REGIONS

March 30, 2009

Florence E. Harmon
Acting Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

File Number S7-27-08

Proposed Rule: Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards (IFRS) by U.S. Users

Dear Ms. Harmon:

We appreciate the opportunity to comment on this Proposed Rule. Regions Financial Corporation ("Regions" or "the Company"), with approximately $146 billion in assets, is 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. Regions serves customers in 16 states across the South, Midwest and Texas, and through its subsidiary, Regions Bank, operates 1,900 banking offices and approximately 2,300 ATMs. We provide brokerage services and investment banking through approximately 300 offices of Morgan Keegan & Company, Inc.

*Summary*
In summary, the key points we would like to make are:
- A move to IFRS will not necessarily improve comparability in financial reporting.
- The benefits of a transition to IFRS do not outweigh costs.
- Given the impact of the recession on U.S. public companies, expenditures to execute a transition to IFRS are not the best use of shareholder resources.
- The transition timeline should include more time between the Commission's decision date and the first date for which IFRS financial reporting will be required for non-accelerated filers.
- The "education milestone" should include additional specific considerations, including readiness of banking regulators, taxing authorities, vendors of information technology systems and software, and other users of financial statements. Additionally, consideration of IFRS education at colleges and universities should include specific evaluation of curricula.

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- Specific consideration should be given to the IASB's rule-making process to ensure that stakeholders are represented in a manner that is at least consistent to the FASB's current process.

**Based on these comments as detailed below, Regions recommends that the Commission indefinitely suspend the proposed transition to IFRS or consider a plan to converge U.S. GAAP with IFRS over time instead of mandating a one-time adoption for all accounting standards.**

*Perceived Benefits of Transition to IFRS Versus Costs*

We challenge whether a move to IFRS will significantly increase comparability of financial information in a way that is beneficial to the investing public. While we acknowledge the perception of a benefit of a global set of accounting standards, we believe further research, analysis and dialogue is necessary to determine if the potential benefit outweighs the cost of a transition to IFRS. Regions is surprised by the dramatic change in direction on this issue by the Commission during 2008. The dialogue swiftly moved from a discussion regarding elimination of a footnote reconciliation for a small number of foreign issuers to consideration of a wholesale requirement for all public companies to transition to IFRS. While the Commission held several roundtables as a public forum, we do not believe that rank-and-file domestic issuers had enough exposure to IFRS to make informed comments regarding costs and incremental benefits of such a change.

The Proposed Rule speaks to advances in technology and the resulting increase in the speed of information exchange and the increased ability of market participants to allocate capital across national borders. On the surface, it might appear that a single accounting framework would allow for better comparability between domestic and international investment alternatives. The largest U.S. filers who compete for and/or provide global capital already face an increasing need to understand and use IFRS financial statements. In the Proposed Rule, the Commission acknowledges that its own influence and relevance in the accounting standard-setting process will be diluted if a change to IFRS is mandated. The Commission appears to make this sacrifice in exchange for the perceived increase in comparability and the resulting benefits to U.S. investors and other capital market participants. However, it is not clear to us that a move to IFRS will increase such comparability at all.

Based on discussions with outside advisors who have been directly involved in IFRS implementations at banking institutions in other countries, we understand that the flexibility in IFRS often creates "jurisdictional IFRS." For example, when faced with two acceptable accounting alternatives, a practitioner in Australia is likely to choose the alternative which was most acceptable under Australian GAAP. A practitioner in China might choose another alternative. We do not believe that an acceptable answer to this discrepancy is simply to require more disclosure, as financial statements are already burdened with requirements for more disclosure than can be digested.

For other countries, adopting IFRS was an improvement in financial reporting. That is not the case for the U.S. where we have the best accounting and reporting standards in the world. It would be a mistake for U.S. companies to weaken our reporting in an attempt to conform to the rest of the world.

