

**Summary**

**Quarterly earnings of \$0.30 per diluted share (GAAP); excluding \$0.09 in after-tax merger charges, earnings were \$0.39 (non-GAAP - see page 20 for additional details)**

- Second quarter earnings included several significant items: \$67 million MSR reserve recapture; \$13.4 million write-down of investments in two Morgan Keegan mutual funds; \$14.9 million loss on mortgage servicing sale; \$309 million loan loss provision--\$100 million above net charge-offs; \$20 million of other real estate owned expense

**Common stock dividend reduction enables capital strengthening**

- Quarterly common cash dividend reduced to \$0.10 per share
- Provides an approximate \$1.2 billion boost to capital by year-end 2009
- Capital ratios to strengthen; proforma benefit of approximately 97 basis points in Tier 1 and Total Risk Based regulatory measures by end of 2009

**Non-performing assets, net charge-offs rise**

- Total net charge-offs up 33 bps linked-quarter to annualized 86 bps of average loans, driven by the home equity and residential homebuilder portfolios
- Non-performing assets increased to \$1,620.8 million, or 1.65% of loans and OREO, primarily reflecting weakness in residential homebuilder and condominium portfolios
- Allowance for credit losses increased to 1.56% of loans at June 30, 2008 - 7 basis points above March 31, 2008 level

**Higher-than-expected home equity losses - especially in Florida**

- Total home equity write-offs increased to an annualized 1.94% of related loans vs. 0.57% in 1Q due primarily to declining home values
- Florida-based second liens experiencing particular stress, fueled by borrowers who purchased properties as investments or second homes
- Aggressively managing portfolio, including a dedicated Florida collection team
- Completed portfolio re-valuation; using detailed property level information to assist in workouts
- Strong "Customer Assistance Program" in place to mitigate future losses

**Residential homebuilder portfolio exposure declines; generally "as expected" charge-offs**

- Reduced portfolio \$473 million linked quarter to \$5.8 billion as of June 30, 2008
- Includes \$1.8 billion of relationships being proactively managed by an experienced real estate team

**Fee-based revenue relatively steady linked quarter**

- Non-interest revenue, excluding securities transactions and first quarter's Visa gain, was little changed
- Strong service charges and brokerage fees largely offset lower mortgage income and commercial credit fees
- Morgan Keegan profit, excluding merger charges, increased to \$38.2 million

**Spread revenue declines despite continued loan growth improvement**

- Average loan growth rose to annualized 6% in second quarter 2008 from first quarter 2008's 4% pace, driven by C&I
- Net interest margin dropped 17 bps linked quarter to 3.36%, pressured by a negative shift in deposit mix, flow through of recent yield curve movements and Federal Reserve rate cuts as well as higher non-performing asset levels
- Implementing new strategies that emphasize low-cost deposit growth

**Better-than-projected cost saves; on pace to exceed upwardly revised \$700 million cost save target**

- Operating expenses relatively flat linked quarter, excluding MSRs and 1Q Visa litigation reserve reversal and loss on early extinguishment of debt, with higher problem loan workout, professional and legal costs offsetting personnel-related efficiencies
- Realized \$165 million in second quarter merger cost saves, bringing run-rate to \$660 million
- Continuing to focus on lowering operating expenses in the current environment. In late June, eliminated approximately 600 positions not included in initial cost save estimates, following a similar reduction of 700 positions in March 2008

FINANCIAL SUPPLEMENT TO  
SECOND QUARTER 2008 EARNINGS RELEASE  
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**Regions Financial Corporation and Subsidiaries**  
**Consolidated Balance Sheets**  
**(Unaudited)**

| (\$ amounts in thousands)  | Quarter Ended        |               |               |               |               |
|--|----------------------|---------------|---------------|---------------|---------------|
|  | 6/30/08              | 3/31/08       | 12/31/07      | 9/30/07       | 6/30/07       |
| <b>Assets:</b>   |                      |               |               |               |               |
| Cash and due from banks  | <b>\$3,160,519</b>   | \$3,061,324   | \$3,720,365   | \$2,902,340   | \$2,796,196   |
| Interest-bearing deposits<br>in other banks  | <b>46,257</b>        | 47,850        | 31,706        | 29,895        | 73,963        |
| Federal funds sold and securities<br>purchased under agreements<br>to resell       | <b>977,579</b>       | 1,071,806     | 1,177,170     | 706,378       | 1,158,771     |
| Trading account assets   | <b>1,454,502</b>     | 1,299,460     | 907,300       | 1,355,007     | 1,606,130     |
| Securities available for sale  | <b>17,724,907</b>    | 17,766,260    | 17,318,074    | 16,957,077    | 17,414,407    |
| Securities held to maturity  | <b>48,244</b>        | 49,790        | 50,935        | 49,559        | 44,452        |
| Loans held for sale  | <b>677,098</b>       | 756,500       | 720,924       | 792,142       | 1,596,425     |
| Margin receivables   | <b>533,635</b>       | 616,732       | 504,614       | 525,953       | 590,811       |
| Loans, net of unearned income  | <b>98,266,579</b>    | 96,385,431    | 95,378,847    | 94,373,632    | 94,014,488    |
| Allowance for loan losses  | <b>(1,471,524)</b>   | (1,376,486)   | (1,321,244)   | (1,070,716)   | (1,061,873)   |
| Net loans  | <b>96,795,055</b>    | 95,008,945    | 94,057,603    | 93,302,916    | 92,952,615    |
| Premises and equipment, net  | <b>2,726,249</b>     | 2,665,813     | 2,610,851     | 2,473,339     | 2,422,256     |
| Interest receivable  | <b>510,895</b>       | 550,117       | 615,711       | 664,974       | 626,514       |
| Goodwill   | <b>11,515,095</b>    | 11,510,096    | 11,491,673    | 11,453,078    | 11,243,287    |
| Mortgage servicing rights (MSRs)   | <b>271,392</b>       | 268,784       | 321,308       | 377,201       | 400,056       |
| Other identifiable intangible assets   | <b>693,423</b>       | 729,835       | 759,832       | 804,328       | 809,827       |
| Other assets   | <b>7,301,445</b>     | 8,845,659     | 6,753,651     | 5,841,002     | 3,886,762     |
| Total Assets   | <b>\$144,436,295</b> | \$144,248,971 | \$141,041,717 | \$138,235,189 | \$137,622,472 |
| <b>Liabilities and Stockholders' Equity:</b>                                       |                      |               |               |               |               |
| <b>Deposits:</b>   |                      |               |               |               |               |
| Non-interest-bearing   | <b>\$18,334,239</b>  | \$18,182,582  | \$18,417,266  | \$18,834,856  | \$19,136,419  |
| Interest-bearing   | <b>71,569,410</b>    | 71,004,827    | 76,357,702    | 74,605,074    | 75,919,972    |
| Total deposits   | <b>89,903,649</b>    | 89,187,409    | 94,774,968    | 93,439,930    | 95,056,391    |
| <b>Borrowed funds:</b>   |                      |               |               |               |               |
| <b>Short-term borrowings:</b>  |                      |               |               |               |               |
| Federal funds purchased and<br>securities sold under agree-<br>ments to repurchase | <b>8,663,628</b>     | 8,450,346     | 8,820,235     | 8,063,739     | 8,207,250     |
| Other short-term<br>borrowings   | <b>8,926,603</b>     | 8,716,951     | 2,299,887     | 1,727,346     | 1,882,114     |
| Total short-term<br>borrowings   | <b>17,590,231</b>    | 17,167,297    | 11,120,122    | 9,791,085     | 10,089,364    |
| Long-term borrowings   | <b>13,318,656</b>    | 12,357,225    | 11,324,790    | 10,817,491    | 9,287,926     |
| Total borrowed funds   | <b>30,908,887</b>    | 29,524,522    | 22,444,912    | 20,608,576    | 19,377,290    |
| Other liabilities  | <b>3,915,265</b>     | 5,515,119     | 3,998,808     | 4,340,334     | 3,492,404     |
| Total Liabilities  | <b>124,727,801</b>   | 124,227,050   | 121,218,688   | 118,388,840   | 117,926,085   |
| <b>Stockholders' equity:</b>   |                      |               |               |               |               |
| Common stock   | <b>7,358</b>         | 7,358         | 7,347         | 7,346         | 7,344         |
| Additional paid-in capital   | <b>16,588,382</b>    | 16,560,302    | 16,544,651    | 16,527,540    | 16,500,425    |
| Retained earnings  | <b>4,436,660</b>     | 4,494,573     | 4,439,505     | 4,632,033     | 4,489,078     |
| Treasury stock   | <b>(1,370,761)</b>   | (1,370,761)   | (1,370,761)   | (1,270,922)   | (1,063,779)   |
| Accumulated other comprehensive<br>income (loss)                                   | <b>46,855</b>        | 330,449       | 202,287       | (49,648)      | (236,681)     |
| Total Stockholders'<br>Equity  | <b>19,708,494</b>    | 20,021,921    | 19,823,029    | 19,846,349    | 19,696,387    |
| Total Liabilities & SE   | <b>\$144,436,295</b> | \$144,248,971 | \$141,041,717 | \$138,235,189 | \$137,622,472 |

**Regions Financial Corporation and Subsidiaries**  
**Consolidated Statements of Income (3)**  
(Unaudited)

(\$ amounts in thousands, except per share data)

|  | Quarter Ended      |             |             |             |             |
|--|--------------------|-------------|-------------|-------------|-------------|
|  | 6/30/08            | 3/31/08     | 12/31/07    | 9/30/07     | 6/30/07     |
| Interest income on:  |                    |             |             |             |             |
| Loans, including fees  | <b>\$1,374,705</b> | \$1,528,883 | \$1,674,690 | \$1,742,172 | \$1,734,278 |
| Securities:  |                    |             |             |             |             |
| Taxable  | <b>208,134</b>     | 200,117     | 202,669     | 210,932     | 218,123     |
| Tax-exempt   | <b>9,952</b>       | 9,721       | 9,361       | 10,020      | 10,831      |
| Total securities   | <b>218,086</b>     | 209,838     | 212,030     | 220,952     | 228,954     |
| Loans held for sale  | <b>9,598</b>       | 8,998       | 10,090      | 12,302      | 21,363      |
| Federal funds sold and securities purchased under agreements to resell | <b>10,202</b>      | 13,533      | 17,032      | 18,154      | 17,162      |
| Trading account assets   | <b>12,362</b>      | 14,153      | 11,822      | 10,271      | 15,785      |
| Margin receivables   | <b>5,541</b>       | 6,783       | 8,160       | 8,754       | 9,289       |
| Time deposits in other banks   | <b>168</b>         | 616         | 344         | 515         | 649         |
| Total interest income  | <b>1,630,662</b>   | 1,782,804   | 1,934,168   | 2,013,120   | 2,027,480   |
| Interest expense on:   |                    |             |             |             |             |
| Deposits   | <b>422,151</b>     | 503,190     | 625,600     | 673,585     | 677,239     |
| Short-term borrowings  | <b>85,294</b>      | 113,008     | 107,077     | 115,092     | 116,637     |
| Long-term borrowings   | <b>143,509</b>     | 149,126     | 157,279     | 144,662     | 128,269     |
| Total interest expense   | <b>650,954</b>     | 765,324     | 889,956     | 933,339     | 922,145     |
| Net interest income  | <b>979,708</b>     | 1,017,480   | 1,044,212   | 1,079,781   | 1,105,335   |
| Provision for loan losses  | <b>309,000</b>     | 181,000     | 358,000     | 90,000      | 60,000      |
| Net interest income after provision for loan losses                    | <b>670,708</b>     | 836,480     | 686,212     | 989,781     | 1,045,335   |
| Non-interest income:   |                    |             |             |             |             |
| Service charges on deposit accounts                                    | <b>294,182</b>     | 271,613     | 292,709     | 288,296     | 297,638     |
| Brokerage and investment banking                                       | <b>256,863</b>     | 229,203     | 227,808     | 209,413     | 207,372     |
| Trust department income  | <b>58,537</b>      | 56,938      | 60,798      | 62,449      | 64,590      |
| Mortgage income  | <b>24,926</b>      | 45,620      | 28,047      | 29,806      | 40,830      |
| Securities gains (losses), net   | <b>(28)</b>        | 91,643      | (45)        | 23,994      | (32,806)    |
| Other  | <b>108,740</b>     | 213,286     | 123,661     | 115,186     | 119,177     |
| Total non-interest income  | <b>743,220</b>     | 908,303     | 732,978     | 729,144     | 696,801     |
| Non-interest expense:  |                    |             |             |             |             |
| Salaries and employee benefits   | <b>598,844</b>     | 643,487     | 678,859     | 581,425     | 602,646     |
| Net occupancy expense  | <b>111,457</b>     | 106,665     | 106,252     | 120,753     | 93,175      |
| Furniture and equipment expense  | <b>85,122</b>      | 79,236      | 80,346      | 74,127      | 74,048      |
| Impairment (recapture) of MSR's  | <b>(67,000)</b>    | 42,000      | 23,000      | 20,000      | (38,000)    |
| Other  | <b>411,951</b>     | 378,871     | 459,799     | 349,089     | 325,866     |
| Total non-interest expense (1)   | <b>1,140,374</b>   | 1,250,259   | 1,348,256   | 1,145,394   | 1,057,735   |
| Income before income taxes from continuing operations                  | <b>273,554</b>     | 494,524     | 70,934      | 573,531     | 684,401     |
| Income taxes   | <b>66,908</b>      | 157,814     | (181)       | 179,291     | 230,669     |
| Income from continuing operations                                      | <b>206,646</b>     | 336,710     | 71,115      | 394,240     | 453,732     |
| Loss from discontinued operations before income taxes                  | <b>(406)</b>       | (67)        | (765)       | (122)       | (682)       |
| Income tax benefit from discontinued operations                        | <b>(153)</b>       | (25)        | (291)       | (46)        | (259)       |
| Loss from discontinued operations, net of tax                          | <b>(253)</b>       | (42)        | (474)       | (76)        | (423)       |
| Net income   | <b>\$206,393</b>   | \$336,668   | \$70,641    | \$394,164   | \$453,309   |
| Weighted-average shares outstanding--during quarter:                   |                    |             |             |             |             |
| Basic  | <b>695,978</b>     | 695,098     | 695,518     | 700,589     | 709,322     |
| Diluted  | <b>696,346</b>     | 695,548     | 696,895     | 704,485     | 715,564     |
| Actual shares outstanding--end of quarter                              | <b>694,729</b>     | 694,721     | 693,636     | 697,332     | 704,398     |
| Earnings per share from continuing operations (2):                     |                    |             |             |             |             |
| Basic  | <b>\$0.30</b>      | \$0.48      | \$0.10      | \$0.56      | \$0.64      |
| Diluted  | <b>\$0.30</b>      | \$0.48      | \$0.10      | \$0.56      | \$0.63      |
| Earnings per share from discontinued operations (2):                   |                    |             |             |             |             |
| Basic  | <b>\$0.00</b>      | \$0.00      | \$0.00      | \$0.00      | \$0.00      |
| Diluted  | <b>\$0.00</b>      | \$0.00      | \$0.00      | \$0.00      | \$0.00      |
| Earnings per share (2):  |                    |             |             |             |             |
| Basic  | <b>\$0.30</b>      | \$0.48      | \$0.10      | \$0.56      | \$0.64      |
| Diluted  | <b>\$0.30</b>      | \$0.48      | \$0.10      | \$0.56      | \$0.63      |
| Cash dividends declared per share                                      | <b>\$0.38</b>      | \$0.38      | \$0.38      | \$0.36      | \$0.36      |
| Taxable equivalent net interest income from continuing operations      | <b>\$989,522</b>   | \$1,026,484 | \$1,050,419 | \$1,086,575 | \$1,111,969 |

