

REGIONS CORPORATE SUSTAINABILITY REPORT • 2008

Regions' 2008 Corporate Sustainability Report is based on the Global Reporting Initiative's Sustainability Reporting Guidelines (SRG). The statistics in this report, which follow the GRI's G3 performance indicators related to social, economic and environmental sustainability, are from 2008 unless otherwise indicated.

Sustainability Reporting Guidelines and Performance Areas

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Letter from the Chairman

Regions serves customers and the communities where our associates work and live with a commitment to make life better. We are a Main Street bank that is strong and stable, and we never lose sight of how our business interconnects with communities, customers and our associates.

At Regions, we constantly evaluate how we do business and how our actions affect others as we seek to provide a strong foundation for community growth.

This sustainability report highlights some of the ways that we make life better for our customers, communities and associates. We are committed to being a responsible lender and providing funding and expertise in community development. We are committed to lessening our impact on the environment, whether through recycling, customer accounts that encourage paper-less interaction, more efficient building design, or managing forestland according to best practices. We are committed to improving our associates' lives by providing benefits and on-the-job training that provides for their growth.

We are proud of these efforts, especially during these times of economic uncertainty, when it is more important than ever to make sure that we properly serve our customers and communities and help them to renew and grow.



C. DOWD RITTER
Chairman, President and CEO
Regions Financial Corporation

Regions Financial Corporation — Company Profile

Regions Financial Corporation is a member of the S&P 100 Index. With \$142 billion in assets, Regions is one of the United States' largest full-service providers of consumer and commercial banking, trust, securities brokerage, mortgage and insurance products and services. Regions serves customers in 16 states across the South, Midwest and Texas and we employ more than 30,000 employees, who are called Regions associates. Regions Bank operates 1,900 banking offices and more than 2,300 ATMs, the ninth largest network in the country, and we rank #1 or #2 by deposit market share in nearly half of our markets. The investment and securities brokerage, trust and asset management division, Morgan Keegan & Company, Inc., provides services from over 300 offices.

Regions touches the lives and businesses of millions of people in our footprint. We have \$91 billion in deposits, as of the end of 2008, ranking 12th among banks, and we provide service to 4.4 million households in our markets. Our customer retention rate of 89% exceeds the industry average. In addition, the company has \$96 billion in loans outstanding, ranking ninth nationwide, and is ranked third in the United States for small business lending based on June 2008 Call Report data, according to the U.S. Small Business Administration. In micro-business lending (loans less than \$100,000), the SBA ranks us ninth in the nation (June 2008). Morgan Keegan has been the top underwriter for municipal bond issues in the South Central United States for the past 15 years. Regions Insurance won the "Best Practices Agency" award from the Independent Insurance Agents Brokers of America.

Regions has its headquarters in Birmingham, Ala. Additional information about Regions can be found at www.regions.com.

Performance Areas

GRI INDICATORS

EC6 *Minority Vendors*

Regions is committed to building strong business relationships with a wide range of high quality supply partners. We recognize that many minority- and women-owned enterprises offer the quality, innovation, reliability and value that we seek. We regard these strategic relationships as good for society, good for business, and good for strengthening our competitive advantage. Our business relationships with diverse suppliers impact positively on the communities we serve, stimulate demand for consumer and business banking services, and drive more value for the company overall.

GRI INDICATORS

EC6, continued

Supplier Partner Diversity at Regions takes special interest in developing supplier relationships with U.S.-based companies whose ownership fits into one of the following categories:



A Minority-owned Business Enterprise (MBE) must be based in the United States and at least 51% owned and controlled by one or more persons with the following ethnic origin: African American, Native American, Asian Indian American, Asian Pacific American, or Hispanic American.

A Woman-owned Business Enterprise (WBE) must be based in the United States and at least 51% owned and controlled by one or more non-ethnic women.

Third party certification to confirm ownership, control and management of a company is also a requirement for eligibility. We accept third party certifications of W/MBE status by the following:

- National Minority Supplier Development Council (NMSDC) or Regional Chapter;
- Women's Business Enterprise National Council (WBENC) or Regional Chapter;
- Many Federal, State, or Local Government Affiliates upon review of their certification process.

