Regions Financial
4th Quarter Earnings Conference Call
January 20, 2009

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Fourth Quarter 2008 Results

- Earnings per diluted share of ($9.01), ($0.35) excluding goodwill impairment
- $6 billion, ($8.66) non-cash goodwill impairment charge
- Full-year profit of $0.74 per share before goodwill impairment and merger charges
- Credit quality
  - Sold or moved to held for sale (HFS) $1.0 billion of non-performing assets (NPAs)
  - NPAs, excluding HFS, declined $347 million due to aggressive management
  - Provision for loan losses increased to $1.15 billion, or $354 million above net charge-offs
  - Ratio of allowance for credit losses to non-performing loans (excluding loans held for sale) increased from 1.07x to 1.81x
  - Allowance for credit losses to total loans increased 38 basis points to 1.95%
  - Annualized net charge-offs of 3.19% impacted by proactive NPL management
- Tax settlement benefits earnings and capital by $275 million, essentially closes 1999-2006 tax years
- Net interest margin declined to 2.96%
- Non-interest revenues affected by worsening economy
- Regulatory capital ratios strengthened, liquidity remains strong

Significant Earnings Drivers

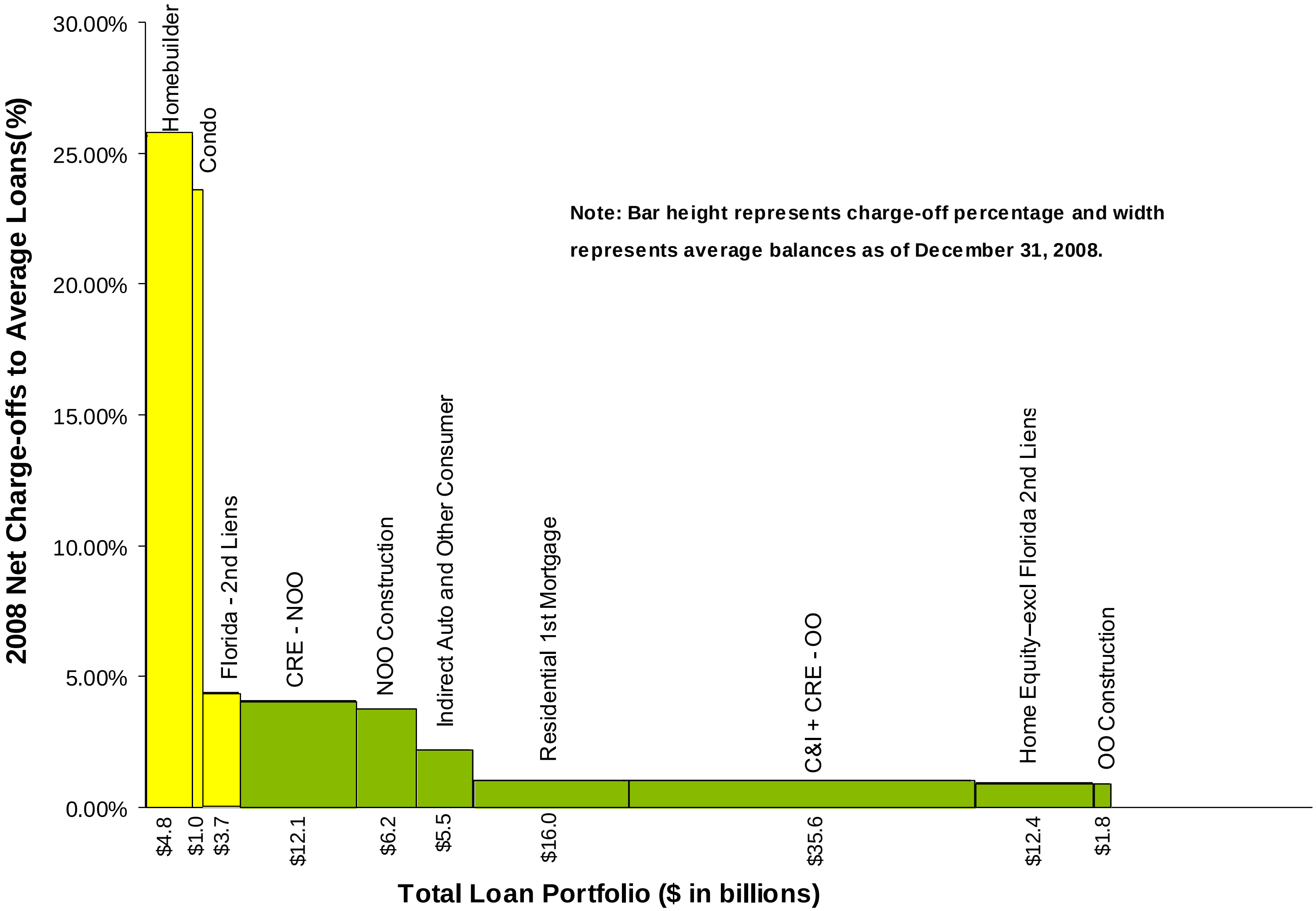
		4Q08
Goodwill Impairment Charge	$	(8.66)
Tax Settlement		0.40
Losses on Loan Sales/Held for Sale Markdowns		(0.42)
Provision above Net Charge-offs		(0.32)
MSR Impairment		(0.09)
Preferred Stock Issuance Impact		(0.04)
All Other		0.12
Earnings Per Diluted Share	$	(9.01)