See notes to the Consolidated Statements of Income on page 5

**Regions Financial Corporation and Subsidiaries**  
**Consolidated Statements of Income (3)**  
**(Unaudited)**

(\$ amounts in thousands, except per share data)

|   | Six Months Ended<br>June 30 |             |
|---|-----------------------------|-------------|
|   | 2008                        | 2007        |
| Interest income on:   |                             |             |
| Loans, including fees   | \$2,903,588                 | \$3,507,682 |
| Securities:   |                             |             |
| Taxable   | 408,251                     | 442,442     |
| Tax-exempt  | 19,673                      | 21,879      |
| Total securities  | 427,924                     | 464,321     |
| Loans held for sale   | 18,596                      | 69,705      |
| Federal funds sold and securities purchased<br>under agreements to resell | 23,735                      | 33,535      |
| Trading account assets  | 26,515                      | 31,405      |
| Margin receivables  | 12,324                      | 18,899      |
| Time deposits in other banks  | 784                         | 1,828       |
| Total interest income   | 3,413,466                   | 4,127,375   |
| Interest expense on:  |                             |             |
| Deposits  | 925,341                     | 1,364,698   |
| Short-term borrowings   | 198,302                     | 237,298     |
| Long-term borrowings  | 292,635                     | 251,006     |
| Total interest expense  | 1,416,278                   | 1,853,002   |
| Net interest income   | 1,997,188                   | 2,274,373   |
| Provision for loan losses   | 490,000                     | 107,000     |
| Net interest income after provision for loan losses                       | 1,507,188                   | 2,167,373   |
| Non-interest income:  |                             |             |
| Service charges on deposit accounts                                       | 565,795                     | 581,735     |
| Brokerage and investment banking  | 486,066                     | 393,567     |
| Trust department income   | 115,475                     | 128,072     |
| Mortgage income   | 70,546                      | 77,851      |
| Securities gains (losses), net  | 91,615                      | (32,502)    |
| Other   | 322,026                     | 244,990     |
| Total non-interest income   | 1,651,523                   | 1,393,713   |
| Non-interest expense:   |                             |             |
| Salaries and employee benefits  | 1,242,331                   | 1,211,585   |
| Net occupancy expense   | 218,122                     | 186,706     |
| Furniture and equipment expense   | 164,358                     | 146,857     |
| Recapture of MSR's  | (25,000)                    | (37,000)    |
| Other   | 790,822                     | 658,553     |
| Total non-interest expense (1)  | 2,390,633                   | 2,166,701   |
| Income before income taxes from continuing operations                     | 768,078                     | 1,394,385   |
| Income taxes  | 224,722                     | 466,577     |
| Income from continuing operations   | 543,356                     | 927,808     |
| (Loss) income from discontinued operations<br>before income taxes         | (473)                       | (216,500)   |
| Income tax (benefit) expense from<br>discontinued operations              | (178)                       | (74,982)    |
| (Loss) income from discontinued<br>operations, net of tax                 | (295)                       | (141,518)   |
| Net income  | \$ 543,061                  | \$ 786,290  |
| Weighted-average shares outstanding-- year-to-date:                       |                             |             |
| Basic   | 695,538                     | 718,073     |
| Diluted   | 695,947                     | 724,997     |
| Actual shares outstanding-- end of quarter                                | 694,729                     | 704,398     |
| Earnings per share from continuing operations (2):                        |                             |             |
| Basic   | \$0.78                      | \$1.29      |
| Diluted   | \$0.78                      | \$1.28      |
| Earnings per share from discontinued operations (2):                      |                             |             |
| Basic   | \$0.00                      | \$(0.20)    |
| Diluted   | \$0.00                      | \$(0.20)    |
| Earnings per share (2):   |                             |             |
| Basic   | \$0.78                      | \$1.10      |
| Diluted   | \$0.78                      | \$1.08      |
| Cash dividends declared per share   | \$0.76                      | \$0.72      |
| Taxable equivalent net interest income<br>from continuing operations      | \$2,016,006                 | \$2,287,515 |

See notes to the Consolidated Statements of Income on page 5.

FINANCIAL SUPPLEMENT TO  
SECOND QUARTER 2008 EARNINGS RELEASE  
PAGE 5

(1) Merger-related charges total \$100.1 million in 2Q08, \$75.6 million in 1Q08, \$150.2 million in 4Q07, \$91.8 million in 3Q07 and \$59.9 million in 2Q07.

See page 20 for additional detail

(2) Certain per share amounts may not appear to reconcile due to rounding

(3) Certain amounts in the prior periods have been reclassified to reflect current period presentation

**Regions Financial Corporation and Subsidiaries**  
**Consolidated Average Daily Balances and Yield/Rate Analysis Including Discontinued Operations (1)**

(\$ amounts in thousands; yields on taxable-equivalent basis)

|   | Quarter Ended        |                    |                |                      |                    |                |                      |                    |                |                      |                    |                |                      |                    |                |
|---|----------------------|--------------------|----------------|----------------------|--------------------|----------------|----------------------|--------------------|----------------|----------------------|--------------------|----------------|----------------------|--------------------|----------------|
|   | 6/30/08              |                    |                | 3/31/08              |                    |                | 12/31/07             |                    |                | 9/30/07              |                    |                | 6/30/07              |                    |                |
|   | Average<br>Balance   | Income/<br>Expense | Yield/<br>Rate | Average<br>Balance   | Income/<br>Expense | Yield/<br>Rate | Average<br>Balance   | Income/<br>Expense | Yield/<br>Rate | Average<br>Balance   | Income/<br>Expense | Yield/<br>Rate | Average<br>Balance   | Income/<br>Expense | Yield/<br>Rate |
| <b>Assets</b>   |                      |                    |                |                      |                    |                |                      |                    |                |                      |                    |                |                      |                    |                |
| <b>Interest-earning assets:</b>   |                      |                    |                |                      |                    |                |                      |                    |                |                      |                    |                |                      |                    |                |
| Interest-bearing deposits   |                      |                    |                |                      |                    |                |                      |                    |                |                      |                    |                |                      |                    |                |
| in other banks  | \$50,509             | \$168              | 1.34%          | \$60,505             | \$616              | 4.10%          | \$31,039             | \$344              | 4.40%          | \$51,740             | \$515              | 3.95%          | \$39,767             | \$649              | 6.55%          |
| Federal funds sold and securities purchased under agreement to resell     | 949,682              | 10,202             | 4.32%          | 1,146,251            | 13,533             | 4.75%          | 1,093,155            | 17,032             | 6.18%          | 1,141,666            | 18,154             | 6.31%          | 1,124,636            | 17,162             | 6.12%          |
| Trading account assets  | 1,333,590            | 13,551             | 4.09%          | 1,648,477            | 14,551             | 3.55%          | 1,188,273            | 12,020             | 4.01%          | 1,213,485            | 10,385             | 3.40%          | 1,555,939            | 15,963             | 4.12%          |
| <b>Securities:</b>  |                      |                    |                |                      |                    |                |                      |                    |                |                      |                    |                |                      |                    |                |
| Taxable   | 16,977,622           | 208,134            | 4.93%          | 16,565,408           | 200,117            | 4.86%          | 16,407,051           | 202,669            | 4.90%          | 16,545,332           | 210,932            | 5.06%          | 17,245,705           | 218,123            | 5.07%          |
| Tax-exempt  | 719,535              | 15,223             | 8.51%          | 727,662              | 14,863             | 8.22%          | 724,152              | 14,300             | 7.83%          | 722,663              | 15,235             | 8.36%          | 737,522              | 16,430             | 8.94%          |
| Loans held for sale   | 650,096              | 9,598              | 5.94%          | 620,722              | 8,998              | 5.83%          | 663,284              | 10,089             | 6.03%          | 779,918              | 12,303             | 6.26%          | 1,323,479            | 21,363             | 6.47%          |
| Margin receivables  | 585,736              | 5,541              | 3.81%          | 582,299              | 6,783              | 4.68%          | 541,915              | 8,160              | 5.97%          | 521,497              | 8,754              | 6.66%          | 532,037              | 9,289              | 7.00%          |
| Loans, net of unearned income   | 97,194,350           | 1,378,059          | 5.70%          | 95,718,586           | 1,532,347          | 6.44%          | 94,783,954           | 1,675,761          | 7.01%          | 94,309,811           | 1,743,636          | 7.34%          | 94,051,511           | 1,735,135          | 7.40%          |
| Total interest-earning assets   | 118,461,120          | \$1,640,476        | 5.57%          | 117,069,910          | \$1,791,808        | 6.16%          | 115,432,823          | \$1,940,375        | 6.67%          | 115,286,112          | \$2,019,914        | 6.95%          | 116,610,596          | \$2,034,114        | 7.00%          |
| Allowance for loan losses   | (1,370,777)          |                    |                | (1,332,583)          |                    |                | (1,070,916)          |                    |                | (1,062,432)          |                    |                | (1,056,832)          |                    |                |
| Cash and due from banks   | 2,424,758            |                    |                | 2,746,249            |                    |                | 2,831,323            |                    |                | 2,751,656            |                    |                | 2,803,967            |                    |                |
| Other assets  | 23,045,528           |                    |                | 23,391,604           |                    |                | 21,511,015           |                    |                | 19,901,093           |                    |                | 19,180,861           |                    |                |
|   | <u>\$142,560,629</u> |                    |                | <u>\$141,875,180</u> |                    |                | <u>\$138,704,245</u> |                    |                | <u>\$136,876,429</u> |                    |                | <u>\$137,538,592</u> |                    |                |
| <b>Liabilities and Stockholders' Equity</b>                               |                      |                    |                |                      |                    |                |                      |                    |                |                      |                    |                |                      |                    |                |
| <b>Interest-bearing liabilities:</b>                                      |                      |                    |                |                      |                    |                |                      |                    |                |                      |                    |                |                      |                    |                |
| Savings accounts  | \$3,810,211          | \$1,000            | 0.11%          | \$3,699,304          | \$1,268            | 0.14%          | \$3,669,700          | \$2,236            | 0.24%          | \$3,756,311          | \$2,795            | 0.30%          | \$3,861,380          | \$2,884            | 0.30%          |
| Interest-bearing transaction accounts                                     | 15,396,516           | 32,057             | 0.84%          | 15,620,128           | 46,525             | 1.20%          | 15,029,192           | 64,376             | 1.70%          | 15,268,807           | 79,618             | 2.07%          | 15,816,958           | 84,334             | 2.14%          |
| Money market accounts   | 18,314,710           | 70,968             | 1.56%          | 18,801,773           | 96,719             | 2.07%          | 19,290,437           | 140,577            | 2.89%          | 19,883,326           | 169,606            | 3.38%          | 19,739,594           | 165,360            | 3.36%          |
| Time deposits   | 29,932,613           | 292,402            | 3.93%          | 29,573,584           | 315,860            | 4.30%          | 28,588,955           | 324,892            | 4.51%          | 28,713,151           | 331,619            | 4.58%          | 30,499,907           | 349,053            | 4.59%          |
| Foreign deposits  | 5,635,370            | 25,724             | 1.84%          | 6,005,430            | 42,818             | 2.87%          | 9,212,655            | 93,519             | 4.03%          | 7,466,762            | 89,947             | 4.78%          | 6,432,408            | 75,608             | 4.71%          |
| Total interest-bearing deposits   | 73,089,420           | 422,151            | 2.32%          | 73,700,219           | 503,190            | 2.75%          | 75,790,939           | 625,600            | 3.27%          | 75,088,357           | 673,585            | 3.56%          | 76,350,247           | 677,239            | 3.56%          |
| Federal funds purchased and securities sold under agreement to repurchase | 7,683,304            | 39,353             | 2.06%          | 8,753,109            | 67,940             | 3.12%          | 8,557,902            | 92,310             | 4.28%          | 8,121,636            | 98,522             | 4.81%          | 7,461,579            | 90,460             | 4.86%          |
| Other short-term borrowings   | 7,097,347            | 45,941             | 2.60%          | 5,389,754            | 45,068             | 3.36%          | 1,554,759            | 14,767             | 3.77%          | 1,598,989            | 16,570             | 4.11%          | 2,251,296            | 26,177             | 4.66%          |
| Long-term borrowings  | 12,925,634           | 143,509            | 4.47%          | 11,653,966           | 149,126            | 5.15%          | 11,054,567           | 157,279            | 5.64%          | 10,085,073           | 144,662            | 5.69%          | 9,014,112            | 128,269            | 5.71%          |
| Total interest-bearing liabilities  | 100,795,705          | \$650,954          | 2.60%          | 99,497,048           | \$765,324          | 3.09%          | 96,958,167           | \$889,956          | 3.64%          | 94,894,055           | \$933,339          | 3.90%          | 95,077,234           | \$922,145          | 3.89%          |
| Net interest spread   |                      |                    | 2.97%          |                      |                    | 3.07%          |                      |                    | 3.03%          |                      |                    | 3.05%          |                      |                    | 3.11%          |
| Non-interest-bearing deposits   | 17,814,075           |                    |                | 17,602,501           |                    |                | 18,249,585           |                    |                | 18,850,607           |                    |                | 19,233,146           |                    |                |
| Other liabilities   | 4,168,681            |                    |                | 4,931,717            |                    |                | 3,627,697            |                    |                | 3,338,644            |                    |                | 3,187,936            |                    |                |
| Stockholders' equity  | 19,782,168           |                    |                | 19,843,914           |                    |                | 19,868,796           |                    |                | 19,793,123           |                    |                | 20,040,276           |                    |                |
|   | <u>\$142,560,629</u> |                    |                | <u>\$141,875,180</u> |                    |                | <u>\$138,704,245</u> |                    |                | <u>\$136,876,429</u> |                    |                | <u>\$137,538,592</u> |                    |                |
| Net interest income/margin FTE basis                                      |                      | \$989,522          | 3.36%          |                      | \$1,026,484        | 3.53%          |                      | \$1,050,419        | 3.61%          |                      | \$1,086,575        | 3.74%          |                      | \$1,111,969        | 3.82%          |

