

REGIONS FINANCIAL CORP  
Form 11-K  
June 29, 2011  
Table of Contents

# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF  
1934

For the Fiscal Year Ended December 31, 2010

or

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

For the Transition Period From \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 000-50831

**Regions Financial Corporation 401(k) Plan**

**Regions Center**

**1900 Fifth Avenue North**

**Birmingham, Alabama 35203**

Edgar Filing: REGIONS FINANCIAL CORP - Form 11-K

(Full title of plan and the address of plan)

**Regions Financial Corporation**

**Regions Center**

**1900 Fifth Avenue North**

**Birmingham, Alabama 35203**

(Name of issuer of the securities held pursuant to the plan and the address of its principal executive office)

**Table of Contents**

FINANCIAL STATEMENTS AND

SUPPLEMENTAL SCHEDULE

(MODIFIED CASH BASIS)

Regions Financial Corporation 401(k) Plan

For the Years Ended December 31, 2010 and 2009

With Report of Independent Registered Public Accounting Firm

**Table of Contents**

Regions Financial Corporation 401(k) Plan  
Financial Statements and Supplemental Schedule  
(Modified Cash Basis)  
For the Years Ended December 31, 2010 and 2009

**Contents**

<u>Report of Independent Registered Public Accounting Firm</u>	1
Financial Statements	
<u>Statements of Net Assets Available for Benefits (Modified Cash Basis)</u>	2
<u>Statements of Changes in Net Assets Available for Benefits (Modified Cash Basis)</u>	3
<u>Notes to Financial Statements</u>	4
<u>Supplemental Schedule</u>	
<u>Schedule H, Line 4i Schedule of Assets (Held at End of Year) (Modified Cash Basis)</u>	17

**Table of Contents**

Report of Independent Registered Public Accounting Firm

The Benefits Management Committee

Regions Financial Corporation 401(k) Plan

We have audited the accompanying statements of net assets available for benefits (modified cash basis) of the Regions Financial Corporation 401(k) Plan as of December 31, 2010 and 2009, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 2, the financial statements and supplemental schedule have been prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2010 and 2009, and the changes in its net assets available for benefits (modified cash basis) for the years then ended, on the basis of accounting as described in Note 2.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule (modified cash basis) of assets (held at end of year) as of December 31, 2010, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

Birmingham, Alabama

June 29, 2011

**Table of Contents**

Regions Financial Corporation 401(k) Plan

Statements of Net Assets Available for Benefits

(Modified Cash Basis)

	December 31	
	2010	2009
<b>Assets</b>		
Investments, at fair value	<b>\$ 900,977,912</b>	\$ 774,000,514
Dividends receivable	<b>278,099</b>	242,046
Notes receivable from participants	<b>14,411,639</b>	12,417,709
<b>Net assets reflecting investments, at fair value</b>	<b>915,667,650</b>	786,660,269
Adjustment from fair value to contract value for interest in collective trust relating to fully benefit responsive investment contracts	<b>(5,791,517)</b>	(5,333,976)
<b>Net assets available for benefits</b>	<b>\$ 909,876,133</b>	\$ 781,326,293

*See accompanying notes.*

**Table of Contents**

## Regions Financial Corporation 401(k) Plan

## Statements of Changes in Net Assets Available for Benefits

(Modified Cash Basis)

	Year Ended December 31	
	2010	2009
<b>Additions</b>		
Contributions from employer	\$ 40,256,223	\$ 17,443,109
Contributions from participants	58,113,466	58,447,157
Rollovers and transfers	2,806,904	1,583,487
Dividend and interest income	18,042,065	18,493,403
Net appreciation in fair value of investments	95,908,953	57,622,245
<b>Total additions</b>	<b>215,127,611</b>	<b>153,589,401</b>
<b>Deductions</b>		
Payments to participants	85,760,348	70,940,593
Administrative expenses	817,423	1,105,263
<b>Total deductions</b>	<b>86,577,771</b>	<b>72,045,856</b>
Net increase	128,549,840	81,543,545
Net assets available for benefits:		
Beginning of year	781,326,293	699,782,748
End of year	\$ 909,876,133	\$ 781,326,293

*See accompanying notes.*

**Table of Contents**

Regions Financial Corporation 401(k) Plan

Notes to Financial Statements

December 31, 2010

**1. Description of the Plan**

The following description of the Regions Financial Corporation 401(k) Plan (the Plan) provides only general information about the Plan's provisions. Regions Financial Corporation (the Company) is the Plan sponsor and the Benefits Management Committee is the Plan administrator. Participants should refer to the Plan document and the summary plan description for a more complete description of the Plan's provisions, copies of which may be obtained from the Plan sponsor.

