment charge in the fourth quarter, are expected to be higher due primarily to a seasonal increase in payroll taxes and an annual subsidiary dividend payment. Also impacting non-interest expenses in the first quarter is a higher level of pension expense related to updated assumptions;

The absolute level of income tax expense is expected to be approximately consistent with the amount reported in the fourth quarter of 2011;

Migration of non-performing commercial and investor real estate loans to range between $450 - $550 million; and

The total level of non-performing loans, net charge-offs of loans, and the loan loss provision are expected to be modestly lower.

The expectations described in this section are preliminary and are based upon information currently available. No assurance can be given that our financial results for the completed quarter will be consistent with our current expectations described above.

Regions is scheduled to report first quarter results on April 24, 2012.

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Summary of the Offering

The following summary contains basic information about the Common Stock and this offering and is not intended to be complete. It does not contain all the information that is important to you. For a complete understanding of the Common Stock, you should read the section of this prospectus supplement entitled Description of Capital Stock .

Issuer	Regions Financial Corporation, a Delaware corporation and a financial holding company.
Common Stock We Are Offering	152,900,000 shares
Common Stock Outstanding After This Offering	1,412,497,712 shares(1)(2)
Use of Proceeds After Expenses	We expect to receive net proceeds from this offering of approximately $875 million, after deduction of underwriting discounts and commissions and estimated expenses payable by us.
	We expect to use the net proceeds of this offering, the net proceeds of the Morgan Keegan Sale, and other available funds (including an expected dividend of $500 million from Regions Bank) to repurchase all 3,500,000 shares of our Series A Preferred Stock that we issued to the Treasury Department under the CPP at such time as the Treasury Department and the Federal Reserve authorize such repurchase. Based upon communications with the Federal Reserve in conjunction with its assessment of our comprehensive capital plan, we anticipate that, upon completion of this offering and the Morgan Keegan Sale, we will have sufficient capital to repurchase our Series A Preferred Stock held by the Treasury Department. If the repurchase is not authorized or if the Morgan Keegan Sale is not completed, we will use the net proceeds of this offering for general corporate purposes.
	While we intend to use the net proceeds of this offering towards the repurchase our Series A Preferred Stock, the consummation of this offering is not conditioned upon the repurchase of the Series A Preferred Stock. If we are unable to repurchase the Series A Preferred Stock, the precise amounts and timing of our use of the net proceeds of this offering will depend upon our funding requirements and those of our subsidiaries and the availability of other funds.
Risk Factors	See Risk Factors beginning on page S-7 of this prospectus supplement and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of factors you should consider carefully before deciding to invest in shares of our Common Stock.
Listing	The New York Stock Exchange, or NYSE, Symbol: RF .
Registrar and Transfer Agent	Computershare Investor Services LLC.

Conflicts of Interest

Our affiliate, Morgan Keegan & Company, Inc., is a member of FINRA and is participating in the distribution of our Common Stock. The distribution arrangements for this offering comply with the requirements of FINRA Rule 5121, regarding a FINRA member s firm participation in the distribution of securities of an affiliate. Because the securities to be offered have a bona fide public market, pursuant to Rule 5121, the appointment of a qualified independent underwriter is not necessary. No FINRA member firm that has a conflict of interest under Rule 5121 may make sales in this offering to any discretionary account without the prior approval of the customer. Our affiliates, including Morgan Keegan & Company, Inc., may use this prospectus supplement and the accompanying prospectus in connection with offers and sales of our Common Stock in the secondary market. These affiliates may act as principal or agent in those transactions. Secondary market sales will be made at prices related to market prices at the time of sale.

(1) The number of shares of Common Stock outstanding immediately after the closing of this offering is based on 1,259,597,712 shares of Common Stock outstanding as of February 29, 2012.

(2) Unless otherwise indicated, the number of shares of Common Stock presented in this prospectus supplement excludes shares of Common Stock issuable under our stock compensation plans, which totaled 46,530,000 shares, as of December 31, 2011, and a warrant for 48,253,677 shares of Common Stock held by the Treasury Department.

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RISK FACTORS

An investment in our Common Stock involves certain risks. You should carefully consider the risks described below and the risk factors included in our Annual Report on Form 10-K for the year ended December 31, 2011, as well as the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment decision. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. The trading price of our Common Stock could decline due to any of these risks, and you may lose all or part of your investment. This prospectus supplement also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this prospectus supplement and the accompanying prospectus.