(1) Certain amounts in prior periods have been reclassified to reflect current period presentation

**Regions Financial Corporation and Subsidiaries**  
**Consolidated Average Daily Balances and Yield/Rate Analysis (1)**

(\$ amounts in thousands; yields on taxable equivalent basis)

|   | 2008                 |                     |                | 2007                 |                     |                |
|---|----------------------|---------------------|----------------|----------------------|---------------------|----------------|
|   | Average<br>Balance   | Revenue/<br>Expense | Yield/<br>Rate | Average<br>Balance   | Revenue/<br>Expense | Yield/<br>Rate |
| <b>Assets</b>   |                      |                     |                |                      |                     |                |
| Interest-earning assets:  |                      |                     |                |                      |                     |                |
| Interest-bearing deposits in other banks                                  | \$55,507             | \$784               | 2.84%          | \$60,031             | \$1,828             | 6.14%          |
| Federal funds sold and securities purchased under agreement to resell     | 1,047,967            | 23,735              | 4.55%          | 1,093,479            | 33,535              | 6.18%          |
| Trading account assets  | 1,491,034            | 28,102              | 3.79%          | 1,515,741            | 31,874              | 4.24%          |
| Securities:   |                      |                     |                |                      |                     |                |
| Taxable securities  | 16,771,515           | 408,251             | 4.90%          | 17,495,478           | 442,442             | 5.10%          |
| Tax-exempt  | 723,598              | 30,086              | 8.36%          | 750,338              | 33,217              | 8.93%          |
| Loans held for sale   | 635,409              | 18,596              | 5.89%          | 2,369,570            | 88,558              | 7.54%          |
| Loans held for sale-divestitures  | -                    | -                   | -              | 572,096              | 21,520              | 7.59%          |
| Margin receivables  | 584,017              | 12,324              | 4.24%          | 543,404              | 18,899              | 7.01%          |
| Loans, net of unearned income   | 96,456,468           | 2,910,406           | 6.07%          | 94,194,342           | 3,480,611           | 7.45%          |
| Total interest-earning assets   | 117,765,515          | 3,432,284           | 5.86%          | 118,594,479          | 4,152,484           | 7.06%          |
| Allowance for loan losses   | (1,351,680)          |                     |                | (1,059,287)          |                     |                |
| Cash and due from banks   | 2,585,504            |                     |                | 2,906,636            |                     |                |
| Other non-earning assets  | 23,218,565           |                     |                | 19,297,089           |                     |                |
|   | <u>\$142,217,904</u> |                     |                | <u>\$139,738,917</u> |                     |                |
| <b>Liabilities and Stockholders' Equity</b>                               |                      |                     |                |                      |                     |                |
| Interest-bearing liabilities:   |                      |                     |                |                      |                     |                |
| Savings accounts  | \$3,754,758          | \$2,268             | 0.12%          | \$3,883,218          | \$5,848             | 0.30%          |
| Interest-bearing transaction accounts                                     | 15,508,322           | 78,582              | 1.02%          | 15,964,412           | 167,678             | 2.12%          |
| Money market accounts   | 18,558,242           | 167,687             | 1.82%          | 19,321,743           | 319,007             | 3.33%          |
| Time deposits   | 29,753,098           | 608,262             | 4.11%          | 31,094,914           | 695,580             | 4.51%          |
| Foreign deposits  | 5,820,400            | 68,542              | 2.37%          | 7,007,874            | 164,494             | 4.73%          |
| Interest-bearing deposits - divestitures                                  | -                    | -                   | -              | 754,560              | 12,091              | 3.23%          |
| Total interest-bearing deposits   | 73,394,820           | 925,341             | 2.54%          | 78,026,721           | 1,364,698           | 3.53%          |
| Federal funds purchased and securities sold under agreement to repurchase | 8,218,207            | 107,293             | 2.63%          | 7,816,286            | 186,763             | 4.82%          |
| Other short-term borrowings   | 6,243,550            | 91,009              | 2.93%          | 2,232,307            | 50,535              | 4.57%          |
| Long-term borrowings  | 12,289,800           | 292,635             | 4.79%          | 8,811,373            | 251,006             | 5.74%          |
| Total interest-bearing liabilities  | 100,146,377          | 1,416,278           | 2.84%          | 96,886,687           | 1,853,002           | 3.86%          |
| Net interest spread   |                      |                     | <u>3.02%</u>   |                      |                     | <u>3.20%</u>   |
| Non-interest bearing deposits   | 17,708,288           |                     |                | 19,462,501           |                     |                |
| Other liabilities   | 4,550,198            |                     |                | 3,144,365            |                     |                |
| Stockholders' equity  | 19,813,041           |                     |                | 20,245,364           |                     |                |
|   | <u>\$142,217,904</u> |                     |                | <u>\$139,738,917</u> |                     |                |
| Net interest income/margin FTE basis                                      |                      | <u>\$ 2,016,006</u> | <u>3.44%</u>   |                      | <u>\$ 2,299,482</u> | <u>3.91%</u>   |

(1) Certain amounts in prior periods have been reclassified to reflect current period presentation

**Regions Financial Corporation and Subsidiaries**  
**Selected Ratios**

|   | 6/30/08        | As of and for Quarter Ended |          |         | 6/30/07 |
|---|----------------|-----------------------------|----------|---------|---------|
|   |                | 3/31/08                     | 12/31/07 | 9/30/07 |         |
| Return on average assets*   | <b>0.58%</b>   | 0.95%                       | 0.20%    | 1.14%   | 1.32%   |
| Return on average equity*   | <b>4.20%</b>   | 6.82%                       | 1.41%    | 7.90%   | 9.07%   |
| Return on average tangible equity*  | <b>10.98%</b>  | 17.84%                      | 3.67%    | 20.14%  | 22.89%  |
| Stockholders' equity per share  | <b>\$28.37</b> | \$28.82                     | \$28.58  | \$28.46 | \$27.96 |
| Stockholders' equity to total assets  | <b>13.65%</b>  | 13.88%                      | 14.05%   | 14.36%  | 14.31%  |
| Tangible stockholders' equity to tangible assets  | <b>5.67%</b>   | 5.90%                       | 5.88%    | 6.02%   | 6.09%   |
| Tangible stockholders' equity to tangible assets (excluding other comprehensive income)                       | <b>5.64%</b>   | 5.64%                       | 5.72%    | 6.06%   | 6.28%   |
| Tier 1 Capital (2)  | <b>7.47%</b>   | 7.30%                       | 7.29%    | 7.73%   | 7.99%   |
| Total Risk-Based Capital (2)  | <b>11.77%</b>  | 11.07%                      | 11.25%   | 11.30%  | 11.56%  |
| Allowance for credit losses as a percentage of loans, net of unearned income (1)                              | <b>1.56%</b>   | 1.49%                       | 1.45%    | 1.19%   | 1.19%   |
| Allowance for loan losses as a percentage of loans, net of unearned income                                    | <b>1.50%</b>   | 1.43%                       | 1.39%    | 1.13%   | 1.13%   |
| Net interest margin (FTE)   | <b>3.36%</b>   | 3.53%                       | 3.61%    | 3.74%   | 3.82%   |
| Loans, net of unearned income, to total deposits  | <b>109.30%</b> | 108.07%                     | 100.64%  | 101.00% | 98.90%  |
| Net charge-offs as a percentage of average loans*   | <b>0.86%</b>   | 0.53%                       | 0.45%    | 0.27%   | 0.23%   |
| Total non-performing assets (excluding loans 90 days past due) as a percentage of loans and other real estate | <b>1.65%</b>   | 1.25%                       | 0.90%    | 0.62%   | 0.62%   |
| Total non-performing assets (including loans 90 days past due) as a percentage of loans and other real estate | <b>2.08%</b>   | 1.73%                       | 1.28%    | 0.97%   | 0.84%   |

\*Annualized

- (1) The allowance for credit losses reflects the allowance related to both loans on the balance sheet and exposure related to unfunded commitments and standby letters of credit  
 (2) Current quarter Tier 1 and Total Risk-based Capital ratios are estimated



