CPP ANNUAL USE OF CAPITAL SURVEY - 2011

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Regions Financial Corporation/Regions Bank

Point of Contact:	David Turner	RSSD: (For Bank Holding Companies)	3242838
UST Sequence Number:	19	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	3,500,000,000	FDIC Certificate Number: (For Depository Institutions)	12368
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	November 14, 2008	City:	Birmingham
Date Repaid[1]:	N/A	State:	Alabama

[1]If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

X **Increase lending or reduce lending less than otherwise would have occurred.**

The CPP boosted the Regions Capital levels and provided a very strong financial position that allowed Regions to continue executing on our strategic business model by serving our customers lending needs. Regions had a total of $60.1 billion new and renewed loan commitments for 2011.

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X **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

Residential mortgage originations were $6.3 billion including $2.9 billion in loans for new home purchase. Home Equity, Student Lending and Auto loans totaled $2.8 billion. New loans to Small Business and Commercial customers were $15.5 billion and renewed commitments were $35.6 billion.

X **Increase securities purchased (ABS, MBS, etc.).**

Regions added approximately $1.2 billion (fair value) to its investment portfolio during 2011. This additional $1.2 billion is primarily corporate bonds ($510mm), additional Agency and Non-Agency CMBS positions ($214mm and $221m)and the remainder in Agency MBS.

☐ **Make other investments.**

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☐ **Increase reserves for non-performing assets.**

☒ **Reduce borrowings.**

Regions wholesale funding position declined by more than 72% in 2011. Regions presently has zero reliance on the short-term unsecured wholesale funding markets and has not been active in those markets since 4Q08.

☐ **Increase charge-offs.**

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☐ **Purchase another financial institution or purchase assets from another financial institution.**

☒ **Held as non-leveraged increase to total capital.**

Regions Tier 1 Capital increased from 7.37% to 10.38% as a result of the CPP proceeds received in November 2008. Regions Tier 1 Capital was 13.28% YE2011.

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What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

Regions was able to avoid costly/risky debt issuance at the Holding Company in 2008, when markets were extremely volatile and unreliable.

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What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

Treasury's CPP served to stabilize the financial markets as a whole, and for Regions specifically, provided several core elements. It enhanced the liquidity position of both Regions Bank, and Regions Financial Corporation as it is a source of long-term committed funding. It also strengthened the balance sheet by bolstering the capital position. The CPP supported Regions ability to continue executing on our strategic business model by serving customers through our core lending businesses, and our Customer Assistance Program. Moreover, the CPP effectively offered a bridge to the more stable environment that prevailed in late Spring 2009 when Regions, as well as the rest of the industry, could raise capital in the private markets. Regions' continues to work to meet the unique needs of financially troubled borrowers to stem foreclosures and keep customers in their homes. Well before the full effects of the credit crisis were realized, Regions launched an extensive Customer Assistance Program (CAP) for troubled borrowers. As unemployment levels continue to be elevated and the housing crisis lingers our goal remains the same - to ensure customers who encounter financial difficulty know they have options and that Regions wants to work with them.As a result, Regions has taken steps including renegotiating the terms of mortgages and home equity loans, keeping families in their homes and allowing Regions to maintain a foreclosure rate well below industry average for residential first mortgages. Overall, the number of Regions serviced first mortgage loans in the foreclosure process is less than half the national average. (1.74% for Regions vs. 4.43% nationally in the third quarter of 2011.) Since inception of the program, Regions has restructured more than $3.7 billion in mortgages, including $31 million in December 2011. Regions has assisted more than 42,000 homeowners with solutions.Regions introduced the U.S. Treasury sponsored Home Affordable Modification Program for loans serviced on behalf of Fannie Mae and Freddie Mac back in late March 2009. To date, we have initiated 2,783 trial period modifications for $417 million and of those 2,120 have been completed for $318 million.