

Regions Financial Corporation Announces Consideration for Tender Offer for Regions Bank Notes

Feb 26, 2015

BIRMINGHAM, Ala.--(BUSINESS WIRE)-- Regions Financial Corp. ("Regions") (NYSE:RF) today announced the Reference Yield, Total Consideration and Tender Offer Consideration for the previously announced cash tender offer by its wholly-owned subsidiary, Regions Bank (the "Bank"), to repurchase up to \$250 million aggregate principal amount (the "Maximum Tender Amount") of the Bank's outstanding 7.50% Subordinated Notes due 2018 (the "Notes").

The table below sets forth the Reference Yield, Total Consideration and Tender Offer Consideration for the Notes. The Reference Yield is based on the bid side price of the Reference U.S. Treasury Security listed in the table below as calculated by the Lead Dealer Manager (as defined herein) at 2:00 p.m., New York City time, on February 26, 2015, as described in the Offer to Purchase, dated February 12, 2015 (the "Offer to Purchase"), and the related Letter of Transmittal. Holders of Notes that are validly tendered (and not subsequently withdrawn) at or before 5:00 p.m., New York City time, on February 26, 2015 (such time and date, as the same may be extended by the Bank, the "Early Tender Date") and accepted for purchase will receive the Total Consideration which includes the Early Tender Premium for the Notes set forth in the table below. Holders of Notes that are validly tendered after the Early Tender Date and accepted for purchase will receive the Tender Offer Consideration, which is equal to the Total Consideration minus the Early Tender Premium for the Notes. All holders whose Notes are accepted for purchase will also receive the applicable accrued and unpaid interest on the purchased Notes from the last interest payment date for such Notes up to, but excluding, the applicable settlement date.

Title of Security	CUSIP	Aggregate Principal Amount Outstanding	Reference U.S. Treasury Security	Bloomberg Reference Page	Reference Yield	Fixed Spread (Basis Points)	Early Tender Premium ⁽¹⁾	Total Consideration ⁽¹⁾	Tender Offer Consideration ⁽²⁾
7.50% Subordinated Notes due 2018	75913MAB5	\$750,000,000	0.875% due 01/15/2018	PX1	1.007%	+105	\$30	\$1,168.53	\$1,138.53

- (1) Per \$1,000 principal amount of Notes validly tendered before the Early Tender Date, not validly withdrawn and accepted for purchase. The Total Consideration is inclusive of the Early Tender Premium set forth above.
- (2) Per \$1,000 principal amount of Notes validly tendered after the Early Tender Date and accepted for purchase. The Tender Offer Consideration is equal to the Total Consideration minus the Early Tender Premium.

The tender offer will expire at 11:59 p.m., New York City time, on March 12, 2015, unless extended or earlier terminated (the "Expiration Date"). The complete terms and conditions of the tender offer are set forth in the Offer to Purchase and the related Letter of Transmittal, along with any amendments and supplements thereto, which holders are urged to read carefully before making any decision with respect to the tender offer.

Deutsche Bank Securities Inc. is acting as Lead Dealer Manager in connection with the tender offer. The Williams Capital Group, L.P. and Apto Partners, LLC are also acting as Co-Dealer Managers. Copies of the Offer to Purchase and the Letter of Transmittal may be obtained from Global Bondholder Services Corporation, the Depository and Information Agent for the tender offer, at (212) 430-3774 (banks and brokers) or (866) 470-4200 (all others). Questions regarding the tender offer may also be directed to the Lead Dealer Manager as set forth below:

Deutsche Bank Securities Inc.
 60 Wall Street
 New York, New York 10005
 Collect: (212) 250-2955
 Toll-Free: (866) 627-0391
 Attention: Liability Management Group

This news release is neither an offer to purchase nor a solicitation of an offer to sell any securities. The tender offer is being made only by, and pursuant to the terms of, the Offer to Purchase and the Letter of Transmittal. The tender offer is not being made in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. In any jurisdiction where the laws require the tender offer to be made by a licensed broker or dealer, the tender offer will be made by the Lead Dealer Manager and the Co-Dealer Managers on behalf of the Bank. None of the Bank, the Depository and Information Agent, the Lead Dealer Manager, the Co-Dealer Managers or the Issuing and Paying Agent with respect to the Notes, nor any of their affiliates, makes any recommendation as to whether holders should tender or

refrain from tendering all or any portion of their Notes in response to the tender offer.

About Regions Financial Corporation

Regions Financial Corporation (NYSE:RF), with \$120 billion in assets, is a member of the S&P 500 Index and is one of the nation's largest full-service providers of consumer and commercial banking, wealth management, mortgage, and insurance products and services. Regions serves customers in 16 states across the South, Midwest and Texas, and through its subsidiary, Regions Bank, operates approximately 1,650 banking offices and 2,000 ATMs. Additional information about Regions and its full line of products and services can be found at www.regions.com.