**Loans (1)**

| Loan Portfolio - Period End Data |                   |                   |                   |                   |                   |                         |             |                        |             |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------------|-------------|------------------------|-------------|
| (\$ amounts in thousands)        |                   |                   |                   |                   |                   |                         |             |                        |             |
|                                  | 6/30/08           | 3/31/08           | 12/31/07          | 9/30/07           | 6/30/07           | 6/30/08<br>vs. 3/31/08* |             | 6/30/08<br>vs. 6/30/07 |             |
| Commercial                       | \$ 23,241,719     | \$ 21,721,738     | \$ 20,906,617     | \$ 23,565,882     | \$ 25,123,355     | \$ 1,519,981            | 28.1%       | \$ (1,881,636)         | -7.5%       |
| Real estate- mortgage            | 40,251,729        | 40,553,066        | 39,343,128        | 35,337,366        | 33,646,480        | (301,337)               | -3.0%       | 6,605,249              | 19.6%       |
| Real estate- construction        | 13,133,258        | 12,866,630        | 14,025,491        | 14,237,083        | 14,311,192        | 266,628                 | 8.3%        | (1,177,934)            | -8.2%       |
| Home equity lending              | 15,446,740        | 15,034,850        | 14,962,007        | 14,835,319        | 14,819,443        | 411,890                 | 11.0%       | 627,297                | 4.2%        |
| Indirect lending                 | 4,145,457         | 3,961,782         | 3,938,113         | 4,015,142         | 4,052,637         | 183,675                 | 18.6%       | 92,820                 | 2.3%        |
| Other consumer                   | 2,047,676         | 2,247,365         | 2,203,491         | 2,382,840         | 2,061,381         | (199,689)               | -35.7%      | (13,705)               | -0.7%       |
| <b>\$</b>                        | <b>98,266,579</b> | <b>96,385,431</b> | <b>95,378,847</b> | <b>94,373,632</b> | <b>94,014,488</b> | <b>1,881,148</b>        | <b>7.8%</b> | <b>4,252,091</b>       | <b>4.5%</b> |

| Loan Portfolio - Average Balances |                   |                   |                   |                   |                   |                   |             |                  |             |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------|------------------|-------------|
| (\$ amounts in thousands)         |                   |                   |                   |                   |                   |                   |             |                  |             |
|                                   | 2Q08              | 1Q08              | 4Q07              | 3Q07              | 2Q07              | 2Q08<br>vs. 1Q08* |             | 2Q08<br>vs. 2Q07 |             |
| Commercial                        | \$ 22,403,228     | \$ 21,155,898     | \$ 22,913,251     | \$ 24,146,621     | \$ 24,623,331     | \$ 1,247,330      | 23.7%       | \$ (2,220,103)   | -9.0%       |
| Real estate- mortgage             | 40,334,447        | 40,114,982        | 36,660,193        | 34,923,454        | 34,060,372        | 219,465           | 2.2%        | 6,274,075        | 18.4%       |
| Real estate- construction         | 13,136,168        | 13,154,924        | 14,104,126        | 14,232,360        | 14,295,420        | (18,756)          | -0.6%       | (1,159,252)      | -8.1%       |
| Home equity lending               | 15,252,902        | 14,997,750        | 14,888,685        | 14,774,085        | 14,836,871        | 255,152           | 6.8%        | 416,031          | 2.8%        |
| Indirect lending                  | 4,038,990         | 3,954,999         | 3,975,744         | 4,044,072         | 4,059,108         | 83,991            | 8.5%        | (20,118)         | -0.5%       |
| Other consumer                    | 2,028,615         | 2,340,033         | 2,241,955         | 2,189,219         | 2,176,409         | (311,418)         | -53.5%      | (147,794)        | -6.8%       |
| <b>\$</b>                         | <b>97,194,350</b> | <b>95,718,586</b> | <b>94,783,954</b> | <b>94,309,811</b> | <b>94,051,511</b> | <b>1,475,764</b>  | <b>6.2%</b> | <b>3,142,839</b> | <b>3.3%</b> |

(1) Certain amounts in the prior periods have been reclassified to reflect current period presentation

\* Linked quarter percentage changes are presented on an annualized basis

- 1Q08 loan classifications reflect an approximate \$722 million reclassification of balances from real estate-construction to real estate-mortgage, effective 1/1/08
- 4Q07 and 3Q07 loan classifications were impacted by conversion-related re-mapping

**Deposits (1)**

| <b>Deposit Portfolio - Period End Data</b> |                   |                      |                      |                      |                      |                         |             |                        |              |
|--|-------------------|----------------------|----------------------|----------------------|----------------------|-------------------------|-------------|------------------------|--------------|
| <i>(\$ amounts in thousands)</i>           |                   |                      |                      |                      |                      |                         |             |                        |              |
|  | 6/30/08           | 3/31/08              | 12/31/07             | 9/30/07              | 6/30/07              | 6/30/08<br>vs. 3/31/08* |             | 6/30/08<br>vs. 6/30/07 |              |
| Interest-Free Deposits                     | \$ 18,334,239     | \$ 18,182,582        | \$ 18,417,266        | \$ 18,834,856        | \$ 19,136,419        | \$ 151,657              | 3.4%        | \$ (802,180)           | -4.2%        |
| Interest-Bearing Checking                  | 15,380,301        | 15,603,984           | 15,846,139           | 15,208,224           | 15,685,340           | (223,683)               | -5.8%       | (305,039)              | -1.9%        |
| Savings                                    | 3,819,138         | 3,792,550            | 3,646,632            | 3,692,087            | 3,795,701            | 26,588                  | 2.8%        | 23,437                 | 0.6%         |
| Money Market                               | 17,993,169        | 18,649,389           | 18,934,309           | 19,694,280           | 20,025,759           | (656,220)               | -14.2%      | (2,032,590)            | -10.1%       |
| Money Market - Foreign                     | 3,122,234         | 3,089,721            | 3,482,603            | 3,807,196            | 3,900,599            | 32,513                  | 4.2%        | (778,365)              | -20.0%       |
| Total Low-Cost Deposits                    | 58,649,081        | 59,318,226           | 60,326,949           | 61,236,643           | 62,543,818           | (669,145)               | -4.5%       | (3,894,737)            | -6.2%        |
| Time Deposits                              | 30,462,142        | 29,463,183           | 29,298,845           | 27,744,788           | 29,572,747           | 998,959                 | 13.6%       | 889,395                | 3.0%         |
| Other Foreign Deposits                     | 792,426           | 406,000              | 5,149,174            | 4,458,499            | 2,939,826            | 386,426                 | 382.8%      | (2,147,400)            | -73.0%       |
| <b>\$</b>                                  | <b>89,903,649</b> | <b>\$ 89,187,409</b> | <b>\$ 94,774,968</b> | <b>\$ 93,439,930</b> | <b>\$ 95,056,391</b> | <b>\$ 716,240</b>       | <b>3.2%</b> | <b>\$ (5,152,742)</b>  | <b>-5.4%</b> |

| <b>Deposit Portfolio - Average Balances</b> |                   |                      |                      |                      |                      |                     |              |                       |              |
|---|-------------------|----------------------|----------------------|----------------------|----------------------|---------------------|--------------|-----------------------|--------------|
| <i>(\$ amounts in thousands)</i>            |                   |                      |                      |                      |                      |                     |              |                       |              |
|   | 2Q08              | 1Q08                 | 4Q07                 | 3Q07                 | 2Q07                 | 2Q08<br>vs. 1Q08*   |              | 2Q08<br>vs. 2Q07      |              |
| Interest-Free Deposits                      | \$ 17,814,075     | \$ 17,602,501        | \$ 18,249,585        | \$ 18,850,607        | \$ 19,233,146        | \$ 211,574          | 4.8%         | \$ (1,419,071)        | -7.4%        |
| Interest-Bearing Checking                   | 15,396,516        | 15,620,128           | 15,029,192           | 15,268,807           | 15,816,958           | (223,612)           | -5.8%        | (420,442)             | -2.7%        |
| Savings                                     | 3,810,211         | 3,699,304            | 3,669,700            | 3,756,311            | 3,861,380            | 110,907             | 12.1%        | (51,169)              | -1.3%        |
| Money Market                                | 18,314,710        | 18,801,773           | 19,290,437           | 19,883,326           | 19,739,594           | (487,063)           | -10.4%       | (1,424,884)           | -7.2%        |
| Money Market - Foreign                      | 3,112,534         | 3,213,214            | 3,851,065            | 3,969,910            | 3,802,564            | (100,680)           | -12.6%       | (690,030)             | -18.1%       |
| Total Low-Cost Deposits                     | 58,448,046        | 58,936,920           | 60,089,979           | 61,728,961           | 62,453,642           | (488,874)           | -3.3%        | (4,005,596)           | -6.4%        |
| Time Deposits                               | 29,932,613        | 29,573,584           | 28,588,955           | 28,713,151           | 30,499,907           | 359,029             | 4.9%         | (567,294)             | -1.9%        |
| Other Foreign Deposits                      | 2,522,836         | 2,792,216            | 5,361,590            | 3,496,852            | 2,629,844            | (269,380)           | -38.8%       | (107,008)             | -4.1%        |
| <b>\$</b>                                   | <b>90,903,495</b> | <b>\$ 91,302,720</b> | <b>\$ 94,040,524</b> | <b>\$ 93,938,964</b> | <b>\$ 95,583,393</b> | <b>\$ (399,225)</b> | <b>-1.8%</b> | <b>\$ (4,679,898)</b> | <b>-4.9%</b> |

(1) Certain amounts in the prior periods have been reclassified to reflect current period presentation

\* Linked quarter percentage changes are presented on an annualized basis

**Operating Revenue from Continuing Operations (1)**

| Revenue   |              |              |              |              |              |              |        |              |        |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------|--------------|--------|
| (\$ amounts in thousands)                         |              |              |              |              |              | 2Q08         |        | 2Q08         |        |
|   | 2Q08         | 1Q08         | 4Q07         | 3Q07         | 2Q07         | vs. 1Q08*    | %      | vs. 2Q07     | %      |
| Net Interest Income (TE basis)                    | \$ 989,522   | \$ 1,026,484 | \$ 1,050,419 | \$ 1,086,575 | \$ 1,111,969 | \$ (36,962)  | -14.5% | \$ (122,447) | -11.0% |
| Non-Interest Income (excl. sec. gains/losses)     | 743,248      | 816,660      | 733,023      | 705,150      | 729,607      | (73,412)     | -36.2% | 13,641       | 1.9%   |
| Total Revenue (excl. sec. gains/losses, TE basis) | \$ 1,732,770 | \$ 1,843,144 | \$ 1,783,442 | \$ 1,791,725 | \$ 1,841,576 | \$ (110,374) | -24.1% | \$ (108,806) | -5.9%  |

(1) Certain amounts in the prior periods have been reclassified to reflect current period presentation

\* Linked quarter percentage changes are presented on an annualized basis

- Net interest margin of 3.36% in 2Q08 compared to 3.53% in 1Q08
- Regions' balance sheet positioning is generally balanced as of June 30, 2008
- Non-interest income, excluding securities gains/losses and 1Q08 \$62.8 million Visa IPO gain, was relatively stable

**Non-Interest Income and Expense from Continuing Operations (1)**

| Non-interest Income and Expense     |            |            |            |            |            |                   |         |                  |        |
|-------------------------------------|------------|------------|------------|------------|------------|-------------------|---------|------------------|--------|
| Non-interest Income                 |            |            |            |            |            |                   |         |                  |        |
| (\$ amounts in thousands)           | 2Q08       | 1Q08       | 4Q07       | 3Q07       | 2Q07       | 2Q08<br>vs. 1Q08* |         | 2Q08<br>vs. 2Q07 |        |
| Service charges on deposit accounts | \$ 294,182 | \$ 271,613 | \$ 292,709 | \$ 288,296 | \$ 297,638 | \$ 22,569         | 33.4%   | \$ (3,456)       | -1.2%  |
| Brokerage and investment banking    | 256,863    | 229,203    | 227,808    | 209,413    | 207,372    | 27,660            | 48.5%   | 49,491           | 23.9%  |
| Trust department income             | 58,537     | 56,938     | 60,798     | 62,449     | 64,590     | 1,599             | 11.3%   | (6,053)          | -9.4%  |
| Mortgage income                     | 24,926     | 45,620     | 28,047     | 29,806     | 40,830     | (20,694)          | -182.4% | (15,904)         | -39.0% |
| Securities gains (losses), net      | (28)       | 91,643     | (45)       | 23,994     | (32,806)   | (91,671)          | -402.3% | 32,778           | -99.9% |
| Commercial credit fee income        | 26,788     | 54,300     | 35,568     | 29,217     | 18,971     | (27,512)          | -203.8% | 7,817            | 41.2%  |
| Insurance income                    | 26,818     | 30,899     | 23,320     | 23,340     | 25,476     | (4,081)           | -53.1%  | 1,342            | 5.3%   |
| Other                               | 55,134     | 128,087    | 64,773     | 62,629     | 74,730     | (72,953)          | -229.1% | (19,596)         | -26.2% |
| Total non-interest income           | \$ 743,220 | \$ 908,303 | \$ 732,978 | \$ 729,144 | \$ 696,801 | \$ (165,083)      | -73.1%  | \$ 46,419        | 6.7%   |

| Non-interest Expense**                               |              |              |              |              |              |                   |         |                  |       |
|--|--------------|--------------|--------------|--------------|--------------|-------------------|---------|------------------|-------|
| (\$ amounts in thousands)                            | 2Q08         | 1Q08         | 4Q07         | 3Q07         | 2Q07         | 2Q08<br>vs. 1Q08* |         | 2Q08<br>vs. 2Q07 |       |
| Salaries and employee benefits                       | \$ 552,047   | \$ 581,398   | \$ 581,635   | \$ 566,614   | \$ 579,599   | \$ (29,351)       | -20.3%  | \$ (27,552)      | -4.8% |
| Net occupancy expense                                | 109,525      | 105,266      | 102,361      | 99,325       | 88,490       | 4,259             | 16.3%   | 21,035           | 23.8% |
| Furniture and equipment expense                      | 79,993       | 79,380       | 78,669       | 72,185       | 73,056       | 613               | 3.1%    | 6,937            | 9.5%  |
| Impairment (recapture) of MSR's                      | (67,000)     | 42,000       | 23,000       | 20,000       | (38,000)     | (109,000)         | NM      | (29,000)         | 76.3% |
| Loss on early extinguishment of debt                 | -            | 65,405       | -            | -            | -            | (65,405)          | -402.2% | -                | NM    |
| Professional fees                                    | 48,752       | 32,395       | 43,212       | 27,533       | 29,568       | 16,357            | 203.1%  | 19,184           | 64.9% |
| Marketing expense                                    | 19,021       | 20,784       | 29,062       | 20,756       | 19,624       | (1,763)           | -34.1%  | (603)            | -3.1% |
| Amortization of core deposit intangible              | 34,013       | 35,045       | 42,100       | 37,432       | 32,702       | (1,032)           | -11.8%  | 1,311            | 4.0%  |
| Amortization of MSR's                                | 22,057       | 24,292       | 21,183       | 17,308       | 20,384       | (2,235)           | -37.0%  | 1,673            | 8.2%  |
| Other  | 241,908      | 188,696      | 276,872      | 192,456      | 192,385      | 53,212            | 113.4%  | 49,523           | 25.7% |
| Total non-interest expense, excluding merger charges | 1,040,316    | 1,174,661    | 1,198,094    | 1,053,609    | 997,808      | (134,345)         | -46.0%  | 42,508           | 4.3%  |
| Merger-related charges                               | 100,058      | 75,598       | 150,162      | 91,785       | 59,927       | 24,460            | 130.1%  | 40,131           | 67.0% |
| Total non-interest expense                           | \$ 1,140,374 | \$ 1,250,259 | \$ 1,348,256 | \$ 1,145,394 | \$ 1,057,735 | \$ (109,885)      | -35.3%  | \$ 82,639        | 7.8%  |