Credit Perspective

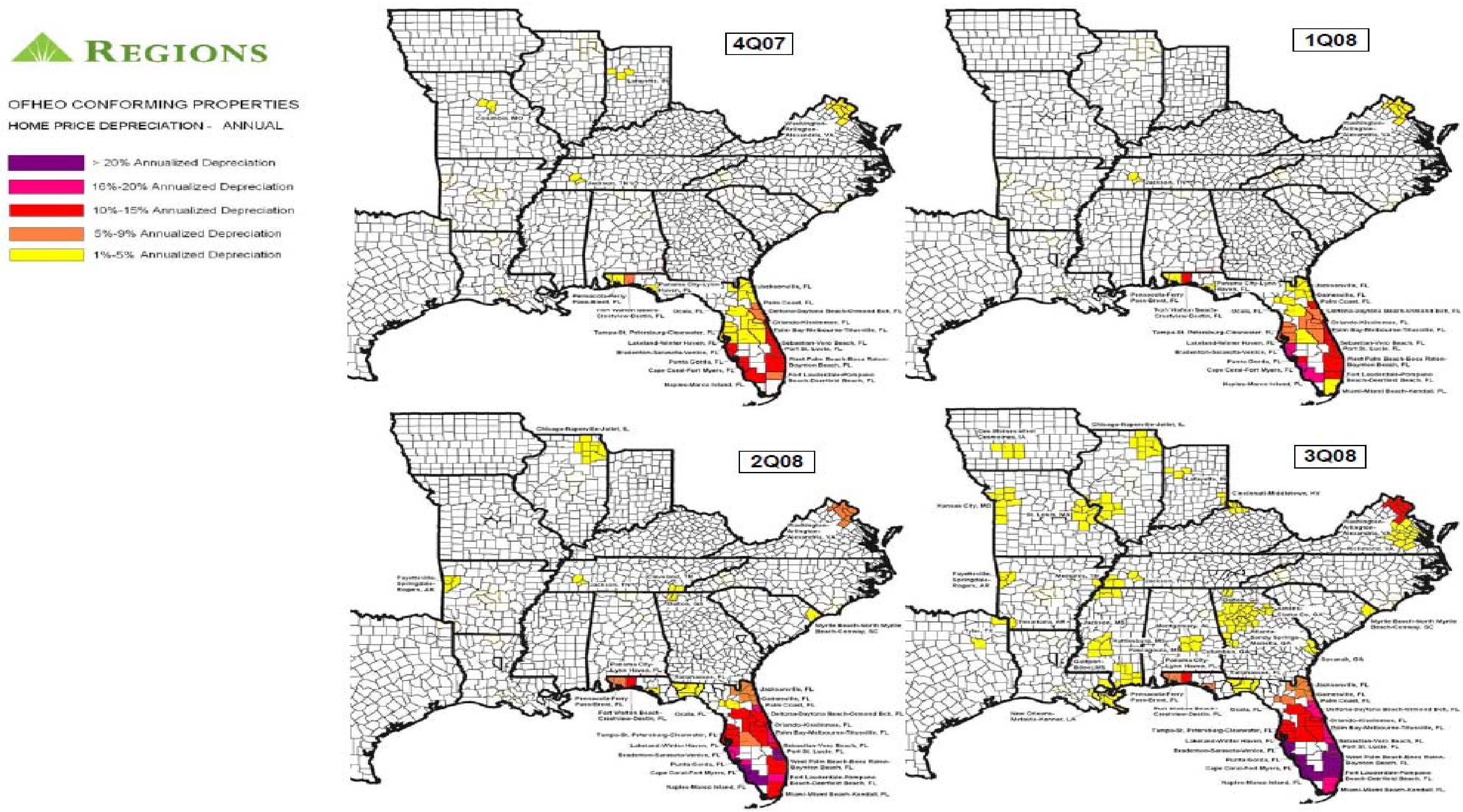
Portion of the loan portfolio that is under stress comprises 9% of the total, down $3.1 billion over the past year.