The market price of shares of our Common Stock will fluctuate.

The market price of our Common Stock could be subject to significant fluctuations due to a change in sentiment in the market regarding our operations or business prospects. Such risks may be affected by:

- Operating results that vary from the expectations of management, securities analysts and investors;
- Changes in financial estimates or publication of research reports and recommendations by financial analysts or actions taken by rating agencies with respect to our securities or those of other financial institutions;
- Developments in our businesses or in the financial sector generally;
- Proposed or adopted regulatory changes or legislative developments involving or affecting our industry generally or our businesses and operations specifically;
- The operating and securities price performance of companies that investors consider to be comparable to us;
- Announcements of strategic developments, acquisitions and other material events by us or our competitors;
- Expectations of or actual equity dilution, including the dilution caused by this offering;
- Changes in the credit, mortgage and real estate markets, including the markets for mortgage-related securities; and
- Changes in global financial markets, global economies and general market conditions, such as interest or foreign exchange rates, stock, commodity, credit or asset valuations or volatility.

Stock markets in general and our Common Stock in particular have experienced considerable volatility recently. The market price of our Common Stock may continue to be subject to similar fluctuations unrelated to our operating performance or prospects. Increased volatility could result in a decline in the market price of our Common Stock.

There can be no assurance as to when our Series A Preferred Stock can be repurchased.

Subject to obtaining authorization from the Treasury Department and the Federal Reserve, we intend to repurchase our Series A Preferred Stock issued to the Treasury Department with the proceeds from this offering, the proceeds from the Morgan Keegan Sale and other available funds, as described under Summary Recent Developments Repurchase of our Series A Preferred Stock and Use of Proceeds.

We currently anticipate, based on discussions with our banking regulators, that we will be permitted to repurchase the Series A Preferred Stock following consummation of this offering and the Morgan Keegan Sale; however, there can be no assurance as to when the Series A Preferred Stock can be repurchased, if at all. If the

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Series A Preferred Stock is not repurchased for any reason, the proceeds of this offering will be used for general corporate purposes. Until such time as our Series A Preferred Stock is repurchased, we will remain subject to the terms and conditions of the CPP and related documents. Our continued participation in the CPP subjects us to increased regulatory and legislative oversight, including with respect to executive compensation, which could limit our ability to retain key executives and other key employees, and limit our ability to develop business opportunities.

In addition, we can provide no assurances that we will decide or be able to repurchase the warrant issued in connection with our Series A Preferred Stock. If we do not repurchase the warrant, the Treasury Department may exercise the warrant or transfer the warrant to third-parties who may exercise the warrant.

If we are unable to repurchase our Series A Preferred Stock prior to November 18, 2013, the dividend rate on the Series A Preferred Stock will increase substantially.

If we do not repurchase or redeem our Series A Preferred Stock prior to November 18, 2013, the dividend payments on such stock will increase substantially, from 5% to 9%. Depending on market conditions at the time, this increase in dividends could have a material adverse impact on our liquidity and/or profitability.

The Morgan Keegan Sale may not close as anticipated.

The stock purchase agreement related to the Morgan Keegan Sale contains customary closing conditions, including receipt of all required regulatory approvals. If these conditions are not satisfied or waived, the sale may not be consummated. Furthermore, each party has the right to terminate the agreement in certain circumstances. If we are unable to consummate the Morgan Keegan Sale, we would not realize the expected benefits of the sale. In addition, we will have incurred, and will remain liable for, transaction costs, including legal, accounting, financial advisory and other costs relating to the Morgan Keegan Sale whether or not it is consummated.

The consummation of this offering is not conditioned upon the consummation of the Morgan Keegan Sale. If the Morgan Keegan Sale is not consummated for any reason or if the amount of proceeds we receive from the Morgan Keegan Sale is materially less than we anticipate, we may not have sufficient available funds to consummate the repurchase of the Series A Preferred Stock or sufficient capital to achieve the capital ratios contained in our capital plan, we may not be able to obtain the approval of our bank regulators and the Treasury Department to repurchase the Series A Preferred Stock or we may determine not to proceed with the repurchase the Series A Preferred Stock at such time. If the Series A Preferred Stock is not repurchased for any reason, the proceeds of this offering will be used for general corporate purposes.

