REGIONS FINANCIAL CORP
Form 424B5
November 09, 2009
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Filed Pursuant to Rule 424(b)(5)

Registration No: 333-142839

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to Be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(1)
7.75% Senior Notes due 2014	$700,000,000	98.986%	$692,902,000	$38,663.93

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

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PROSPECTUS SUPPLEMENT

(To Prospectus Dated May 11, 2007)

$700,000,000

Regions Financial Corporation

7.75% Senior Notes due 2014

We will pay interest on the notes at an annual rate equal to 7.75% and will pay interest on May 10 and November 10 of each year, beginning on May 10, 2010. The notes will mature on November 10, 2014.

We may not redeem the notes prior to their maturity. There is no sinking fund for the notes.

The notes will be senior unsecured obligations of Regions Financial Corporation and will rank equally among themselves and with all of our other unsecured and unsubordinated indebtedness. The notes will not be guaranteed by any of our subsidiaries.

The notes will be issued only in registered book-entry form, in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof.

The notes will not be listed on any securities exchange. Currently there is no public market for the notes.

Investing in the notes involves risks. See Risk Factors beginning on page S-4 of this prospectus supplement.

	Price to Public (1)	Underwriting Discounts and Commissions	Proceeds, Before Expenses, to Regions (1)
Per Note	98.986%	0.4%	98.586%
Total	$ 692,902,000	$ 2,800,000	$ 690,102,000

(1) Plus accrued interest, if any, from November 10, 2009.

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 determined if this prospectus supplement or the accompanying prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The notes are not savings accounts, deposits or other obligations of any of our bank or non-bank subsidiaries and are not insured by the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System or any other governmental agency or instrumentality. **The notes are not guaranteed under the Federal Deposit Insurance Corporation s Temporary Liquidity Guarantee Program.**

The underwriters expect to deliver the notes through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Banking, *société anonyme*, and Euroclear Bank S.A./N.V., against payment in New York, New York on or about November 10, 2009.

Our affiliates, including Morgan Keegan & Company, Inc., may use this prospectus supplement and the accompanying prospectus in connection with offers and sales of the notes 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.

Joint Book-Running Managers

Goldman, Sachs & Co.	**J.P. Morgan**	**Morgan Keegan & Company, Inc.**	**UBS Investment Bank**

Junior Co-Managers

Loop Capital Markets LLC	**The Williams Capital Group, L.P.**

The date of this prospectus supplement is November 5, 2009.

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Unless otherwise indicated, 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 notes, you should not rely upon any information other than the information in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference. Neither the delivery of this prospectus supplement nor the sale of the notes means that information contained in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference is correct after their respective dates. This prospectus supplement and the accompanying prospectus are not an offer to sell or solicitation of an offer to buy notes 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 this prospectus supplement, which describes the specific terms of this offering. The second part is the accompanying 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 the company, we, us, our o similar references mean Regions Financial Corporation and not 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.

We are not, and the underwriters are not, making an offer to sell these notes in any jurisdiction where the offer or sale is not permitted. You should not assume that the information appearing in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference is accurate as of any date other than the date of the applicable document. Regions business, financial condition, results of operations and prospects may have changed since that date. Neither this prospectus supplement nor the accompanying prospectus constitutes an offer, or an invitation on our behalf or on behalf of the underwriters, to subscribe for and purchase, any of the notes and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

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 web site at http://www.sec.gov. 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 securities offered by this prospectus supplement (in each case, other than information that is deemed, under SEC rules, not to have been filed):

- Annual Report on Form 10-K for the year ended December 31, 2008, filed February 24, 2009;

- Quarterly Reports on Form 10-Q for the quarter ended March 31, 2009, filed May 11, 2009, as amended by Amendment No. 1 on Form 10-Q/A, filed May 13, 2009 and Amendment No. 2 on Form 10-Q/A, filed June 9, 2009, the quarter ended June 30, 2009, filed August 5, 2009, and the quarter ended September 30, 2009, filed November 4, 2009; and

- Current Reports on Form 8-K filed February 27, 2009, March 2, 2009, April 16, 2009 (containing disclosure under Item 8.01), April 22, 2009, May 7, 2009, May 20, 2009 (Item 8.01 and Exhibit 99.1 only), May 27, 2009, June 9, 2009, June 17, 2009, June 18, 2009 (first filing), June 24, 2009, July 15, 2009, July 22, 2009, September 4, 2009 and October 15, 2009.