(1) Certain amounts in prior periods have been reclassified to reflect current period presentation

\* Linked quarter percentage changes are presented on an annualized basis

\*\* Individual expense categories are presented excluding merger-related charges, which are presented in a separate line item in the above table

- Non-interest income was relatively steady 1Q08 to 2Q08, excluding 1Q08's \$91.6 million of securities transactions and \$62.8 million of Visa IPO gain
- Service charges up \$22.6 million linked-quarter, reflecting seasonal factors and a pricing increase
- 2Q08 linked-quarter increase in brokerage income reflects a \$23 million adjustment to a market-related position which was offsetting to the linked quarter decline in Commercial Credit Fees (see bullet point below)
- 2Q08 Mortgage income reflects a \$14.9 million loss on sale of mortgage servicing rights related to \$3.4 billion of GNMA loans. 1Q08 was positively impacted by a \$9 million adjustment related to FAS 159 adoption for mortgage loans held for sale
- Commercial Credit Fees declined \$27.5 million due to lower swap fee income linked quarter (related to and effectively offsetting the market related adjustment reflected in brokerage as mentioned above)
- 1Q08 other non-interest income reflects a \$62.8 million gain on the redemption of Visa shares
- Non-interest expense, excluding MSR recapture and impairment, and first quarter Visa litigation expense reduction and loss on extinguishment of debt, was relatively flat linked-quarter
- 2Q08 salaries and benefits cost were lower as a result of ongoing merger-related and other incremental cost saving actions
- 1Q08 expenses include a \$65.4 million charge for early extinguishment of debt related to the redemption of subordinated notes
- Professional fees increased in 2Q08 due to special assets litigation resulting from credit cycle deterioration and higher legal costs
- 2Q08 other non-interest expense includes \$13.4 million in losses on two Morgan Keegan mutual fund investments. These losses totaled \$24.5 million in 1Q08. 2Q08 other non-interest expense also includes \$20.1 million of other real estate expense, up \$13.2 million linked quarter. 1Q08 includes a \$28.4 million Visa litigation expense reduction related to Visa's IPO. Lastly, 1Q08 other non-interest expense also reflects an \$11.4 million annual subsidiary dividend payment
- 4Q07 other non-interest expense includes the \$51.5 million charge related to Regions' ownership interest in the Visa antitrust lawsuit settlements and other related litigation; \$38.5 million loss related to two Morgan Keegan mutual fund investments; and \$6.9 million in Other Real Estate expense
- Merger-related cost saves of \$165 million, \$127 million, \$108 million, \$102 million and \$84 million are reflected in 2Q08, 1Q08, 4Q07, 3Q07 and 2Q07 non-interest expense, respectively

**Morgan Keegan**

**Morgan Keegan**

**Summary Income Statement (excluding merger-related charges)**

| (\$ amounts in thousands)  |           |           |           |           |           | 2Q08       |          | 2Q08        |        |
|----------------------------|-----------|-----------|-----------|-----------|-----------|------------|----------|-------------|--------|
|                            | 2Q08      | 1Q08      | 4Q07      | 3Q07      | 2Q07      | vs. 1Q08*  | vs. 2Q07 |             |        |
| <b>Revenues:</b>           |           |           |           |           |           |            |          |             |        |
| Commissions                | \$ 64,615 | \$ 67,801 | \$ 82,502 | \$ 82,071 | \$ 77,563 | \$ (3,186) | -18.9%   | \$ (12,948) | -16.7% |
| Principal transactions     | 52,615    | 70,045    | 56,216    | 43,916    | 43,838    | (17,430)   | -100.1%  | 8,777       | 20.0%  |
| Investment banking         | 70,587    | 55,010    | 57,192    | 48,958    | 48,579    | 15,577     | 113.9%   | 22,008      | 45.3%  |
| Interest                   | 27,143    | 29,454    | 33,772    | 35,388    | 39,820    | (2,311)    | -31.6%   | (12,677)    | -31.8% |
| Trust fees and services    | 56,850    | 54,085    | 56,736    | 55,803    | 57,185    | 2,765      | 20.6%    | (335)       | -0.6%  |
| Investment advisory        | 54,685    | 52,432    | 52,168    | 42,146    | 48,088    | 2,253      | 17.3%    | 6,597       | 13.7%  |
| Other                      | 12,790    | 10,423    | 12,357    | 10,134    | 13,761    | 2,367      | 91.3%    | (971)       | -7.1%  |
| Total revenues             | 339,285   | 339,250   | 350,943   | 318,416   | 328,834   | 35         | 0.0%     | 10,451      | 3.2%   |
| <b>Expenses:</b>           |           |           |           |           |           |            |          |             |        |
| Interest expense           | 11,644    | 15,470    | 19,790    | 21,790    | 25,046    | (3,826)    | -99.5%   | (13,402)    | -53.5% |
| Non-interest expense       | 266,937   | 274,738   | 291,022   | 225,469   | 225,074   | (7,801)    | -11.4%   | 41,863      | 18.6%  |
| Total expenses             | 278,581   | 290,208   | 310,812   | 247,259   | 250,120   | (11,627)   | -16.1%   | 28,461      | 11.4%  |
| Income before income taxes | 60,704    | 49,042    | 40,131    | 71,157    | 78,714    | 11,662     | 95.6%    | (18,010)    | -22.9% |
| Income taxes               | 22,463    | 18,069    | 15,068    | 26,000    | 28,603    | 4,394      | 97.8%    | (6,140)     | -21.5% |
| Net income <sup>1</sup>    | \$ 38,241 | \$ 30,973 | \$ 25,063 | \$ 45,157 | \$ 50,111 | \$ 7,268   | 94.4%    | \$ (11,870) | -23.7% |

<sup>1</sup>2Q08 and 1Q08 net income do not include merger-related charges of \$0.5 million and \$17.2 million pre-tax, or \$0.3 million and \$11.0 million after-tax, respectively.

**Breakout of Revenue by Division**

| (\$ amounts in thousands) | Private Client | Fixed-income Capital Markets | Equity Capital Markets | Regions MK Trust | Asset Management | Interest & Other |
|---------------------------|----------------|------------------------------|------------------------|------------------|------------------|------------------|
| <b>Three months ended</b> |                |                              |                        |                  |                  |                  |
| <b>June 30, 2008:</b>     |                |                              |                        |                  |                  |                  |
| \$ amount of revenue      | \$ 87,079      | \$ 97,488                    | \$ 33,531              | \$ 56,851        | \$ 42,819        | \$ 21,517        |
| % of gross revenue        | 25.7%          | 28.7%                        | 9.9%                   | 16.8%            | 12.6%            | 6.3%             |
| <b>Three months ended</b> |                |                              |                        |                  |                  |                  |
| <b>March 31, 2008:</b>    |                |                              |                        |                  |                  |                  |
| \$ amount of revenue      | \$ 88,830      | \$ 89,452                    | \$ 47,313              | \$ 54,081        | \$ 41,778        | \$ 17,796        |
| % of gross revenue        | 26.2%          | 26.4%                        | 13.9%                  | 15.9%            | 12.3%            | 5.2%             |
| <b>Six months ended</b>   |                |                              |                        |                  |                  |                  |
| <b>June 30, 2008:</b>     |                |                              |                        |                  |                  |                  |
| \$ amount of revenue      | \$ 175,909     | \$ 186,940                   | \$ 80,844              | \$ 110,932       | \$ 84,597        | \$ 39,313        |
| % of gross revenue        | 25.9%          | 27.6%                        | 11.9%                  | 16.3%            | 12.5%            | 5.8%             |
| <b>Six months ended</b>   |                |                              |                        |                  |                  |                  |
| <b>June 30, 2007:</b>     |                |                              |                        |                  |                  |                  |
| \$ amount of revenue      | \$ 196,929     | \$ 109,216                   | \$ 43,158              | \$ 113,306       | \$ 91,193        | \$ 77,031        |
| % of gross revenue        | 31.2%          | 17.3%                        | 6.8%                   | 18.0%            | 14.5%            | 12.2%            |

\* Linked quarter percentage changes are presented on an annualized basis

- 2Q principal transactions revenue declined \$17.4 million as compared to an especially strong 1Q, which reflected high fixed-income capital market activity; slowing economy a factor
- Investment banking revenues increased \$15.6 million linked-quarter driven by traditional equity and fixed-income banking areas. 2007 acquisition of Shattuck Hammond providing new avenues in healthcare-related issuances
- Non-interest expenses declined an annualized 11 percent, resulting from management's efforts to control costs as well as lower mutual fund loss recognition
- Equity Capital Markets revenue declined linked quarter reflecting exceptionally strong 1Q oil and gas revenues
- Fixed-income Capital Markets revenues higher as demand for products that customers view as safer or more conservative has increased
- Non-interest expense includes \$13.4 million, \$24.5 million and \$38.5 million for 2Q08, 1Q08 and 4Q07, respectively, in losses related to investments in two mutual funds
- 18,400 new accounts were opened in 2Q08 compared to 21,400 in 1Q08
- Total customer assets were \$73.5 billion at June 30, 2008, compared to \$76.3 billion at March 31, 2008 and \$81.3 billion at June 30, 2007