**General**

The Plan is a defined contribution plan covering certain employees of the Company and affiliates. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Effective April 1, 2008, the Regions Financial Corporation 401(k) Plan was merged into the Regions Financial Corporation AmSouth Bancorporation Thrift Plan, which was renamed the Regions Financial Corporation 401(k) Plan.

**Contributions**

Each year, participants may contribute up to a total of 80 percent of pre-tax and/or after-tax eligible compensation, as defined in the Plan document, subject to IRS limitations. Participants may also rollover amounts representing distributions from other defined contribution plans. All employees who are eligible to make elective deferrals and who have attained age 50 before the close of the Plan year are eligible to make catch-up contributions. The Company first matches dollar for dollar on the participants' pre-tax contributions and then 50 percent of after-tax contributions, up to 6 percent of total compensation. One year of service is required to be eligible for the Company match.

In accordance with the provisions of the Plan, the Benefits Management Committee elected to amend the Plan by including 50 percent of salary stock and 50 percent of TARP restricted stock in compensation for purposes of determining the 6 percent limit on matching contributions, effective on and for the year ending December 31, 2010 and later years for participants actively employed on or after December 31, 2010.

**Table of Contents**

Regions Financial Corporation 401(k) Plan

Notes to Financial Statements (continued)

**1. Description of the Plan (continued)**

During 2009 and in accordance with the provisions of the Plan, the Benefits Management Committee elected to amend the Plan, temporarily suspending employer matching contributions effective with the pay period beginning April 1, 2009. Effective with the pay period beginning January 1, 2010, and in accordance with the provisions of the Plan, the Benefits Management Committee elected to amend the Plan to restore employer matching contributions.

Upon enrollment, a participant may direct employee contributions in 1 percent increments to any of the Plan's fund options. Participants may change their investment options at any time.

Company contributions are initially invested in the Regions Stock Fund and can be redirected by the participants at any time at their discretion.

**Participant Accounts**

Each participant account is credited with the participant's contributions and allocations of (a) the Company's contributions and (b) Plan earnings or losses, and is charged with an allocation of recordkeeping expenses. Allocations are based on participant earnings or account balances, as defined in the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account except for recordkeeping expenses (if any) which are charged per participant account. The Plan has an employee stock ownership plan component that allows participants to elect to receive a cash distribution of all of the dividends payable on the shares of Regions Financial Corporation stock allocated to the participants' stock accounts as of the record date. There are no non-participant directed investments within the Plan.

**Eligibility and Vesting**

All employees other than seasonal or leased employees are eligible to participate in the Plan. Generally, participants are immediately vested in their contributions, the Company matching contributions and the earnings thereon.

**Participant Loans**

For loans made prior to April 1, 2008 in the legacy Regions Financial Corporation 401(k) Plan, participants may borrow from their fund accounts a minimum of \$500 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. Loan transactions are treated

**Table of Contents**

Regions Financial Corporation 401(k) Plan

Notes to Financial Statements (continued)

**1. Description of the Plan (continued)**

as a transfer from (to) the investment fund to (from) the loan fund. Loan terms range from 2-5 years or up to 30 years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates. Principal and interest are paid ratably through semi-weekly payroll deductions.

Effective April 1, 2008, participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of 50 percent of eligible employee contributions or \$50,000 reduced by the highest outstanding loan balance during the prior twelve-month period. Eligible employee contributions are pre-tax employee contributions, after-tax employee contributions, rollover contributions and qualified non-elective contributions. Loan transactions are treated as a transfer from (to) the investment fund to (from) the loan fund. All loans must be repaid within 5 years. A participant may not have more than one loan outstanding at any point in time. The loans are secured by the balance in the participant's account and bear a fixed interest rate of 1 percent above the prime rate, as quoted in *The Wall Street Journal*. Principal and interest are paid ratably through semi-weekly payroll deductions. Upon termination of employment, a participant may have a grace period of 60 days from date of termination to repay the outstanding loan amount. If the loan is not repaid after 60 days it will automatically be treated as a distribution to the participant.

