REGIONS FINANCIAL CORP
Form S-4/A
May 22, 2009
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As filed with the Securities and Exchange Commission on May 22, 2009

Registration No. 333-159353

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

Amendment No. 1

to

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

Regions Financial Corporation

(Exact name of registrant as specified in its charter)

Delaware	**6021**	**63-0589368**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

1900 Fifth Avenue North

Birmingham, Alabama 35203

(205) 944-1300

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

John D. Buchanan

Senior Executive Vice President, General Counsel and Corporate Secretary

Regions Financial Corporation

1900 Fifth Avenue North

Birmingham, Alabama 35203

(205) 326-4977

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Alan Sinsheimer	
Andrew Soussloff	**John D. Lobrano**
Sullivan & Cromwell LLP	**Simpson Thacher & Bartlett LLP**
125 Broad Street	**425 Lexington Avenue**
New York, New York 10004	**New York, New York 10017**
(212) 558-4000	**(212) 455-2000**

Approximate date of commencement of proposed sale of the securities to the public: The offering of the securities will commence promptly following the filing of the Registration Statement. No tendered securities will be accepted for exchange until after this registration statement has been declared effective.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer x	Accelerated filer ¨
Non-accelerated filer ¨ (Do not check if a smaller reporting company)	Smaller reporting company ¨

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ¨

Exchange Act Rule 14d-1(d) (Cross-Border Third Party Tender Offer) ¨

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus may be changed. We may not complete the offer and the securities being registered may not be exchanged or distributed until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MAY 22, 2009

PROSPECTUS

REGIONS FINANCIAL CORPORATION

OFFER TO EXCHANGE

Up to 110,000,000 Shares of Common Stock of Regions Financial Corporation

for

6.625% Trust Preferred Securities of Regions Financing Trust II

(CUSIP 7591EL AA7)

We are offering to exchange up to 110,000,000 newly issued shares of our common stock (the Common Stock) for outstanding 6.625% Trust Preferred Securities (Trust Preferred Securities) of Regions Financing Trust II (the Trust), on the terms and subject to the conditions set forth in this document and in the related letter of transmittal (the Letter of Transmittal). We call this offer the Exchange Offer.

For each $1,000 liquidation amount of Trust Preferred Securities we accept for exchange in accordance with the terms of the Exchange Offer, we will issue a number of shares of our Common Stock having a value (based on the Relevant Price) equal to $700. The Relevant Price is the greater of (i) the Average VWAP of our Common Stock during the last five trading days of the currently scheduled Exchange Offer period, determined as described later in this document, and (ii) the Minimum Share Price of $2.65 per share. We refer to the number of shares of Common Stock we will issue for each $1,000 liquidation amount of Trust Preferred Securities we accept in the Exchange Offer as the exchange ratio, and we will round the exchange ratio to four decimal places. As a result of the Minimum Share Price limitation, the maximum number of shares of Common Stock we may issue under the Exchange Offer per $1,000 liquidation amount of Trust Preferred Securities is 264.1509. We will also pay cash for any accrued and unpaid distributions on any Trust Preferred Securities accepted in the Exchange Offer to, but excluding, the date of settlement of the Exchange Offer.

We will issue no more than 110,000,000 shares of our Common Stock in the Exchange Offer. Depending on the amount of Trust Preferred Securities tendered in the Exchange Offer and the exchange ratio determined as described above, we may have to prorate the Trust Preferred Securities that we accept in this Exchange Offer to remain within this limit.

The Exchange Offer will expire at 11:59 p.m., New York City time, on June 17, 2009 (unless we extend it or terminate it early). You may withdraw any Trust Preferred Securities that you previously tendered in the Exchange Offer at any time prior to the time it expires.

Our obligation to exchange Common Stock for Trust Preferred Securities in the Exchange Offer is subject to a number of conditions that must be satisfied or waived by us, including, among others, that there has been no change or development that in our reasonable judgment may materially reduce the anticipated benefits to us of the Exchange Offer or that has had, or could reasonably be expected to have, a material adverse effect on us, our businesses, condition (financial or otherwise) or prospects. Our obligation to exchange is not subject to any minimum tender condition.

Our Common Stock trades on the New York Stock Exchange (the NYSE) under the symbol RF . The closing sale price for our Common Stock on the NYSE on May 21, 2009 was $4.10 per share.

None of us, the trustee, the Dealer Managers, the Exchange Agent, the Information Agent (each as defined herein) nor any other person makes any recommendation as to whether you should tender your shares of Trust Preferred Securities. You must make your own decision after reading this document and the documents incorporated by reference herein and consulting with your advisors.

We encourage you to read and carefully consider this document in its entirety, in particular the risk factors beginning on page 13 of this document.

Neither the Securities and Exchange Commission (the SEC), 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 the Exchange Offer or of the securities to be issued in the Exchange Offer or determined if this document is truthful or complete. Any representation to the contrary is a criminal offense.

The Dealer Managers for the Exchange Offer are:

Goldman, Sachs & Co. **J.P. Morgan**

The date of this document is , 2009

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IMPORTANT

All of the Trust Preferred Securities were issued in book-entry form, and all of the Trust Preferred Securities are currently represented by one or more global certificates held for the account of The Depository Trust Company (DTC).

You may tender your Trust Preferred Securities by transferring the Trust Preferred Securities through DTC s Automated Tender Offer Program (ATOP) or following the other procedures described under The Exchange Offer Procedures for Tendering Trust Preferred Securities.

We are not providing for guaranteed delivery procedures and therefore you must allow sufficient time for the necessary tender procedures to be completed during normal business hours of the DTC on or prior to the expiration date. If you hold your Trust Preferred Securities through a broker, dealer, commercial bank, trust company or other nominee, you should consider that such entity may require you to take action with respect to the Exchange Offer a number of days before the expiration date in order for such entity to tender Trust Preferred Securities on your behalf on or prior to the expiration date. Tenders not received by Global Bondholder Services Corporation, the exchange agent for the Exchange Offer (the Exchange Agent), on or prior to the expiration date will be disregarded and of no effect.

We are incorporating by reference into this document important business and financial information that is not included in or delivered with this document. This information is available without charge to you upon written or oral request. Requests should be directed to:

Regions Financial Corporation

Investor Relations

1900 Fifth Avenue North

Birmingham, Alabama 35203

Telephone: (205) 581-7890

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In order to ensure timely delivery of such documents, you must request this information no later than five business days before the date you must make your investment decision. Accordingly, you should make any request for documents by June 10, 2009 to ensure timely delivery of the documents prior to the expiration date.

You should rely only on the information contained in or incorporated by reference into this document. We have not authorized anyone to provide you with information that is different. You should assume that the information contained or incorporated by reference in this document is accurate only as of the date of this document or as of the date of the document incorporated by reference, as applicable. We are not making an offer of these securities in any jurisdiction where such offer is not permitted.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

The information included or incorporated by reference in this prospectus may include forward-looking statements which reflect our current views with respect to future events and financial performance. 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 Department of the U.S. Treasury (the U.S. Treasury) 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 that will apply to us in the future, all of which may have significant effects on us and the financial services industry, the exact nature and extent of which cannot be determined at this time.

Our ability to raise sufficient capital to satisfy the Supervisory Capital Assessment Program (SCAP) requirements without additional Government investment.

Until we are able to repay the outstanding preferred stock issued under the Troubled Asset Relief Program (TARP), the impact of compensation and other restrictions on recipients of TARP preferred stock.

The impact of possible additional loan losses and reserve build-up 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 we serve in particular.

Possible changes in the creditworthiness of customers and the possible impairment of the collectability of loans.

Possible other 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.

Our 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 our business.

Our ability to achieve the earnings expectations related to businesses that have been acquired or that may be acquired in the future.

Our ability to expand into new markets and to maintain profit margins in the face of competitive pressures.

Our ability to develop competitive new products and services in a timely manner and the acceptance of such products and services by our customers and potential customers.

Our ability to keep pace with technological changes.

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

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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 our ability to increase assets and to attract deposits.

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

The words goal, target, objective, believe, expect, anticipate, project, and similar expressions often signify forward-looking statements 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.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document we file at the SEC s public reference room at 100 F Street, N.E., Washington, D.C. 20549. You can also request copies of the documents, upon payment of a duplicating fee, by writing the Public Reference Section of the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. These SEC filings are also available to the public from the SEC s web site at *http://www.sec.gov.*

The SEC allows us to incorporate by reference the information we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information we incorporate by reference is considered to be part of this document. Information that we file later with the SEC will automatically update information in this document. In all cases, you should rely on the later information over different information included in this document. We incorporate by reference the documents listed below and any documents subsequently filed (but not documents that are furnished, unless expressly incorporated herein by a reference in such furnished document) with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), on or after the date of this document and before the completion of the Exchange Offer:

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

(b) Quarterly Report on Form 10-Q for the quarter ended March 31, 2009, filed May 11, 2009 and Amendment No. 1 on Form 10-Q/A, filed May 13, 2009;

(c) 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 and May 20, 2009 (Item 8.01 and Exhibit 99.1 only); and

(d) The description of our Common Stock contained in our current report on Form 8-K filed on July 1, 2004 with the SEC, including any amendment or report filed for the purpose of updating such description.

You may request a copy of these filings, at no cost, by writing or telephoning us at the following address:

Investor Relations

1900 Fifth Avenue North

Birmingham, Alabama 35203

Telephone: (205) 581-7890

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QUESTIONS AND ANSWERS ABOUT THE EXCHANGE OFFER

The following are certain questions regarding the Exchange Offer that you may have as a holder of the Trust Preferred Securities and the answers to those questions. To fully understand the Exchange Offer and the considerations that may be important to your decision whether to participate, you should carefully read this document in its entirety, including the section entitled Risk Factors, as well as the information incorporated by reference in this document. For further information about us, see the section of this document entitled Where You Can Find More Information.

What is the purpose of the Exchange Offer?

In February 2009, the U.S. Treasury and the federal bank regulators announced that the 19 largest U.S. bank holding companies would be required to undergo a forward-looking capital assessment, or stress test, referred to as the SCAP. In connection with the completion of the SCAP, we have agreed with our regulators to establish an additional capital buffer by increasing our Tier 1 common by $2.5 billion, of which at least $400 million must be new Tier 1 equity, by November 9, 2009. We are refining the details of a comprehensive capital plan that we expect to submit to our regulators prior to the June 8, 2009 deadline established with respect to the SCAP.

In addition to this Exchange Offer, on May 20, 2009, we launched and priced (i) an underwritten public offering of $1.6 billion of our Common Stock (or $1.84 billion if the underwriters exercise their option to purchase additional Common Stock in full) (the Common Stock Offering) and (ii) an underwritten public offering of $250 million of our 10% Mandatory Convertible Preferred Stock, Series B, initial liquidation preference of $1,000.00 per share (our Mandatory Convertible Preferred Stock and referred to as the Mandatory Convertible Preferred Stock Offering) ($287.5 million if the underwriters exercise their options to purchase additional Mandatory Convertible Preferred Stock in full) and in connection with each offering filed prospectus supplements to our prospectus dated May 11, 2007 on file with the SEC. The Mandatory Convertible Preferred Stock will convert into a variable number of shares of our Common Stock on December 15, 2010 unless earlier converted at our option or the option of the holder. The conversion rate will be variable and depend on the market price of our Common Stock over a period preceding the conversion date and will be subject to customary anti-dilution adjustments.

The remaining capital required under SCAP is expected to be achieved through a combination of actions including (i) additional liability management actions including possible exchanges of equity for our and Regions Bank s $4.25 billion of outstanding subordinated debt and $345 million of additional trust preferred securities, (ii) sales of non-core assets and businesses, (iii) pre-provision earnings in excess of the amounts assumed under the SCAP analysis, (iv) a potential reduction in disallowed deferred tax assets as a result of increased Tier 1 capital levels, and (v) if necessary, the issuance of common equity and other Tier 1 Common qualifying instruments.

What consideration are we offering in exchange for the Trust Preferred Securities?

We are offering to exchange up to 110,000,000 newly issued shares of our Common Stock for outstanding Trust Preferred Securities of the series identified on the cover page of this document, on the terms and subject to the conditions set forth in this document and in the Letter of Transmittal. As of the date of this document, there was $700 million aggregate liquidation amount of Trust Preferred Securities outstanding.