Further, the Commission has stated that the pending change to IFRS will not impact disclosures required by existing industry guides. The Proposed Rule alludes to the possibility that the Commission might retain in some fashion a body of interpretations for U.S. users of IFRS. These factors will increase the likelihood that use of IFRS by a U.S. registrant may not necessarily be comparable to financial information prepared by a non-U.S. issuer. **Accordingly, we do not believe that the perceived benefits from increased comparability in using a single set of global standards will be the result.**

As stated above, a secondary benefit of transition to IFRS is the perception that U.S. issuers would be better able to access foreign capital. This appears to be a reasonable assumption for a small number of large multinational organizations and money-center banks. However, we believe that the vast majority of U.S. public companies, like Regions, serve primarily domestic customer bases and are adequately capitalized without tapping overseas capital markets. **Therefore, making the adoption of IFRS for multinational companies only should be considered. An alternative approach would be to make IFRS adoption elective.**

In contrast to lack of clarity around benefits, it is abundantly clear to us that a move to IFRS would be very costly. The Proposed Rule summarizes many of these costs including system changes to support financial reporting, costs to prepare additional disclosure, training costs, and outside consultants' fees. The Commission estimates IFRS transition costs at $32 million per company. At Regions, we are currently unable to reasonably estimate the transition costs and cannot corroborate this amount. In fact, a reasonable range may include amounts much higher. Ultimately, the highest costs will include additional technology, consulting fees to accounting firms, training, and the diversion of Company personnel into IFRS implementation issues, away from more value-added activities. It appears that transition will require effort from disciplines across the Company, including senior management and the audit committee of the board of directors.

In addition to monetary costs, it would be difficult to quantify the additional risk associated with a transition to IFRS. Consider the many households Regions serves across 16 states; data for lending relationships must be captured through the Company's information technology (IT) systems, which interface with the accounting general ledger. As an example of increased risk posed by IFRS implementation, changes to these systems will be required in order to accumulate data for IFRS / U.S. GAAP differences in loan origination costs. For the transition period, the system must be changed to report data under both accounting models. Regions will face increased risk in IT, operations, accounting, and customer service to make these changes.

Additionally, we must add that the current severe recession and impact on the broader economy continues to impact Regions' profitability and most likely will continue to do so for some time to come. One component of the Company's strategy in this environment is assertive expense management. Our commitment to our shareholders is to deploy resources to protect and increase the value of the franchise. **Expenditures for a transition to IFRS are not in the shareholders' best interest, especially at this time.**

In order to determine if the benefits of a transition to IFRS outweigh the costs, we recommend that the Commission add a milestone for more thorough research of the impact on comparability where IFRS has been implemented or will be implemented. For example, the transition currently underway in Canada might serve as a case study. In order to be meaningful, it would be necessary for sufficient time to pass in order to determine if investors in Canadian companies actually benefited from the change and the extent of this benefit. In the meantime, given that U.S. GAAP continues to be well understood globally and held in high regard by users of financial statements, we suggest that it could continue to be utilized in the near term without putting financial statement users at a disadvantage.

*Timeline*

We object to the transition timeline described in the Proposed Rule. The Commission describes a mandatory adoption date of 2014 for a calendar year large accelerated filer with three years of history. Although not specifically stated in the Proposed Rule, it appears that IFRS may be required for interim reporting for the first calendar quarter of 2014. Under this timeline, a registrant must be prepared to "go live" with processes and systems to report IFRS information on January 1, 2012 in order to build the three year history required for financial reporting. While we have not completed a full assessment, we believe that the lead time required for Regions (which is in the large accelerated filer group) to be ready for the January 1, 2012 live date is at least 24 to 36 months, considering that U.S. GAAP information will also be required for the transition period. The lead time will also be necessary to ensure that the preparation of IFRS financial statements complies with requirements of Section 404 of the Sarbanes-Oxley Act. Accordingly, Regions must begin the transition process in earnest no later than January 1, 2010. Advanced preparation during 2009 will also be required. However, the Proposed Rule requires the Commission to make the "go or no go" for mandatory adoption decision during 2011. We believe that it is unreasonable to require registrants to spend resources, capital and personnel time during 2009, 2010, and 2011, on an implementation process for which no decision related to a regulatory mandate will be received until some point during 2011. **Particularly given the state of today's economy and the likelihood that many registrants' earnings, particularly banks, will be under stress in the near term, we believe it is unreasonable to require spending shareholder resources to prepare for a transition that might never be required.**