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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

(205) 581-7890

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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. The Private Securities Litigation Reform Act of 1995 (the Act) provides a safe harbor for forward-looking statements which 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, Regions claims 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:

In October 2008, Congress enacted and the President signed into law the Emergency Economic Stabilization Act of 2008, and on February 17, 2009 the American Recovery and Reinvestment Act of 2009 was signed into law. Additionally, the U.S. Treasury Department and federal banking regulators are implementing a number of programs to address capital and liquidity issues in the banking system, and may announce additional programs in the future, all of which may have significant effects on Regions and the financial services industry, the exact nature and extent of which cannot be determined at this time.

The impact of compensation and other restrictions imposed under the Troubled Asset Relief Program (TARP) until Regions is able to repay the outstanding preferred stock issued under the TARP.

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

Possible changes in interest rates may affect funding costs and reduce earning asset yields, thus reducing margins.

Possible changes in general economic and business conditions in the United States in general and in the communities Regions serves in particular.

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, including changes in accounting standards, may have an adverse effect on 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 Regions 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 Regions customers and potential customers.

Regions ability to keep pace with technological changes.

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

The cost and other effects of material contingencies, including litigation contingencies.

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 Regions ability to increase assets and to attract deposits.

The effects of weather and natural disasters such as droughts and hurricanes.

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.

See also Item 1A. Risk Factors of Regions Annual Report on Form 10-K for the year ended December 31, 2008 and Quarterly Reports on Form 10-Q for the periods ended March 31, 2009, June 30, 2009 and September 30, 2009.

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PROSPECTUS 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 to which we refer you and the information incorporated by reference herein, before deciding whether to invest in the notes. 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, 2008 and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2009, as amended, June 30, 2009 and September 30, 2009 to determine whether an investment in the notes 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 September 30, 2009, Regions had total consolidated assets of approximately $140 billion, total consolidated deposits of approximately $95 billion and total consolidated stockholders equity of approximately $18 billion.

Additional information about us and our subsidiaries is included in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. See Where You Can Find More Information in this prospectus supplement.

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

Recent Developments

On October 22, 2009, Dominion Bond Rating Service downgraded Regions senior notes, subordinated notes and junior subordinated notes and Regions Bank s short-term debt, long-term bank deposits, long-term debt and subordinated debt. On November 4, 2009, Standard & Poor s downgraded Regions senior notes, subordinated notes and junior subordinated notes and Regions Bank s long-term deposits, senior notes and subordinated notes. Standard & Poor s maintains a negative outlook on Regions.

Ratings assigned to Regions debt securities and the debt securities of Regions Bank remain subject to change at any time and it is possible that any of the ratings agencies will further downgrade these obligations. Any decrease, or potential decrease, in credit ratings could impact Regions access to the capital markets or short-term funding and/or increase our financing costs and thereby adversely affect Regions liquidity and financial condition. For more information on Regions credit ratings and the potential impact of any subsequent downgrades, see Risk Factors Ratings agencies recently downgraded our securities and the deposit ratings of Regions Bank; these downgrades and any subsequent downgrades could adversely impact the price and liquidity of our securities and could have an adverse impact on our businesses and results of operations.

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SUMMARY OF THE OFFERING

The following summary contains basic information about the notes 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 notes, you should read the section of this prospectus supplement entitled Description of Notes.

Issuer	Regions Financial Corporation.
Notes Offered	$700,000,000 aggregate principal amount of 7.75% Senior Notes due 2014.
Issue Date	November 10, 2009.
Maturity	November 10, 2014.
Interest Rate; Interest Payment Dates	We will pay interest on the notes at an annual rate equal to 7.75% and will pay such interest on May 10 and November 10 of each year (each an interest payment date), beginning on May 10, 2010.
Record Dates	April 27 and October 27.
Day Count Convention	30/360.
No Guarantees	The notes are not guaranteed by any of our subsidiaries. As a result, the notes will be structurally subordinated to the liabilities of our subsidiaries as discussed below under Ranking. **The notes are not guaranteed under the Federal Deposit Insurance Corporation s Temporary Liquidity Guarantee Program.**
Ranking	The notes will be senior unsecured obligations and will rank equally with all of our other unsecured and unsubordinated indebtedness and will be effectively subordinated to our existing and future secured indebtedness, to the extent of the value of the collateral securing such indebtedness, and structurally subordinated to the existing and future indebtedness of our subsidiaries. As of September 30, 2009, our subsidiaries had, in the aggregate, outstanding debt and other liabilities, including deposits, of approximately $117.5 billion. All of such debt and other liabilities would rank structurally senior to the notes in case of liquidation or otherwise. As of September 30, 2009, Regions Financial Corporation (parent company only) had an aggregate of approximately $0.8 billion of outstanding senior debt and approximately $3.0 billion of outstanding subordinated and junior subordinated debt.