Businesses interested in participating may complete our Supply Partner Registration form at www.regions.com/about_regions/supply_registration.rf. Registration helps to make companies visible to procurement project managers and commodity managers at Regions.

In addition to the Supplier Diversity Program, two concentrated initiatives to attract women- and minority-owned businesses were launched by Regions' Treasury and Mortgage divisions in 2008. The Treasury Division's Minority Capital Markets Program seeks to attract W/MBE investment firms for participation in complex financial transactions. The Mortgage line of business, as part of an overall diversity strategy, is intensifying efforts to work with W/MBEs for services such as appraisals and titles.

EC8

Infrastructure Investment, Either Commercial or Pro Bono

Morgan Keegan's Fixed Income Banking Division offers a comprehensive array of services to state and local governments, utilities, housing authorities, airports, health care providers, higher education institutions, corporations and other entities that issue taxable or tax-exempt debt. In 2008, Morgan Keegan either managed or co-managed the issuance of over \$44

GRI INDICATORS

EC8, continued billion in municipal bond issues. These bonds provided funding to support education, infrastructure construction and repair, housing, healthcare, industrial development, and many other essential services or local projects.

EC9 *Significant Indirect Economic Impacts*

Three examples of the indirect economic impact Regions has are noted below:

LOW INCOME HOUSING TAX CREDITS


Regions is one of the nation’s leading direct purchasers of low income housing tax credits. The purchase of these credits provides cash equity vital to the development, construction, and rehabilitation of housing for low and moderate income tenants. In 2008, Regions purchased over \$313 million in low income housing tax credits in the form of Limited Partnership interest, supporting 66 projects that provided thousands of units of housing for low and moderate income individuals and families, all within our 16 state footprint. In addition to these credits, Regions made over \$187 million in loans on these projects. Regions’ affordable housing investments help make a difference by improving the lives of low and moderate income individuals and families in the communities that we serve.

BRANCH DONATION

HOPE Community Credit Union, based in Jackson, Miss., is a community development credit union that helps low-income people build a solid financial foundation for a better future. In August, 2008, HOPE expanded into Memphis, Tenn., opening its first full service branch in the city in a former Regions branch. Regions donated the branch, valued at \$810,000, to HOPE, allowing them to offer their full array of services to income-eligible residents of Midtown Memphis.

VOLUNTEER HOURS

Through What A Difference A Day Makes, Regions’ volunteer program, associates receive one day off per year with pay to volunteer in their communities. They may serve a 501(c)(3) non-profit organization that supports one of the following categories:

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- | | | |
|--|--|---|
| <ul style="list-style-type: none">• Arts/Culture• Community Development | <ul style="list-style-type: none">• Economic Development• Health/Human Services | <ul style="list-style-type: none">• Education |
|--|--|---|

GRI INDICATORS

EC9, continued

Volunteer time also may be used for Regions-sponsored charitable events. In 2008, the program's inaugural year, associates gave more than 17,000 hours of volunteer time to the communities in which they work and live.

EN2 *Recycled Materials*

Regions frequently utilizes recycled materials in the course of doing business. Paper products and toner for copiers and printers are two examples. In 2008, recycled toner and ink jet products accounted for 55 percent of the total toner and ink jet spending or \$2.1 million. Of the total spending for paper products, 24 percent was for recycled goods. Regions recycles shredded documents and other trash, totaling an equivalent of 98,106 trees or 17,826 cubic yards of landfill space saved.

EN6 *Initiatives to Provide Energy Efficient Products/Services*


Examples of Regions' efforts to provide energy efficiency to customers include financial products offering environmentally responsible services (e.g., paperless statements, direct deposit), as well as building improvements. Following is additional information about these efforts:

LIFEGREEN CHECKING

In 2008, Regions launched a new set of products that helps consumers conserve both their money and natural resources.