**Payment of Benefits**

Upon termination of service, death, disability or retirement, a participant (or his/her beneficiaries) may receive a lump sum amount equal to the vested value of his or her account, or an annual withdrawal. If your vested account balance is \$1,000 or less, it will be paid in the form a lump sum only. There were no benefit payments requested, approved and processed for payment but not yet disbursed as of December 31, 2010 and 2009, respectively.

In-service withdrawals are available in certain limited circumstances, as defined by the Plan document. Hardship withdrawals are allowed for participants incurring an immediate and heavy financial need, as defined by the Plan document. Hardship withdrawals are strictly regulated by the Internal Revenue Service and a participant must exhaust all available loan options and available distributions prior to requesting a hardship withdrawal.

**Table of Contents**

Regions Financial Corporation 401(k) Plan

Notes to Financial Statements (continued)

**1. Description of the Plan (continued)**

**Administrative Expenses**

The Plan's administrative expenses are paid by either the Plan or the Company, as provided by the Plan's provisions. The Company pays for all legal, accounting and other services on behalf of the Plan, other than recordkeeping fees which are paid for by the Plan. Expenses relating to purchases, sales or transfers of the Plan's investments, if any, are charged to the particular investment fund to which the expenses relate.

**Plan Termination**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, non-vested participants become 100 percent vested in their accounts.

**2. Summary of Significant Accounting Policies**

**Basis of Presentation**

The financial statements of the Plan have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. The modified cash basis of accounting is an acceptable alternative method of reporting under regulations issued by the Department of Labor. Income on securities is recorded on the accrual basis and investments are recorded at fair value as stated below. All other transactions are recorded on the cash basis.

**Reclassifications**

Certain prior year amounts in the statement of net assets available for benefits have been reclassified to conform to the current year presentation.

**Payment of Benefits**

Benefits are recorded when paid.

**Notes Receivable from Participants**

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2010 or 2009. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded.

**Table of Contents**

Regions Financial Corporation 401(k) Plan

Notes to Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

**Investment Valuation and Income Recognition**

The Plan's investments are stated at fair value. See Note 4, Fair Value of Financial Instruments, for further discussion and disclosures related to fair value measurements. The shares of mutual funds and common stock in the Regions Stock Fund are valued at quoted market prices in an active market on the last business day of the plan year. The Regions Stock Fund may also hold cash or other short-term securities, although these are expected to be a small percentage of the fund. The Company has implemented a dividend pass through election for its participants.

The collective investment trust fund of the Plan consists of the Regions Stable Principal Fund which distributes income in the form of units, and provides a constant unit redemption value. Regions Stable Principal Fund invests in fully benefit-responsive investment contracts. These investment contracts are presented at fair value; however, an adjustment is reflected in the statements of net assets available for benefits to present these investments at contract value. Contract value is the relevant measurement attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The contract value represents contributions plus earnings, less participant withdrawals and administrative expenses.

In accordance with Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, assets and liabilities measured at fair value are categorized into the following fair value hierarchy:

Level 1 Fair value is based on unadjusted quoted prices for identical assets or liabilities in an active market that the Plan has the ability to access at the measurement date.

Level 2 Fair value is based on quoted prices in markets that are not active, quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

**Table of Contents**

Regions Financial Corporation 401(k) Plan

Notes to Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

Level 3 Fair value is based on prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable. These inputs reflect management's judgment about the assumptions that a market participant would use in pricing the investment and are based on the best available information, some of which may be internally developed.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

**Recent Accounting Pronouncements**

In January 2010, the FASB issued Accounting Standards Update 2010-06, *Improving Disclosures about Fair Value Measurements*, (ASU 2010-06). ASU 2010-06 amended ASC 820 to clarify certain existing fair value disclosures and require a number of additional disclosures. The guidance in ASU 2010-06 clarified that disclosures should be presented separately for each class of assets and liabilities measured at fair value and provided guidance on how to determine the appropriate classes of assets and liabilities to be presented. ASU 2010-06 also clarified the requirement for entities to disclose information about both the valuation techniques and inputs used in estimating Level 2 and Level 3 fair value measurements. In addition, ASU 2010-06 introduced new requirements to disclose the amounts (on a gross basis) and reasons for any significant transfers between Levels 1, 2, and 3 of the fair value hierarchy and present information regarding the purchases, sales, issuances and settlements of Level 3 assets and liabilities on a gross basis. With the exception of the requirement to present changes in Level 3 measurements on a gross basis, which is delayed until 2011, the guidance in ASU 2010-06 is effective for reporting periods beginning after December 14, 2009. Since ASU 2010-06 only affects fair value measurement disclosures, adoption of ASU 2010-06 did not have an affect on the Plan's net assets available for benefits or its changes in net assets available for benefits.