For each $1,000 liquidation amount of Trust Preferred Securities we accept for exchange in accordance with the terms of the Exchange Offer, we will issue a number of shares of our Common Stock having a value (based on the Relevant Price) equal to $700. The Relevant Price is the greater of (i) the Average VWAP of our Common Stock during the last five trading days of the currently scheduled Exchange Offer period, determined as described later in this document, and (ii) the Minimum Share Price of $2.65 per share. Expressing this as a formula, for each $1,000 liquidation amount of Trust Preferred Securities we accept for exchange in accordance with the terms of the Exchange Offer, we will issue a number of shares of our Common Stock equal to $700 divided by the Relevant Price. We refer to the number of shares of Common Stock we will issue for each $1,000 liquidation amount of Trust Preferred Securities we accept in the Exchange Offer as the exchange ratio, and we will round the exchange ratio to four decimal places.

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We will also pay cash for any accrued and unpaid distributions on any Trust Preferred Securities accepted in the Exchange Offer to, but excluding, the date of settlement of the Exchange Offer.

How will the Average VWAP be determined?

Average VWAP during a period means the simple arithmetic average of VWAP for each trading day during that period. VWAP for any day means the per share volume weighted average price of our Common Stock on that day as displayed under the heading Bloomberg VWAP on Bloomberg Page RF <equity> AQR (or its equivalent successor page if such page is not available) in respect of the period from the scheduled open of trading on the relevant trading day until the scheduled close of trading on the relevant trading day (or if such volume weighted average price is unavailable, the market price of one share of our Common Stock on such trading day determined, using a volume weighted average method, by a nationally recognized investment banking firm retained by us for this purpose).

How may I obtain information regarding the Relevant Price?

Throughout the Exchange Offer, indicative exchange ratios will be available at http://www.gbsc-usa.com/Regions and from the Information Agent, Global Bondholder Services Corporation, at one of its numbers listed on the back cover page of this document. We will announce the final exchange ratio by 4:30 p.m., New York City time, on the date the Exchange Offer is scheduled to expire, and the final exchange ratio will also be available by that time at http://www.gbsc-usa.com/Regions and from the Information Agent.

Is there a limit on the number of shares of Common Stock I can receive for each Trust Preferred Security that I tender?

Yes. As a result of the Minimum Share Price limitation, the maximum number of shares of Common Stock that we may issue under the Exchange Offer per $1,000 liquidation amount of Trust Preferred Securities is 264.1509.

Depending on the trading price of our Common Stock compared to the Relevant Price described above, the market value of the Common Stock we issue in exchange for each $1,000 liquidation amount of Trust Preferred Securities we accept for exchange may be less than, equal to or greater than the $700 value referred to above. If the calculation of the exchange ratio is based on the Minimum Share Price, we will, if the conditions to the Exchange Offer are otherwise satisfied or waived by us, extend the Exchange Offer until 11:59 p.m., New York City time, on the second trading day following the original expiration date to permit holders to tender or withdraw their Trust Preferred Securities during those days. Any changes in the prices of the Common Stock on those additional days of the Exchange Offer will not, however, affect the exchange ratio.

Will all Trust Preferred Securities that I tender be accepted in this Exchange Offer?

Not necessarily. We will issue no more than 110,000,000 shares of our Common Stock in the Exchange Offer. Depending on the amount of Trust Preferred Securities tendered in the Exchange Offer and the exchange ratio determined as described above, we may have to prorate the Trust Preferred Securities that we accept in this Exchange Offer to remain within this limit. Any Trust Preferred Securities not accepted for exchange as a result of proration will be returned to tendering holders promptly after the final proration factor is determined. See The Exchange Offer Terms of the Exchange Offer Proration.

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The following table shows the percentage of tendered Trust Preferred Securities that will be accepted at various assumed levels for Average VWAP in two scenarios: (1) 60% of the Trust Preferred Securities tendered and (2) 100% of the Trust Preferred Securities tendered.

Assumed Average VWAP	Relevant Price	Exchange Ratio per $1,000 Liquidation Amount	% Accepted if 60% Tender	% Accepted if 100% Tender
$7.00	$7.00	100.0000	100%	100%
$6.50	$6.50	107.6923	100%	100%
$6.00	$6.00	116.6667	100%	100%
$5.50	$5.50	127.2727	100%	100%
$5.00	$5.00	140.0000	100%	100%
$4.50	$4.50	155.5556	100%	100%
$4.00	$4.00	175.0000	100%	90%
$3.50	$3.50	200.0000	100%	79%
$3.00	$3.00	233.3333	100%	67%
$2.50	$2.65	264.1509	100%	60%
$2.00	$2.65	264.1509	100%	60%
$1.50	$2.65	264.1509	100%	60%

For example, we will hit this limit and begin to prorate acceptances if Average VWAP is at or below $2.65 or 60% or more of the Trust Preferred Securities are tendered.

Will fractional shares be issued in the Exchange Offer?

We will not issue fractional shares of our Common Stock in the Exchange Offer. Instead, the number of shares of our Common Stock you receive in the Exchange Offer will be rounded up or down to the nearest whole number, with any fractional share of 0.5 or greater being rounded up and any fractional share of less than 0.5 being rounded down.

When does the Exchange Offer expire, and may I withdraw Trust Preferred Securities that I have previously tendered?

The Exchange Offer will expire at 11:59 p.m., New York City time, on June 17, 2009 (unless we extend it or terminate it early). You may withdraw any Trust Preferred Securities that you previously tendered in the Exchange Offer at any time prior to the time it expires by following the procedures described under the caption The Exchange Offer Withdrawal of Tenders.

Is the Exchange Offer subject to any minimum tender or other conditions?

Our obligation to exchange is not subject to any minimum tender condition. Our obligation to exchange Common Stock for Trust Preferred Securities in the Exchange Offer is, however, subject to a number of conditions that must be satisfied or waived by us, including, among others, that there has been no change or development that in our reasonable judgment may materially reduce the anticipated benefits to us of the Exchange Offer or that has had, or could reasonably be expected to have, a material adverse effect on us, our businesses, condition (financial or otherwise) or prospects.

How do I participate in the Exchange Offer?

You may tender your Trust Preferred Securities by transferring the Trust Preferred Securities through ATOP or following the other procedures described under The Exchange Offer Procedures for Tendering Trust Preferred Securities.

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What must I do to participate if my Trust Preferred Securities are held of record by a broker, dealer, commercial bank, trust company or other nominee?

If you wish to tender your Trust Preferred Securities and they are held of record by a broker, dealer, commercial bank, trust company or other nominee, you should contact such entity promptly and instruct it to tender Trust Preferred Securities on your behalf.

You are urged to instruct your broker, dealer, commercial bank, trust company or other nominee at least five business days prior to the expiration date in order to allow adequate processing time for your instruction.

Should you have any questions as to the procedures for tendering your shares, please call your broker, dealer, commercial bank, trust company or other nominee, or call our Information Agent, Global Bondholder Services, at its telephone number set forth on the back cover page of this document.

WE ARE NOT PROVIDING FOR GUARANTEED DELIVERY PROCEDURES AND THEREFORE YOU MUST ALLOW SUFFICIENT TIME FOR THE NECESSARY TENDER PROCEDURES TO BE COMPLETED DURING NORMAL BUSINESS HOURS OF DTC ON OR PRIOR TO THE EXPIRATION DATE. IF YOU HOLD YOUR TRUST PREFERRED SECURITIES THROUGH A BROKER, DEALER, COMMERCIAL BANK, TRUST COMPANY OR OTHER NOMINEE, YOU SHOULD KEEP IN MIND THAT SUCH ENTITY MAY REQUIRE YOU TO TAKE ACTION WITH RESPECT TO THE EXCHANGE OFFER A NUMBER OF DAYS BEFORE THE EXPIRATION DATE IN ORDER FOR SUCH ENTITY TO TENDER TRUST PREFERRED SECURITIES ON YOUR BEHALF ON OR PRIOR TO THE EXPIRATION DATE. TENDERS NOT RECEIVED BY THE EXCHANGE AGENT ON OR PRIOR TO THE EXPIRATION DATE WILL BE DISREGARDED AND OF NO EFFECT.

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SUMMARY

The following summary highlights selected information contained in this document. It may not contain all of the information that is important to you and is qualified in its entirety by the more detailed information included or incorporated by reference in this document. You should carefully consider the information contained in and incorporated by reference in this document, including the information set forth under the heading Risk Factors on page 15 in this document and the information set forth under Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2008 and in our Quarterly Report on Form 10-Q/A for the quarter ended March 31, 2009. References in this document to our, we, us and similar terms are references to Regions Financial Corporation and not to its subsidiaries, and references to Regions are references to Regions Financial Corporation and its subsidiaries.

The Company and the Trust

We are a Delaware corporation and financial holding company headquartered in Birmingham, Alabama. We are a member of the S&P 100 Index and one of the nation s largest full-service providers of consumer and commercial banking, trust, securities brokerage, mortgage and insurance products and services. We serve customers in 16 states across the South, Midwest and Texas, and through our subsidiary, Regions Bank, operate 1,900 banking offices and approximately 2,300 ATMs. Our investment and securities brokerage, trust and asset management division, Morgan Keegan & Company, Inc., provides services from over 330 offices. At March 31, 2009, we had total consolidated assets of approximately $142.0 billion, total consolidated deposits of approximately $93.5 billion and total consolidated stockholders equity of approximately $16.8 billion.

The Trust is a Delaware statutory trust. We are the sole holder of all the common securities of the Trust. The sole asset and only source of funds to make payments on the Trust Preferred Securities are the junior subordinated notes we issued to the Trust (the Underlying Notes). To the extent that the Trust receives interest payments on the relevant Underlying Notes, it is obligated to distribute those amounts to the holders of Trust Preferred Securities in the form of monthly, quarterly or semi-annual distributions. We have provided holders of Trust Preferred Securities a guarantee in support of the Trust s obligation to make distributions on its Trust Preferred Securities, but only to the extent the Trust has funds available for distribution.

Our principal executive office, and the principal place of business for the Trust, is at 1900 Fifth Avenue North, Birmingham, Alabama 35203, and our telephone number is (205) 944-1300.

Background to the Transaction

Supervisory Capital Assessment Program

In February 2009, the U.S. Treasury and the federal bank regulators announced that the 19 largest U.S. bank holding companies would be required to undergo a forward-looking capital assessment, or stress test, referred to as the SCAP. On April 24, 2009, the Board of Governors of the Federal Reserve System (FRB) published a white paper addressing process and methodologies being employed by the federal banking supervisory agencies in the SCAP, and on May 6, 2009, the heads of the FRB, U.S. Treasury, the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation (FDIC) issued a joint statement on the program. On May 7, 2009, the FRB publicly announced the results of the stress test for each of these 19 institutions, including us. Under a hypothetical more adverse scenario for a period through the end of 2010 for each of these institutions, the FRB projected losses and loss rates across select categories of loans; resources available to absorb those losses; and the resulting necessary additions to capital buffers. In addition to the requirement to be well-capitalized of maintaining a Tier 1 risk-based ratio of at least 6%, the SCAP resulted in the establishment of a target to establish an additional capital buffer sufficient to have a Tier 1 common risk-based ratio of at least 4% at the end of 2010, under a more adverse macroeconomic scenario than is currently anticipated. As of March 31, 2009, we had a Tier 1 risk-based ratio of 10.41% and a Tier 1 common risk-based ratio of 6.49%.