Regions LifeGreen Checking and Savings accounts encourage and reward savings. Available exclusively with LifeGreen Checking, the Regions LifeGreen Savings account provides up to a \$250 maximum per year savings bonus, based on the account's average monthly balance for the year and the establishment of a monthly automatic transfer from a LifeGreen Checking account.

While the added savings represents a small step toward a greener financial outlook, Regions LifeGreen accounts also provide — at no cost to consumers — the bank's most requested and most environmentally friendly products and e-services including:

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- Recycled checks
 - Direct deposit
 - Regions CheckCard and Regions CheckCard Rewards
 - Regions Online Banking and Online Bill Payment
 - Online Statements

GRI INDICATORS

EN6, continued

In addition, with approved credit, LifeGreen account holders qualify for financing discounts on energy efficient home improvements and alternative fuel vehicles. During a special promotion period, Regions offered a free, reusable LifeGreen grocery tote bag when customers opened a new LifeGreen Checking account.

GREEN BRANCH REMODEL

Regions began remodeling its Hermitage, Tenn., branch in 2008, transforming it into a green branch (i.e., one that is environmentally responsible, economically profitable and a healthy place to work). The project completely remodeled the interior of the branch office, focusing on energy management and long-term operational cost-saves. Natural and locally available products were used in the remodeling. The remodeled branch utilizes alternative energy sources, energy efficient lighting systems and low-flow toilets. It also provides bike racks, designated parking spaces for van/carpool vehicles, and recycling bins. Regions has applied for the U.S. Green Building Council's Gold level LEED Certification for this project.

BUILDING RENOVATIONS

Regions Property Management has employed multiple programs to promote energy efficiency.

One of the major ongoing programs includes interior lighting retrofits. Such retrofits lower energy consumption by converting fixtures from magnetic ballasts and T12 lamps to electronic ballasts and T8 lamps, as well as replacing incandescent lamps with CFL lamps and installing LED exit light fixtures. During these retrofits, consideration to the environment is taken by installing low mercury containing lamps and disposing of the old lamps per state and federal regulations. Similarly, exterior lighting retrofits are done in the same manner as interior retrofits, and also include replacing the drive-thru lane OPEN/CLOSE fixtures with LED fixtures. Furthermore, photocells are being installed to replace timers for exterior lighting. Use of these photocells optimizes the required operational hours of the exterior lighting and reduces energy consumption.

Additionally, energy consumption is being reduced by standardizing to a programmable thermostat. The thermostat allows for unoccupied settings during nights, weekends and holidays. The unoccupied settings reduce the amount of operational hours of the HVAC systems in the building. In a like manner, larger buildings that do not currently have adequate means of control are being systematically upgraded to utilize an appropriate control system. Further energy savings are achieved when upgrading HVAC systems through the use of

GRI INDICATORS

EN6, continued some of the most efficient HVAC equipment available. New HVAC systems are installed per federal and state regulations and have a rated value of 13 SEER for smaller systems (5-tons and below).

Another program affecting the sustainability platform is the company's recycling effort. This includes paper and cardboard, metal, and used cooking oil. In 2008, over 400 tons of paper and cardboard and 67,000 pounds of metal were recycled, along with approximately 600 gallons of used cooking oil, which was converted to bio-diesel.

Further consideration is taken regarding environmental impact by reducing water waste. In order to reduce water consumption and waste, rain gauges are used in conjunction with irrigation systems to prevent unnecessary use.

Over the course of 2008, Regions was able to reduce the square footage it required by over 1.4 million square feet. This reduction in space will directly impact utility consumption.

OTHER

Through contributions and investments in organizations like Auburn University's Rural Studio in Newbern, Ala., Regions has helped to provide sustainable, affordable housing to residents of low-income areas such as Alabama's impoverished Black Belt region.

EN26 *Mitigate Environmental Impacts*
Regions' Natural Resource/Real Estate Department follows best practices in conservation for the approximately 175,000 acres of farm land and 900,000 acres of timber land it manages.