In September 2010, the FASB issued Accounting Standards Update 2010-25, *Reporting Loans to Participants by Defined Contribution Pension Plans*, (ASU 2010-25). ASU 2010-25 requires participant loans to be measured at their unpaid principal balance plus any accrued but unpaid interest and classified as notes receivable from participants. Previously loans were measured at fair value and classified as investments. ASU 2010-25 is effective for fiscal years ending after December 15, 2010 and is required to be applied retrospectively. Adoption of ASU 2010-25 did not change the value of participant loans from the amount previously reported as of December 31, 2009. Participant loans have been reclassified from investments to notes receivable from participants as of December 31, 2009.

In May 2011, the FASB issued Accounting Standards Update 2011-04 *Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRS* (ASU 2011-04). ASU 2011-04 amends ASC 820 to clarify how to measure and disclose fair value and converge fair value measurement and disclosure guidance in U.S. GAAP with the guidance in the IASB's concurrently issued IFRS 13, *Fair Value Measurement*. ASU 2011-04 is effective prospectively for interim and annual periods beginning after December 15, 2011, the impact of which is not expected to have a material impact to the Plan's net assets available for benefits or its changes in net assets available for benefits.

**Table of Contents**

Regions Financial Corporation 401(k) Plan

Notes to Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

**Use of Estimates**

The preparation of the financial statements in conformity with the basis of accounting described above requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes and supplemental schedule. Actual results could differ from those estimates.

**Risks and Uncertainties**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market volatility and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

**Legal Contingencies**

The Plan is subject to litigation and claims arising during the ordinary course of business and Plan activities. The Plan evaluates these contingencies based on information currently available, including advice of counsel and assessment of available insurance coverage. Although it is not possible to predict the ultimate resolution with respect to these litigation contingencies, management is currently of the opinion that the outcome of pending and threatened litigation would not have a material effect on the Plan's statement of net assets available for benefits or its changes in net assets available for benefits. In pending litigation, the costs of defense are not being borne by the Plan and therefore are not expected to impact the Plan's net assets.

**Table of Contents**

Regions Financial Corporation 401(k) Plan

Notes to Financial Statements (continued)

**3. Investments**

During 2010 and 2009, the Plan's investments (including investments purchased, sold, and held during the year) appreciated/(depreciated) in fair value as follows:

	Net Change in Fair Value of Investments Year Ended December 31	
	2010	2009
Regions Stock Fund	\$ 42,124,975	\$ (37,292,158)
Mutual Funds	53,783,978	94,914,403
<b>Total</b>	<b>\$ 95,908,953</b>	<b>\$ 57,622,245</b>

Individual investments that represent 5 percent or more of the Plan's net assets available for benefits are as follows:

	December 31	
	2010	2009
Regions Stable Principal Fund (at contract value)*	\$ 159,680,390	\$ 162,930,258
Regions Stock Fund	197,861,808	129,428,724
Pioneer Classic Balanced Fund	119,578,318	117,822,751
Pioneer Growth Fund	(a)	53,229,795
Pioneer Fundamental Growth Fund	55,755,807	(a)
Dodge & Cox International Stock Fund	49,998,729	44,641,564
Dreyfus Boston Small/Mid Cap Growth Fund	59,306,723	54,507,848

(a) Represents less than 5 percent of the Plan's net assets available for benefits. During 2010, the shares of the Pioneer Growth Fund were merged into the Pioneer Fundamental Growth Fund with no change in asset value.

\* The fair value of the Plan's investment in the Regions Stable Principal Fund was \$165,471,907 and \$168,264,234 at December 31, 2010 and 2009, respectively.