**Credit Quality (1)**

| (\$ in thousands)  | Credit Quality |              |              |              |              | YTD          |              |
|--|----------------|--------------|--------------|--------------|--------------|--------------|--------------|
|  | 6/30/08        | 3/31/08      | 12/31/07     | 9/30/07      | 6/30/07      | 6/30/08      | 6/30/07      |
| Allowance for credit losses (ACL)                        | \$ 1,536,346   | \$ 1,432,271 | \$ 1,379,498 | \$ 1,126,554 | \$ 1,118,229 | \$ 1,536,346 | \$ 1,118,229 |
| Provision for loan losses from                           |                |              |              |              |              |              |              |
| continuing operations                                    | \$ 309,000     | \$ 181,000   | \$ 358,000   | \$ 90,000    | \$ 60,000    | \$ 490,000   | \$ 107,000   |
| Provision for unfunded credit losses                     | \$ 9,036       | \$ (2,469)   | \$ 2,416     | \$ (518)     | \$ 2,292     | \$ 6,567     | \$ 4,521     |
| Net loans charged-off:*                                  |                |              |              |              |              |              |              |
| Commercial   | \$ 26,351      | \$ 49,570    | \$ 34,742    | \$ 19,161    | \$ 17,406    | \$ 75,921    | \$ 19,450    |
| Real estate - mortgage                                   | 43,351         | 20,497       | 20,409       | 6,392        | 11,432       | 63,848       | 22,540       |
| Real estate - construction                               | 46,036         | 13,138       | 16,036       | 5,230        | 709          | 59,174       | 9,281        |
| Home equity lending                                      | 73,406         | 21,072       | 11,513       | 11,701       | 8,774        | 94,478       | 17,460       |
| Indirect lending   | 8,038          | 8,381        | 7,752        | 4,395        | 3,975        | 16,419       | 8,391        |
| Other consumer   | 11,769         | 13,100       | 17,020       | 16,242       | 11,611       | 24,869       | 22,807       |
| Total  | \$ 208,951     | \$ 125,758   | \$ 107,472   | \$ 63,121    | \$ 53,907    | \$ 334,709   | \$ 99,929    |
| Net loan charge-offs as a % of                           |                |              |              |              |              |              |              |
| average loans, annualized *                              |                |              |              |              |              |              |              |
| Commercial   | 0.47%          | 0.94%        | 0.60%        | 0.31%        | 0.28%        | 0.70%        | 0.16%        |
| Real estate - mortgage                                   | 0.43%          | 0.21%        | 0.22%        | 0.07%        | 0.13%        | 0.32%        | 0.13%        |
| Real estate - construction                               | 1.41%          | 0.40%        | 0.45%        | 0.15%        | 0.02%        | 0.90%        | 0.13%        |
| Home equity lending                                      | 1.94%          | 0.57%        | 0.31%        | 0.31%        | 0.24%        | 1.26%        | 0.24%        |
| Indirect lending   | 0.80%          | 0.85%        | 0.77%        | 0.43%        | 0.39%        | 0.83%        | 0.42%        |
| Other consumer   | 2.33%          | 2.25%        | 3.01%        | 2.94%        | 2.14%        | 2.29%        | 2.09%        |
| Total  | 0.86%          | 0.53%        | 0.45%        | 0.27%        | 0.23%        | 0.70%        | 0.21%        |
| Non-performing assets (NPAs):                            |                |              |              |              |              |              |              |
| Non-accrual loans*                                       | \$ 1,410,504   | \$ 1,024,201 | \$ 743,589   | \$ 494,693   | \$ 501,175   |              |              |
| Foreclosed properties                                    | 210,330        | 180,228      | 120,465      | 93,649       | 83,834       |              |              |
| Total  | \$ 1,620,834   | \$ 1,204,429 | \$ 864,054   | \$ 588,342   | \$ 585,009   |              |              |
| Loans past due > 90 days*                                | \$ 431,958     | \$ 467,375   | \$ 356,685   | \$ 332,116   | \$ 204,829   |              |              |
| Credit Ratios:   |                |              |              |              |              |              |              |
| ACL/Loans, net   | 1.56%          | 1.49%        | 1.45%        | 1.19%        | 1.19%        |              |              |
| ALL/Loans, net   | 1.50%          | 1.43%        | 1.39%        | 1.13%        | 1.13%        |              |              |
| NPAs (ex. 90+ past due)/loans and foreclosed properties  | 1.65%          | 1.25%        | 0.90%        | 0.62%        | 0.62%        |              |              |
| NPAs (inc. 90+ past due)/loans and foreclosed properties | 2.08%          | 1.73%        | 1.28%        | 0.97%        | 0.84%        |              |              |

\* See page 15 for loan portfolio (risk view) breakout

**Allowance for Credit Losses**

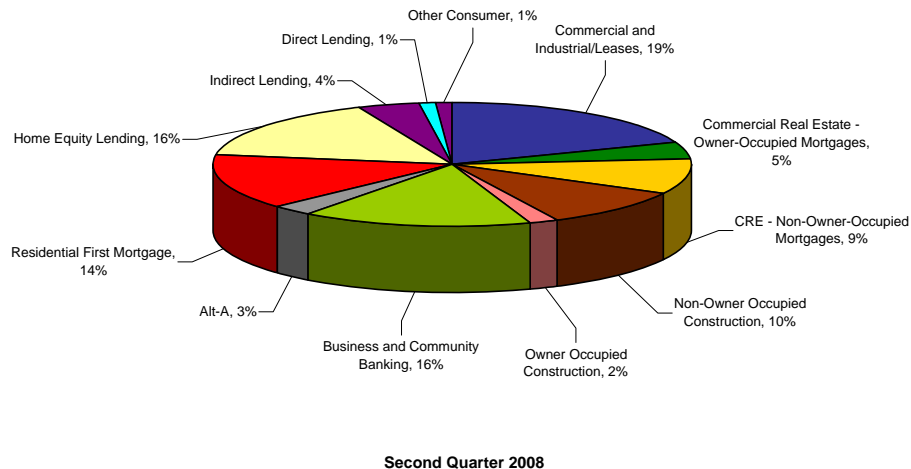
| (\$ amounts in thousands)                               | Six Months Ended June 30 |             |
|---|--------------------------|-------------|
|   | 2008                     | 2007        |
| Balance at beginning of year                            | \$1,379,498              | \$1,107,788 |
| Net loans charged-off                                   | (334,709)                | (99,929)    |
| Allowance allocated to sold loans                       | (5,010)                  | (1,333)     |
| Provision for loan losses, from continuing operations   | 490,000                  | 107,000     |
| Provision for loan losses, from discontinued operations | -                        | 182         |
| Provision for unfunded credit commitments               | 6,567                    | 4,521       |
| Balance at end of period                                | \$1,536,346              | \$1,118,229 |
| Components:   |                          |             |
| Allowance for loan losses                               | 1,471,524                | 1,061,873   |
| Reserve for unfunded credit commitments                 | 64,822                   | 56,356      |
| Allowance for credit losses                             | \$1,536,346              | \$1,118,229 |

(1) Certain amounts in prior periods have been reclassified to reflect current period presentation

**Loan Portfolio - Risk View**

**Total Loan Portfolio**

|   | Ending Balance       |                      |                      | % of Total Loans |             |             |
|---|----------------------|----------------------|----------------------|------------------|-------------|-------------|
|   | 2Q08                 | 1Q08                 | 4Q07                 | 2Q08             | 1Q08        | 4Q07        |
| <i>(\$ in thousands)</i>                          |                      |                      |                      |                  |             |             |
| <b>Commercial</b>                                 |                      |                      |                      |                  |             |             |
| Commercial and Industrial/Leases                  | \$ 18,952,630        | \$ 17,463,045        | \$ 16,533,176        | 19%              | 18%         | 17%         |
| Commercial Real Estate - Owner-Occupied Mortgages | 4,450,461            | 4,543,263            | 4,436,631            | 5%               | 5%          | 5%          |
| Total Commercial                                  | 23,403,091           | 22,006,308           | 20,969,807           | 24%              | 23%         | 22%         |
| <b>Commercial Real Estate (1)</b>                 |                      |                      |                      |                  |             |             |
| CRE - Non-Owner-Occupied Mortgages                | 9,063,826            | 9,063,831            | 8,057,504            | 9%               | 9%          | 8%          |
| Non-Owner Occupied Construction                   | 10,221,057           | n/a                  | n/a                  | 10%              | n/a         | n/a         |
| Owner Occupied Construction                       | 1,498,001            | n/a                  | n/a                  | 2%               | n/a         | n/a         |
| Construction                                      | 11,719,058           | 11,460,090           | 12,893,068           | 12%              | 12%         | 14%         |
| Total Commercial Real Estate                      | 20,782,884           | 20,523,921           | 20,950,572           | 21%              | 21%         | 22%         |
| <b>Business and Community Banking (1)</b>         |                      |                      |                      |                  |             |             |
| Commercial and Industrial                         | 4,289,088            | n/a                  | n/a                  | 4%               | n/a         | n/a         |
| Commercial Real Estate - Owner-Occupied Mortgages | 6,487,044            | n/a                  | n/a                  | 7%               | n/a         | n/a         |
| CRE - Non-Owner-Occupied Mortgages                | 3,786,299            | n/a                  | n/a                  | 4%               | n/a         | n/a         |
| Non-Owner Occupied Construction                   | 681,474              | n/a                  | n/a                  | 0%               | n/a         | n/a         |
| Owner Occupied Construction                       | 732,636              | n/a                  | n/a                  | 0%               | n/a         | n/a         |
| Construction                                      | 1,414,110            | n/a                  | n/a                  | 1%               | n/a         | n/a         |
| Total Business and Community Banking              | 15,976,541           | 16,045,530           | 15,540,443           | 16%              | 17%         | 16%         |
| <b>Residential First Mortgage</b>                 |                      |                      |                      |                  |             |             |
| Alt-A   | 2,660,288            | 2,743,467            | 2,830,062            | 3%               | 3%          | 3%          |
| Residential First Mortgage                        | 13,803,811           | 14,019,883           | 14,129,484           | 14%              | 14%         | 15%         |
| Total Residential First Mortgage                  | 16,464,099           | 16,763,350           | 16,959,546           | 17%              | 17%         | 18%         |
| <b>Consumer</b>                                   |                      |                      |                      |                  |             |             |
| Home Equity Lending                               | 15,446,740           | 15,034,850           | 14,962,007           | 16%              | 16%         | 16%         |
| Indirect Lending                                  | 4,145,457            | 3,961,782            | 3,938,113            | 4%               | 4%          | 4%          |
| Direct Lending                                    | 927,865              | 974,684              | 1,066,184            | 1%               | 1%          | 1%          |
| Other Consumer                                    | 1,119,902            | 1,075,006            | 992,175              | 1%               | 1%          | 1%          |
| Total Other Consumer                              | 21,639,964           | 21,046,322           | 20,958,479           | 22%              | 22%         | 22%         |
| <b>Total Loans</b>                                | <b>\$ 98,266,579</b> | <b>\$ 96,385,431</b> | <b>\$ 95,378,847</b> | <b>100%</b>      | <b>100%</b> | <b>100%</b> |