We strongly urge the Commission to consider quickly re-working the timeline to provide a much longer window between the final "go or no go" decision date and the mandatory implementation date. We believe that a minimum of 24 to 36 months between the decision date and the earliest date that IFRS information will be required (i.e., the earliest year of the three-year history) is reasonable. We understand that other jurisdictions have made the transition in shorter timeframes; however, these issuers were not required to report on internal controls over financial reporting nor were they subject to the same level of oversight as the U.S. banking industry. From our discussions with outside advisors directly involved in these transitions, we understand that many issuers maintained legacy systems and made "top of house" manual entries to account for IFRS differences. We do not believe this manual approach would be acceptable for a U.S. filer subject to Sarbanes-Oxley Section 404 or for a bank subject to regulatory oversight. Accordingly, more time must be allowed for changes to information systems and implementation of appropriate internal controls.

**Given the discussion above, we believe an indefinite suspension of the IRFS implementation timeline should be adopted. However, if the Commission moves forward with adopting a timeline, we believe there should be no requirement to present three-year comparable IFRS financial statements. A better approach would be an adoption date which allows prior years to be presented on a U.S. GAAP basis, with reconciliation to IFRS for all periods presented. Consideration should also be given to converging U.S. GAAP with international standards over time instead of applying a one-time adoption for all standards.**

*Education*

The Proposed Rule acknowledges the need for effective training and education about IFRS for participants in the financial reporting process. Investor education is considered of the highest significance, as noted in the Proposed Rule. The Commission also acknowledges the need for IFRS education among analysts and rating agencies. Regions agrees that effective training and education for these parties is critical to a successful transition. Additionally, Regions requests that the Commission consider progress in IFRS training for other stakeholders, including banking regulators, taxing authorities, and vendors of information technology systems and software.

As a bank holding company, Regions is subject to a significant level of oversight by federal and state banking regulators. The regulators rely on financial reporting to evaluate compliance with various regulations. Most notably, regulatory capital ratios are used to evaluate the safety and soundness of Regions and our banking subsidiary, Regions Bank. Historically, banking regulators made a concerted effort to minimize standards for regulatory reporting which differ from GAAP. Regions supports these efforts and agrees that the relative consistency of the accounting models promotes efficiency in the Company's compliance efforts as well as the regulators' oversight efforts. With the potential transition, the banking regulators must have a strong understanding of IFRS in order to assess impact on regulatory reporting and the resulting impact on methods for evaluating compliance with regulations. Accordingly, we suggest that the Commission include an evaluation of the readiness of banking regulators in terms of IFRS education.

In its assessment of the level of education and training in IFRS, the Commission should also consider taxing authorities. For a large portion of transactions processed by Regions, treatment for federal tax purposes "follows book." In a transition to IFRS, taxing authorities will need to have sufficient understanding of IFRS in order to determine if "book" will prospectively mean IFRS or if tax treatment will continue to follow existing GAAP. Regions will be impacted by these decisions as follows: 1) if the definition of "book" changes from U.S. GAAP to IFRS for a particular class of transactions, consideration must be given as to whether the change represents a change in tax method which requires submission of documentation to the IRS; and 2) if the definition of "book" continues to follow U.S. GAAP, this will create a temporary or permanent difference for financial reporting under IFRS and prolong the requirement for dual reporting.

