



July 22, 2008

Dear Fellow Shareholder,

Today, our Board of Directors announced a decision to reduce the quarterly dividend on common stock to 10 cents per share from the previous amount of 38 cents per share. This decision was not taken lightly, and we believe it is in the best long-term interests of all shareholders given the environment of economic uncertainty.

As you are aware, the entire financial services industry is suffering from challenging economic conditions and credit quality deterioration, driven primarily by unprecedented steep declines in real estate valuations. Regions is not an exception. Since last fall, at least 14 of the largest banks in the country have announced a reduction or elimination of their dividends. It is clear that we must take decisive steps to ensure that our company remains strong given the challenges facing all banks. We believe it is prudent to retain more capital in this environment, and the dividend action we took allows us to build our capital base and positions us for future growth.

While no one knows how deep or long this economic downturn will be, we are committed to taking steps like this to build the value of our company long term. Reducing the dividend strengthens our capital position and gives us the flexibility to invest and to drive future earnings growth, which will ensure we continue to be a strong competitor in the financial services industry.

On behalf of the Board of Directors, I thank you for the trust you have placed in us by investing in Regions.

Sincerely,

A handwritten signature in black ink, appearing to read "Dowd Ritter".

Dowd Ritter  
Chairman, President and Chief Executive Officer  
Regions Financial Corporation