If the Morgan Keegan Sale is not consummated or if the proceeds of the Morgan Keegan Sale are materially less than expected, and we decide to proceed with the repurchase the Series A Preferred Stock, we will need to replace the shortfall in capital and liquidity intended to be provided by the Morgan Keegan Sale and will need to obtain approval from the Treasury Department and the Federal Reserve to consummate the repurchase of the Series A Preferred Stock in light of such altered capital actions. In order to obtain the necessary capital and liquidity to complete a repurchase in that scenario, we would likely need to raise additional capital, including through public or private offerings of debt or equity securities. See Offerings of debt, which would be senior to our Common Stock upon liquidation, and/or preferred equity securities which may be senior to our Common Stock for purposes of dividend distributions or upon liquidation, may adversely affect the market price of our Common Stock below. Additional equity offerings may dilute the holdings of our existing stockholders or reduce the market price of our Common Stock, or both.

Shares of our Common Stock are equity interests and therefore subordinate to our indebtedness and preferred stock.

Shares of our Common Stock are equity interests in Regions Financial Corporation and do not constitute indebtedness. As such, shares of our Common Stock rank junior to all indebtedness and other non-equity claims on Regions Financial Corporation with respect to assets available to satisfy claims, including in a liquidation of

Regions Financial Corporation. Additionally, holders of our Common Stock are subject to the prior dividend and liquidation rights of any holders of our Series A Preferred Stock and any other preferred stock we may issue in the future.

You may not receive dividends on the Common Stock.

Holders of our Common Stock are only entitled to receive such dividends as our board of directors may declare out of funds legally available for such payments. Furthermore, holders of our Common Stock are subject to the prior dividend rights of any holders of our preferred stock or depositary shares representing such preferred stock then outstanding. Although we have historically declared cash dividends on our Common Stock, we are not required to do so. Currently, our quarterly dividend is $0.01 per share and we do not expect to increase the quarterly dividend in the foreseeable future.

As of December 31, 2011, there were 3,500,000 shares of our Series A Preferred Stock with a liquidation amount of $1,000 per share, issued and outstanding. Under the terms of the Series A Preferred Stock, our ability to declare and pay dividends on or repurchase our Common Stock will be subject to restrictions in the event we fail to declare and pay (or set aside for payment) full dividends on the Series A Preferred Stock.

In addition, the terms of our outstanding junior subordinated debt securities prohibit us from declaring or paying any dividends or distributions on our capital stock, including our Common Stock, or purchasing, acquiring, or making a liquidation payment on such stock, if we have given notice of our election to defer interest payments but the related deferral period has not yet commenced or a deferral period is continuing.

We are also subject to statutory and regulatory limitations on our ability to pay dividends on our Common Stock. For example, it is the policy of the Federal Reserve that bank holding companies should generally pay dividends on common stock only out of earnings, and only if prospective rates of earnings retention are consistent with the organization s expected future capital needs, asset quality, and overall current and future financial condition. Recently issued temporary guidance from the Federal Reserve states that our dividend policies will be assessed, among other things, against our ability to achieve Basel III capital ratio requirements. Moreover, the Federal Reserve has stated that it will closely scrutinize any dividend payout ratios exceeding 30 percent of after-tax net income.

Additionally, as of December 30, 2011, the Federal Reserve requires bank holding companies with $50 billion or more of total consolidated assets, such as us, to submit annual capital plans to the appropriate Federal Reserve Bank for review before they can make capital distributions such as dividends. The capital plan submitted by us in January 2012 does not request approval for an increase of our quarterly dividend beyond our current quarterly dividend of $0.01 per share. If the Federal Reserve does not approve our capital plans in the future, we may not be able to declare dividends.

We are a holding company and depend on our subsidiaries for dividends, distributions and other payments.

We are a legal entity separate and distinct from our banking and other subsidiaries. Our principal source of cash flow, including cash flow to pay dividends to our stockholders and to pay principal and interest on our outstanding debt, is dividends from our banking subsidiary, Regions Bank. There are statutory and regulatory limitations on the payment of dividends by Regions Bank to us, as well as by us to our stockholders. Regulations of both the Federal Reserve and the State of Alabama affect the ability of Regions Bank to pay dividends and other distributions to us and to make loans to us. If Regions Bank is unable to make dividend payments to us and sufficient cash or liquidity is not otherwise available, we may not be able to make dividend payments to our common and preferred stockholders or principal and interest payments on our outstanding debt.

