TREASURY MONTHLY INTERMEDIATION SNAPSHOT

Name of institution: Regions Financial Corporation | **Submission date: March 30, 2009** | **Person to be contacted about this report: Irene Esteves, Chief Financial Officer**

PART I. QUANTITATIVE OVERVIEW

SCHEDULE A: CONSUMER LENDING (Millions $)	2008 DEC	2009 JAN	2009 FEB	Key	Comments
1. First Mortgage					
a. Average Loan Balance (Daily Average Total Outstanding)	$16,257	$16,378	$16,764	First and second residential 1-4 family mortgages, including residential mortgages held for sale.	**The secondary market production continues to increase significantly relative to the portfolio.** **December 2008 through February 2009 Mortgage volume increase is driven by U.S. Treasury influencing a drop in conforming mortgage rates in mid December. However, increasing mortgage rates in February have slowed application activity.**
b. Total Originations	$450	$722	$1,084	Loan originations designated for the secondary market and those to be held in portfolio on Regions' balance sheet.	
(1) Refinancings	$274	$599	$938	Total originations designated as refinance status.	
(2) New Home Purchases	$176	$123	$146	Total originations designated as new purchase status.	
2. Home Equity					
a. Average Total Loan Balance	$16,109	$16,150	$16,127	Average balances include Home Equity loans and HELOCs.	**Loan balances and portfolio commitments remain relatively consistent in February, 2009; however, we did experience a slight decline in balances as a result of a decline in HELOC utilization on existing accounts and continued Home Equity Loan run-off.**
b. Originations (New Lines+Line Increases)	$126	$109	$107	New Home Equity loans, lines and line increases.	
c. Total Used and Unused Commitments	$27,641	$27,677	$27,557	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	N/A	N/A	N/A	NA - Regions Financial Corp is an Agent Bank.	
b. New Account Originations (Initial Line Amt)	N/A	N/A	N/A		
c. Total Used and Unused Commitments	N/A	N/A	N/A		
4. Other Consumer					
a. Average Total Loan Balance	$5,463	$5,442	$5,280	Includes consumer direct, indirect, other revolving (i.e., overdraft lines) and student loans held for sale.	**February originations decreased when compared to January mainly as a result of January Student Lending production. January is typically a high production month as a result of students returning to school for the spring term.**
b. Originations	$75	$290	$100	Includes direct and student lending origination activity.	

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SCHEDULE B: COMMERCIAL LENDING (Millions $)	DEC	JAN	FEB	Key	Comments
1. C & I					
a. Average Total Loan and Lease Balance	$23,643	$23,355	$23,081	Average outstanding funded balances (net of deferred fees and costs) for non-real estate, commercial related loans and leases.	**In February, loan demand continued to weaken, as the slower economy is driving more conservative leverage positions. The number of new and renewed C&I commitments totaled 5,302 for the three month period (1,608 in February).**
b. Renewal of Existing Accounts	$1,334	$1,275	$1,117	Renewal of existing funded and unfunded commitments for non-real estate, commercial related loans based upon posting date of renewal. Also includes letters of credit.	
c. New Commitments	$1,047	$854	$359	New funded and unfunded commitments for non-real estate, commercial 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	$37,555	$37,238	$37,392	Average outstanding funded balances (net of deferred fees and costs) for commercial related loans secured by real estate. Also includes Commercial loans held for sale.	**In February, new loan demand was low. Non-owner occupied loans continue to grow as existing construction commitments fund up and payoffs from refinancing into permanent loans and property sales remain at historically low levels. The focus is on renewing and restructuring real estate loans to provide clients additional time to wait for the market to recover.**
b. Renewal of Existing Accounts	$2,109	$1,326	$1,788	Renewal of existing funded and unfunded commitments for commercial related loans secured by real estate based upon posting date of renewal. Also includes letters of credit.	
c. New Commitments	$692	$406	$312	New funded and unfunded commitments for commercial related loans secured by real estate based upon posting date of the commitment. Also includes letters of credit. VRDN fundings are excluded from commercial real estate new commitment activity.	
SCHEDULE C: OTHER INTERMEDIATION ACTIVITIES (Millions $)					
1. MBS/ABS Net Purchased Volume					
a. Mortgage Backed Securities	$1,050	$777	$3,008	Net purchase volume as captured in bond accounting system. Reflects settlement date.	**February MBS consists of 30 year fixed-rate mortgage backed securities.**
b. Asset Backed Securities	$0	$0	$0		**No purchases.**
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]	$846	$923	$828	Reflects average margin receivables as recorded on the general ledger.	
3. Underwriting					
a. Total Equity Underwriting	$0	$3	$0	Total equity underwriting activity - represents Regions' participation percentage.	**The equity capital markets continue to see stagnation in new underwritings. The company's broker dealer subsidiary Morgan Keegan participated in one underwriting during January as a co-manager. We continue to see shelf registrations filed, with significant backlogs, but the market is not currently available.**
b. Total Debt Underwriting	$1,945	$538	$860	Debt issuances delivered monthly. Represents Regions' participation percentage.	**Municipal underwritings increased significantly in February, which is consistent with previous years. One main driver of the increase this year was several issuers converted their variable rate debt to fixed rate debt. The taxable market slowed some, primarily because the issuance of FDIC-Guaranteed Notes tapered off from January's unusually high volume. Gross debt issuance size for December, January, and February was $12.3 billion, $15.6 billion, and $7.1 billion, respectively.**

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.

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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.

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 December 31, 2008, Regions had total consolidated assets of approximately $146.2 billion.