($ in millions)	12/31/2008 Balance	*% of Total Portfolio*	12/31/2007 Balance	Change
Homebuilder				
Lots	$967	*1.0%*	$1,608	($641)
Residential Presold	300	*0.3%*	618	(318)
Residential Spec	1,297	*1.3%*	1,893	(596)
Land	1,553	*1.6%*	2,926	(1,373)
National Homebuilders/Other	286	*0.3%*	160	126
	$4,403	*4.5%*	$7,205	($2,802)
Home Equity Lending				
Florida - 2nd lien	3,663	*3.8%*	3,285	378
Condominium	946	*1.0%*	1,614	(668)
Stressed Portfolio	$9,012	*9.3%*	$12,104	($3,092)
Remaining Loan Portfolio	$88,407	*90.7%*	$83,275	$5,132

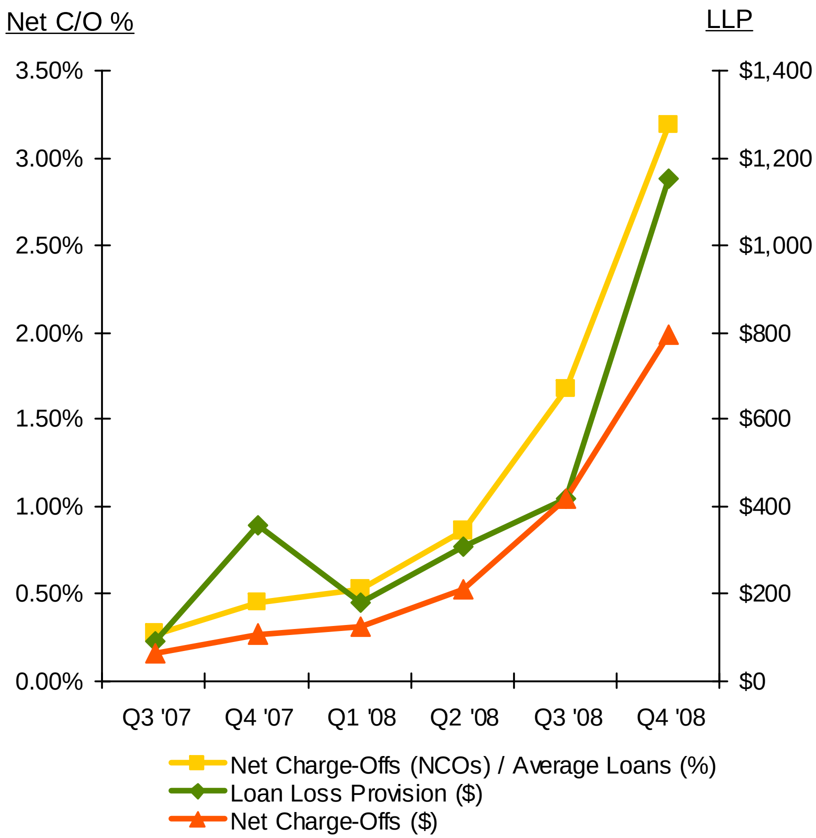
Losses Contained in Smaller Portfolios

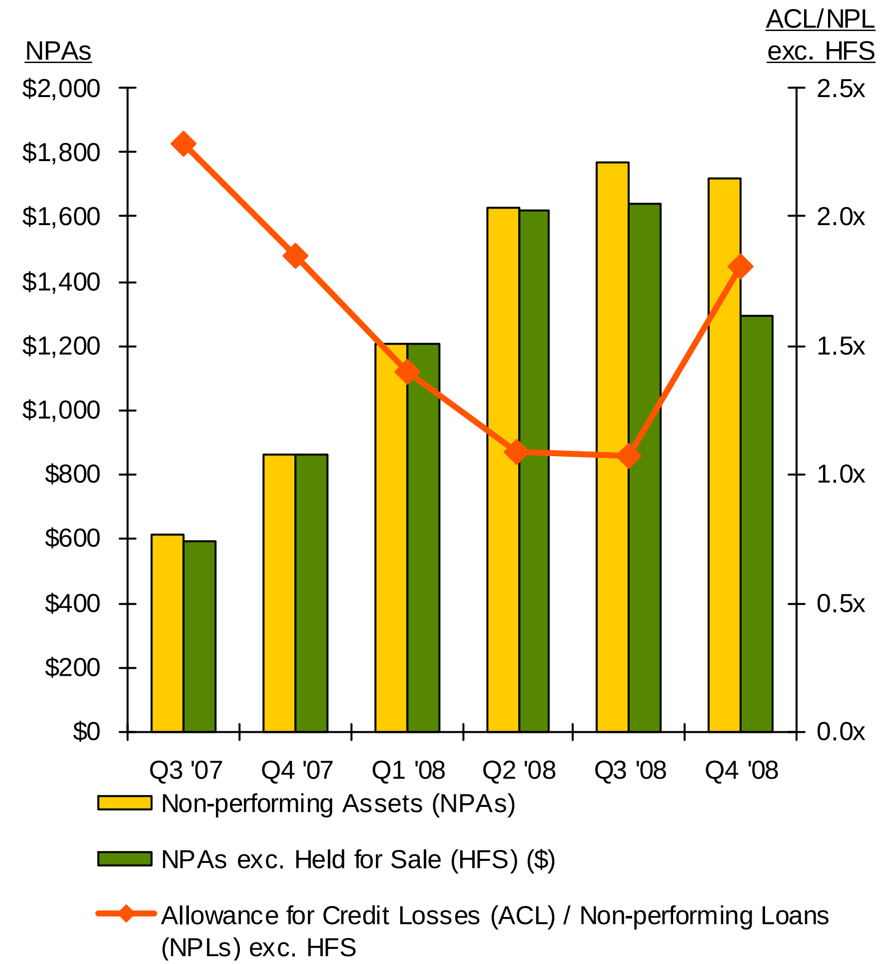


Increasing Florida Stress



Increases in Charge-Offs and Loan Loss Provision
Improvements in NPAs and Coverage Ratio





Aggressive Non-performing Asset Management

	2008			
(in millions)	1Q	2Q	3Q	**4Q**
Beginning NPAs[1]	864	1,204	1,621	**1,642**
Additions	523	730	721	**1,004**
Payments	(62)	(52)	(70)	**(82)**
Returned to Accruing Status	(4)	(9)	(19)	**(44)**
Charge-Offs/OREO Write-downs	(92)	(105)	(180)	**(243)**
Dispositions/Held for Sale	(25)	(147)	(431)	**(982)**
Ending NPAs[1]	1,204	1,621	1,642	**1,295**

(1) Excluding non-performing assets transferred to held for sale

Net Interest Income and Margin

- Taxable-equivalent net interest income of $933 million
  - Down $41 million, excluding $43 million third quarter SILO impact
  - Stable earning asset volumes excluding proceeds from Government programs
- Net interest margin of 2.96%, declined 28 basis points excluding third quarter SILO impact
  - Falling short-term interest rates
  - 55% of loan portfolio tied to Prime or LIBOR
  - Deposits rates have not declined as much due to competitive pressures

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Growing Customer Deposits

Deposit Portfolio - Average Balances

($ amount in millions)	6/30/2008	9/30/2008	12/31/2008	% Change 4Q08 vs 3Q08