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In connection with the completion of the SCAP, we have agreed with our regulators to establish an additional capital buffer by increasing our Tier 1 common by $2.5 billion, of which at least $400 million must be new Tier 1 equity, by November 9, 2009. We are refining the details of a comprehensive capital plan that we expect to submit to our regulators prior to the June 8, 2009 deadline established with respect to the SCAP. In addition to this Exchange Offer, as part of our plan to raise common equity, on May 20, 2009 we launched and priced (i) an underwritten public offering of $1.6 billion of our Common Stock (or $1.84 billion if the underwriters exercise their option to purchase additional Common Stock in full) and (ii) an underwritten public offering of $250 million of our Mandatory Convertible Preferred Stock (or $287.5 million if the underwriters exercise their option to purchase additional Mandatory Convertible Preferred Stock in full) and in connection with each offering filed prospectus supplements to our prospectus dated May 11, 2007 on file with the SEC. The Mandatory Convertible Preferred Stock will convert into a variable number of shares of our Common Stock on December 15, 2010 unless earlier converted at our option or the option of the holder. The conversion rate will be variable and depends on the market price of our Common Stock over a period preceding the conversion date and will be subject to customary anti-dilution adjustments. The remaining capital required under SCAP is expected to be achieved through a combination of actions including (i) additional liability management actions including possible exchanges of equity for our and Regions Bank s $4.25 billion of outstanding subordinated debt and $345 million of additional trust preferred securities, (ii) sales of non-core assets and businesses, (iii) pre-provision earnings in excess of the amounts assumed under the SCAP analysis, (iv) a potential reduction in disallowed deferred tax assets as a result of increased Tier 1 capital levels, and (v) if necessary, the issuance of common equity and other Tier 1 common qualifying instruments.

Summary Terms of the Exchange Offer

Purpose of the Exchange Offer	The purpose of the Exchange Offer is to raise additional Tier I common equity as required by the SCAP.
Consideration Offered in the Exchange Offer	We are offering to exchange up to 110,000,000 newly issued shares of our Common Stock for outstanding Trust Preferred Securities of the series identified on the cover page of this document, on the terms and subject to the conditions set forth in this document and in the Letter of Transmittal.

We will accept properly tendered Trust Preferred Securities for exchange at the exchange ratio determined as described below, on the terms and conditions of the Exchange Offer and subject to the proration provisions described below. We will promptly return any Trust Preferred Securities that are not accepted for exchange following the expiration of the Exchange Offer and the determination of the final proration factor, if any, described below.

For each $1,000 liquidation amount of Trust Preferred Securities we accept for exchange in accordance with the terms of the Exchange Offer, we will issue a number of shares of our Common Stock having a value (based on the Relevant Price) equal to $700. The Relevant Price is the greater of (i) the Average VWAP of our Common Stock during the last five trading days of the currently scheduled Exchange Offer period, determined as described later in this document, and (ii) the Minimum Share Price of $2.65 per share. Expressing this as a formula, for each $1,000 liquidation amount of Trust Preferred Securities we accept for exchange in accordance with the terms of the Exchange Offer, we will issue a number of shares of our Common Stock equal to $700 divided by the Relevant Price.

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We refer to the number of shares of Common Stock we will issue for each $1,000 liquidation amount of Trust Preferred Securities we accept in the Exchange Offer as the exchange ratio, and we will round the exchange ratio to four decimal places.

As a result of the Minimum Share Price limitation, the maximum number of shares of Common Stock that we may issue under the Exchange Offer per $1,000 liquidation amount of Trust Preferred Securities is 264.1509.

Depending on the trading price of our Common Stock compared to the Relevant Price described above, the market value of the Common Stock we issue in exchange for each $1,000 liquidation amount of Trust Preferred Securities we accept for exchange may be less than, equal to or greater than the $700 value referred to above.

We will also pay cash for any accrued and unpaid distributions on any Trust Preferred Securities accepted in the Exchange Offer to, but excluding, the date of settlement of the Exchange Offer.

Expiration Date and Withdrawal Rights	The Exchange Offer will expire at 11:59 p.m., New York City time, on June 17, 2009 (unless we extend or earlier terminate it). The term expiration date means such date and time or, if we extend the Exchange Offer, the latest date and time to which we extend the Exchange Offer. You may withdraw any Trust Preferred Securities that you previously tendered in the Exchange Offer at any time prior to the time it expires. See The Exchange Offer Withdrawals of Tenders.
Publication of Exchange Ratio Information	Throughout the Exchange Offer, indicative exchange ratios will be available at http://www.gbsc-usa.com/Regions and from Global Bondholder Services Corporation, the Information Agent, at one of its numbers listed on the back cover page of this document. We will announce the final exchange ratio by 4:30 p.m., New York City time, on the scheduled expiration date of the Exchange Offer, and that final exchange ratio will also be available by that time at http://www.gbsc-usa.com/Regions and from the Information Agent.
Extension if Exchange Ratio is Based on Minimum Share Price	If the Average VWAP in effect at the expiration of the currently scheduled Exchange Offer period is below the Minimum Share Price (so that the exchange ratio will be based on the Minimum Share Price rather than Average VWAP), we will, if the conditions to the Exchange Offer are otherwise satisfied or waived by us, extend the Exchange Offer until 11:59 p.m., New York City time, on the second trading day following the original expiration date to permit holders to tender or withdraw their Trust Preferred Securities during those days.

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	Any changes in the prices of the Common Stock on those additional days of the Exchange Offer will not, however, affect the exchange ratio.
Conditions to the Exchange Offer	Our obligation to exchange Common Stock for Trust Preferred Securities in the Exchange Offer is subject to a number of conditions that must be satisfied or waived by us, including among other things that there has been no change or development that in our reasonable judgment may materially reduce the anticipated benefits to us of the Exchange Offer or that has had, or could reasonably be expected to have, a material adverse effect on us, our businesses, condition (financial or otherwise) or prospects. Our obligation to exchange is not subject to any minimum tender condition. See The Exchange Offer Conditions of the Exchange Offer.
Settlement Date	The settlement date for the Exchange Offer will be a date promptly following the expiration date. We currently expect the settlement date to be three business days after the expiration date.
Fractional Shares	We will not issue fractional shares of our Common Stock in the Exchange Offer. Instead, the number of shares of our Common Stock you receive in the Exchange Offer will be rounded up or down to the nearest whole number, with any fractional share of 0.5 or greater being rounded up and any fractional share of less than 0.5 being rounded down.
Proration	In order to assure compliance with NYSE rules, we will issue no more than 110,000,000 shares of our Common Stock in the Exchange Offer. Depending on the amount of Trust Preferred Securities tendered in the Exchange Offer and the exchange ratio determined as described above, we may have to prorate the Trust Preferred Securities that we accept in this Exchange Offer to remain within this limit. Any Trust Preferred Securities not accepted for exchange as a result of proration will be returned to tendering holders promptly after the final proration factor is determined. See The Exchange Offer Terms of the Exchange Offer Proration.
Procedures for Tendering Trust Preferred Securities	You may tender your Trust Preferred Securities by transferring the Trust Preferred Securities through ATOP or following the other procedures described under The Exchange Offer Procedures for Tendering Trust Preferred Securities.

If you wish to tender your Trust Preferred Securities and they are held of record by a broker, dealer, commercial bank, trust company or other nominee, you should contact such entity promptly and instruct it to tender Trust Preferred Securities on your behalf.

We urge you to instruct your broker, dealer, commercial bank, trust company or other nominee at least five business days prior to the expiration date in order to allow adequate processing time for your instruction.

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Should you have any questions as to the procedures for tendering your shares, please call your broker, dealer, commercial bank, trust company or other nominee, or call our Information Agent at its telephone number set forth on the back cover page of this document.

WE ARE NOT PROVIDING FOR GUARANTEED DELIVERY PROCEDURES AND THEREFORE YOU MUST ALLOW SUFFICIENT TIME FOR THE NECESSARY TENDER PROCEDURES TO BE COMPLETED DURING NORMAL BUSINESS HOURS OF DTC ON OR PRIOR TO THE EXPIRATION DATE. TENDERS NOT RECEIVED BY THE EXCHANGE AGENT ON OR PRIOR TO THE EXPIRATION DATE WILL BE DISREGARDED AND OF NO EFFECT.

Extensions; Waivers and Amendments; Termination	Subject to applicable law, we reserve the right to (1) extend the Exchange Offer; (2) waive any and all conditions to or amend the Exchange Offer in any respect; or (3) terminate the Exchange Offer. Any extension, waiver, amendment or termination will be followed as promptly as practicable by a public announcement thereof, such announcement in the case of an extension to be issued no later than 9:00 a.m., New York City time, on the next business day after the last previously scheduled expiration date. See The Exchange Offer Expiration Date; Extension; Termination and Amendment.
Material U.S. Federal Income Tax Consequences	Your exchange of Trust Preferred Securities for our Common Stock pursuant to the Exchange Offer will be treated as a recapitalization for U.S. federal income tax purposes. Therefore, except with respect to accrued but unpaid distributions on the Trust Preferred Securities, you will not recognize any gain or loss upon consummation of the Exchange Offer. See Material U.S. Federal Income Tax Consequences.
Consequences of Failure to Exchange Trust Preferred Securities	Depending on the amount of Trust Preferred Securities that are accepted for exchange in the Exchange Offer, the trading market for the Trust Preferred Securities that remain outstanding after the Exchange Offer may be more limited. A reduced trading volume may decrease the price and increase the volatility of the trading price of the Trust Preferred Securities that remain outstanding following the Exchange Offer.

Following the Exchange Offer we plan to merge the Trust into a new Delaware statutory trust as permitted by the terms of the Trust s governing documents. In connection with the merger, the Trust Preferred Securities we acquire in the Exchange Offer will be exchanged for a like amount of Underlying Notes and all Trust Preferred Securities not acquired by us in the Exchange Offer will be converted into trust preferred securities of the new trust with terms substantially identical to the terms of the Trust Preferred Securities. The merger will not adversely affect the rights of the holders of Trust Preferred Securities.

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Comparison of the Rights of Common Stock and Trust Preferred Securities	There are material differences between the rights of a holder of our Common Stock and a holder of the Trust Preferred Securities. See Comparison of Rights Between the Trust Preferred Securities and the Common Stock.
Market Trading	Our Common Stock is traded on the New York Stock Exchange under the symbol RF. The closing sale price of our Common Stock on the NYSE on May 21, 2009, the last trading day prior to the date of this document, was $4.10 per share. The Trust Preferred Securities are not listed for trading on any securities exchange.
Brokerage Commissions	You will not be required to pay brokerage commissions to the Dealer Managers, the Exchange Agent, the Information Agent or us in connection with the Exchange Offer.
No Appraisal Rights	You will have no appraisal rights in connection with the Exchange Offer.
Regulatory Approvals	We have obtained the approval of the Federal Reserve required for an early redemption of the Trust Preferred Securities. No other regulatory approvals are required.
Dealer Managers	Goldman, Sachs & Co. and J.P. Morgan Securities Inc.
Information Agent and Exchange Agent	Global Bondholder Services Corporation
Further Information	If you have questions about the terms of the Exchange Offer, please contact the Dealer Managers or the Information Agent. Requests for additional copies of this document and the Letter of Transmittal may be directed to the Information Agent. If you have questions regarding the procedures for tendering your Trust Preferred Securities, please contact the Exchange Agent. The contact information for the Dealer Managers, Information Agent and Exchange Agent are set forth on the back cover page of this document.

As required by the Securities Act of 1933, we filed a registration statement relating to the Exchange Offer with the Securities and Exchange Commission. This document is a part of that registration statement.

See also Where You Can Find More Information.

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RISK FACTORS

You should carefully consider the risks described below and all of the information contained and incorporated by reference in this document before you decide whether to participate in the Exchange Offer. In particular, you should carefully consider, among other things, the matters discussed below and under Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2008 and our Quarterly Report on Form 10-Q/A for the quarter ended March 31, 2009.

Risks Related to the Market Price and Value of the Common Stock Offered in the Exchange Offer

The Minimum Share Price limitation may result in your receiving shares of Common Stock worth significantly less than the shares you would receive in the absence of that constraint.

If the Average VWAP is less than the Minimum Share Price, we will use the Minimum Share Price and not the Average VWAP to calculate the number of shares of Common Stock you will receive. In that case you could receive shares of Common Stock with a value that may be significantly less than the value of the shares you would receive in the absence of that limitation. You will, however, have the option to withdraw your tender in that situation.

Although the number of shares of Common Stock offered in the Exchange Offer for each Trust Preferred Security will be determined based on the Average VWAP of our Common Stock during the five trading day period ending on the currently scheduled expiration date, the market price of our Common Stock will fluctuate, and the market price of such shares of Common Stock upon settlement of the Exchange Offer could be less than the market price used to determine the number of shares.