In February, Regions announced that it had assumed from the Federal Deposit Insurance Corporation (FDIC) approximately $285 million in total deposits, including all uninsured deposits, of FirstBank Financial Services, based in Henry County, Ga. This was the second acquisition in five months where Regions has worked with the FDIC to provide a safe harbor for the customers of a failed bank. Under terms of an agreement with the FDIC, Regions will serve 6,400 accounts of FirstBank and will assume operations of the bank's four branches.

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.

Overall Summary

Overall, in the month of February new and renewed commitments are down $115 million, or 2.3%, from January to $4.9 billion. February activity reflects continued growth in residential mortgage loan origination due to lower interest rates, while demand is down in C&I and new commercial real estate lending due in part to businesses focusing on preserving liquidity and strengthening their balance sheets.

Economic conditions are key contributors to lower demand. February unemployment rate rose from 7.6% to 8.1% and the stock market dropped below 7000. From a capital expenditure perspective, a sharp decline of 21.1% was experienced in 4th quarter 2008 on a linked quarter basis (gross private domestic investment – equipment, software and nonresidential structures) as the market awaits infrastructure stimulus spending.

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Consumer Lending

Mortgage Lending

The mortgage division originated mortgage loans totaling $1.084 billion in February of 2009, an increase of 50% over the prior month. This increase was due primarily to the U.S. Treasury influencing a drop in conforming mortgage rates beginning early December and again in early January. The lower rates triggered an increase in refinance activity in December that accelerated through January and February. Increasing mortgage rates in February slowed application activity by 52%.

The impact on mortgage applications and mortgage closings related to new government programs such as HASP (Homeowner Affordability and Stability Plan), along with the Fed's recent announcement regarding purchasing MBS assets and Treasury Bonds is uncertain at this time. We anticipate a positive impact on mortgage applications and closings in the near-term.

Home Equity Lending

Home Equity Lending continues to experience reduced production levels resulting from fewer applications as well as lower approval rates. Reduced application volume is due in part to the lack of appetite by consumers to take on additional debt for fear of unemployment in the future, fear of what their home will be worth a year from now, etc. In summary, consumers are choosing to minimize debt. Approval rates are down due to declining home values making the amount customers qualify for lower loan amounts than before, if they qualify at all.

Overall balances declined slightly in February as a result of a decline in HELOC utilization on existing accounts and continued run-off in the Home Equity loan portfolio.

Other Consumer Lending

Demand for direct consumer lending products continued to decrease in February as is the typical seasonal pattern; however, the demand for consumer credit during February 2009 was weaker than that experienced in February 2008.

Student lending's February production decreased when compared to January as a result of seasonality. January is typically a high production month as a result of students returning to school for the spring term.

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Customer Assistance Program

Regions launched an extensive Customer Assistance Program (CAP) for troubled borrowers in late 2007, well before the full effects of the credit crisis were realized by most consumers and businesses. Today the Customer Assistance Program's overall goals remain the same: to increase customer assistance, stem foreclosure and keep customers in their homes.

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. Since inception of the program, Regions has restructured more than $760 million in mortgages including $192 million in the 4th quarter and $168 million thus far in 2009.

Commercial Lending

C & I Lending

In February, loan demand continued to weaken, as the slower economy is driving more conservative leverage positions. Credit quality requirements remain conservative and the syndication market remains tight. Line utilization edged down slightly in February versus January.

In the middle market, reductions in commodity prices and lower sales volumes have resulted in lower inventory and accounts receivable financing requirements. Businesses are reluctant to invest in or expand their operations given the negative economic outlook. Although the February loan pipeline increased slightly versus January, it remains below prior year comparable period levels.

Continued tightness in the bond markets has resulted in senior bank debt frequently being the only alternative for clients. However, certain asset based lending deals are being coupled with high yield bonds to address capital structures of companies previously relying on cash flow loan structures.

Regions defines small business, in general, as clients with revenues up to $10 million. In the small business market, loan demand remains weak with loan pipeline at less than half of prior year comparable period levels. Similar to the middle market, small businesses are experiencing lower working capital requirements resulting from lower sales volumes and business owners are reluctant to make capital investments given the negative economic outlook. As a result, small businesses are building cash in operating accounts until business owner confidence in the economy improves.

CRE Lending

The focus in commercial real estate lending is on renewing and restructuring real estate loans with existing clients versus active pursuit of new real estate loans. Our underwriting criteria accounts for the risk of declining property prices and stressed cash flows for both developers and individual projects.

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In February, new loan demand was low. Developers are reluctant to begin new projects or purchase existing projects under current economic conditions. However, non-owner occupied loans continue to grow as existing construction loan commitments fund up and payoffs from refinancing into permanent loans and property sales remain at historically low levels.

Treasury Activities

Agency Mortgage-Backed securities continue to provide an efficient means to offset asset sensitivity and maintain the desired liquidity profile, while offering a compelling risk adjusted return to the use of capital.

Equity and Debt Activities at Morgan Keegan

The equity capital markets continue to see stagnation in new underwritings. Over the past three months, Morgan Keegan, participated in one underwriting as a co-manager. We continue to see shelf registrations filed, with significant backlogs, but the market is not currently available. The debt markets are more active. Municipal underwritings increased significantly in February, which is consistent with previous years. One main driver of the increase this year is several issuers converting their variable rate debt to fixed rate debt. The taxable market slowed some, primarily because the issuance of FDIC-Guaranteed Notes tapered off from January's unusually high volume.