In addition, our right to participate in any distribution of assets of any of our subsidiaries upon the subsidiary s liquidation or otherwise, and thus your ability as a holder of the Common Stock to benefit indirectly from such distribution, will be subject to the prior claims of creditors of that subsidiary, except to the extent that

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any of our claims as a creditor of such subsidiary may be recognized. As a result, shares of our Common Stock are effectively subordinated to all existing and future liabilities and obligations of our subsidiaries. At December 31, 2011, our subsidiaries total deposits and borrowings were approximately $102.9 billion.

Offerings of debt, which would be senior to our Common Stock upon liquidation, and/or preferred equity securities which may be senior to our Common Stock for purposes of dividend distributions or upon liquidation, may adversely affect the market price of our Common Stock.

We may attempt to increase our capital resources or, if our capital ratios or the capital ratios of our banking subsidiary falls below the required minimums, we or our banking subsidiary could be forced to raise additional capital by making additional offerings of debt or preferred equity securities, including medium-term notes, senior or subordinated notes, preferred stock or other applicable securities. Upon liquidation, holders of our debt securities and shares of preferred stock and lenders with respect to other borrowings will receive distributions of our available assets prior to the holders of our Common Stock. Additional equity offerings may dilute the holdings of our existing stockholders or reduce the market price of our Common Stock, or both. Holders of our Common Stock are not entitled to preemptive rights or other protections against dilution.

Our board of directors is authorized to issue one or more classes or series of preferred stock from time to time without any action on the part of the stockholders. Our board of directors also has the power, without stockholder approval, to set the terms of any such classes or series of preferred stock that may be issued, including voting rights, dividend rights, and preferences over our Common Stock with respect to dividends or upon our dissolution, winding-up and liquidation and other terms. If we issue preferred shares in the future that have a preference over our Common Stock with respect to the payment of dividends or upon our liquidation, dissolution, or winding up, or if we issue preferred shares with voting rights that dilute the voting power of our Common Stock, the rights of holders of our Common Stock or the market price of our Common Stock could be adversely affected.

Anti-takeover laws and certain agreements and charter provisions may adversely affect share value.

Certain provisions of state and federal law and our restated certificate of incorporation may make it more difficult for someone to acquire control of us without our board of directors approval. Under federal law, subject to certain exemptions, a person, entity or group must notify the federal banking agencies before acquiring control of a bank holding company. Acquisition of 10% or more of any class of voting stock of a bank holding company or state member bank, including shares of our Common Stock, creates a rebuttable presumption that the acquiror controls the bank holding company or state member bank. Also, a bank holding company must obtain the prior approval of the Federal Reserve before, among other things, acquiring direct or indirect ownership or control of more than 5% of the voting shares of any bank, including Regions Bank. There also are provisions in our restated certificate of incorporation that may be used to delay or block a takeover attempt. As a result, these statutory provisions and provisions in our restated certificate of incorporation could result in Regions being less attractive to a potential acquiror.

We may need to raise additional debt or equity capital in the future; such capital may not be on acceptable terms or may not be available when needed or at all.

We may need to raise additional capital in the future to provide us with sufficient capital resources and liquidity to meet our commitments and business needs. Our ability to raise additional capital, if needed, will depend on, among other things, conditions in the capital markets at that time, which are outside of our control, and our financial performance. The economic environment may increase our cost of funding and limit our access to some of our customary sources of capital, including inter-bank borrowings, repurchase agreements and borrowings from the discount window of the Federal Reserve. Additionally, our long-term debt securities are currently rated below investment grade by certain of the credit ratings agencies. As a non-investment grade issuer, our cost of funding may be increased and our access to the capital markets may be further limited.

We cannot assure you that capital will be available to us on acceptable terms or at all. Any occurrence that may limit our access to the capital markets, such as a decline in the confidence of debt or equity purchasers, depositors of Regions Bank or counterparties participating in the capital markets, our status as a non-investment grade issuer, or a further downgrade of our debt rating, may adversely affect our capital costs and our ability to raise capital and, in turn, our liquidity. An inability to raise additional capital on acceptable terms when needed could have a materially adverse effect on our business, financial condition or results of operations.