The number of shares of Common Stock offered for each Trust Preferred Security accepted for exchange will be determined based on the Average VWAP of the Common Stock during the five trading day period ending on the currently scheduled expiration date and will not be adjusted regardless of any increase or decrease in the market price of our Common Stock or the Trust Preferred Securities between the expiration date of the Exchange Offer and the settlement date. Therefore, the market price of the Common Stock at the time you receive your Common Stock on the settlement date could be significantly less than the market price used to determine the number of shares you will receive. The market price of our Common Stock has recently been subject to significant fluctuations and volatility.

The trading price of our Common Stock may be subject to continued significant fluctuations and volatility.

The market price of our Common Stock could be subject to significant fluctuations due to a change in sentiment in the market regarding our operations or business prospects. Such risks may be affected by:

- Operating results that vary from the expectations of management, securities analysts and investors;
- Developments in our businesses or in the financial sector generally;
- Regulatory changes affecting our industry generally or our businesses and operations;
- The operating and securities price performance of companies that investors consider to be comparable to us;
- Announcements of strategic developments, acquisitions and other material events by us or our competitors;
- Changes in the credit, mortgage and real estate markets, including the markets for mortgage-related securities; and

Changes in global financial markets and global economies and general market conditions, such as interest or foreign exchange rates, stock, commodity, credit or asset valuations or volatility.

Stock markets in general and our Common Stock in particular have experienced, over the past eighteen months, and continue to be experiencing, significant price and volume volatility. As a result, the market price of our Common Stock may continue to be subject to similar market fluctuations that may be unrelated to our operating performance or business prospects. Increased volatility could result in a decline in the market price of our Common Stock.

Holders are urged to obtain current market quotations for our Common Stock when they consider the Exchange Offer.

Risks Related to the Rights of our Common Stock Compared to the Rights of our Debt Obligations and Senior Equity Securities, including the Trust Preferred Securities

All of our debt obligations, including our junior subordinated notes underlying any Trust Preferred Securities that remain outstanding after the Exchange Offer, and our senior equity securities will have priority over our Common Stock with respect to payment in the event of liquidation, dissolution or winding up, and with respect to the payment of dividends.

In any liquidation, dissolution or winding up of the Company, our Common Stock would rank below all debt claims against the Company, including the Underlying Notes relating to any Trust Preferred Securities that are not exchanged for Common Stock in the Exchange Offer, and claims of all of our outstanding shares of preferred stock. As a result, holders of our Common Stock, including holders of Trust Preferred Securities whose securities are exchanged for Common Stock in the Exchange Offer, will not be entitled to receive any payment or other distribution of assets upon the liquidation, dissolution or winding up of the Company until after all our obligations to our debt holders have been satisfied and holders of senior equity securities have received any payment or distribution due to them.

Holders of Trust Preferred Securities that participate in the Exchange Offer are giving up their right to future distributions on Trust Preferred Securities.

If you tender your Trust Preferred Securities, you will be giving up your right to any future distribution payments that are paid on the Trust Preferred Securities.

You may not receive dividends on the Common Stock.

Holders of our Common Stock are only entitled to receive such dividends as our board of directors may declare out of funds legally available for such payments. Furthermore, holders of our Common Stock are subject to the prior dividend rights of any holders of our preferred stock or depositary shares representing such preferred stock then outstanding. As of March 31, 2009, there were 3,500,000 shares of our Fixed Rate Cumulative Perpetual Preferred Stock Series A (the Series A Preferred Stock) with a liquidation amount of $1,000 per share, issued and outstanding. Under the terms of the Series A Preferred Stock, our ability to declare and pay dividends on or repurchase our Common Stock will be subject to restrictions in the event we fail to declare and pay (or set aside for payment) full dividends on the Series A Preferred Stock.

We recently announced our intention to reduce our quarterly Common Stock dividend to $0.01 per share, do not expect to increase our quarterly dividend above $0.01 for the foreseeable future and could determine to eliminate our Common Stock dividend altogether. Furthermore, as long as the Series A Preferred Stock is outstanding, dividend payments and repurchases or redemptions relating to certain equity securities, including our Common Stock, are prohibited until all accrued and unpaid dividends are paid on such preferred stock, subject to certain limited exceptions. In addition, prior to November 14, 2011, unless we have redeemed all of the Series A Preferred Stock or the U.S. Treasury has transferred all of the Series A Preferred Stock to third parties, the consent of the U.S. Treasury will be required for us to, among other things, increase our Common Stock dividend above $0.10 except in limited circumstances. This could adversely affect the market price of our

Common Stock. Also, we are a bank holding company and our ability to declare and pay dividends is dependent on certain federal regulatory considerations, including the guidelines of the FRB regarding capital adequacy and dividends.

In addition, the terms of our outstanding junior subordinated debt securities, including the Underlying Notes, prohibit us from declaring or paying any dividends or distributions on our capital stock, including our Common Stock, or purchasing, acquiring, or making a liquidation payment on such stock, if we have given notice of our election to defer interest payments but the related deferral period has not yet commenced or a deferral period is continuing.

Offerings of debt, which would be senior to our Common Stock upon liquidation, and/or preferred equity securities which may be senior to our Common Stock for purposes of dividend distributions or upon liquidation, may adversely affect the market price of our Common Stock.

We may attempt to increase our capital resources or, if our or the capital ratio of our banking subsidiary falls below the required minimums, we or our banking subsidiary could be forced to raise additional capital by making additional offerings of debt or preferred equity securities, including medium-term notes, trust preferred securities, senior or subordinated notes and preferred stock. Upon liquidation, holders of our debt securities and shares of preferred stock and lenders with respect to other borrowings will receive distributions of our available assets prior to the holders of our Common Stock. Additional equity offerings may dilute the holdings of our existing stockholders or reduce the market price of our Common Stock, or both. Holders of our Common Stock are not entitled to preemptive rights or other protections against dilution.

Our board of directors is authorized to issue one or more classes or series of preferred stock from time to time without any action on the part of the stockholders. Our board of directors also has the power, without stockholder approval, to set the terms of any such classes or series of preferred stock that may be issued, including voting rights, dividend rights, and preferences over our Common Stock with respect to dividends or upon our dissolution, winding up and liquidation and other terms. If we issue preferred shares in the future that have a preference over our Common Stock with respect to the payment of dividends or upon liquidation, or if we issue preferred shares with voting rights that dilute the voting power of the Common Stock, the rights of holders of our Common Stock or the market price of our Common Stock could be adversely affected.

Anti-takeover laws and certain agreements and charter provisions may adversely affect share value.

Certain provisions of state and federal law and our restated certificate of incorporation may make it more difficult for someone to acquire control of us without our board of directors approval. Under federal law, subject to certain exemptions, a person, entity or group must notify the federal banking agencies before acquiring control of a bank holding company. Acquisition of 10% or more of any class of voting stock of a bank holding company or state member bank, including shares of our Common Stock, creates a rebuttable presumption that the acquiror controls the bank holding company or state member bank. Also, a bank holding company must obtain the prior approval of the FRB before, among other things, acquiring direct or indirect ownership or control of more than 5% of the voting shares of any bank, including Regions Bank. There also are provisions in our restated certificate of incorporation that may be used to delay or block a takeover attempt. As a result, these statutory provisions and provisions in our restated certificate of incorporation could result in us being less attractive to a potential acquiror.

We are a holding company and depend on our subsidiaries for dividends, distributions and other payments.

We are a legal entity separate and distinct from our banking and other subsidiaries. Our principal source of cash flow, including cash flow to pay dividends to our stockholders and principal and interest on our outstanding debt, is dividends from our banking subsidiary, Regions Bank. 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

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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, 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 dividend payments to holders of our Common Stock or the holders of our senior equity securities or principal and interest payments on our outstanding debt.

In addition, our right to participate in any distribution of assets of any of our subsidiaries upon the subsidiary s liquidation or otherwise, and thus your ability as a holder of the Common Stock to benefit indirectly from such distribution, will be subject to the prior claims of creditors of that subsidiary, except to the extent that any of our claims as a creditor of such subsidiary may be recognized. As a result, shares of our Common Stock are effectively subordinated to all existing and future liabilities and obligations of our subsidiaries. At March 31, 2009, our subsidiaries total deposits and borrowings were approximately $117.2 billion.

Risks Related to the Issuance of a Significant Amount of Common Stock and Dilution of Holders of our Common Stock, including Participants in the Exchange Offer

We expect to issue a significant amount of Common Stock over the next six months. The issuance of a significant amount of Common Stock will be dilutive to holders of our Common Stock, including participants in the Exchange Offer.

In connection with the completion of the SCAP, we have agreed with our regulators to establish an additional capital buffer by increasing our Tier 1 common equity by $2.5 billion, of which at least $400 million must be new Tier 1 equity, by November 9, 2009. We are refining the details of a comprehensive capital plan that we expect to submit to our regulators prior to the June 8, 2009 deadline established with respect to the SCAP. In addition to this Exchange Offer, as part of our plan to raise common equity, on May 20, 2009 we launched and priced (i) an underwritten public offering of $1.6 billion of our Common Stock (or $1.84 billion if the underwriters exercise their option to purchase additional Common Stock in full) and (ii) an underwritten public offering of $250 million of our Mandatory Convertible Preferred Stock (or $287.5 million if the underwriters exercise their option to purchase additional Mandatory Convertible Preferred Stock in full) and in connection with each offering filed prospectus supplements to our Prospectus dated May 11, 2007 on file with the SEC. The Mandatory Convertible Preferred Stock will convert into a variable number of shares of our Common Stock on December 15, 2010 unless earlier converted at our option or the option of the holder. The conversion rate will be variable and depends on the market price of our Common Stock over a period preceding the conversion date and will be subject to customary anti-dilution adjustments. Those offerings and other future issuances of Common Stock or securities convertible into Common Stock will be dilutive to holders of our Common Stock, including participants in the Exchange Offer.

Although not currently contemplated, we could also obtain a portion of the required increase in our Tier 1 common equity by exchanging (with the approval of the U.S. Treasury) a number of shares of the Series A Preferred Stock we issued to the U.S. Treasury under the Capital Purchase Program (the CPP) for shares of mandatory convertible preferred stock issued under the U.S. Treasury s Capital Assistance Program (CAP), or for Common Stock or another common equivalent security that the U.S. Treasury otherwise agrees to purchase, directly or indirectly. Such an exchange could also involve the issuance of warrants to the U.S. Treasury to purchase additional shares of our common stock as contemplated by the published terms of the CAP.

In connection with purchasing the Series A Preferred Stock, pursuant to a Letter Agreement dated November 14, 2008 and the Securities Purchase Agreement Standard Terms attached thereto, the U.S. Treasury received a warrant to purchase 48,253,677 shares of our Common Stock at an initial per share exercise price of $10.88, subject to adjustment, which expires ten years from the issuance date, and we have agreed to provide the U.S. Treasury with registration rights covering the warrant and the underlying shares of Common Stock. Even if we were to redeem the Series A Preferred Stock, this warrant may not be fully retired, and therefore that it will not be exercised, prior to its expiration date. The issuance of additional shares of Common Stock or common equivalent securities in future equity offerings, to the U.S. Treasury under the SCAP or otherwise, or as a result

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of the exercise of the warrant the U.S. Treasury holds will dilute the ownership interest of our existing common stockholders. We may, in the future, determine that it is advisable, or we may encounter circumstances where we determine it is necessary, to issue additional shares of Common Stock, securities convertible into or exchangeable for shares of Common Stock, or common-equivalent securities to fund strategic initiatives or other business needs or to build additional capital. The market price of our Common Stock could decline as a result of this offering or other offerings, as well as other sales of a large block of shares of our Common Stock or similar securities in the market thereafter, or the perception that such sales could occur. We may need to increase our authorized capital in order to complete our comprehensive capital plan or to operate in the normal course after we complete our capital plan.

In addition, the terms of the warrant we issued to the U.S. Treasury under the CPP provides that, if we issue shares of Common Stock or securities convertible or exercisable into, or exchangeable for, shares of Common Stock at a price that is less than 90% of the market price of such shares on the last trading day preceding the date of the agreement to sell such shares, the number and the per share price of Common Stock to be purchased pursuant to the warrant will be adjusted pursuant to its terms. This anti-dilution adjustment does not apply to public or broadly marketed offerings such as the Common Stock Offering and the Mandatory Convertible Preferred Stock Offering. We may also choose to issue securities convertible into or exercisable for shares of our Common Stock and such securities may themselves contain anti-dilution provisions. Such anti-dilution adjustments may have a further dilutive effect on other holders of our Common Stock.

