CPP

ANNUAL USE OF CAPITAL SURVEY - 2010

NAME OF INSTITUTION
(Include Holding Company Where Applicable)

Regions Financial Corporation/ Regions Bank

Person to be contacted regarding this report:	David Turner	RSSD: (For Bank Holding Companies)	3242838
UST Sequence Number:	19	Holding Company 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:	0	Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	Nov 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).

☒	Increase lending or reduce lending less than otherwise would have occurred.	The CPP boosted 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 billion new and renewed loan commitments for 2010.
☒	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 $8.2 billion including $3.2 billion in loans for new home purchases. Home Equity, Student Lending and Auto loans totaled $2.5 billion. New loans to Small Business and Commercial customers were $13.6 billion and renewed commitments were $35.6 billion.
☒	Increase securities purchased (ABS, MBS, etc.).	Regions added $9.3 billion in Agency MBS to its Investment Portfolio in 2010.

☒	Make other investments	Regions is providing automobile loans on paper presented to us via approved dealerships and third parties such as World Omni.
☒	Increase reserves for non-performing assets	Regions increased the allowance for loan losses by $71 million.
☒	Reduce borrowings	Regions' wholesale funding position declined by 29% from 2009 to 2010. Since Sept.30, 2008, the funding position has decreased by 60%. 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	Our efforts to de-risk the balance sheet and actively dispose of $2.3 billion in problem credits resulted in $2.8 billion in net charge-offs in 2010.
☐	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 12.40% at YE2010.

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

Since the inception, Regions Financial Corp. has infused $2.6 billion in capital to Regions Bank to bolster capital ratios. The holding company was able to provide this capital and avoid debt issuance at a time when the markets were the most vulnerable, and issuing debt would have been more expensive and higher risk.

What actions were you able to take that you may not have taken without 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 provided 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 supporting our Customer Assistance Program.

Absent CPP, Regions'capacity to meet the needs of creditworthy borrowers would have been greatly reduced. In 2010, total residential mortgage originations were $8.2 billion, including $3.2 billion for new home purchases. Other consumer lending, including Home Equity, Student Lending, and loans to finance automobile purchases totaled $2.5 billion. Additionally, in support of our Small Business and Commercial customers, Regions made $13.6 billion in new loan commitments, and renewed $35.6 billion in loan commitments to existing customers. In total, new and renewed loan commitments for 2010 were $60 billion.

Regions continues to work to meet the individual needs of troubled borrowers to stem foreclosures. Well before the full effects of the credit crisis were realized, Regions launched an extensive Customer Assistance Program (CAP). Since the inception of the program, Regions has restructured more than $3.2 billion in mortgages and has helped more than 36,000 customers stay in their homes. Overall, the number of Regions' first mortgage loans in the foreclosure process is less than half the national average, despite our large presence in the hard-hit Southeast region.

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

In 2009 and 2010 Regions Financial Corporation infused $2.5 billion and $100 million respectively in capital to bolster bank capital ratios and to facilitate the continued execution of our business strategy. Regions Bank Tier 1 Leverage improved to 8.85% at 12/31/2010

In late 2010 Regions resumed providing automobile loans on paper presented to the bank via approved dealerships and third parties such as World Omni.