**90+ Days Past Due Loans, Non-accrual Loans and Net Charge-offs**

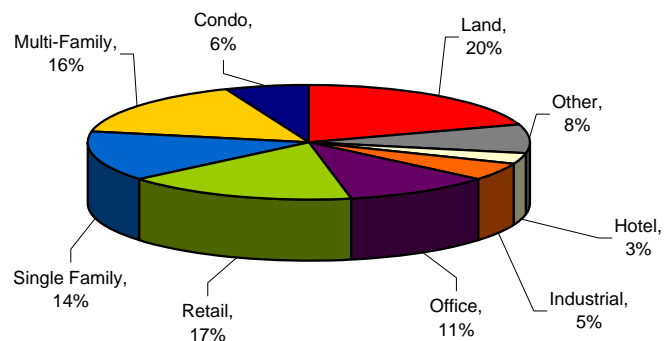
|   | 90+ Past Due      |                   |                   | % of Loans** |              |              | Non-accrual loans   |                     |                   | % of Loans** |              |              | Net Charge-offs   |                   |                   | % of Loans** |              |              |
|---|-------------------|-------------------|-------------------|--------------|--------------|--------------|---------------------|---------------------|-------------------|--------------|--------------|--------------|-------------------|-------------------|-------------------|--------------|--------------|--------------|
|   | 2Q08              | 1Q08              | 4Q07              | 2Q08         | 1Q08         | 4Q07         | 2Q08                | 1Q08                | 4Q07              | 2Q08         | 1Q08         | 4Q07         | 2Q08              | 1Q08              | 4Q07              | 2Q08         | 1Q08         | 4Q07         |
| <i>(\$ in thousands)</i>                          |                   |                   |                   |              |              |              |                     |                     |                   |              |              |              |                   |                   |                   |              |              |              |
| <b>Commercial</b>                                 |                   |                   |                   |              |              |              |                     |                     |                   |              |              |              |                   |                   |                   |              |              |              |
| Commercial and Industrial/Leases                  | \$ 3,977          | \$ 28,405         | \$ 5,984          | 0.02%        | 0.16%        | 0.04%        | \$ 132,480          | \$ 89,412           | \$ 55,355         | 0.70%        | 0.51%        | 0.33%        | \$ 7,374          | \$ 27,828         | \$ 24,784         | 0.16%        | 0.67%        | 0.49%        |
| Commercial Real Estate - Owner-Occupied           | 1,635             | 2,475             | 1,112             | 0.04%        | 0.05%        | 0.03%        | 138,044             | 110,579             | 105,494           | 3.10%        | 2.43%        | 2.38%        | 7,866             | 4,433             | 2,643             | 0.70%        | 0.40%        | 0.13%        |
| Total Commercial                                  | 5,612             | 30,880            | 7,096             | 0.02%        | 0.14%        | 0.03%        | 270,524             | 199,991             | 160,849           | 1.16%        | 0.91%        | 0.77%        | 15,240            | 32,261            | 27,427            | 0.27%        | 0.61%        | 0.39%        |
| <b>Commercial Real Estate (1)</b>                 |                   |                   |                   |              |              |              |                     |                     |                   |              |              |              |                   |                   |                   |              |              |              |
| CRE - Non-Owner-Occupied Mortgages                | 3,786             | 17,732            | 7,625             | 0.04%        | 0.20%        | 0.09%        | 274,664             | 207,907             | 148,539           | 3.03%        | 2.29%        | 1.84%        | 22,320            | 5,247             | 9,903             | 0.99%        | 0.24%        | 0.73%        |
| Non-Owner Occupied Construction                   | 14,712            | n/a               | n/a               | 0.14%        | n/a          | n/a          | 640,303             | n/a                 | n/a               | 6.26%        | n/a          | n/a          | n/a               | n/a               | n/a               | n/a          | n/a          | n/a          |
| Owner Occupied Construction                       | 2,662             | n/a               | n/a               | 0.18%        | n/a          | n/a          | 28,626              | n/a                 | n/a               | 1.91%        | n/a          | n/a          | n/a               | n/a               | n/a               | n/a          | n/a          | n/a          |
| Construction                                      | 17,374            | 10,782            | 18,535            | 0.15%        | 0.09%        | 0.14%        | 668,929             | 446,861             | 304,941           | 5.71%        | 3.90%        | 2.37%        | 44,929            | 12,666            | 16,111            | 1.55%        | 0.44%        | 0.48%        |
| Total Commercial Real Estate                      | 21,160            | 28,514            | 26,160            | 0.10%        | 0.14%        | 0.12%        | 943,593             | 654,768             | 453,480           | 4.54%        | 3.19%        | 2.16%        | 67,249            | 17,913            | 26,014            | 1.31%        | 0.35%        | 0.55%        |
| <b>Business and Community Banking (1)</b>         |                   |                   |                   |              |              |              |                     |                     |                   |              |              |              |                   |                   |                   |              |              |              |
| Commercial and Industrial                         | 6,551             | n/a               | n/a               | 0.15%        | n/a          | n/a          | 48,908              | n/a                 | n/a               | 1.14%        | n/a          | n/a          | 18,977            | n/a               | n/a               | 1.78%        | n/a          | n/a          |
| Commercial Real Estate - Owner-Occupied Mortgages | 5,721             | n/a               | n/a               | 0.09%        | n/a          | n/a          | 37,672              | n/a                 | n/a               | 0.58%        | n/a          | n/a          | 1,083             | n/a               | n/a               | 0.07%        | n/a          | n/a          |
| CRE - Non-Owner-Occupied Mortgages                | 4,698             | n/a               | n/a               | 0.12%        | n/a          | n/a          | 18,459              | n/a                 | n/a               | 0.49%        | n/a          | n/a          | 580               | n/a               | n/a               | 0.06%        | n/a          | n/a          |
| Non-Owner Occupied Construction                   | 58                | n/a               | n/a               | 0.01%        | n/a          | n/a          | 2,960               | n/a                 | n/a               | 0.43%        | n/a          | n/a          | n/a               | n/a               | n/a               | na           | n/a          | n/a          |
| Owner Occupied Construction                       | 410               | n/a               | n/a               | 0.06%        | n/a          | n/a          | 4,193               | n/a                 | n/a               | 0.57%        | n/a          | n/a          | n/a               | n/a               | n/a               | na           | n/a          | n/a          |
| Construction                                      | 468               | n/a               | n/a               | 0.03%        | n/a          | n/a          | 7,153               | n/a                 | n/a               | 0.51%        | n/a          | n/a          | 1,108             | n/a               | n/a               | 0.30%        | n/a          | n/a          |
| Total Business and Community Banking              | 17,438            | 19,960            | 10,638            | 0.11%        | 0.12%        | 0.07%        | 112,192             | 100,991             | 75,930            | 0.70%        | 0.63%        | 0.49%        | 21,748            | 23,568            | 10,313            | 0.55%        | 0.59%        | 0.39%        |
| <b>Residential First Mortgage</b>                 |                   |                   |                   |              |              |              |                     |                     |                   |              |              |              |                   |                   |                   |              |              |              |
| Alt-A   | 79,658            | 67,275            | 41,125            | 2.99%        | 2.45%        | 1.45%        | 20,259              | 14,271              | 8,534             | 0.76%        | 0.52%        | 0.30%        | 2,978             | 2,106             | 1,822             | 0.45%        | 0.31%        | 0.26%        |
| Residential First Mortgage                        | 130,794           | 118,654           | 113,281           | 0.95%        | 0.85%        | 0.80%        | 50,285              | 41,750              | 38,177            | 0.36%        | 0.30%        | 0.27%        | 8,523             | 7,356             | 5,611             | 0.25%        | 0.21%        | 0.16%        |
| Total Residential First Mortgage                  | 210,452           | 185,929           | 154,406           | 1.28%        | 1.11%        | 0.91%        | 70,544              | 56,021              | 46,711            | 0.43%        | 0.33%        | 0.28%        | 11,501            | 9,462             | 7,433             | 0.28%        | 0.23%        | 0.18%        |
| <b>Consumer</b>                                   |                   |                   |                   |              |              |              |                     |                     |                   |              |              |              |                   |                   |                   |              |              |              |
| Home Equity Lending                               | 166,816           | 192,836           | 146,808           | 1.08%        | 1.28%        | 0.98%        | 13,335              | 12,428              | 6,611             | 0.09%        | 0.08%        | 0.04%        | 73,406            | 21,072            | 11,513            | 1.94%        | 0.57%        | 0.31%        |
| Indirect Lending                                  | 4,581             | 4,233             | 6,002             | 0.11%        | 0.11%        | 0.15%        | -                   | 1                   | 8                 | 0.00%        | 0.00%        | 0.00%        | 8,037             | 8,381             | 7,752             | 0.80%        | 0.85%        | 0.77%        |
| Direct Lending                                    | 2,507             | 2,971             | 2,997             | 0.27%        | 0.30%        | 0.28%        | 315                 | 1                   | -                 | 0.03%        | 0.00%        | 0.00%        | 2,641             | 2,361             | 2,911             | 1.11%        | 0.94%        | 1.09%        |
| Other Consumer                                    | 3,392             | 2,052             | 2,578             | 0.30%        | 0.19%        | 0.26%        | 1                   | -                   | -                 | 0.00%        | 0.00%        | 0.00%        | 9,129             | 10,740            | 14,109            | 3.41%        | 3.74%        | 5.21%        |
| Total Other Consumer                              | 177,296           | 202,092           | 158,385           | 0.82%        | 0.96%        | 0.76%        | 13,651              | 12,430              | 6,619             | 0.06%        | 0.06%        | 0.03%        | 93,213            | 42,554            | 36,285            | 1.76%        | 0.81%        | 0.69%        |
| <b>Total Loans</b>                                | <b>\$ 431,958</b> | <b>\$ 467,375</b> | <b>\$ 356,685</b> | <b>0.44%</b> | <b>0.48%</b> | <b>0.37%</b> | <b>\$ 1,410,504</b> | <b>\$ 1,024,201</b> | <b>\$ 743,589</b> | <b>1.44%</b> | <b>1.06%</b> | <b>0.78%</b> | <b>\$ 208,951</b> | <b>\$ 125,758</b> | <b>\$ 107,472</b> | <b>0.86%</b> | <b>0.53%</b> | <b>0.45%</b> |

\*\* Percentage of related loan category outstandings

Note: 1Q08 loan classifications reflect an approximate \$722 million reclassification of balances from real estate-const to real estate-mortgage, effective 1/1/08 (note that past due, non-accrual and net charge-off also impacted by reclass)

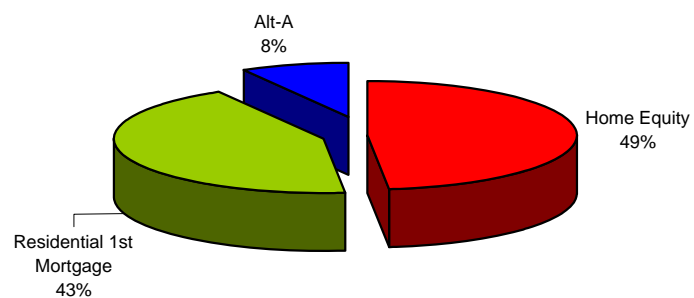
(1) Prior period breakout not available

**Non-Owner Occupied Commercial Real Estate and Business and Community Banking Real Estate - \$23.8 billion (as of 6/30/08)**



- Portfolio well-diversified by product type
- Includes \$4.5 billion in Business and Community Banking Non-Owner Occupied Commercial Real Estate Loans which have different risk characteristics. They are underwritten not on a project basis but on the strength of the individual.
- \$5.8 billion residential homebuilder portfolio is a subset of the Commercial Real Estate portfolio with the majority of the residential homebuilder portfolio found in land and single family sectors
- Proactively reducing certain concentrations
  - Land balances down \$1.6 billion (25%) since December 2006
  - Condominium balances down \$1.0 billion (44%) since December 2006

**Consumer Real Estate - \$31.9 billion (as of 6/30/08)**



|                                    | <u>Outstandings*</u> | <u>Wgtd Avg. LTV</u> | <u>Wgtd Avg. FICO</u> | <u>Avg. Loan Size</u> | <u>% in 1st Lien</u> |
|------------------------------------|----------------------|----------------------|-----------------------|-----------------------|----------------------|
| Home Equity Lending                | \$ 15,446,740        | 74%                  | 735                   | \$ 72,617             | 42%                  |
| Residential 1st Mortgage           | 13,803,811           | 67%                  | 722                   | 175,656               | 99%                  |
| Alt-A                              | 2,660,288            | 71%                  | 712                   | 177,779               | 100%                 |
| <b>Total Consumer RE Portfolio</b> | <b>\$ 31,910,839</b> | <b>71%</b>           | <b>729</b>            | <b>\$ 120,292</b>     | <b>71%</b>           |

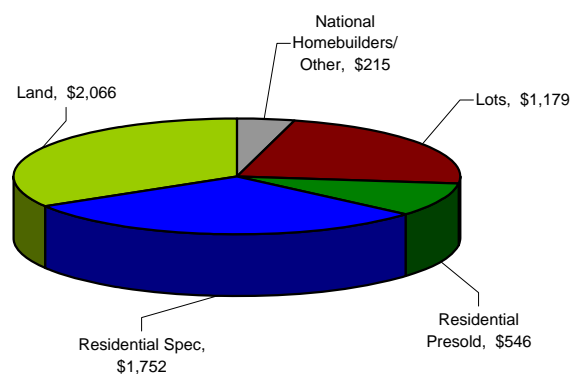
\* \$ in thousands



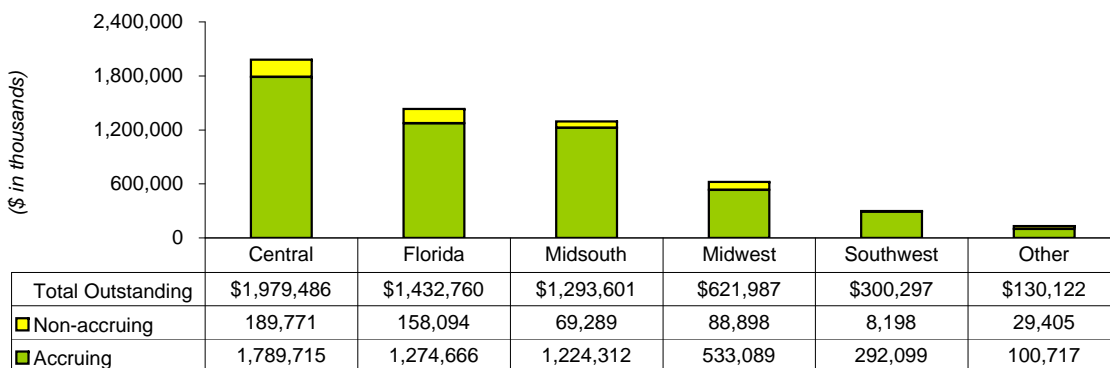
**Residential Homebuilder Portfolio - \$5.8 billion (as of 6/30/08)**

**Portfolio Breakout by Category**

(\$ in millions)



**Geographic Breakout**



<sup>1</sup> Central consists of Alabama, Georgia, and South Carolina

<sup>2</sup> Midsouth consists of North Carolina, Virginia and Tennessee

<sup>3</sup> Midwest consists of Arkansas, Illinois, Indiana, Iowa, Kentucky, Missouri, and Texas

<sup>4</sup> Southwest consists of Louisiana and Mississippi

**Product Breakout**

(\$ in thousands)

|                    | Lots         |      | Residential Presold |      | Residential Spec |      | Land         |      | National Homebuilders |       | Total Portfolio |      |
|--------------------|--------------|------|---------------------|------|------------------|------|--------------|------|-----------------------|-------|-----------------|------|
|                    | \$           | %*   | \$                  | %*   | \$               | %*   | \$           | %*   | \$                    | %*    | \$              | %*   |
| 90+ Past Due       | 3,953        | 0.34 | 545                 | 0.10 | 1,760            | 0.10 | 925          | 0.04 | 193                   | 0.09  | 7,376           | 0.13 |
| Non-Accruing Loans | 89,753       | 7.61 | 48,804              | 8.94 | 172,647          | 9.85 | 179,492      | 8.69 | 52,959                | 24.56 | 543,655         | 9.44 |
| Average Note Size: |              |      |                     |      |                  |      |              |      |                       |       |                 |      |
| Total Portfolio    | 229          | -    | 370                 | -    | 264              | -    | 743          | -    | 495                   | -     | 349             | -    |
| Central            | 202          | -    | 203                 | -    | 220              | -    | 686          | -    | 257                   | -     | 278             | -    |
| Florida            | 532          | -    | 980                 | -    | 531              | -    | 2,122        | -    | 3,075                 | -     | 901             | -    |
| Outstandings       | \$ 1,178,815 |      | \$ 545,806          |      | \$ 1,752,055     |      | \$ 2,065,967 |      | \$ 215,610            |       | \$ 5,758,253    |      |

\* Percentage of related product outstandings

- Average note size of the homebuilder portfolio is \$349,000
- Non-accruing loans represent 9.44 percent of the total homebuilder portfolio with the highest concentrations in the Florida and Central (mainly Atlanta) regions
- 2Q08 charge-offs in the homebuilder portfolio were \$34.2 million
- At 2Q08 approximately \$1.8 billion of the \$5.8 billion homebuilder portfolio represents problem loans