Future issuances of additional equity securities could result in dilution of existing stockholders equity ownership.

Other than the lock-up described under Underwriting (Conflicts of Interest) , we are not restricted from issuing additional shares of Common Stock, including securities that are convertible into or exchangeable for, or that represent the right to receive, shares of our Common Stock. In connection with our sale of the Series A Preferred Stock to the Treasury Department, we issued a warrant to the Treasury Department. Although we have the right to repurchase the warrant at a negotiated price, we may not desire or be able to do so; and if we do not repurchase the warrant, the Treasury Department could either exercise the warrant or sell it to third parties by way of auction or otherwise. The issuance of additional shares of Common Stock as a result of exercise of the warrant or in order to raise additional capital (whether in accordance with regulatory requirements or in connection with an acquisition or other transaction) or the issuance of convertible securities would dilute the ownership interest of existing holders of our Common Stock. In addition, we have in the past and may in the future issue options, convertible preferred stock, and/or other securities that may have a dilutive effect on our Common Stock. The market price of our Common Stock could decline as a result of any such offering, other capital raising strategies or other sales of a large block of our Common Stock or similar securities in the market, or the perception that such sales could occur.

The value of our goodwill and other intangible assets may decline in the future.

As of December 31, 2011, we had $4.8 billion of goodwill and $449 million of other intangible assets. A significant decline in our expected future cash flows, a significant adverse change in the business climate, slower growth rates or a significant and sustained decline in the price of our Common Stock, any or all of which could be materially impacted by many of the risk factors discussed herein, may necessitate our taking charges in the future related to the impairment of our goodwill. Future regulatory actions could also have a material impact on assessments of goodwill for impairment. If the fair value of our net assets improves at a faster rate than the market value of our Banking/Treasury reporting unit, we may also have to take charges related to the impairment of our goodwill. If we were to conclude that a future write-down of our goodwill and other intangible assets is necessary, we would record the appropriate charge, which could have a material adverse effect on our results of operations.

Additionally, as a result of the pending Morgan Keegan Sale, we are evaluating the organization of our reporting units. Reorganization of our reporting units in the future would result in a reallocation of goodwill across our businesses, at which time we would be required to test our goodwill in these new reporting units for impairment, which could result in a write-down of our goodwill. A goodwill impairment charge is a non-cash item that does not have an adverse impact on regulatory capital.

Unfavorable results from the CCAR and ongoing stress analyses may adversely affect our ability to retain customers or compete for new business opportunities.

As part of the CCAR, the Federal Reserve has released publicly a summary containing bank holding company specific information and results of the 2012 stress analyses it conducts in connection with the CCAR.

In addition, going forward the Federal Reserve will conduct an annual stress analysis of Regions to evaluate our ability to absorb losses in adverse economic and financial conditions. Proposed rules for systemically important financial institutions would also require us to conduct our own semi-annual stress analysis to assess the

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potential impact on Regions, under each of the economic and financial conditions used as part of the Federal Reserve s annual stress analysis. Like the CCAR, we expect that a summary of the results of certain aspects of the Federal Reserve s annual stress analysis would be released publicly and contain bank holding company specific information and results. The proposed rules for systemically important financial institutions would also require us to disclose publicly the results of our semi-annual stress analyses.

Although the stress tests are not meant to assess our current condition, and even if we remain strong, stable and well-capitalized, we cannot predict our customers potential misinterpretation of, and/or adverse reaction to, the results of these stress tests. Any potential misinterpretations and adverse reactions could limit our ability to attract and retain customers or to effectively compete for new business opportunities. The inability to attract and retain customers or effectively compete for new business may have a material and adverse effect on our business, financial condition or results of operations.

Additionally, our regulators may require us to raise additional capital or take other actions, or may impose restrictions on our business, based on the results of the stress tests, including rejecting or requiring revisions to our annual capital plan submitted in connection with the CCAR. We may not be able to raise additional capital if required to do so, or may not be able to do so on terms which are advantageous to Regions or its current shareholders. Any such capital raises, if required, may also be dilutive to our existing shareholders.