LA10 *Training*
Regions associates completed 290,606.75 hours of Compliance Training in 2008. This includes the five hours of required Core Compliance Training that every associate completes annually. Core curriculum course topics include Bank Secrecy Act/Anti-Money Laundering, Consumer Privacy, Business Ethics and Information Security.

LA11 *Programs for Life-long Learning*
All associates are eligible for the Regions undergraduate tuition reimbursement program, which provides up to \$5,000 each year in reimbursement for business-related undergraduate degree programs. During 2008, 421 associates participated in the program and were reimbursed \$1,053,080.57.

GRI INDICATORS

LA13


Diversity

Diversity, as we define it at Regions, is closely aligned with the management of change.

Diverse organizations understand that they must be nimble and adaptable to changing circumstances in order to meet business objectives. At Regions, we continually experience change in our business environment — from shifts in population demographics to marketplace fluctuations — and creative strategies are required to maintain employee engagement and effective customer service levels.

Our strategic approach to diversity acknowledges this fact, and embraces the theory that developing and utilizing all of our available resources — inside and outside of the organization — are critical to reaching our business goals.

With this in mind, we take a comprehensive approach to corporate diversity by implementing a strategic plan that focuses on five key areas:

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- Recruitment and retention
 - Community outreach
 - Strategic partnerships
 - Corporate giving
 - Supplier diversity

In 2008, this plan enabled Regions to leverage the talents of a diverse associate population, serve a diverse customer base and act as a catalyst for progress in the communities we serve.

RECRUITMENT AND RETENTION

Various recruitment strategies are used to attract talented minority associates to Regions. One example is the bank's partnership with INROADS, a non-profit organization that trains and develops talented African American, Hispanic and Native American youth for professional careers in business and industry. Regions offers the students intensive internships that often lead to future employment.

In 2008, the company also participated in various high-profile conferences and job fairs, such as those organized by the National Urban League and National Black MBA Association, in order to develop a network of talented, minority prospects.

GRI INDICATORS

LA13, continued COMMUNITY OUTREACH

Regions' community outreach efforts are extended to customers with a diverse range of goals and objectives. One example is the bank's emerging markets program, which tailors banking services to the needs of women and minority small business owners.

Designated emerging markets bankers serve Regions customers in Birmingham, Ala., Memphis, Tenn., and St. Louis, Mo. They reach out to business leaders and aspiring entrepreneurs through events such as the Birmingham Hispanic Business Chamber's annual breakfast meeting and the A.G. Gaston Conference, a regional event in the Southeast that focuses on economic empowerment.

As presenting sponsor of the inaugural Black Achievers Awards Gala in 2008, Regions helped to recognize the achievements of African American leaders from across the company's home state of Alabama.

STRATEGIC PARTNERSHIPS

In 2008, Regions announced the establishment of a strategic partnership with UNCF, the United Negro College Fund. As part of the partnership, Regions created the Regions-UNCF Scholarship, which funds two annual scholarships for students studying business at a UNCF member institution.

The first two recipients of the award were students at Fisk University in Nashville, and Morehouse College in Atlanta.

CORPORATE GIVING

Regions' diversity-focused philanthropic efforts focused on historically black colleges and universities in 2008.

Regions contributed to Miles College in Fairfield, Ala., for the Miles Ahead Capital Campaign, and a similar commitment was made to Fisk University in Nashville, Tenn.

Additionally, Regions has assisted Fisk in the establishment of the Regions Financial Literacy and Community Outreach Center, which serves both the college and North Nashville communities by offering economic education and sound financial planning skills.

GRI INDICATORS

LA13, continued SUPPLIER DIVERSITY

Regions strives to work with women and minority vendors through its Supplier Diversity Program (see page 2 of this report for details).

Regions' commitment to diversity is making life better for associates, customers and communities.

S03 *Anti-Corruption Training*

One hundred percent of Regions associates receive annual training in the company's anti-corruption policies and procedures.



[REGIONS.COM/SOCIALRESPONSIBILITY](https://www.regions.com/socialresponsibility)