TREASURY MONTHLY INTERMEDIATION SNAPSHOT

Name of institution: Regions Financial Corporation | **Submission date: April 30, 2012** | **Person to be contacted about this report: David Turner, Chief Financial Officer**

PART I. QUANTITATIVE OVERVIEW

SCHEDULE A: CONSUMER LENDING (Millions $)

	2012				
1. First Mortgage	**Jan**	**Feb**	**Mar**	**Key**	**Comments**
a. Average Loan Balance (Daily Average Total Outstanding)	$14,487	$14,354	$14,278	First and second residential 1-4 family mortgages, including residential mortgages held for sale.	The mortgage division originated mortgage loans totaling $657 million in March 2012. Overall production increased 28% from the prior month. New purchase originations increased 32.5% from prior month, and refinancing originations increased from the prior month 25.3%. Application activity in March increased 11.9% as compared to prior month.
b. Total Originations	$439	$514	$657	Loan originations designated for the secondary market and those to be held in portfolio on Regions' balance sheet.	
(1) Refinancings	$287	$325	$408	Total originations designated as refinance status.	
(2) New Home Purchases	$152	$189	$250	Total originations designated as new purchase status.	
2. Home Equity					
a. Average Total Loan Balance	$12,970	$12,852	$12,712	Average balances include Home Equity loans and HELOCs.	Home Equity average balances declined $140.5 million or 1.1% in March to $12.7 billion. The HELOAN portfolio declined $13.1 million or 1.0%, while HELOC balances declined $127.4 million or 1.1%. Portfolio run-off continues as payoffs/paydowns outpace production.
b. Originations (New Lines+Line Increases)	$40	$55	$59	New Home Equity loans, lines and increases.	
c. Total Used and Unused Commitments	$21,182	$21,047	$20,874	Total portfolio of Home Equity loans and funded and unfunded HELOCs. Funded portion included in average balance above.	
3. US Card - Managed					
a. Average Total Loan Balance - Managed	$972	$950	$933	Regions Financial Corp was an Agent Bank until the current portfolio was acquired on June 30, 2011.	Month end Consumer Credit Card principal balances decreased by $3.7 million, or 0.4%, in March to $939 million. Average Consumer Credit Card principal balances decreased by $17.3 million, or 1.8%, in March to $933 million. Note: For Credit Card Total Used and Unused Commitments, there was a large decrease in March. This is related to the reporting available from the interim servicer on the portfolio, FIA Card Services. In March, it was determined that the commitment information in the daily reports from FIA were overstated, primarily related to credit limits for closed accounts. Regions requested and started receiving separate monthly reports that provide accurate commitment information based on open credit limits plus balances on closed accounts.
b. New Account Originations (Initial Line Amt)	$28	$29	$32	Regions Financial Corp was an Agent Bank until the current portfolio was acquired on June 30, 2011.	
c. Total Used and Unused Commitments	$7,041	$7,089	$4,954		
4. Other Consumer					
a. Average Total Loan Balance	$3,085	$3,098	$3,113	Includes consumer direct, indirect, other revolving (i.e., overdraft lines) and student loans held for sale.	March Other Consumer Lending balances increased by $15.5 million or 0.5% when compared to February. Balances are being favorably impacted by the re-entry of Indirect Lending that generated $108.9 million in new production for the month, offset by the continued run-off of the legacy Indirect Lending portfolio.
b. Originations	$137	$143	$156	Includes direct and student lending origination activity.	