Future equity offerings could impair the value of our deferred tax assets and adversely affect our capital ratios.

Our ability to utilize our deferred tax assets to offset future taxable income may be significantly limited if we experience an ownership change as defined in section 382 of the Internal Revenue Code of 1986, as amended (the Code). In general, an ownership change will occur if there is a cumulative change in our ownership by 5 percent shareholders (as defined in the Code) that exceeds 50 percent (as defined in the Code) over a rolling three-year period. Any corporation experiencing an ownership change will generally be subject to an annual limitation on its deferred tax assets prior to the ownership change equal to the value of such corporation immediately before the ownership change, multiplied by the long-term tax-exempt rate (subject to certain adjustments). The annual limitation would be increased each year to the extent that there is an unused limitation in a prior year. The limitation arising from an ownership change under section 382 of the Code on our ability to utilize our deferred tax assets would depend on the value of Regions stock at the time of the ownership change. As a result, future investments by new or existing 5 percent shareholders or issuances of common equity could materially increase the risk that we could experience an ownership change in the future. If we were to experience an ownership change under section 382 of the Code for any reason, the value of our deferred tax assets may be impaired and may cause a decrease in our financial position, results of operations and regulatory capital ratios.

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USE OF PROCEEDS

We expect to receive net proceeds from this offering of approximately $875 million, after deduction of underwriting discounts and commissions and estimated expenses payable by us.

Based upon communications with the Federal Reserve in conjunction with its assessment of our comprehensive capital plan, we anticipate that, upon completion of this offering and the Morgan Keegan Sale, we will have sufficient capital to repurchase our Series A Preferred Stock held by the Treasury Department. Accordingly, we intend to notify the Treasury Department and the Federal Reserve of our intent to repurchase all of the 3,500,000 shares of our Series A Preferred Stock. If permitted to do so, we expect to fund any such repurchase with the net proceeds of this offering, the net proceeds of the Morgan Keegan Sale and other available funds (including an expected dividend of $500 million from Regions Bank). See Summary Recent Developments. We would repurchase our Series A Preferred Stock at its $1,000 per share liquidation preference, plus accrued and unpaid dividends to the date of repurchase. Although we anticipate that we will be permitted to repurchase our Series A Preferred Stock following consummation of this offering and the Morgan Keegan Sale, there can be no assurance that we will be authorized to repurchase our Series A Preferred Stock.

While we intend to use the net proceeds of this offering towards the repurchase our Series A Preferred Stock, the consummation of this offering is not conditioned upon the repurchase of our Series A Preferred Stock or the consummation of the Morgan Keegan Sale and there is no assurance as to when or if either of those transactions will occur.

If we do not repurchase our Series A Preferred Stock, we will use the net proceeds of this offering for general corporate purposes.

Upon completion of any repurchase of our Series A Preferred Stock, we may seek to repurchase the warrant issued to the Treasury Department, whether directly from the Treasury Department or if and when the Treasury Department auctions the warrant. Alternatively, we may decide not to or be unable to repurchase the warrant. If we do not repurchase the warrant, the Treasury Department may exercise the warrant or sell the warrant to third parties. See Risk Factors There may be future sales or other dilution of our equity, which may adversely affect the market price of our Common Stock. Any such repurchase of the warrant, and any repurchases of our Common Stock effected to offset the dilution from warrant exercises by the Treasury Department or other third parties, would generally be subject to the approval of our federal bank regulators.

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CAPITALIZATION

The following table sets forth the carrying amount of our capitalization, as of December 31, 2011, on (i) an actual basis, (ii) as adjusted to give effect to an assumed receipt of net proceeds of $875 million from this offering, and (iii) as further adjusted on a pro forma basis to give effect to this offering, the consummation of the Morgan Keegan Sale and the anticipated repurchase of our Series A Preferred Stock (both of which are subject to regulatory approval and other conditions). The adjustments from the Morgan Keegan Sale include (i) an estimated gain on sale of $43 million, which is the premium above tangible book value (as defined in the sale agreement) of the entities to be sold less the fair value of the related indemnities and other costs, all net of consideration of income taxes and (ii) the payment of a pre-closing dividend by Morgan Keegan to Regions Financial Corporation of $250 million. The adjustments related to the repurchase of the Series A Preferred Stock include a charge to net income available to holders of our Common Stock of $81 million as of December 31, 2011, resulting from the repurchase of the Series A Preferred Stock, representing the accretion of the discount on the Series A Preferred Stock. The combination of the adjustments from the Morgan Keegan Sale and the repurchase of the Series A Preferred Stock result in an increase to the deficit in retained earnings of $38 million.