The indenture does not limit the amount of additional indebtedness we or our subsidiaries may incur.

Redemption / Repayment

	The notes will not be subject to redemption at our option or to repayment at the option of the holder at any time prior to maturity.
Sinking Fund	There is no sinking fund for the notes.
Further Issuances	The notes will initially be limited to an aggregate principal amount of $700,000,000. We may, without your consent, increase the principal amount of the notes by issuing an unlimited principal amount of additional notes in the future on the same terms and conditions as the notes offered hereby, except for any differences in the issue date, issue price and interest accrued prior to the date thereof.

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Use of Proceeds	The net proceeds to us from the sale of the notes, after deduction of estimated underwriting discounts and commissions and estimated expenses payable by us, will be approximately $688,702,000 and will be used by us for general corporate purposes.
Form and Denomination	The notes will be offered in book-entry form through the facilities of The Depository Trust Company in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof. Investors may elect to hold interests in the notes through Clearstream Banking, *société anonyme*, or Euroclear Bank S.A./N.V., as operator of the Euroclear System, if they are participants in these systems, or indirectly through organizations which are participants in these systems.
Listing	The notes will not be listed on any securities exchange.
Governing Law	The notes and the indenture pursuant to which we will issue the notes will be governed by the laws of the State of New York.
Trustee	Deutsche Bank Trust Company Americas.
Conflicts of Interest	Because Morgan Keegan & Company, Inc., one of the underwriters in this offering of notes, is our affiliate, the underwriters are deemed to have a conflict of interest under Rule 2720 of the Conduct Rules of the National Association of Securities Dealers, Inc., which are overseen by FINRA. Accordingly, this offering will be made in compliance with the applicable provisions of Rule 2720. Pursuant to Rule 2720, the appointment of a qualified independent underwriter is not necessary in connection with this offering, as the offering is of debt securities that are investment grade rated. Morgan Keegan & Company, Inc. will not confirm sales to any accounts over which it exercises discretionary authority without first receiving a written consent from those accounts.

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RISK FACTORS

An investment in our notes 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, 2008 and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2009, as amended, June 30, 2009 and September 30, 2009, 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. 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 notes are our obligations and not obligations of our subsidiaries and will be structurally subordinated to the claims of our subsidiaries creditors.

The notes are exclusively our obligations and not those of our subsidiaries. We are a holding company that conducts substantially all of our operations through our bank and non-bank subsidiaries. As a result, our ability to make payments on the notes will depend primarily upon the receipt of dividends and other distributions from our subsidiaries. If we do not receive sufficient cash dividends and other distributions from our subsidiaries, it is unlikely that we will have sufficient funds to make payments on the notes.

Our subsidiaries are separate and distinct legal entities. Our subsidiaries have no obligation to pay any amounts due on the notes or to provide us with funds to pay our obligations, whether by dividends, distributions, loans or other payments. In addition, any dividend payments, distributions, loans or advances to us by our subsidiaries in the future will require the generation of future earnings by our subsidiaries and may require regulatory approval. 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 Board of Governors of the Federal Reserve System (the FRB) 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. Given the loss recorded at Regions Bank during the fourth quarter of 2008, and subsequent losses recorded in the second and third quarters of 2009, under the FRB s rules, Regions Bank does not expect to be able to pay dividends to us in the near term without first obtaining regulatory approval. If Regions Bank is unable to make dividend payments to us and sufficient capital is not otherwise available, we may not be able to make principal and interest payments on our debt, including the notes.

In addition, our right to participate in any distribution of assets of any of our subsidiaries upon the subsidiary s liquidation or otherwise will generally be subject to the prior claims of creditors of that subsidiary. Your ability as a holder of the notes to benefit indirectly from that distribution also will be subject to these prior claims. The notes are not guaranteed by any of our subsidiaries. As a result, the notes will be structurally subordinated to all existing and future liabilities and obligations of our subsidiaries, including deposits, which means that our subsidiaries creditors will be paid from our subsidiaries assets before holders of the notes would have any claims to those assets. Therefore, you should look only to our assets for payments on the notes. At September 30, 2009, the aggregate amount of all debt and other liabilities of our subsidiaries, including deposits, was approximately $117.5 billion. Our subsidiaries may incur additional debt and liabilities in the future, all of which would rank structurally senior to the notes.

The notes will be effectively junior to all of our and our subsidiaries secured indebtedness.