Additionally, within the education and training milestone, we believe it is imperative that the Commission evaluate the readiness of accounting software vendors. As stated above, we believe that IFRS cannot be effectively implemented in a Sarbanes-Oxley Section 404 environment without systems support. At Regions, we are only beginning to understand the differences in IFRS versus U.S. GAAP. This process includes creating an "inventory" of systems changes to be made.

Historically, accounting software vendors lag behind issuers in evaluating the impact of changes in accounting standards on systems functioning. For example, SOP 03-3 established a new accounting model for loans acquired in a transfer requiring that the cost basis of certain acquired loans be adjusted for declines in creditworthiness, as opposed to accounting for the credit component through the allowance for loan losses ("Day 2" declines in borrower creditworthiness continue to be accounted for through the allowance). The standard was issued in December of 2003 and was effective for loans acquired in transfers beginning in 2005 for a calendar-year company. For the first several years after the standard became effective, loan systems which had the capability of adequately tracking revised cost basis of the loan as well as the legal balance were not widely available. Regions and many peer institutions made manual adjustments to subledger systems in order to produce reporting that complies with SOP 03-3. Only recently, with the new requirement under FAS 141(R) to apply the fair value methodology to all loans acquired in a purchase business combination, have software vendors developed systems solutions – over five years after the issuance of SOP 03-3.

In contrast to the SOP 03-3 example, the suggested transition to IFRS presents a population of differences that is still being quantified. The IFRS / U.S. GAAP differences will vary by industry and will require varying levels of systems modifications. For a company like Regions which processes a high volume of transactions and is heavily reliant on systems, these potential pending changes present significant operational risk. We urge the Commission to critically evaluate the awareness and readiness of IT vendors to support a transition to IFRS.

The Proposed Rule makes a brief reference to the need for colleges and universities to adjust curricula to include IFRS content. Based on discussions with local accounting educators, we understand that some institutions are adding content with the goal of "raising awareness" of IFRS in the classroom. In order for a transition to be successful, we believe that a much deeper level of training is necessary with content specifically directed toward reporting under the IFRS model. This content should address specific accounting issues and should be directed toward undergraduate and graduate levels. We suggest that the Commission adopt specific milestones to measure progress toward this goal. Additionally, given that there will be some passage of time between classroom learning and the point in which students have transitioned to the workplace and can support an implementation, we suggest that this milestone also be considered within the context of the transition timeline. Sufficient time should be allowed for curricula changes to impact the workforce's ability to support a transition.

The Commission should also consider the ability of bank lending personnel to understand IFRS financial information. Given Regions' role in the marketplace as a lender, it is critical for our Company's commercial loan officers and underwriters to have an appropriate level of understanding of IFRS in order to make informed lending decisions. Regional banks, unlike money-center banks and large rating agencies, may not have established infrastructure to make this education immediately available. Accordingly, consider the risk for confusion among lenders and the potential impact on the flow of credit to the marketplace. To mitigate this risk, the Commission should add milestones to specifically address the level of education for this user group.

*Issuer Representation in Standard Setting*

Currently, we believe that we have an adequate opportunity to participate in the U.S. GAAP standard setting process. Regions frequently responds to FASB requests for comments on exposure drafts. It appears that FASB and other standard setters are reasonably objective in their consideration of the perspectives of issuers, preparers, auditors, investors, and other participants in the financial reporting process. In the Commission's evaluation of the IASB's standard setting process, we suggest that specific consideration be given to the nature of communications between all stakeholders. In particular, we feel it is important that IASB consider preparers' comments regarding the practicality of implementing changes in accounting models or disclosure as well as industry-specific viewpoints.

Again, we appreciate the opportunity to comment on the Proposed Rule, and we thank you for considering our views. If you have any questions about our comments or wish to discuss this matter further, please contact me at (205) 326-4972.

Sincerely,

Brad Kimbrough

Brad Kimbrough
Executive Vice President, Controller and
Chief Accounting Officer