No assurance can be given that such transactions will be completed on the terms assumed for the purposes of this presentation of pro forma financial information or at all. The unaudited pro forma capital information is presented for illustrative purposes and does not necessarily indicate the results that would have been realized had the transactions been completed as of December 31, 2011. This table should be read in conjunction with the information set forth in our audited financial statements set forth in our Annual Report on Form 10-K for the year ended December 31, 2011 and the financial information included in our Current Report on Form 8-K, dated March 13, 2012, which are incorporated by reference into this prospectus supplement and the accompanying prospectus.

	As of December 31, 2011		
	Actual	As Adjusted	As Further Adjusted on a Pro Forma Basis
	($ amounts in millions)		
		(Unaudited)	
Long-term debt:			
Senior notes	$ 1,789	$ 1,789	$ 1,789
Subordinated notes	3,253	3,253	3,253
Junior subordinated notes	843	843	843
Federal Home Loan Bank advances	1,914	1,914	1,914
Other long-term debt	181	181	181
Valuation adjustments on hedged long-term debt	130	130	130
Total long-term debt	$ 8,110	$ 8,110	$ 8,110
Stockholders equity			
Preferred stock, authorized 10,000,000 shares Series A, cumulative perpetual participating, par value $1.00 (liquidation preference $1,000) per share, net of discount; Issued 3,500,000 shares as of December 31, 2011; no shares outstanding as further adjusted	$ 3,419	$ 3,419	$
Common stock, par value $0.01 per share Authorized 3,000,000,000 shares; Issued including treasury stock 1,301,230,838 shares as of December 31, 2011	13	15	15
Additional paid-in capital	19,060	19,933	19,933
Retained earnings (deficit)	(4,527)	(4,527)	(4,565)
Treasury stock, at cost 42,414,444 shares	(1,397)	(1,397)	(1,397)
Accumulated other comprehensive loss, net	(69)	(69)	(69)
Total stockholders equity	$ 16,499	$ 17,374	$ 13,917
Total long-term debt and stockholders equity	$ 24,609	$ 25,484	$ 22,027
Capital Ratios			
Tier 1 common risk-based (non-GAAP) ratio (see reconciliation below)	8.51%	9.47%	9.51%
Tier 1 capital ratio	13.28%	14.23%	10.55%
Total risk-based capital ratio	16.99%	17.95%	14.31%
Leverage ratio	9.91%	10.63%	7.80%

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The following table provides a reconciliation of stockholders equity (GAAP) to Tier 1 capital (regulatory) and to Tier 1 common equity (non-GAAP). Traditionally, the Federal Reserve and other banking regulatory bodies have assessed a bank s capital adequacy based on Tier 1 capital, the calculation of which is codified in federal banking regulations. In connection with CCAR, these regulators began supplementing their assessment of the capital adequacy of a bank based on a variation of Tier 1 capital, known as Tier 1 common equity. While not codified, analysts and banking regulators have assessed our capital adequacy using the Tier 1 common equity measure. Because Tier 1 common equity is not formally defined by GAAP or codified in the federal banking regulations, this measure is considered to be a non-GAAP financial measure and other entities may calculate it differently than Regions disclosed calculation. Since analysts and banking regulators may assess our capital adequacy using Tier 1 common equity, we believe that it is useful to provide investors the ability to assess our capital adequacy on these same bases.

Tier 1 common equity is often expressed as a percentage of risk-weighted assets. Under the risk-based capital framework, balance sheet assets and credit equivalent amounts of off-balance sheet items are assigned to one of four broad risk categories. The aggregated dollar amount in each category is then multiplied by the risk-weighted category. The resulting weighted values from each of the four categories are added together and this sum is the risk-weighted assets total that, as adjusted, comprises the denominator of certain risk-based capital ratios. Tier 1 capital is then divided by this denominator (risk-weighted assets) to determine the Tier 1 capital ratio. Adjustments are made to Tier 1 capital to arrive at Tier 1 common equity. Tier 1 common equity is also divided by the risk-weighted assets to determine the Tier 1 common risk-based ratio. The amounts disclosed as risk-weighted assets are calculated consistent with banking regulatory requirements.