The notes will be effectively subordinated to any of the existing and future secured debt we or our subsidiaries may incur, to the extent of the value of the assets securing such debt. In the event that we are declared bankrupt, become insolvent or are liquidated or reorganized, any debt that ranks ahead of the notes will be entitled to be paid in full from our assets before any payment may be made with respect to the notes. Holders of the notes will participate ratably with all holders of our unsecured indebtedness that is deemed to be of the same ranking as the notes, and potentially with all of our other general creditors, based upon the respective amounts owed to each holder or creditor, in our remaining assets. In any of the foregoing events, we may not have sufficient assets to pay amounts due on the notes. As a result, if holders of the notes receive any payments, they may receive less, ratably, than holders of secured indebtedness.

The notes are not insured or guaranteed by the Federal Deposit Insurance Corporation.

The notes are not savings accounts, deposits or other obligations of any of our bank or non-bank subsidiaries and are not insured by the Federal Deposit Insurance Corporation, the FRB or any other governmental agency or instrumentality. In addition, the notes are not guaranteed under the Federal Deposit Insurance Corporation s Temporary Liquidity Guarantee Program.

You may be unable to sell the notes because there is no public trading market for the notes.

The notes are a new issue of securities with no established trading market. The notes will not be listed on any securities exchange or included in any automated quotation system. Consequently, the notes will be relatively illiquid and you may be unable to sell your notes. Although the representatives of the underwriters have advised us that, following completion of the offering of the notes, one or more of the underwriters currently intend to make a secondary market in the notes, they are not obligated to do so and may discontinue any market-making activities at any time without notice. Accordingly, a trading market for the notes may not develop or any such market may not have sufficient liquidity.

Ratings agencies recently downgraded our securities and the deposit ratings of Regions Bank; these downgrades and any subsequent downgrades could adversely impact the price and liquidity of our securities and could have an adverse impact on our businesses and results of operations.

The ratings assigned to Regions debt securities and the debt securities of Regions Bank have recently been downgraded. On May 18, 2009, Regions senior notes, subordinated notes and junior subordinated notes were downgraded to Baa3, Ba1 and Ba2 from A3, Baa1 and Baa1, respectively, by Moody s Investors Service (Moody s). Regions Bank s financial strength, long-term deposits and short-term deposits were downgraded by Moody s to D+, Baa1 and P-2 from C+, A2 and P-1, respectively. Moody s maintains a negative outlook on Regions. On June 17, 2009, in connection with an industry-wide review of the financial sector, Standard & Poor s downgraded Regions senior notes, subordinated notes and junior subordinated notes to BBB+, BBB and BB+ from A, A- and BBB, respectively, and Regions Bank s short-term deposits, senior notes and subordinated notes were downgraded by Standard and Poor s to A-2, A- and BBB+ from A-1, A+ and A, respectively. As part of a similar industry-wide review of the financial sector, on June 16, 2009, Fitch Ratings (Fitch) downgraded Regions senior notes, subordinated notes and junior subordinated notes to A-, BBB+ and BBB from A, A- and BBB+ respectively, and Regions Bank s senior notes and subordinated notes were downgraded by Fitch to A- and BBB+ from A and A-, respectively. Regions Bank s short-term deposit rating of F1 was affirmed by Fitch. Fitch maintains a negative outlook on Regions. On October 22, 2009, Dominion Bond Rating Service downgraded Regions senior notes, subordinated notes and junior subordinated notes to AL, BBBH and BBBH from A, AL and AL, respectively, and Regions Bank s short-term debt, long-term bank deposits, long-term debt and subordinated debt to R-1L, A, A and AL from R-1M, AH, AH and A, respectively. On November 4, 2009, Standard & Poor s further downgraded Regions senior notes, subordinated notes and junior subordinated notes to BBB, BBB- and BB, respectively, and Regions Bank s long-term deposits, senior notes and subordinated notes, to BBB+, BBB+ and BBB, respectively. Standard & Poor s maintains a negative outlook on Regions. The ratings assigned to Regions debt securities and the debt securities of Regions Bank remain subject to change at any time and it is possible that any of the ratings agencies will further downgrade these obligations.

In addition, this notes offering may cause the ratings agencies to reassess the ratings assigned to Regions debt securities. Any such action may lead to a downgrade of any rating assigned to the notes offered by this prospectus supplement or in the assignment of a rating for the notes that is lower than might otherwise be the case.