Additional Risks Related to the Exchange Offer

We have not obtained a third-party determination that the Exchange Offer is fair to holders of the Trust Preferred Securities.

None of us, the trustee, the Dealer Managers, the Information Agent or the Exchange Agent makes any recommendation as to whether you should exchange your Trust Preferred Securities in the Exchange Offer. We have not retained, and do not intend to retain, any unaffiliated representative to act on behalf of the holders of the Trust Preferred Securities for purposes of negotiating the Exchange Offer or preparing a report concerning the fairness of the Exchange Offer. You must make your own independent decision regarding your participation in the Exchange Offer.

Failure to complete the Exchange Offer successfully could negatively affect the price of our Common Stock.

Several conditions must be satisfied or waived in order to complete the Exchange Offer, including among others that there has been no change or development that in our reasonable judgment may materially reduce the anticipated benefits to us of the Exchange Offer or that has had, or could reasonably be expected to have, a material adverse effect on us, our businesses, condition (financial or otherwise) or prospects. See The Exchange Offer Conditions of the Exchange Offer. The foregoing conditions may not be satisfied, and if not satisfied or waived, the Exchange Offer may not occur or may be delayed.

If the Exchange Offer is not completed or is delayed, we may be subject to the following material risks:

- the market price of our Common Stock may decline to the extent that the current market price of our Common Stock reflects a market assumption that the Exchange Offer has been or will be completed;
- the market price of our Trust Preferred Securities may decline to the extent that the current market price of our Trust Preferred Securities reflects a market assumption that the Exchange Offer has been or will be completed; and
- we may not be able to increase our Tier 1 common equity by the amount required under SCAP.

We may not accept all Trust Preferred Securities tendered in the Exchange Offer.

We will issue no more than 110,000,000 shares of our Common Stock in the Exchange Offer. Depending on the amount of Trust Preferred Securities tendered in the Exchange Offer and the final exchange ratio, we may have to prorate the Trust Preferred Securities that we accept in this Exchange Offer to remain within this limit. See The Exchange Offer Terms of the Exchange Offer Proration.

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Risks Related to Not Participating in the Exchange Offer

If the Exchange Offer is successful, there may no longer be a trading market for the Trust Preferred Securities, the market price for the Trust Preferred Securities may be depressed and there may be a limited trading market for the Trust Preferred Securities.

Depending on the amount of Trust Preferred Securities that are accepted for exchange in the Exchange Offer, the trading market for the Trust Preferred Securities that remain outstanding after the Exchange Offer may be more limited. A reduced trading volume may decrease the price and increase the volatility of the trading price of the Trust Preferred Securities that remain outstanding following the Exchange Offer.

Risks Related to Regions

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.

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. Regions Bank s financial strength, long-term deposits and short-term deposits were downgraded to D+, Baa1 and P-2 from C+, A2 and P-1, respectively. Regions off-balance sheet arrangements include facilities supporting Variable Rate Demand Notes (VRDNs), including certain standby letters of credit and standby bond purchase agreements (also referred to as liquidity facilities). As of May 15, 2009, Regions VRDN portfolio included unfunded letters of credit of approximately $4.4 billion (net of participations) and unfunded liquidity facilities of approximately $0.3 billion. The downgrades of the short-term deposits increase the risk that the VRDNs will be subject to a failed remarketing, which would result in Regions funding up to $4.7 billion of which $4.4 billion would be classified as loans and $0.3 billion as available for sale securities. It is possible that the other ratings agencies rating our debt securities and the debt securities of Regions Bank will also downgrade such obligations. In addition, the Exchange Offer may cause the ratings agencies to lower the ratings assigned to our Trust Preferred Securities and other of our securities. Any such action may lead to a downgrade of any rating assigned to our Mandatory Convertible Preferred Stock or in the assignment of a rating for such securities that is lower than might otherwise be the case.

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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RECENT DEVELOPMENTS

Supervisory Capital Assessment Program

In February 2009, the U.S. Treasury and the federal bank regulators announced that the 19 largest U.S. bank holding companies would be required to undergo a forward-looking capital assessment, or stress test, referred to as the SCAP. On April 24, 2009, the FRB published a white paper addressing process and methodologies being employed by the federal banking supervisory agencies in the SCAP, and on May 6, 2009, the heads of the FRB, U.S. Treasury, the Office of the Comptroller of Currency and the FDIC issued a joint statement on the program. On May 7, 2009, the FRB publicly announced the results of the stress test for each of these 19 institutions, including us. Under a hypothetical more adverse scenario for a period through the end of 2010 for each of these institutions, the FRB projected losses and loss rates across select categories of loans; resources available to absorb those losses; and the resulting necessary additions to capital buffers. In addition to the requirement to be well-capitalized of maintaining a Tier 1 risk-based ratio of at least 6%, the SCAP resulted in the establishment of a target to establish an additional capital buffer sufficient to have a Tier 1 common risk-based ratio of at least 4% at the end of 2010, under a more adverse macroeconomic scenario than is currently anticipated. As of March 31, 2009, we had a Tier 1 risk-based ratio of 10.41% and a Tier 1 common risk-based ratio of 6.49%.

In connection with the completion of the SCAP, we have agreed with our regulators to establish an additional capital buffer by increasing our Tier 1 common equity by $2.5 billion, of which at least $400 million must be new Tier 1 equity, by November 9, 2009. We are refining the details of a comprehensive capital plan that we expect to submit to our regulators prior to the June 8, 2009 deadline established with respect to the SCAP. In addition to this Exchange Offer, as part of our plan to raise common equity, on May 20, 2009 we launched and priced (i) an underwritten public offering of $1.6 billion of our Common Stock (or $1.84 billion if the underwriters exercise their option to purchase additional Common Stock in full) and (ii) an underwritten public offering of $250 million of our Mandatory Convertible Preferred Stock (or $287.5 million if the underwriters exercise their option to purchase additional Mandatory Convertible Preferred Stock in full) and filed prospectus supplements to our existing automatic shelf registration statement on file with the SEC in connection with each offering. The Mandatory Convertible Preferred Stock will convert into a variable number of shares of our Common Stock on December 1, 2010 unless earlier converted at the option of us or a holder. The conversion rate will be variable and depends on the market price of our Common Stock on the conversion date and will be subject to customary anti-dilution adjustments. The remaining capital required by SCAP is expected to be achieved through a combination of actions including (i) additional liability management actions including possible exchanges of equity for our and Regions Bank s $4.25 billion of outstanding subordinated debt and $345 million of additional trust preferred securities, (ii) sales of non-core assets and businesses, (iii) pre-provision earnings in excess of the amounts assumed under the SCAP analysis, (iv) a potential reduction in disallowed deferred tax assets as a result of increased Tier 1 capital levels, and (v) if necessary, the issuance of common equity and other Tier 1 Common qualifying instruments.

Ratings Downgrade

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. Regions Bank financial strength, long-term deposits and short-term deposits were downgraded to D+, Baa1 and P-2 from C+, A2 and P-1, respectively. Regions off-balance sheet arrangements include facilities supporting VRDNs, including certain standby letters of credit and standby bond purchase agreements (also referred to as liquidity facilities). As of May 15, 2009, Regions VRDN portfolio included unfunded letters of credit of approximately $4.4 billion (net of participations) and unfunded liquidity facilities of approximately $0.3 billion. The downgrades of the short-term deposits increase the risk that the VRDNs will be subject to a failed remarketing, which would result in Regions funding up to $4.7 billion of which $4.4 billion would be classified as loans and $0.3 billion as available for sale securities. Also, as of May 15, 2009, Regions had excess balances in interest-bearing deposits in other banks of approximately $14 billion which would be more than sufficient to absorb such fundings. It is possible that the other ratings agencies rating our debt securities and the debt securities of Regions Bank will also downgrade such obligations.

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SELECTED FINANCIAL DATA

Set forth below are highlights from Regions consolidated financial data as of and for the years ended December 31, 2004 through 2008 and as of and for the quarters ended March 31, 2008 and 2009. You should read this information in conjunction with Regions consolidated financial statements and related notes included in the Annual Report on Form 10-K for the year ended December 31, 2008 and the Quarterly Report on Form 10-Q/A for the quarter ended March 31, 2009, which are incorporated by reference into this prospectus and from which this information is derived. For more information, see the section entitled Where You Can Find More Information .

	For Quarter Ended		For Year Ended				
	March 31, 2009	March 31, 2008	2008	2007	2006	2005	2004
	(In thousands, except per share data)						
EARNINGS SUMMARY							
Interest income	$ 1,378,868	$ 1,782,812	$ 6,563,390	$ 8,074,663	$ 5,649,118	$ 4,271,145	$ 2,918,405
Interest expense	570,034	765,327	2,720,434	3,676,297	2,340,816	1,489,756	842,651
Net interest income	808,834	1,017,485	3,842,956	4,398,366	3,308,302	2,781,389	2,075,754
Provision for loan losses	425,000	181,000	2,057,000	555,000	142,373	166,746	124,215
Net interest income after provision for loan losses	383,834	836,485	1,785,956	3,843,366	3,165,929	2,614,643	1,951,539
Non-interest income	1,066,274	908,137	3,073,231	2,855,835	2,029,720	1,686,820	1,484,230
Non-interest expense	1,057,689	1,250,098	10,791,614	4,660,351	3,204,028	2,942,895	2,315,548
Income (loss) before income taxes from continuing operations	392,419	494,524	(5,932,427)	2,038,850	1,991,621	1,358,568	1,120,221
Income tax expense (benefits)	315,325	157,814	(348,114)	645,687	619,100	395,861	330,478
Income (loss) from continuing operations	77,094	336,710	(5,584,313)	1,393,163	1,372,521	962,707	789,743
Income (loss) from discontinued operations before income taxes		(67)	(18,405)	(217,387)	(32,606)	63,527	55,361
Income tax expense (benefit)		(25)	(6,944)	(75,319)	(13,230)	25,690	21,339
Income (loss) from discontinued operations		(42)	(11,461)	(142,068)	(19,376)	37,837	34,022
Net income (loss)	$ 77,094	$ 336,668	$ (5,595,774)	$ 1,251,095	$ 1,353,145	$ 1,000,544	$ 823,765
Income (loss) from continuing operations available to common shareholders	$ 25,525	$ 336,710	$ (5,610,549)	$ 1,393,163	$ 1,372,521	$ 962,707	$ 783,723
Net income (loss) available to common shareholders	$ 25,525	$ 336,668	$ (5,622,010)	$ 1,251,095	$ 1,353,145	$ 1,000,544	$ 817,745
Earnings (loss) per common share from continuing operations basic	$ 0.04	$ 0.48	$ (8.07)	$ 1.97	$ 2.74	$ 2.09	$ 2.13
Earnings (loss) per common share from continuing operations diluted	0.04	0.48	(8.07)	1.95	2.71	2.07	2.10
Earnings (loss) per common share basic	0.04	0.48	(8.09)	1.77	2.70	2.17	2.22
Earnings (loss) per common share diluted	0.04	0.48	(8.09)	1.76	2.67	2.15	2.19

Return on average tangible common stockholders equity	1.43%	17.84%	(74.32)%	15.82%	22.86%	18.80%	18.97%
Return on average common stockholders equity	0.77	6.82	(28.81)	6.24	10.94	9.37	10.91
Return on average total assets	0.07	0.95	(3.90)	0.90	1.41	1.18	1.23

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	For Quarter Ended March 31, 2009	For Quarter Ended March 31, 2008	For Year Ended 2008	2007	2006	2005	2004
			(In thousands, except per share data)				
BALANCE SHEET SUMMARY							
At period end							
Loans, net of unearned income	$ 95,686,478	$ 96,385,431	$ 97,418,685	$ 95,378,847	$ 94,550,602	$ 58,404,913	$ 57,526,954
Assets	141,980,028	144,248,971	146,247,810	141,041,717	143,369,021	84,785,600	84,106,438
Deposits	93,536,063	89,187,409	90,903,890	94,774,968	101,227,969	60,378,367	58,667,023
Long-term debt	18,762,003	12,357,225	19,231,277	11,324,790	8,642,649	6,971,680	7,239,585
Stockholders equity	16,816,668	20,021,921	16,812,837	19,823,029	20,701,454	10,614,283	10,749,457
Average balances							
Loans, net of unearned income	96,648,295	95,718,586	97,601,272	94,372,061	64,765,653	58,002,167	44,667,472
Assets	143,563,448	141,875,180	143,947,025	138,756,619	95,800,277	85,096,467	66,838,148
Deposits	92,236,805	91,302,721	90,077,002	95,725,101	67,466,447	59,712,895	45,015,279
Long-term debt	18,957,960	11,653,966	13,509,689	9,697,823	6,855,601	7,175,075	6,519,193
Stockholders equity	16,710,479	19,843,914	19,939,407	20,036,459	12,368,632	10,677,831	7,548,207
SELECTED RATIOS							
Tangible common stockholders equity to tangible assets	5.41%	5.90%	5.23%	5.88%	6.53%	6.64%	6.86%
Allowance for loan losses as a percentage of loans, net of unearned income	1.94	1.43	1.87	1.39	1.12	1.34	1.31
Allowance for credit losses as a percentage of loans, net of unearned income	2.02	1.49	1.95	1.45	1.17	1.34	1.31
COMMON STOCK DATA							
Cash dividends declared per common share	$ 0.10	$ 0.38	$ 0.96	$ 1.46	$ 1.40	$ 1.36	$ 1.33
Stockholders common equity per share	19.43	28.82	19.53	28.58	28.36	23.26	23.06
Weighted-average number of common shares outstanding							
Basic	692,863	695,098	695,003	707,981	501,681	461,171	368,656
Diluted	694,165	695,548	695,003	712,743	506,989	466,183	373,732

Note: Periods prior to November 4, 2006 do not include the effect of Regions acquisition of AmSouth. Periods prior to July 1, 2004 do not include the effect of Regions acquisition of Union Planters Corporation.