SCHEDULE B: COMMERCIAL LENDING (Millions $)					
1. C & I	**Jan**	**Feb**	**Mar**	**Key**	**Comments**
a. Average Total Loan and Lease Balance	$36,036	$36,055	$36,313	Average outstanding funded balances (net of deferred fees and costs) for commercial related loans and leases. Also includes owner-occupied commercial real estate mortgage and construction loans made to operating businesses.	Loan demand has gradually improved since third quarter 2011. After a strong credit production month in December, pipelines have been rebuilding. C&I closed credit usage for 1Q12 was up over production in 1Q11. During 2011 and into 2012, demand has continued to be more concentrated in the upper end of the market and in opportunities linked to specialized industries. We expect to see these current trends of improvement and demand concentrations continuing in 2012. Competition in the middle market has intensified, largely centered on pricing and we are seeing increased hold appetites for some competitors. Our focus continues to be on quality opportunities with a disciplined approach to pricing and credit risk. Commercial line utilization rates were flat in March as compared to February.
b. Renewal of Existing Accounts	$1,693	$1,129	$1,997	Renewal of existing funded and unfunded commitments for commercial and owner-occupied real estate related loans based upon posting date of renewal. Also includes letters of credit.	
c. New Commitments	$1,006	$1,089	$1,379	New funded and unfunded commitments for commercial and owner-occupied real estate related loans based upon posting date of the commitment. Also includes letters of credit and leases. Variable Rate Demand Note (VRDN) fundings are excluded from new commitment activity.	
2. Commercial Real Estate					
a. Average Total Loan and Lease Balance	$10,986	$10,817	$10,629	Average outstanding funded balances (net of deferred fees and costs) for commercial investor-owned real estate related loans. Also includes Commercial loans held for sale.	While production levels are increasing, they remain far below what we would expect in normal market conditions. Construction starts are at a multi-generational low and developers continue to remain cautious, however, pipelines appear to be rebuilding in the multi-family sector. We are starting to see evidence of an increase in demand of financing for purchase of existing properties. Finally, competition for the construction opportunities that are available is increasing.
b. Renewal of Existing Accounts	$432	$584	$594	Renewal of existing funded and unfunded commitments for commercial investor-owned real estate related loans based upon posting date of renewal. Also includes letters of credit.	
c. New Commitments	$69	$146	$181	New funded and unfunded commitments for commercial investor-owned real estate related loans based upon posting date of the commitment. Also includes letters of credit. Variable Rate Demand Note (VRDN) fundings are excluded from new commitment activity.	
SCHEDULE C: MEMORANDA - SMALL BUSINESS LENDING (Millions $)					
4. Small Business Loans[3]					
a. Average Total Loan Balance	$12,343	$12,223	$12,098	Average outstanding funded balances (net of deferred fees and costs) for commercial and commercial real estate related loans made to small business clients, which we generally define as clients with revenues up to $20 million. These balances are reflected as components of C&I, Commercial Real Estate and First Mortgage reported above.	We expect small business demand to remain stable at a relatively low level. While we are starting to see more signs of optimism from small business owners, it is generally not yet translating into action. Until business owners see sales improvements along with more sustained economic and political stability, we expect them to continue to be reluctant to expand or hire. Small business line utilization rates decreased in March as compared to February.
b. Originations	$442	$450	$533	New and renewed production of funded and unfunded commitments made to small business clients, which we generally define as clients with revenues up to $20 million. These originations are reflected as components of C&I and Commercial Real Estate reported above.	
SCHEDULE D: OTHER INTERMEDIATION ACTIVITIES (Millions $)					
1. MBS/ABS Net Purchased Volume					
a. Mortgage Backed Securities	-$495	$2,271	$410		Net purchase volume as captured in bond accounting system. Reflects settlement date. The Mortgage Backed securities consists of Government and Agency Fixed-Rate Mortgage-Backed Products. The Asset Backed securities consists of both Non Agency and Agency Commercial Mortgage Backed products.
b. Asset Backed Securities	$51	$66	$138		
2. Secured Lending (Repo, PB, Margin Lending)					
a. Average Total Matched Book (Repo/Reverse Repo)[1]	N/A	N/A	N/A		
b. Average Total Debit Balances[2]	$1,069	$1,067	$1,056	Reflects average margin receivables as recorded on the general ledger.	
3. Underwriting					
a. Total Equity Underwriting	$38	$27	$130	Total equity underwriting activity. Represents Regions' participation percentage.	The Morgan Keegan Equity Department particpated in 5 offerings during January 2012, 3 during February 2012 and 8 during March 2012. Gross debt issuance for January 2012, February 2012, and March 2012 was $3.6 billion, $5.8 billion, and $13.3 billion respectively.
b. Total Debt Underwriting	$390	$539	$1,393	Debt issuances delivered monthly. Represents Regions' participation percentage.	

Notes:
1. Not applicable if matched book activity does not exceed $50 billion.
2. Applicable only for institutions offering prime brokerage or other margin lending services to clients.
3. Memoranda: these loans are already accounted for in either consumer lending, commercial lending, or a combination of both, and include loans guaranteed by the Small Business Administration and/or any other loans that are internally classified as small business loans.

TREASURY MONTHLY INTERMEDIATION SNAPSHOT

Name of institution: **Regions Financial Corporation**
Reporting month(s): **March 2012**
Submission date: **April 30, 2012**
Person to be contacted regarding this report: **David Turner, Chief Financial Officer**

PART II. QUALITATIVE OVERVIEW

Please provide a brief overview of the intermediation activity during the month. This discussion should include a general commentary on the lending environment, loan demand, any changes in lending standards and terms, and any other intermediation activity.