Low Cost Deposits	$ 58,448	$ 56,690	$ 56,422	-0.5%
Customer Deposits	85,696	84,460	87,864	4.0%
Corporate Treasury Deposits	5,207	4,131	1,669	-59.6%
Total Deposits	90,903	88,591	89,533	1.1%

Deposit Portfolio - Ending Balances

($ amount in millions)	6/30/2008	9/30/2008	12/31/2008	% Change 4Q08 vs 3Q08
Low Cost Deposits	$ 58,649	$ 55,922	$ 58,425	4.5%
Customer Deposits	86,025	85,210	90,794	6.6%
Corporate Treasury Deposits	3,878	4,011	110	-97.3%
Total Deposits	89,903	89,221	90,904	1.9%

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Q3 to Q4 2008 Non-Interest Revenue and Expense Changes Primarily Driven by Continued Economic Distress

- Non-Interest Revenue declined $18 million driven by lower market values on trust accounts and lower service charge revenue.
- Non-Interest Expense rose 7%, excluding Goodwill and MSR impairment charges.

(in millions)	3Q08	4Q08	% Change
Non-Interest expense	$ 1,103	$ 7,273	
MSR impairment	11	99	
Goodwill impairment	-	6,000	
Adjusted Non-interest expense	1,092	1,174	7%

Capital Ratios

	3Q08	Estimate 4Q08
Tier 1 Capital Ratio	7.47%	10.39%
Total Risk-Based Capital Ratio	11.70%	14.65%
Tangible Equity to Tangible Assets	5.68%	5.23%

- Tier 1 and total capital strengthened by Capital Purchase Program
- Tangible ratio affected by an increase in tangible assets, a result of improved liquidity

Strong Funding and Liquidity

Funding

- Customer core deposits fund 59% of total assets and 88% of loans
- Customer core deposits are 98% of total deposits
- $4 billion TLGP remaining capacity
- Issuances performing well
- Short-term funding markets loosening

Liquidity

- Combined available liquidity from the Fed, FHLB, unpledged securities and unused lines exceeds $45 billion
- Large excess reserve balances
- Minimal Holding Company long-term debt maturities
- Avg Loans/Avg Deposits 111%
- Average non-interest-bearing deposits/ Average interest-earning assets 14%

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