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UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following selected unaudited pro forma financial information has been presented to give effect to and show the pro forma impact of the Mandatory Convertible Preferred Stock Offering, the Exchange Offer and the Common Stock Offering on our balance sheet as of March 31, 2009, as well as the impact of the Mandatory Convertible Preferred Stock Offering, the Exchange Offer and the Common Stock Offering on our earnings for the fiscal year ended December 31, 2008 and the three-month period ended March 31, 2009. Completion of the Common Stock Offering and the Mandatory Convertible Preferred Stock Offering are not conditions to the Exchange Offer and no assurance can be given that such transactions will be completed on the terms assumed for the purposes of this presentation of pro forma financial information or at all.

The unaudited pro forma financial information is presented for illustrative purposes only and does not necessarily indicate the financial position or results that would have been realized had the Mandatory Convertible Preferred Stock Offering, the Exchange Offer and the Common Stock Offering been completed as of the dates indicated or that will be realized in the future when and if the Mandatory Convertible Preferred Stock Offering, the Exchange Offer and the Common Stock Offering are consummated. The selected unaudited pro forma financial information has been derived from, and should be read in conjunction with, our summary historical consolidated financial information included elsewhere in this document and our historical consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2008 and our Quarterly Report on Form 10-Q/A for the quarter ended March 31, 2009 filed with the SEC, which are incorporated by reference into this prospectus.

Unaudited Pro Forma Balance Sheets

Our unaudited pro forma condensed consolidated balance sheets as of March 31, 2009 have been presented as if the Mandatory Convertible Preferred Stock Offering, the Exchange Offer and the Common Stock Offering had been completed on March 31, 2009. We have shown the pro forma impact of the Exchange Offer assuming the maximum amount of 110 million shares of common stock are exchanged for the $700 million aggregate liquidation amount of the Trust Preferred Securities. No assurance can be given that the level of participation in the Exchange Offer will result in the issuance of the maximum amount of shares. In the event that the level of participation does not result in the maximum amount of shares being issued, pro forma additional paid in capital and retained earnings would be reduced and pro forma total borrowed funds would be increased.

For purposes of these pro formas, we have assumed that the Common Stock Offering and the Mandatory Convertible Preferred Stock Offering are completed and the underwriters do not exercise their options to purchase additional shares. We have also assumed in calculating the dilutive impact of the Mandatory Convertible Preferred Stock Offering that the Average VWAP per share of our Common Stock is $8.86 for the 20 trading day period ended December 26, 2008 and $3.92 for the 20 trading day period ended March 27, 2009.

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REGIONS FINANCIAL CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

	As Reported March 31, 2009	Exchange Offer Adjustments (8)	Common Stock Offering Adjustments (8)	Mandatory Convertible Preferred Stock Offering Adjustments (8)	Pro Forma March 31, 2009
			(In millions)		
Assets					
Cash and due from banks	$ 2,429	$	$	$	$ 2,429
Interest-bearing deposits in other banks	2,288		1,538(6)	241(7)	4,067
Federal funds sold and securities purchased under agreements to resell	418				418
Trading account assets	1,348				1,348
Securities available for sale	20,970				20,970
Securities held to maturity	45				45
Loans held for sale	1,956				1,956
Loans, net of unearned income	95,686				95,686
Allowance for loan losses	(1,861)				(1,861)
Net loans	93,825				93,825
Other interest-earnings assets	849				849
Premises and equipment, net	2,808				2,808
Interest receivable	426				426
Goodwill	5,551				5,551
Mortgage servicing rights	161				161
Other identifiable intangible assets	603				603
Other assets	8,303				8,303
Total assets	$ 141,980	$	$ 1,538	$ 241	$ 143,759
Liabilities and Stockholders Equity					
Liabilities:					
Total deposits	$ 93,536	$	$	$	$ 93,536
Total borrowed funds	28,115	(700)(1)			27,415
Other liabilities	3,512	102 (2)			3,614
Total liabilities	125,163	(598)			124,565
Stockholders equity:					
Preferred stock	3,316			241(7)	3,557
Common stock	7	1(5)	4(6)		12
Additional paid-in capital	16,828	467(3)	1,534(6)		18,829
Retained earnings (deficit)	(1,913)	130(4)			(1,783)
Treasury stock, at cost	(1,415)				(1,415)
Accumulated other comprehensive (loss), net	(6)				(6)
Total stockholders equity	16,817	598	1,538	241	19,194
Total liabilities and stockholders equity	$ 141,980	$	$ 1,538	$ 241	$ 143,759
Total common shares outstanding	695	110(5)	400(6)		1,205

(1) Assumes Exchange Offer participation at a level resulting in the issuance of the maximum of 110 million shares at the exchange ratio of 70% of the liquidation amount of the Trust Preferred Securities resulting in an implied stock price of $4.45. Assuming the same exchange ratio of 70% and a stock price of $4.00 would result in extinguishment of 89.8% of the total issuance.
(2) Income taxes estimated upon exchange of the Trust Preferred Securities.
(3) Additional Paid In Capital (APIC) in respect of newly issued Common Stock.
(4) Represents the after tax gain given the assumptions in note (1) above.
(5) Assumes same exchange ratio in note (1).
(6) Assumes $1.6 billion in Common Stock is issued at $4.00 per share in the Common Stock Offering.
(7) Represents proceeds and classification of Mandatory Convertible Preferred Stock.
(8) Adjustments are reflected net of issuance costs.

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Unaudited Pro Forma Earnings Implications

The following presents the pro forma impact of the Mandatory Convertible Preferred Stock Offering, the Exchange Offer and the Common Stock Offering on certain statement of operations items and earnings per share (EPS) for the fiscal year ended December 31, 2008 and the three-month period ended March 31, 2009 as if the Mandatory Convertible Preferred Stock Offering, the Exchange Offer and the Common Stock Offering had been completed on January 1, 2008. Earnings are not affected on a pro forma basis by the Common Stock Offering although pro forma earnings per share calculations are affected by the additional shares of Common Stock assumed to be issued in the Common Stock Offering. No assurance can be given that the level of participation in the Exchange Offer will result in the issuance of the maximum amount of shares. In the event that the level of participation does not result in the maximum amount of shares being issued, pro forma non-interest expense would be higher, negatively affecting pro forma net income and pro forma earnings per share.

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REGIONS FINANCIAL CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended March 31, 2009				Twelve Months Ended December 31, 2008			
	As Reported	Exchange Offer Adjustments	Mandatory Convertible Preferred Stock Offering Adjustments	Pro Forma	As Reported	Exchange Offer Adjustments	Mandatory Convertible Preferred Stock Offering Adjustments	Pro Forma
	(In millions, except per share data)							
Net interest income	$ 809	$ 12(1)	$	$ 821	$ 3,843	$ 46(1)	$	$ 3,889
Provision for loan losses	425			425	2,057			2,057
Net interest income after provision for loan losses	384	12		396	1,786	46		1,832
Non-interest income	1,066			1,066	3,073			3,073
Non-interest expense	1,058	(210)(2)		848	10,792	(210)(2)		10,582
Income (loss) before income taxes from continuing operations	392	222		614	(5,933)	256		(5,677)
Income tax expense (benefit)	315	84		399	(348)	97		(251)
Income (loss) from continuing operations	$ 77	$ 138	$	$ 215	$ (5,585)	$ 159	$	$ (5,426)
Loss from discontinued operations					(11)			(11)
Net income (loss)	$ 77	$ 138	$	$ 215	$ (5,596)	$ 159	$	$ (5,437)
Income (loss) from continuing operations available to common shareholders	$ 26	$ 138	$ (6)(4)	$ 158	$ (5,611)	$ 159	$ (25)(4)	$ (5,477)
Net income available to common shareholders	$ 26	$ 138	$ (6)	$ 158	$ (5,622)	$ 159	$ (25)	$ (5,488)
Weighted-average number of shares outstanding:								
Basic	693	510(3)		1,203	695	510(3)		1,205
Diluted	694	510(3)	63(5)	1,267	695	510(3)	(6)	1,205
Earnings (loss) per common share from continuing operations:								
Basic	$ 0.04			$ 0.13	$ (8.07)			$ (4.55)
Diluted	0.04			0.13	(8.07)			(4.55)
Earnings (loss) per common share:								
Basic	$ 0.04			$ 0.13	$ (8.09)			$ (4.55)
Diluted	0.04			0.13	(8.09)			(4.55)

(1) Represents reduction of interest expense recognized during the respective period related to the Trust Preferred Securities issuance.

(2) Represents the gain on extinguishment of the Trust Preferred Securities issuance.

(3) Represents increased shares outstanding due to the $1.6 billion common equity issuance and the exchange of the Trust Preferred Securities at 70% of their liquidation amount.

(4) Represents preferred dividends at the rate of 10% on the Mandatory Convertible Preferred Stock.

(5) Calculated based on the conversion rate for the Mandatory Convertible Preferred Stock based on a Common Stock price of $4.00 per share, the price at which it is offered in the Common Stock Offering.

(6) Dilutive effect is not required due to the loss reported for 2008 and thus an antidilutive result. Had Regions reported income for the year ended December 31, 2008, the dilutive effect of the issuance of the Mandatory Convertible Preferred Stock would have been approximately 57 million shares, calculated based on the threshold appreciation price of $4.40.

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USE OF PROCEEDS

We will not receive any cash proceeds from the Exchange Offer.

CAPITALIZATION

The following table sets forth the carrying amount of our capitalization, as of March 31, 2009, on an actual basis and on the pro forma basis described in Unaudited Pro Forma Financial Information to reflect completion of: (i) the Exchange Offer, (ii) the Common Stock Offering and (iii) the Mandatory Convertible Preferred Stock Offering. These tables should be read in conjunction with the information set forth under Selected Financial Data and Unaudited Pro Forma Financial Information and our consolidated unaudited financial statements set forth in our Quarterly Report on Form 10-Q/A for the three months ended March 31, 2009, which are incorporated by reference into this document.