I. Company Description

Regions Financial Corporation ("Regions" or the "Company") is a 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, securities brokerage, insurance and other specialty financing. At March 31, 2012, Regions had total consolidated assets of approximately $128 billion.

Regions conducts its banking operations through Regions Bank, its brokerage and investment banking business through Morgan Keegan & Company, Inc. ("Morgan Keegan"), and its insurance brokerage business through Regions Insurance Group, Inc.

II. Overall Summary

In March, new and renewed commitments increased by $1.4 billion to $5.1 billion for the month, while average balances declined $0.1 billion from February to $78.0 billion.

The month over month increase in new and renewed commitments was driven by a $0.9 billion increase in C&I renewals and a $0.3 billion increase in C&I new commitments.

III. Consumer Lending

A. Mortgage Lending

The mortgage division originated mortgage loans totaling $657 million in March 2012. Overall production increased 28% from the prior month. New purchase originations increased 32.5% from prior month, and refinancing originations increased from the prior month 25.3%. Application activity in March increased 11.9% as compared to prior month.

Regions' mortgage division rolled out the U.S. Treasury sponsored Home Affordable Refinance Program (HARP) in March 2009, which provides borrowers who have an existing loan owned or securitized by Fannie Mae or Freddie Mac, the ability to refinance to more beneficial financing terms with no new or additional mortgage insurance required, even if their current loan-to-value ratio is higher than it was on the original loan. Effective December 1, 2011 Regions Mortgage took the lead in accepting applications for the newly implemented expanded HARP program, which offers relaxed product guidelines to include an unlimited loan-to-value for customers we currently service, Regions-serviced mortgages. The expanded program is now available to customers with non-Regions serviced mortgages providing a maximum loan-to-value of **80%**. March originations included approximately $104 million related to 609 loans refinanced under the Home Affordable Refinance Program. Total applications for the expanded program include $192 million related to 967 loans, **of which 81% of those applications were Non-Regions serviced.**

Regions' has implemented the U. S. Treasury sponsored Home Affordable Modification Program (HMP) for FNMA/FHLMC loans serviced by Regions. This program is designed to assist mortgage borrowers who have an existing loan owned or securitized by Fannie Mae or Freddie Mac, and who are in imminent danger of default or are already in default to obtain modified financing terms prescribed by the program. On March 26, 2010, the U.S. Treasury announced program modifications to the existing HMP program. These program modifications are designed to expand flexibility for mortgage servicers and originators to assist more unemployed homeowners and to help more people who owe more on their mortgage than their home is worth because their local markets saw large declines in home values. In accordance with the program guidelines, Regions has distributed approximately 2,912 modification packages to eligible borrowers subject to a ninety-day trial period. The first modifications under this program were seen in July 2009. In the month of March, Regions completed 43 modifications totaling $6 million in unpaid principal. Regions currently services approximately $26 billion of Agency mortgages.

B. Home Equity Lending

Home Equity production increased 7.2% to $58.8 million from prior month and decreased 46.4% versus same period prior year. Activities for March included: daily pre-approved point of sale Equity offers at DDA account opening, pre-approved direct mail offer with lead lists to the branches, and continued momentum from targeting the lending needs of customers that do not qualify for the traditional HELOC product but are NOT considered subprime borrowers.

Overall Home Equity average balances declined $140.5 million or 1.1% in March to $12.7 billion. The HELOAN portfolio declined $13.1 million or 1.0%, while HELOC balances declined $127.4 million or 1.1%. Portfolio run-off continues as payoffs/paydowns outpace production.

C. US Card – Managed

Regions completed its purchase of the Regions-branded credit card portfolio from FIA Card Services, effective June 30, 2011. The transaction acquired the portfolio of over 500,000 existing Regions Consumer Credit Card accounts with balances of $947 million and 40,000 business credit card accounts with balances of $129 million. Month end Consumer Credit Card principal balances decreased by $3.7 million, or 0.4%, in March to $939 million. Average Consumer Credit Card principal balances decreased by $17.3 million, or 1.8%, in March to $933 million.

D. Other Consumer Lending

Other Consumer Lending production increased 8.5% in March to $155.7 million from prior month and increased 10% versus same period prior year due to our re-entry into Indirect Auto Lending. Other Consumer Lending activities for March included: daily pre-approved point of sale Auto/Unsecured LOC offers at DDA account opening; pre-approved direct mail offer with lead lists to the branches, and continued momentum from targeting the lending needs of customers that do not qualify for traditional credit products but are NOT considered subprime borrowers.