**Table of Contents**

Regions Financial Corporation 401(k) Plan

Notes to Financial Statements (continued)

**4. Fair Value of Financial Instruments**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1 Unadjusted quoted prices in active markets that are accessible to the reporting entity at the measurement date for identical assets and liabilities.

Level 2 Quoted prices in markets that are not active, quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 Unobservable inputs for the asset or liability (i.e., supported by little or no market activity). Level 3 inputs include management's assessment about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level input that is significant to the fair value measure in its entirety.

Following is a description of the valuation methodologies used for major categories of assets measured at fair value by the Plan.

*Stock Fund and Mutual Funds:* The Plan uses quoted market prices of identical assets on active exchanges, or Level 1 measurements.

*Collective Investment Trust Fund:* The collective investment trust fund (CIT) in the Plan consists of the Regions Stable Principal Fund. The fair value of the Regions Stable Principal Fund is calculated based on the pro-rata share of the CIT's total fair value. The CIT's total fair value is based on the fair value of the underlying securities using the custodian's valuation, or Level 2 measurements.

**Table of Contents**

Regions Financial Corporation 401(k) Plan

Notes to Financial Statements (continued)

**4. Fair Value of Financial Instruments (continued)**

The following table presents investments measured at fair value on a recurring basis as of December 31, 2010:

	Level 1	Level 2	Level 3	Fair Value
Collective investment trust fund <sup>(a)</sup>	\$	\$ 165,471,907	\$	\$ 165,471,907
Regions stock fund	197,861,808			197,861,808
Mutual funds <sup>(b)</sup>	537,644,197			537,644,197
Total investments at fair value	\$ 735,506,005	\$ 165,471,907	\$	\$ 900,977,912

The following table presents investments measured at fair value on a recurring basis as of December 31, 2009:

	Level 1	Level 2	Level 3	Fair Value
Collective investment trust fund <sup>(a)</sup>	\$	\$ 168,264,234	\$	\$ 168,264,234
Regions common stock fund	129,428,724			129,428,724
Mutual funds <sup>(b)</sup>	476,307,556			476,307,556
Total investments at fair value	\$ 605,736,280	\$ 168,264,234	\$	\$ 774,000,514

<sup>(a)</sup> This category includes a Stable Principal Fund that is designed to deliver safety and stability by preserving principal and accumulating earnings. This fund is primarily invested in synthetic investment contracts. In the event withdrawals from the Stable Principal Fund exceed readily available cash, Plan Sponsor withdrawals will be paid within twelve months and participant withdrawals will be paid within six months. The fair value of this fund has been estimated based on the fair value of the underlying investment contracts in the fund, and differs from the contract value. As previously discussed in Note 2, contract value is the relevant measurement attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan.

<sup>(b)</sup> This category includes mutual fund investment alternatives to meet the needs of the participants and allows for diversification based on risk and target distribution dates. Investment alternatives include equity, bond and blended fund options that invest in both domestic and international investments and are valued at Level 1 measurements. See Supplemental Schedule included herein for Schedule of Assets at December 31, 2010.

Assets in all levels could result in volatile and material price fluctuations.

**Table of Contents**

Regions Financial Corporation 401(k) Plan

Notes to Financial Statements (continued)

**5. Related Party Transactions**

Regions Bank (an affiliate of the Company) dba Regions Morgan Keegan Trust (RMKT) serves as directed trustee of the Plan. Participants can direct how their contributions are invested within the Plan. During the years ended December 31, 2010 and 2009, a substantial amount of the investment transactions were with the Regions Collective Investment Trust Stable Principal Fund (an affiliate of the Company) and the Regions Stock Fund (an affiliate of the Company). These transactions qualify as party-in-interest transactions; however, they are exempt from the prohibited transactions rules under ERISA. During 2010 and 2009, the Plan received \$5,873,979 and \$4,554,678, respectively, in common stock dividends from the Company.

**6. Tax Status**

The Plan has received a determination letter from the Internal Revenue Service dated March 2, 2010 stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the Internal Revenue Service, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualified status. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and therefore believes that the Plan, as amended and restated, is qualified and the related trust is tax-exempt.

Accounting principles generally accepted in the United States require plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010, there were no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2007.