REGIONS FINANCIAL CORPORATION AND SUBSIDIARIES

CONDENSED CAPITALIZATION TABLE

	As of March 31, 2009				
	Actual	Exchange Offer Adjustments	Common Stock Offering Adjustments	Mandatory Convertible Preferred Stock Offering Adjustments	Pro Forma
	(In millions)				
Long-term debt:					
Senior Notes	$ 4,846	$	$	$	$ 4,846
Subordinated Notes	5,309	(700)			4,609
Federal Home Loan Bank structured advances	1,601				1,601
Other Federal Home Loan Bank advances	6,218				6,218
Other long-term debt	474				474
Valuation adjustments on hedged long-term debt	314				314
Total long-term debt	$ 18,762	$ (700)	$	$	$ 18,062
Stockholders equity					
Preferred stock	$ 3,316			$ 241	$ 3,557
Common stock	7	1	4		12
Additional paid-in capital	16,828	467	1,534		18,829
Retained earnings (deficit)	(1,913)	130			(1,783)
Treasury stock, at cost	(1,415)				(1,415)
Accumulated other comprehensive income (loss), net	(6)				(6)
Total stockholders equity	$ 16,817	$ 598	$ 1,538	$ 241	$ 19,194
Total long-term debt and stockholders equity	$ 35,579	$ (102)	$ 1,538	$ 241	$ 37,256

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THE EXCHANGE OFFER

Purpose of the Exchange Offer

In February 2009, the U.S. Treasury and the federal bank regulators announced that the 19 largest U.S. bank holding companies would be required to undergo a forward-looking capital assessment, or stress test, referred to as the SCAP. On April 24, 2009, the FRB published a white paper addressing the process and methodologies being employed by the federal banking supervisory agencies in the SCAP, and on May 6, 2009, the heads of the FRB, U.S. Treasury, the Office of the Comptroller of Currency and the FDIC issued a joint statement on the program. On May 7, 2009, the FRB publicly announced the results of the stress test for each of these 19 institutions, including us. Under a hypothetical more adverse scenario for a period through the end of 2010 for each of these institutions, the FRB projected losses and loss rates across select categories of loans; resources available to absorb those losses; and the resulting necessary additions to capital buffers. In addition to the requirement to be well-capitalized of maintaining a Tier 1 risk-based ratio of at least 6%, the SCAP resulted in the establishment of a target to establish an additional capital buffer sufficient to have a Tier 1 common risk-based ratio of at least 4% at the end of 2010, under a more adverse macroeconomic scenario than is currently anticipated. As of March 31, 2009, we had a Tier 1 risk-based ratio of 10.41% and a Tier 1 common risk-based ratio of 6.49%.

In connection with the completion of the SCAP, we have agreed with our regulators to establish an additional capital buffer by increasing our Tier 1 common equity by $2.5 billion, of which at least $400 million must be new Tier 1 equity, by November 9, 2009. We are refining the details of a comprehensive capital plan that we expect to submit to our regulators prior to the June 8, 2009 deadline established with respect to the SCAP. In addition to this Exchange Offer, as part of our plan to raise common equity, on May 20, 2009 we launched and priced (i) an underwritten public offering of $1.6 billion of our Common Stock (or $1.84 billion if the underwriters exercise their option to purchase additional Common Stock in full) and (ii) an underwritten public offering of $250 million of our Mandatory Convertible Preferred Stock (or $287.5 million if the underwriters exercise their option to purchase additional Mandatory Convertible Preferred Stock in full) and in connection with each offering filed prospectus supplements to our Prospectus dated May 11, 2007 on file with the SEC. The Mandatory Convertible Preferred Stock will convert into a variable number of shares of our Common Stock on December 15, 2010 unless earlier converted at our option or the option of the holder. The conversion rate will be variable and depends on the market price of our Common Stock over a period preceding the conversion date and will be subject to customary anti-dilution adjustments. The remaining capital required by SCAP is expected to be achieved through a combination of actions including (i) additional liability management actions including possible exchanges of equity for our and Regions Bank s $4.25 billion of outstanding subordinated debt and $345 million of additional trust preferred securities, (ii) sales of non-core assets and businesses, (iii) pre-provision earnings in excess of the amounts assumed under the SCAP analysis, (iv) a potential reduction in disallowed deferred tax assets as a result of increased Tier 1 capital levels, and (v) if necessary, the issuance of common equity and other Tier 1 Common qualifying instruments.

Terms of the Exchange Offer

General

We are offering to exchange up to 110,000,000 newly issued shares of our Common Stock for outstanding 6.625% Trust Preferred Securities issued by Regions Financing Trust II, on the terms and subject to the conditions set forth in this document and the Letter of Transmittal. You may exchange Trust Preferred Securities in the Exchange Offer only in integral multiples of the $1,000 liquidation amount of each Trust Preferred Security.

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Offer Consideration

For each $1,000 liquidation amount of Trust Preferred Securities we accept for exchange in accordance with the terms of the Exchange Offer, we will issue a number of shares of our Common Stock having a value (based on the Relevant Price) equal to $700. As used in this document:

Relevant Price is the greater of (i) the Average VWAP of our Common Stock during the last five trading days of the currently scheduled Exchange Offer period and (ii) the Minimum Share Price of $2.65 per share,

Average VWAP during a period means the simple arithmetic average of VWAP for each trading day during that period, and

VWAP for any day means the per share volume weighted average price of our Common Stock on that day as displayed under the heading Bloomberg VWAP on Bloomberg Page RF <equity> AQR (or its equivalent successor page if such page is not available) in respect of the period from the scheduled open of trading on the relevant trading day until the scheduled close of trading on the relevant trading day (or if such volume weighted average price is unavailable, the market price of one share of our Common Stock on such trading day determined, using a volume weighted average method, by a nationally recognized investment banking firm retained by us for this purpose).

Expressing this as a formula, for each $1,000 liquidation amount of Trust Preferred Securities we accept for exchange in accordance with the terms of the Exchange Offer, we will issue a number of shares of our Common Stock equal to $700 divided by the Relevant Price.

We refer to the number of shares of Common Stock we will issue for each $1,000 liquidation amount of Trust Preferred Securities we accept in the Exchange Offer as the exchange ratio, and we will round the exchange ratio to four decimal places.

As a result of the Minimum Share Price limitation, the maximum number of shares of Common Stock that we may issue under the Exchange Offer per $1,000 liquidation amount of Trust Preferred Securities is 264.1509.

Depending on the trading price of our Common Stock compared to the Relevant Price described above, the market value of the Common Stock we issue in exchange for each $1,000 liquidation amount of Trust Preferred Securities we accept for exchange may be less than, equal to or greater than the $700 value referred to above.

We will also pay cash for any accrued and unpaid distributions on any Trust Preferred Securities accepted in the Exchange Offer to, but excluding, the date of settlement of the Exchange Offer.

Throughout the Exchange Offer, indicative exchange ratios will be available at http://www.gbsc-usa.com/Regions and from the Information Agent at one of its numbers listed on the back cover page of this document. We will announce the final exchange ratio by 4:30 p.m., New York City time, on the date the Exchange Offer is currently scheduled to expire, and that final exchange ratio will also be available by that time at http://www.gbsc-usa.com/Regions and from the Information Agent.

The following summarizes the exchange ratio information that will be available during the Exchange Offer:

By 4:30 p.m., New York City time, on each trading day before the five trading day period referred to in the next bullet, the web page referred to above will show an indicative exchange ratio calculated using VWAP for that day and the preceding four trading days (as though that day were the expiration date of the Exchange Offer).

During the five trading day period ending on and including the currently scheduled expiration date, the web page will show indicative exchange ratios using cumulative actual trading data, updated every three hours starting at 10:30 a.m., New York City time. In particular:

On the first trading day of that five trading day period, indicative ratios will reflect actual Intra-day VWAP during the elapsed portion of that day.

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On each subsequent trading day during that five trading day period, indicative ratios will reflect the simple arithmetic average of VWAP on the preceding trading days in that five trading day period and actual Intra-day VWAP during the elapsed portion of that subsequent trading day, weighting VWAP for each preceding trading day in the period the same as such actual Intra-day VWAP. For example, on the last trading day of the five trading day period the simple arithmetic average will equal (a) the combined VWAP for the preceding four trading days plus the actual Intra-day VWAP during the elapsed portion of the last trading day divided by (b) five.

Intra-day VWAP at any time on any day means the volume weighted average price of our Common Stock on the New York Stock Exchange for the period beginning at the official open of trading on that day and ending as of that time on that day, as calculated by Bloomberg. The data used to derive the Intra-day VWAP during the last five trading days will reflect a 20-minute reporting delay.

We will announce the final exchange ratio by 4:30 p.m., New York City time, on the date the Exchange Offer is scheduled to expire, and that final exchange ratio will also be available by that time at http://www.gbsc-usa.com/Regions.

At any time during the Exchange Offer, you may also contact the Information Agent to obtain indicative exchange ratios (and, once it is determined, the final exchange ratio) at its toll-free number provided on the back cover page of this document.

Proration

In order to assure compliance with NYSE rules, we will issue no more than 110,000,000 shares of our Common Stock in the Exchange Offer. If, upon expiration of the Exchange Offer, holders of Trust Preferred Securities have validly tendered more Trust Preferred Securities than we are able to accept for exchange consistent with this limit, we will accept for exchange the maximum number of Trust Preferred Securities that we are able to accept consistent with this limit. In that case, we will select the Trust Preferred Securities that we accept on a pro rata basis (based on the number of Trust Preferred Securities validly tendered by each tendering holder as compared to the aggregate number of Trust Preferred Securities validly tendered by all tendering holders).

We will announce the proration factor by press release as promptly as practicable after the expiration date. Any Trust Preferred Securities not accepted for exchange in the Exchange Offer as a result of proration will be returned to the tendering holders promptly after the final proration factor is determined. The following table shows the percentage of tendered Trust Preferred Securities that will be accepted at various assumed levels for Average VWAP in two scenarios: (1) 60% of the Trust Preferred Securities tendered and (2) 100% of the Trust Preferred Securities tendered.

Assumed Average VWAP	Relevant Price	Exchange Ratio per $1,000 Liquidation Amount	% Accepted if 60% Tender	% Accepted if 100% Tender
$7.00	$7.00	100.0000	100%	100%
$6.50	$6.50	107.6923	100%	100%
$6.00	$6.00	116.6667	100%	100%
$5.50	$5.50	127.2727	100%	100%
$5.00	$5.00	140.0000	100%	100%
$4.50	$4.50	155.5556	100%	100%
$4.00	$4.00	175.0000	100%	90%
$3.50	$3.50	200.0000	100%	79%
$3.00	$3.00	233.3333	100%	67%
$2.50	$2.65	264.1509	100%	60%
$2.00	$2.65	264.1509	100%	60%
$1.50	$2.65	264.1509	100%	60%

For example, we will hit this limit and begin to prorate acceptances if Average VWAP is at or below $2.65 or 60% or more of the Trust Preferred Securities are tendered.

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Conditions of the Exchange Offer

We will not be required to accept for exchange, or to issue Common Stock in respect of, any Trust Preferred Securities tendered pursuant to the Exchange Offer, and we may terminate, extend or amend the Exchange Offer and may (subject to Rule 14e-1 under the Exchange Act), postpone the acceptance for exchange of, and issuance of Common Stock in respect of, any Trust Preferred Securities so tendered in the Exchange Offer, unless each of the following conditions are satisfied:

- there shall not have been any change or development that in our reasonable judgment materially reduces the anticipated benefits to us of the Exchange Offer or that has had, or could reasonably be expected to have, a material adverse effect on us, our businesses, condition (financial or otherwise) or prospects;
- there shall not have been instituted or threatened in writing any action, proceeding or investigation by or before any governmental authority, including any court, governmental, regulatory or administrative branch or agency, tribunal or instrumentality (including the FRB), that relates in any manner to the Exchange Offer and that in our reasonable judgment makes it advisable to us to terminate the Exchange Offer;
- there shall not have occurred:
  - any general suspension of or limitation on prices for trading in securities in the United States securities or financial markets;
  - any disruption in the trading of our Common Stock;
  - a declaration of a banking moratorium or any suspension of payments with respect to banks in the United States;
  - a commencement or significant worsening of a war or armed hostilities or other national or international calamity, including but not limited to, catastrophic terrorist attacks against the United States or its citizens;
- the registration statement of which this document forms a part shall have become effective, no stop order suspending its effectiveness shall have been issued, and no proceedings for that purpose shall have been instituted or shall be pending or, to our knowledge, shall be contemplated or threatened by the SEC.