**Home Equity Lending Net Charge-off Analysis**

| (\$ in millions)        |                   | 2Q08       |            |             | 1Q08       |            |             | 4Q07       |            |             |
|-------------------------|-------------------|------------|------------|-------------|------------|------------|-------------|------------|------------|-------------|
|                         |                   | 1st Lien   | 2nd Lien   | Total       | 1st Lien   | 2nd Lien   | Total       | 1st Lien   | 2nd Lien   | Total       |
| <b>Florida</b>          | Net Charge-off %* | 1.37%      | 4.74%      | 3.55%       | 0.67%      | 1.07%      | 0.94%       | 0.40%      | 0.23%      | 0.29%       |
|                         | \$ Losses         | \$ 6.3     | \$ 40.2    | \$ 46.5     | \$ 2.8     | \$ 8.9     | \$ 11.7     | \$ 1.9     | \$ 2.1     | \$ 4.0      |
|                         | Balance           | \$ 1,922.2 | \$ 3,448.0 | \$ 5,370.2  | \$ 1,713.2 | \$ 3,396.2 | \$ 5,109.4  | \$ 1,674.4 | \$ 3,285.3 | \$ 4,959.7  |
|                         | Original LTV      | 66.0%      | 76.7%      | 72.9%       | -          | -          | -           | -          | -          | -           |
| <b>All Other States</b> | Net Charge-off %* | 0.60%      | 1.47%      | 1.08%       | 0.25%      | 0.48%      | 0.38%       | 0.28%      | 0.36%      | 0.33%       |
|                         | \$ Losses         | \$ 6.7     | \$ 20.2    | \$ 26.9     | \$ 2.7     | \$ 6.6     | \$ 9.3      | \$ 2.9     | \$ 4.6     | \$ 7.5      |
|                         | Balance           | \$ 4,524.2 | \$ 5,552.2 | \$ 10,076.5 | \$ 4,348.5 | \$ 5,576.9 | \$ 9,925.4  | \$ 4,394.3 | \$ 5,608.0 | \$ 10,002.3 |
|                         | Original LTV      | 68.6%      | 80.2%      | 75.0%       | -          | -          | -           | -          | -          | -           |
| <b>Totals</b>           | Net Charge-off %* | 0.83%      | 2.72%      | 1.94%       | 0.37%      | 0.70%      | 0.57%       | 0.32%      | 0.31%      | 0.31%       |
|                         | \$ Losses         | \$ 13.0    | \$ 60.4    | \$ 73.4     | \$ 5.6     | \$ 15.5    | \$ 21.1     | \$ 4.8     | \$ 6.7     | \$ 11.5     |
|                         | Balance           | \$ 6,446.4 | \$ 9,000.2 | \$ 15,446.7 | \$ 6,061.8 | \$ 8,973.1 | \$ 15,034.8 | \$ 6,068.7 | \$ 8,893.3 | \$ 14,962.0 |
|                         | Original LTV      | 67.8%      | 78.8%      | 74.2%       | -          | -          | -           | -          | -          | -           |

Notes: Recoveries are pro-rated based on charge-off balances.

\* Net Charge-off percentages are calculated on average balances.

- Increased net charge-offs mainly a Florida issue. Net charge-offs in Florida approximately 3.3 times non-Florida net charge-off rate
- Second lien, Florida net charge-offs represent 55% of 2Q08 net charge-offs but just 22% of outstanding balances
- Balances shown on an ending basis. Net loss rates calculated using average balances
- Original LTVs shown for current period only; prior period LTVs not materially different

### Additional Financial and Operational Data

|  | 6/30/08 | 3/31/08 | 12/31/07 | 9/30/07 | 6/30/07 |
|--|---------|---------|----------|---------|---------|
| Associate headcount                                  | 31,564  | 32,143  | 33,161   | 33,630  | 34,293  |
| Authorized shares remaining under<br>buyback program | 23.1MM  | 23.1MM  | 23.1MM   | 27.6MM  | 34.2MM  |
| Total branch outlets                                 | 1,936   | 1,938   | 1,965    | 2,022   | 2,081   |
| ATMs   | 2,410   | 2,464   | 2,490    | 2,549   | 2,581   |
| Morgan Keegan offices                                | 378     | 397     | 416      | 430     | 446     |

### Merger-Related Items

(Pre-tax dollars in thousands)

|                              | Income Statement<br>Effect | Excess Purchase<br>Price | Total             |
|------------------------------|----------------------------|--------------------------|-------------------|
| Year ended December 31, 2006 | \$ 88,658                  | \$ 185,378               | \$ 274,036        |
| First Quarter 2007           | 48,993                     | 3,537                    | 52,530            |
| Second Quarter 2007          | 59,927                     | 4,090                    | 64,017            |
| Third Quarter 2007           | 91,785                     | 118                      | 91,903            |
| Fourth Quarter 2007          | 150,162                    | (10,648)                 | 139,514           |
| First Quarter 2008           | 75,598                     | -                        | 75,598            |
| <b>Second Quarter 2008 *</b> | <b>\$ 100,058</b>          | <b>\$ -</b>              | <b>\$ 100,058</b> |
| <b>Total</b>                 | <b>\$ 615,181</b>          | <b>\$ 182,475</b>        | <b>\$ 797,656</b> |

\* 2Q08 marks the final quarter that merger charges will be recognized

FINANCIAL SUPPLEMENT TO  
SECOND QUARTER 2008 EARNINGS RELEASE  
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**Reconciliation to GAAP Financial Measures**

The table below presents computations of earnings and certain other financial measures excluding discontinued operations and merger charges (non-GAAP). Merger charges and discontinued operations are included in financial results presented in accordance with generally accepted accounting principles (GAAP). Regions believes the exclusion of merger charges in expressing earnings and certain other financial measures, including "earnings per share from continuing operations, excluding merger charges" and "return on average tangible equity, excluding discontinued operations and merger charges", provides a meaningful base for period-to-period comparisons, which management believes will assist investors in analyzing the operating results of the Company and predicting future performance. These non-GAAP financial measures are also used by management to assess the performance of Regions' business, because management does not consider merger charges to be relevant to ongoing operating results. Management and the Board of Directors utilize these non-GAAP financial measures for the following purposes: preparation of Regions' operating budgets; calculation of performance-based annual incentive bonuses for certain executives; calculation of performance-based multi-year incentive bonuses for certain executives; monthly financial performance reporting, including segment reporting; monthly close-out "flash" reporting of consolidated results (management only); and presentations to investors of company performance. Regions believes that presenting these non-GAAP financial measures will permit investors to assess the performance of the Company on the same basis as that applied by management and the Board of Directors. Non-GAAP financial measures have inherent limitations, are not required to be uniformly applied and are not audited. To mitigate these limitations, Regions has policies in place to address expenses that qualify as merger charges and procedures in place to approve and segregate merger charges from other normal operating expenses to ensure that the Company's operating results are properly reflected for period-to-period comparisons. Although these non-GAAP financial measures are frequently used by stakeholders in the evaluation of a company, they have limitations as analytical tools, and should not be considered in isolation, or as a substitute for analyses of results as reported under GAAP. In particular, a measure of earnings that excludes merger charges does not represent the amount that effectively accrues directly to stockholders (i.e., merger charges are a reduction in earnings and stockholders' equity).

|   | As of and for Quarter Ended |                     |                     |                     |                     |   |
|---|-----------------------------|---------------------|---------------------|---------------------|---------------------|---|
|   | 06/30/08                    | 03/31/08            | 12/31/07            | 9/30/07             | 6/30/07             |   |
| <i>(\$ amounts in thousands, except per share data)</i>                                       |                             |                     |                     |                     |                     |   |
| <b>INCOME</b>   |                             |                     |                     |                     |                     |   |
| Income from continuing operations (GAAP)  | \$ 206,646                  | \$ 336,710          | \$ 71,115           | \$ 394,240          | \$ 453,732          |   |
| Loss from discontinued operations, net of tax   | (253)                       | (42)                | (474)               | (76)                | (423)               |   |
| Net income (GAAP)   | <u>\$ 206,393</u>           | <u>\$ 336,668</u>   | <u>\$ 70,641</u>    | <u>\$ 394,164</u>   | <u>\$ 453,309</u>   | A |
| Income from continuing operations (GAAP)  | \$ 206,646                  | \$ 336,710          | \$ 71,115           | \$ 394,240          | \$ 453,732          |   |
| Merger-related charges, pre-tax   |                             |                     |                     |                     |                     |   |
| Salaries and employee benefits  | 46,797                      | 62,089              | 97,224              | 14,811              | 23,047              |   |
| Net occupancy expense   | 1,932                       | 1,399               | 3,891               | 21,428              | 4,685               |   |
| Furniture and equipment expense   | 5,129                       | (144)               | 1,677               | 1,942               | 992                 |   |
| Other   | 46,200                      | 12,254              | 47,370              | 53,604              | 31,203              |   |
| Total merger-related charges, pre-tax   | <u>100,058</u>              | <u>75,598</u>       | <u>150,162</u>      | <u>91,785</u>       | <u>59,927</u>       |   |
| Merger-related charges, net of tax  | 62,035                      | 46,871              | 93,505              | 56,501              | 37,155              |   |
| Income excluding discontinued operations and merger charges (non-GAAP)                        | <u>\$ 268,681</u>           | <u>\$ 383,581</u>   | <u>\$ 164,620</u>   | <u>\$ 450,741</u>   | <u>\$ 490,887</u>   | B |
| Weighted-average shares outstanding - diluted   | C 696,346                   | 695,548             | 696,895             | 704,485             | 715,564             |   |
| Earnings per share, excluding discontinued operations and merger charges - diluted            | B/C \$ 0.39                 | \$ 0.55             | \$ 0.24             | \$ 0.64             | \$ 0.69             |   |
| <b>RETURN ON AVERAGE TANGIBLE EQUITY</b>  |                             |                     |                     |                     |                     |   |
| Average equity (GAAP)   | D \$ 19,782,168             | \$ 19,843,914       | \$ 19,868,796       | \$ 19,793,123       | \$ 20,040,276       |   |
| Average intangible assets (GAAP)  | 12,221,261                  | 12,254,861          | 12,232,365          | 12,026,887          | 12,097,753          |   |
| Average tangible equity   | <u>E \$ 7,560,907</u>       | <u>\$ 7,589,053</u> | <u>\$ 7,636,431</u> | <u>\$ 7,766,236</u> | <u>\$ 7,942,523</u> |   |
| Average equity, excluding discontinued operations   | F \$ 19,782,168             | \$ 19,843,914       | \$ 19,868,796       | \$ 19,793,123       | \$ 20,040,276       |   |
| Average intangible assets, excluding discontinued operations                                  | 12,221,261                  | 12,254,861          | 12,232,365          | 12,026,887          | 12,097,753          |   |
|   | <u>G \$ 7,560,907</u>       | <u>\$ 7,589,053</u> | <u>\$ 7,636,431</u> | <u>\$ 7,766,236</u> | <u>\$ 7,942,523</u> |   |
| Return on average tangible equity*  | A/E 10.98%                  | 17.84%              | 3.67%               | 20.14%              | 22.89%              |   |
| Return on average tangible equity, ex. discontinued operations and merger charges (non-GAAP)* | B/G 14.29%                  | 20.33%              | 8.55%               | 23.03%              | 24.79%              |   |

\* Income statement amounts have been annualized in calculation

## **Forward-Looking Statements**

This financial supplement to Regions' second quarter 2008 earnings release may include forward-looking statements about Regions Financial Corporation within the meaning of the Private Securities Litigation Reform Act of 1995. Statements that are not historical or current facts, including statements about beliefs and expectations, are forward-looking statements. The words "believe," "expect," "anticipate," "project," and similar expressions often signify forward-looking statements. Such statements involve inherent risks and uncertainties. Regions cautions that actual results and events could differ materially from expectations expressed in forward-looking statements as a result of factors such as possible changes in economic and business conditions and interest rates; the current stresses in the financial and residential real estate markets; Regions' ability to attract and retain customers; the effects of geopolitical instability and risks such as terrorist attacks; the effects of weather and natural disasters such as droughts and hurricanes; possible changes in laws and regulations and governmental monetary and fiscal policies; the cost and other effects of legal and administrative cases and similar contingencies; possible changes in the creditworthiness of customers and the possible impairment of collectibility of loans; increased competition from both banks and non-banks; and effects of critical accounting policies and judgments. The foregoing list of factors is not exhaustive; for discussion of these and other risks that may cause actual results to differ from expectations, please look under the caption "Forward-Looking Statements" in Regions' Annual Report on Form 10-K for the year ended December 31, 2007 and Form 10-Q for the quarter ended March 31, 2008, as on file with the Securities and Exchange Commission. You should not place undue reliance on any forward-looking statements, which speak only as of the date made. Regions assumes no obligation to update or revise any forward-looking statements that are made from time to time.

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