**Table of Contents**

Regions Financial Corporation 401(k) Plan

Notes to Financial Statements (continued)

**7. Differences Between Financial Statements and Form 5500**

The following is a reconciliation of benefits paid to participants per the financial statements to the Form 5500:

	<b>Year Ended December 31</b>	
	<b>2010</b>	<b>2009</b>
Benefits paid to participants per the financial statements	<b>\$ 85,760,348</b>	\$ 70,940,593
Less: Amounts allocated on Form 5500 to withdrawn participants at December 31, 2009		(9,764)
<b>Benefits paid to participants per the Form 5500</b>	<b>\$ 85,760,348</b>	<b>\$ 70,930,829</b>

Amounts allocated to withdrawn participants are recorded on the Form 5500 for benefit payments that have been requested, approved and processed for payment, but not yet paid, prior to year-end.

**8. Subsequent Events**

Effective January 1, 2011, the Benefits Management Committee elected to amend the Plan to provide for Roth Elective Deferrals, which will be Company matched dollar for dollar on the first 6 percent of eligible compensation. The combined Company match on Pre-Tax Deferrals and Roth Elective Deferrals will not exceed 6 percent. Also, effective January 1, 2011, the amendment eliminates the ability to make regular after-tax participant contributions.

**Table of Contents**

**Supplemental Schedule**

**Table of Contents**

Regions Financial Corporation 401(k) Plan

EIN #63-0589368 Plan #012

Schedule H, Line 4i Schedule of Assets

(Held at End of Year)

(Modified Cash Basis)

December 31, 2010

		(c)			
		Description of Investment			
(b)		including Maturity Date,			
Identity of Issue,		Rate of Interest			
Borrower, Lessor		Collateral, Par or		(e)	
(a)	or Similar Party	Maturity Value	(d)	Current	
			Cost	Value	
<b>Collective investment trust fund</b>					
*	Regions Bank	Stable Principal Fund	**	\$ 159,680,390	***
<b>Common stock fund</b>					
*	Regions Financial Corporation	Stock Fund	**	197,861,808	
<b>Mutual funds</b>					
*	Pioneer	Pioneer Fund	**	35,506,831	
		Pioneer Bond Fund	**	14,763,985	
		Pioneer Classic Balanced Fund	**	119,578,318	
		Pioneer Cullen Value Fund	**	39,048,062	
		Pioneer Fundamental Growth	**	55,755,807	
	Vanguard	Windsor II Fund	**	7,119,478	
		Institutional Index Fund	**	20,309,039	
	Dodge & Cox	International Stock Fund	**	49,998,729	
		Income Fund	**	33,684,279	
	T. Rowe Price	Institutional LA Fund	**	10,299,476	
		Retirement 2005 Fund	**	760,597	
		Retirement 2010 Fund	**	2,358,892	
		Retirement 2015 Fund	**	4,814,303	
		Retirement 2020 Fund	**	7,513,150	
		Retirement 2025 Fund	**	5,068,197	
		Retirement 2030 Fund	**	5,737,607	
		Retirement 2035 Fund	**	3,298,780	
		Retirement 2040 Fund	**	3,557,499	
		Retirement 2045 Fund	**	1,509,499	
		Retirement 2050 Fund	**	654,729	
		Retirement 2055 Fund	**	670,240	
		Retirement Income Fund	**	1,383,576	

Edgar Filing: REGIONS FINANCIAL CORP - Form 11-K

CRM	Small/Mid Cap Value Fund	**	40,186,451
PIMCO	All Asset Fund	**	8,743,355
Dreyfus	Boston Small/Mid Cap Growth Fund	**	59,306,723
Vance	Eaton Vance Atl	**	6,016,595
* <b>Loans to participants</b>	Interest rate ranges from 3.92% to 9.78%	**	14,411,639
<b>Total</b>			<b>\$ 909,598,034</b>

\* Represents a party-in-interest

\*\* Cost has not been presented, as this information is not required.

\*\*\* Investment shown at contract value, with corresponding fair value totaling \$165,471,907

**Table of Contents**

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustee has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

**REGIONS FINANCIAL CORPORATION  
401(k) PLAN**

**REGIONS BANK, TRUSTEE**

Date: June 29, 2011

By: /s/ Barbara H. Watson  
Barbara H. Watson  
Vice President

**Table of Contents**

EXHIBIT INDEX

EXHIBIT NO	EXHIBIT
23	Consent of Independent Registered Public Accounting Firm