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In general, ratings agencies base their ratings on many quantitative and qualitative factors, including capital adequacy, liquidity, asset quality, business mix and level and quality of earnings, and Regions may not be able to maintain its current credit ratings. In addition, ratings agencies have themselves been subject to scrutiny arising from the financial crisis such that the rating agencies may make or may be required to make substantial changes to their ratings policies and practices. Such changes may, among other things, adversely affect the ratings of Regions securities or other securities in which Regions has an economic interest. Any decrease, or potential decrease, in credit ratings could impact Regions access to the capital markets or short-term funding and/or increase our financing costs, and thereby adversely affect Regions liquidity and financial condition. Where Regions Bank is providing forms of credit support such as letters of credit, standby lending arrangements or other forms of credit support, a decline in short-term credit ratings may require that customers of Regions Bank seek replacement credit support from a higher rated institution. We cannot predict whether customer relationships or opportunities for future relationships could be adversely affected by customers who choose to do business with a higher rated institution.

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NON-GAAP FINANCIAL MEASURES

The table below presents a reconciliation of stockholders equity to Tier 1 capital and to Tier 1 common equity. Traditionally, the FRB 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 the Supervisory Capital Assistance Program, 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 Regions capital adequacy using, among other measures, 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 Regions capital adequacy using Tier 1 common equity, we believe that it is useful to provide investors the ability to assess Regions capital adequacy on this same basis.

Tier 1 common equity is often expressed as a percentage of risk-weighted assets. Under the risk-based capital framework, a bank s 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 weighting assigned to that 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 equity ratio. The amounts disclosed as risk-weighted assets are calculated consistent with banking regulatory requirements.

Non-GAAP financial measures have inherent limitations, are not required to be uniformly applied and are not audited. To mitigate these limitations, Regions has procedures in place to ensure that these measures are calculated using the appropriate GAAP or regulatory components and to ensure that the company s capital performance is properly reflected for period-to-period comparisons. Although these non-GAAP financial measures are frequently used by stakeholders in the evaluation of a company, they have limitations as analytical tools, and should not be considered in isolation, or as a substitute for analyses of results as reported under GAAP.

The following table provides a reconciliation of stockholders equity (GAAP) to Tier 1 capital (regulatory) and to Tier 1 common equity (non-GAAP).

		September 30, 2009 (In millions)		Ratio
Stockholders equity (GAAP)		$ 18,492		
Less:				
Accumulated other comprehensive income		143		
Non-qualifying goodwill and intangibles		5,821		
Other non-qualifying assets		506		
Add:				
Qualifying non-controlling interests		91		
Qualifying trust preferred securities		846		
Tier 1 capital (regulatory)	A	$ 12,959	A/C	12.15%
Less:				
Qualifying non-controlling interests		91		
Qualifying trust preferred securities		846		
Preferred stock		3,612		
Tier 1 common equity (non-GAAP)	B	$ 8,410	B/C	7.88%
Risk-weighted assets (regulatory)	C	$ 106,673		

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SELECTED CONSOLIDATED FINANCIAL DATA

The following are selected consolidated financial data for Regions as of and for the nine months ended September 30, 2009 and 2008, as of and for the years ended December 31, 2008 and 2007 and for the year ended December 31, 2006.

The financial data as of and for the nine months ended September 30, 2009 and 2008 are derived from our unaudited consolidated financial statements. Results for the nine months ended September 30, 2009 are not necessarily indicative of results for any other interim period or for the year as a whole. The consolidated financial data as of and for each of the years ended December 31, 2008 and 2007 and for the year ended December 31, 2006 are derived from Regions audited consolidated financial statements. Regions consolidated financial statements for each of the three fiscal years ended December 31, 2008, 2007 and 2006 were audited by Ernst & Young LLP, an independent registered public accounting firm. The summary below should be read in conjunction with Regions consolidated financial statements, and the related notes thereto, and the other information in Regions Annual Report on Form 10-K for the year ended December 31, 2008 and in conjunction with Regions Quarterly Report on Form 10-Q for the quarter ended September 30, 2009, which are incorporated by reference.

Regions consolidated financial statements include the results of operations of acquired companies only from their respective dates of acquisition. The consolidated results of operations of Regions for the year ended December 31, 2006 include the results of operations of AmSouth Bancorporation since November 4, 2006.

(In millions)	Nine Months Ended September 30, 2009	2008	Year Ended December 31, 2008	2007	2006
	(Unaudited)				
Consolidated Condensed Statements of Operations					
Total interest income	$ 4,044	$ 4,982	$ 6,563	$ 8,075	$ 5,649
Total interest expense	1,559	2,063	2,720	3,676	2,341
Net interest income	2,485	2,919	3,843	4,399	3,308
Provision for loan losses	2,362	907	2,057	555	142
Net interest income after provision for loan losses	123	2,012	1,786	3,844	3,166
Total non-interest income before security gains (losses), net	2,872	2,279	2,981	2,864	2,021
Securities gains (losses), net	165	92	92	(9)	8
Total non-interest expense	3,532	3,519	10,792	4,660	3,204
Income taxes	116	231			