Forward-looking statements

This release may include forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, which reflect Regions' 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:

- Current and future economic and market conditions in the United States generally or in the communities we serve, including the effects of declines in property values, unemployment rates and potential reduction of economic growth, which may adversely affect our lending and other businesses and our financial results and conditions.
- Possible changes in trade, monetary and fiscal policies of, and other activities undertaken by, governments, agencies, central banks and similar organizations, which could have a material adverse effect on our earnings.
- The effects of a possible downgrade in the U.S. government's sovereign credit rating or outlook, which could result in risks to us and general economic conditions that we are not able to predict.
- Possible changes in market interest rates or capital markets could adversely affect our revenue and expense, the value of assets and obligations, and the availability and cost of capital and liquidity.
- Any impairment of our goodwill or other intangibles, or any adjustment of valuation allowances on our deferred tax assets due to adverse changes in the economic environment, declining operations of the reporting unit, or other factors.
- Possible changes in the creditworthiness of customers and the possible impairment of the collectability of loans.
- Changes in the speed of loan prepayments, loan origination and sale volumes, charge-offs, loan loss provisions or actual loan losses where our allowance for loan losses may not be adequate to cover our eventual losses.
- Possible acceleration of prepayments on mortgage-backed securities due to low interest rates, and the related acceleration of premium amortization on those securities.
- Our ability to effectively compete with other financial services companies, some of whom possess greater financial resources than we do and are subject to different regulatory standards than we are.
- Loss of customer checking and savings account deposits as customers pursue other, higher-yield investments, which could increase our funding costs.
- Our ability to develop and gain acceptance from current and prospective customers for new products and services in a timely manner could have a negative impact on our revenue.
- Changes in laws and regulations affecting our businesses, such as the Dodd-Frank Act and other legislation and regulations relating to bank products and services, as well as changes in the enforcement and interpretation of such laws and regulations by applicable governmental and self-regulatory agencies, which could require us to change certain business practices, increase compliance risk, reduce our revenue, impose additional costs on us, or otherwise negatively affect our business.
- Our ability to obtain no regulatory objection (as part of the comprehensive capital analysis and review process or otherwise) to take certain capital actions, including paying dividends and any plans to increase common stock dividends, repurchase common stock under current or future programs, or redeem preferred stock or other regulatory capital instruments, may impact our ability to return capital to stockholders and market perceptions of us.
- Our ability to comply with applicable capital and liquidity requirements (including finalized Basel III capital standards), including our ability to generate capital internally or raise capital on favorable terms, and if we fail to meet requirements, our financial condition could be negatively impacted.
- The costs, including possibly incurring fines, penalties or other negative effects (including reputational harm) of any adverse judicial, administrative, or arbitral rulings or proceedings, regulatory enforcement actions, or other legal actions to which we or any of our subsidiaries are a party, and which may adversely affect our results.
- 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.
- Possible changes in consumer and business spending and saving habits and the related effect on our ability to increase assets and to attract deposits, which could adversely affect our net income.
- Any inaccurate or incomplete information provided to us by our customers or counterparties.
- Inability of our framework to manage risks associated with our business such as credit risk and operational risk, including third-party vendors and other service providers, which could, among other things, result in a breach of operating or security systems as a result of a cyber attack or similar

act.

- The inability of our internal disclosure controls and procedures to prevent, detect or mitigate any material errors or fraudulent acts.
- The effects of geopolitical instability, including wars, conflicts and terrorist attacks and the potential impact, directly or indirectly, on our businesses.
- The effects of man-made and natural disasters, including fires, floods, droughts, tornadoes, hurricanes and environmental damage, which may negatively affect our operations and/or our loan portfolios and increase our cost of conducting business.
- Our inability to keep pace with technological changes could result in losing business to competitors.
- Our ability to identify and address cyber-security risks such as data security breaches, "denial of service" attacks, "hacking" and identity theft, a failure of which could disrupt our business and result in the disclosure of and/or misuse or misappropriation of confidential or proprietary information; increased costs; losses; or adverse effects to our reputation.
- Possible downgrades in our credit ratings or outlook could increase the costs of funding from capital markets.
- The effects of problems encountered by other financial institutions that adversely affect us or the banking industry generally could require us to change certain business practices, reduce our revenue, impose additional costs on us, or otherwise negatively affect our businesses.
- The effects of the failure of any component of our business infrastructure which is provided by a third party could disrupt our businesses; result in the disclosure of and/or misuse of confidential information or proprietary information; increase our costs; negatively affect our reputation; and cause losses.
- Our ability to receive dividends from our subsidiaries could affect our liquidity and ability to pay dividends to stockholders.
- Changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board or other regulatory agencies could materially affect how we report our financial results.
- The effects of any damage to our reputation resulting from developments related to any of the items identified above.

The foregoing list of factors is not exhaustive. For discussion of these and other factors that may cause actual results to differ from expectations, look under the captions "Forward-Looking Statements" and "Risk Factors" of Regions' Annual Report on Form 10-K for the year ended December 31, 2014, as filed with the Securities and Exchange Commission.

The words "anticipates," "intends," "plans," "seeks," "believes," "estimates," "expects," "targets," "projects," "outlook," "forecast," "will," "may," "could," "should," "can," and similar expressions often signify forward-looking statements. You 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.

Regions Financial Corporation

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