		As of December 31, 2011				
		Actual	**Common Stock Offering**	**As Adjusted**	**Other Capital Activities**	**As Further Adjusted on a Pro Forma Basis**
				($ amounts in millions)		
				(Unaudited)		
Stockholders equity (GAAP)		16,499	875[1]	17,374	(3,457)[2][3]	13,917
Accumulated other comprehensive loss		69		69		69
Non-qualifying goodwill and intangibles		(4,900)		(4,900)		(4,900)
Disallowed deferred tax assets		(432)		(432)	(6)[4]	(438)
Disallowed servicing assets		(35)		(35)		(35)
Qualifying non-controlling interests		92		92		92
Qualifying trust preferred securities		846		846		846
Tier 1 capital (regulatory)		12,139	875	13,014	(3,463)	9,551
Qualifying non-controlling interests		(92)		(92)		(92)
Qualifying trust preferred securities		(846)		(846)		(846)
Preferred stock		(3,419)		(3,419)	3,419[2]	
Tier 1 common equity (non-GAAP)	A	7,782	875	8,657	(44)	8,613
Risk-weighted assets (regulatory)	B	91,449		91,449	(920)	90,529
Tier 1 common risk-based (non-GAAP) ratio	A/B	8.51%		9.47%[5]		9.51%[5]

(1) Assumes $875 million of net proceeds from this offering.

(2) Repurchase of Series A Preferred Stock at par of $3.5 billion for Tier 1 capital purposes and at book value of $3.419 billion for Tier 1 common purposes.

(3) After tax increase to retained earnings of $43 million, assuming the Morgan Keegan Sale was closed on December 31, 2011. The estimated after-tax gain assumes an election is made for income tax purposes by Raymond James and Regions, subsequent to the closing of the transaction. If the election is not made, the affect of the sale on retained earnings would be impacted.

(4) Estimated net impact of the Morgan Keegan Sale on regulatory disallowance of deferred tax assets.

(5)

The 4 basis point difference in the Tier 1 common risk-based ratio is comprised of a decrease of 9 basis points related to the accretion of the unamortized discount related to the anticipated repurchase of our Series A Preferred Stock and an increase of 13 basis points related to the Morgan Keegan Sale.

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SELECTED FINANCIAL DATA

The following is selected financial data for Regions. The selected condensed consolidated financial data for each of the years ended December 31, 2011, 2010 and 2009 are derived from our audited consolidated financial statements. Our consolidated financial statements for each of the three fiscal years ended December 31, 2011, 2010 and 2009 were audited by Ernst & Young LLP, an independent registered public accounting firm. The summary below should be read in conjunction with our audited consolidated financial statements, and the related notes thereto, and the other detailed information contained in our 2011 Annual Report on Form 10-K. For more information, see the section entitled Where You Can Find More Information.

Consolidated Condensed Statements of Operations

	Year ended December 31		
	2011	2010	2009
	($ amounts in millions, except per share data)		
Total interest income	$ 4,252	$ 4,637	$ 5,277
Total interest expense	842	1,248	1,984
Net interest income	3,410	3,389	3,293
Provision for loan losses	1,530	2,863	3,541
Net interest income (loss) after provision for loan losses	1,880	526	(248)
Total non-interest income before securities gains, net	2,031	2,095	2,696
Securities gains, net	112	394	69
Total non-interest expense	3,862	3,859	3,785
Income (loss) from continuing operations before income taxes	161	(844)	(1,268)
Income tax benefit	(28)	(376)	(194)
Income (loss) from continued operations	189	(468)	(1,074)
Discontinued operations:			
(Loss) income from discontinued operations before income taxes	(408)	(41)	66
Income tax (benefit) expense	(4)	30	23
Income (loss) from discontinued operations, net of tax	(404)	(71)	43
Net income (loss)	$ (215)	$ (539)	$ (1,031)
Income (loss) from continuing operations available to common shareholders	$ (25)	$ (692)	$ (1,304)
Net income (loss) available to common shareholders	$ (429)	$ (763)	$ (1,261)
Weighted-average number of shares outstanding basic	1,258 &nb		