We expressly reserve the right to amend or terminate the Exchange Offer and to reject for exchange any Trust Preferred Securities not previously accepted for exchange, of any of the conditions to the Exchange Offer specified above are not satisfied. In addition, we expressly reserve the right, at any time or at various times prior to the expiration date, to waive any conditions to the Exchange Offer, in whole or in part, except as to the requirement that the registration statement be declared effective, which condition we cannot waive. We will give oral or written notice (with any oral notice to be promptly confirmed in writing) of any amendment, non-acceptance, termination or waiver to the Exchange Agent as promptly as practicable, followed by a timely press release.

These conditions are for our sole benefit, and we may assert them regardless of the circumstances that may give rise to them, or waive them in whole or in part, at any or at various times prior to the expiration date in our sole discretion. If we fail at any time to exercise any of the foregoing rights, this failure will not constitute a waiver of such right. Each such right will be deemed an ongoing right that we may assert at any time or at various times prior to the expiration date.

Expiration Date; Extension; Termination; Amendment

The Exchange Offer will expire at 11:59 p.m., New York City time, on June 17, 2009, unless extended or earlier terminated by us.

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We reserve the right to extend the period of time that the Exchange Offer is open, and delay acceptance for exchange of the Trust Preferred Securities tendered in the Exchange Offer, by giving oral or written notice to the Exchange Agent and by a public announcement no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date. During any such extension, all Trust Preferred Securities you have previously tendered in the Exchange Offer will remain subject to the Exchange Offer and subject to your right to withdraw in accordance with the Exchange Offer.

If the Average VWAP in effect at the expiration of the currently scheduled Exchange Offer period is below the Minimum Share Price (so that the exchange ratio will be based on the Minimum Share Price rather than Average VWAP), we will, if the conditions to the Exchange Offer are otherwise satisfied or waived by us, extend the Exchange Offer until 11:59 p.m., New York City time, on the second trading day following the original expiration date to permit holders to tender or withdraw their Trust Preferred Securities during those days. Any changes in the prices of the Common Stock on those additional days of the Exchange Offer will not, however, affect the exchange ratio.

We reserve the right, regardless of whether or not the conditions to the Exchange Offer have been satisfied but subject to applicable law, to terminate the Exchange Offer prior to the time it expires or to amend it in any respect. If we terminate or amend the Exchange Offer, we will notify the Exchange Agent by oral or written notice and will issue a timely public announcement regarding the termination or amendment. Upon termination of the Exchange Offer for any reason, any Trust Preferred Securities previously tendered in the Exchange Offer will be promptly returned to the tendering holders.

If we make a material change in the terms of the Exchange Offer or the information concerning the Exchange Offer, or waive a material condition of the Exchange Offer, we will promptly disseminate disclosure regarding the change or waiver, and extend the Exchange Offer, if required by law, so that the Exchange Offer remains open a minimum of five business days from the date we disseminate that disclosure.

If we make a change in Minimum Share Price or the manner of calculating the exchange ratios, we will promptly disseminate disclosure regarding the change and extend the Exchange Offer, if required by law, so that the Exchange Offer remains open a minimum of ten business days from the date we disseminate that disclosure.

Fractional Shares

We will not issue fractional shares of our Common Stock in the Exchange Offer. Instead, the number of shares of our Common Stock you receive in the Exchange Offer will be rounded up or down to the nearest whole number, with any fractional share of 0.5 or greater being rounded up and any fractional share of less than 0.5 being rounded down.

Procedures for Tendering Trust Preferred Securities

All of the Trust Preferred Securities were issued in book-entry form, and all of the Trust Preferred Securities are currently represented by one or more global certificates held for the account of DTC. If you desire to tender Trust Preferred Securities, you may tender such Trust Preferred Securities to the Exchange Agent through DTC s Automated Tender Offer Program or by submitting a signed Letter of Transmittal, together with a confirmation of book-entry transfer of the Trust Preferred Securities and any other required documents, in either case by following the procedures set forth below.

How to Tender If You Are a Beneficial Owner but Not a DTC Participant

Any beneficial owner whose Trust Preferred Securities are held of record by a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender Trust Preferred Securities should contact such nominee promptly and instruct such entity to tender Trust Preferred Securities on such beneficial owner s behalf.

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If you hold your Trust Preferred Securities through a broker, dealer, commercial bank, trust company or other nominee, you should keep in mind that such entity may require you to take action with respect to the Exchange Offer a number of days before the expiration date in order for such entity to tender Trust Preferred Securities on your behalf on or prior to the expiration date.

How to Tender If You Are a DTC Participant

To participate in the offer, a DTC participant must:

- comply with the ATOP procedures of DTC described below; or
- (i) complete and sign and date the Letter of Transmittal, or a facsimile of the Letter of Transmittal; (ii) have the signature on the Letter of Transmittal guaranteed if the Letter of Transmittal so requires; and (iii) mail or deliver the Letter of Transmittal or facsimile thereof to the Exchange Agent prior to the expiration date.

In addition, either:

- the Exchange Agent must receive, prior to the expiration date, a properly transmitted Agent s Message; or
- the Exchange Agent must receive, prior to the expiration date, a timely confirmation of book-entry transfer of such Securities into the Exchange Agent s account at DTC according to the procedure for book-entry transfer described below, the Letter of Transmittal and any other documents required by the Letter of Transmittal.

Tenders of Trust Preferred Securities pursuant to the procedures described above, and acceptance thereof by us, will constitute a binding agreement between the tendering holder and us upon the terms and subject to the conditions of the Exchange Offer, which agreement will be governed by the laws of the State of New York.

No documents should be sent to us, the Dealer Managers or the Information Agent. Delivery of a Letter of Transmittal or an Agent s Message transmitted through ATOP is at the election and risk of the person delivering or transmitting, and delivery will be deemed made only when actually received by the Exchange Agent.

By tendering Trust Preferred Securities pursuant to the Exchange Offer, you will be deemed to have agreed that the delivery and surrender of the Trust Preferred Securities is not effective, and the risk of loss of the Trust Preferred Securities does not pass to the Exchange Agent, until receipt by the Exchange Agent of the items listed above together with all accompanying evidences of authority and any other required documents in form satisfactory to us. In all cases, you should allow sufficient time to assure delivery to the Exchange Agent on or prior to the expiration date.

By tendering Trust Preferred Securities pursuant to the Exchange Offer, you will be deemed to have made the representations and warranties set forth in the Letter of Transmittal, including that you have full power and authority to tender, sell, assign and transfer the Trust Preferred Securities tendered thereby and that when such Trust Preferred Securities are accepted for exchange by us, we will acquire good title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim or right. You will also be deemed to have agreed to, upon request, execute and deliver any additional documents deemed by the Exchange Agent or by us to be necessary or desirable to complete the sale, assignment and transfer of the Trust Preferred Securities tendered thereby.

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We have not provided guaranteed delivery provisions in connection with the Exchange Offer. You must tender your Trust Preferred Securities in accordance with the procedures set forth herein.

Tendering through DTC s ATOP

The Exchange Agent will establish an account at DTC with respect to the Trust Preferred Securities for purposes of the Exchange Offer, and any financial institution that is a DTC participant may make book-entry delivery of eligible Trust Preferred Securities by causing DTC to transfer such Trust Preferred Securities into the Exchange Agent s account in accordance with DTC s procedures for such transfer.

The Exchange Agent and DTC have confirmed that Trust Preferred Securities held in book-entry form through DTC that are to be tendered in the Exchange Offer are eligible for ATOP. To effectively tender Trust Preferred Securities eligible for ATOP that are held through DTC, DTC participants may, in lieu of physically completing and signing the Letter of Transmittal and delivering it to the Exchange Agent, electronically transmit their acceptance through ATOP, and DTC will then verify the acceptance, execute a book-entry delivery to the Exchange Agent s account at DTC and send an Agent s Message to the Exchange Agent for its acceptance. The confirmation of a book-entry transfer into the Exchange Agent s account at DTC as described above is referred to herein as a Book-Entry Confirmation. Delivery of documents to DTC does not constitute delivery to the Exchange Agent.

The term Agent s Message means a message transmitted by DTC to, and received by, the Exchange Agent and forming a part of the Book-Entry Confirmation, which states that DTC has received an express acknowledgment from the DTC participant described in such Agent s Message, stating that such participant has received and agrees to be bound by the terms and conditions of the Exchange Offer as set forth in this prospectus and the Letter of Transmittal, and that we may enforce such agreement against such participant.

If you desire to tender your Trust Preferred Securities on the expiration date through ATOP, you should note that you must allow sufficient time for completion of the ATOP procedures during the normal business hours of DTC on such date.

Signature Guarantees

All signatures on a Letter of Transmittal or a notice of withdrawal, as the case may be, must be guaranteed by a recognized participant in the Securities Transfer Agents Medallion Program, the NYSE Medallion Signature Program or the Stock Exchange Medallion Program (each, a Medallion Signature Guarantor) unless the Trust Preferred Securities tendered or withdrawn, as the case may be, pursuant thereto are tendered (1) by the DTC participant whose name appears on a security position listing as the owner of Trust Preferred Securities who has not completed the box entitled Special Payment Instructions or Special Delivery Instructions on the Letter of Transmittal or (2) for the account of a member firm of a registered national securities exchange, a member of Financial Industry Regulatory Authority, Inc. or a commercial bank, trust company or other nominee having an office or correspondent in the United States. If Trust Preferred Securities are registered in the name of a person other than the signer of a Letter of Transmittal or a notice of withdrawal, as the case may be, or if delivery of the Common Stock is to be made or tendered Trust Preferred Securities that are not accepted are to be returned to a person other than the holder, then the signature on the Letter of Transmittal accompanying the tendered Trust Preferred Securities must be guaranteed by a Medallion Signature Guarantor as described above.

Determination of Validity

All questions as to the form of all documents and the validity (including time of receipt) and acceptance of tenders and withdrawals of Trust Preferred Securities will be determined by us, in our sole discretion, which determination shall be final and binding. Alternative, conditional or contingent tenders will not be considered valid. We reserve the absolute right to reject any or all tenders of Trust Preferred Securities that are not in proper form or the acceptance of which would, in our opinion, be unlawful. We also reserve the right to waive any

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defects, irregularities or conditions of tender as to particular Trust Preferred Securities. A waiver of any defect or irregularity with respect to the tender of one Trust Preferred Security shall not constitute a waiver of the same or any other defect or irregularity with respect to the tender of any other Trust Preferred Securities except to the extent we may otherwise so provide. Our interpretations of the terms and conditions of the Exchange Offer will be final and binding. Tenders of Trust Preferred Securities shall not be deemed to have been made until any defects or irregularities have been waived by us or cured. None of us, the trustee, the Exchange Agent, the Dealer Managers, the Information Agent or any other person will be under any duty to give notice of any defects or irregularities in tenders of Trust Preferred Securities, or will incur any liability to you for failure to give any such notice.

Compliance with Short Tendering Rule

It is a violation of Rule 14e-4 under the Exchange Act for a person, directly or indirectly, to tender Trust Preferred Securities for such person s own account unless the person so tendering (a) has a net long position equal to or greater than the aggregate principal amount of the Trust Preferred Securities being tendered and (b) will cause such Trust Preferred Securities to be delivered in accordance with the terms of the Exchange Offer. Rule 14e-4 provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person.

A tender of Trust Preferred Securities in response to the Exchange Offer under any of the procedures described above will constitute a binding agreement between the tendering holder and us with respect to the Exchange Offer upon the terms and subject to the conditions of the Exchange Offer, including the tendering holder s acceptance of the terms and conditions of the Exchange Offer, as well as the tendering holder s representation and warranty that (a) such holder has a net long position in the Trust Preferred Securities being tendered pursuant to the Exchange Offer within the meaning of Rule 14e-4 under the Exchange Act and (b) the tender of such Trust Preferred Securities complies with Rule 14e-4.

Acceptance of Trust Preferred Securities for Purchase; Delivery of Common Stock

Upon the terms and subject to the conditions of the Exchange Offer, and subject to the proration as described above, we will accept for exchange, and promptly deliver the Common Stock in exchange for, validly tendered Trust Preferred Securities that were not validly withdrawn pursuant to the Exchange Offer. Valid tenders of the Trust Preferred Securities pursuant to the Exchange Offer will be accepted only in liquidation amounts of $1,000 or integral multiples thereof.

For purposes of the Exchange Offer, we will be deemed to have accepted Trust Preferred Securities for exchange if, as and when we give oral (promptly confirmed in writing) or written notice thereof