Regions' Ready Advance™ product, a short-term, small-dollar line of credit with limits ranging from $50 to $500, continues to be utilized by customers. New Ready Advance™ production, which is included in the $155.7 million above, totaled $3.2 million in March. Program to date 93,689 accounts have been established.

Overall, March Other Consumer Lending balances increased by $15.5 million or 0.5% when compared to February. Balances are being favorably impacted by the re-entry of Indirect Lending that generated $108.9 million in new production for the month, offset by the continued run-off of the legacy Indirect Lending portfolio.

E. Customer Assistance Program

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. (1.73% for Regions vs. 4.38% nationally in the fourth quarter of 2011.) Since inception of the program, Regions has restructured more than $3.7 billion in mortgages, including $33 million in March 2012. Regions has assisted more than 43,500 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

2,912 trial period modifications for $434 million and of those 2,240 have been completed for $334 million.

IV. Commercial Lending

A. Commercial and Industrial Lending

Loan demand has gradually improved since third quarter 2011. After a strong credit production month in December, pipelines have been rebuilding. C&I closed credit usage for 1Q12 was up over production in 1Q11. During 2011 and into 2012, demand has continued to be more concentrated in the upper end of the market and in opportunities linked to specialized industries. We expect to see these current trends of improvement and demand concentrations continuing in 2012. Competition in the middle market has intensified, largely centered on pricing and we are seeing increased hold appetites for some competitors. Our focus continues to be on quality opportunities with a disciplined approach to pricing and credit risk. Commercial line utilization rates were flat in March as compared to February.

Regions defines small business, in general, as clients with revenues up to $20 million. Small business lending activity is reflected within our Commercial and Industrial, Commercial Real Estate and First Mortgage outstanding loan balances and production.

We expect small business demand to remain stable at a relatively low level. While we are starting to see more signs of optimism from small business owners, it is generally not yet translating into action. A March 2012 Greenwich Associates analysis confirms that a "growth mindset" has not yet returned for business owners. Also, the March 2012 NFIB survey noted that while optimism levels have continued to improve in recent months, results of their optimism metrics are still lower than the February 2011 reading. They also noted that more firms continued to report sales trending down vs. up. Until business owners see sales improvements along with more sustained economic and political stability, we expect them to continue to be reluctant to expand or hire. Small business line utilization rates decreased in March as compared to February.

B. Commercial Real Estate Lending

Regions' focus in the commercial real estate market is to take a realistic and aggressive approach to identifying problems, understand the global financial position of our commercial real estate clients, and seek improvements to loan structures (such as additional security or principal curtailments) as appropriate. In addition, we are selectively originating new loans to the right clients that meet our profitability and credit quality hurdles. Also, as homebuilders sell existing inventory, we continue to convert lot loans to residential construction loans. We are starting to finance some new homes and lots with our most creditworthy clients, while very selectively soliciting new homebuilder clients in stable markets.

While production levels are increasing, they remain far below what we would expect in normal market conditions. Construction starts are at a multi-generational low and developers continue to remain cautious, however, pipelines appear to be rebuilding in the multi-family sector. We are starting to see evidence of an increase in demand of financing for purchase of existing properties. Finally, competition for the construction opportunities that are available is increasing.

V. Treasury Activities

Management of interest rate risk is among the most fundamental tenets in banking. Banking institutions utilize the Available for Sale investment portfolio as a primary tool to balance the inherent interest rate risk arising from core banking activities. Agency Mortgage-Backed securities provided an efficient means to offset asset sensitivity and maintain the desired liquidity profile, while offering a compelling risk adjusted return on the use of capital. Mortgage-Backed security activity in March totaled $409.938 million, which consists of Government and Agency Fixed-Rate Mortgage-Backed Products. Asset-Backed security activity in March totaled $137.811 million of Agency Commercial Mortgage Backed products.

VI. Equity and Debt Activities at Morgan Keegan

As the Morgan Keegan Equity department phases out, the MK syndicate calendar lost traction with issuers. We were however involved in five transactions as either a co-manager or a co-lead manager. The most notable was Regions Financial getting close to a billion dollars. March saw technology, utilities, and real estate activity up with filings and pricings. The IPO backlog continues to grow with the most anticipated transaction for March Annie’s Inc pricing above its revised range.

Municipal debt issuance is up 67% YTD thru March 2012 versus 2011. We expect this trend to continue through the second quarter as municipal issuers take advantage of historically low rates to refinance higher rate debt. Corporate issuance was up through March 2012 due to improving conditions in both the investment grade and non-investment grade markets. We expect April corporate issuance to continue this trend.