



REGIONS FINANCIAL CORPORATION CORPORATE GOVERNANCE PRINCIPLES

The Board of Directors of Regions Financial Corporation (together with its subsidiaries as the context may require, the “Company”), has adopted these Corporate Governance Principles to further its longstanding goal of providing effective governance of the Company's business and affairs for the long-term benefit of the Company's stockholders. These principles have developed over a period of years and will be evaluated on a periodic basis to determine compliance with evolving standards of corporate governance.

I. Size of the Board; Term of Directors and Board Leadership Structure

The Board of Directors (the “Board”) shall consist of at least three members. The Board believes that the number of Directors should not exceed a number that can function efficiently as a body. The exact number of Directors constituting the Board of Directors of the Company shall be fixed from time to time by resolution of the Board based on the recommendations of the Nominating and Corporate Governance Committee, which will consider, among other factors: the Board’s current and anticipated need for Directors with specific qualities, skills, experience or backgrounds; the availability of highly qualified candidates; committee workloads and membership needs; and anticipated Director retirements. All Directors will be elected on an annual basis for a term of one year.

It is the Board’s policy not to mandate the separation of the offices of Chairman and the Chief Executive Officer. The Board believes that this issue is part of the succession planning process, which is overseen by the Nominating and Corporate Governance Committee, and that it is in the best interest of the Company for the Board to make the determination from time to time as the circumstances warrant.

Unless there is an Independent Non-Executive Chairman of the Board, the Chairperson of the Nominating and Corporate Governance Committee, who is “independent” under the rules of the New York Stock Exchange (“NYSE”) and elected by and from the independent Board members, shall serve as the Lead Independent Director for the Board. The Lead Independent Director’s responsibilities and duties include:

- Presides at Board meetings when the Chairman is not present;
- Establishes the agenda and presides at executive sessions of the non-management and independent Directors;
- Acts as a liaison and facilitates communication between the Chairman of the Board and the non-management and independent Directors (provided, however, that each Director will also be afforded direct and complete access to the Chairman of the Board at any time as such Director deems necessary or appropriate);
- Approves information sent to the Board;
- Approves meeting agendas for the Board;
- Approves meeting schedules to assure that there is sufficient time for discussion of all agenda items;
- Coordinates the activities of the non-management and independent Directors including the authority to call meetings of non-management and independent Directors;

- If requested by major stockholders, ensures that he or she is available for consultation and direct communication;
- Communicates, as appropriate, with our regulators;
- Regularly communicates with our Chairman on a variety of issues including business strategy and succession planning;
- Maintains close contact with the Chairperson of each standing committee of the Board, i.e., Compensation, Governance, Audit and Risk, and serves as an ex-officio member of each committee where he/she is not a member;
- Assists the Committee Chairpersons in the establishment of committee agendas and schedules;
- As Chairman of the Nominating and Corporate Governance Committee, provides input, as needed, into the assessment of the Board committees effectiveness, structure, organization and charters, and the evaluation of the need for changes; and
- With the Nominating and Corporate Governance Committee, coordinates the performance of the annual Board and Committees self-evaluation and the evaluation of the Chairman and Chief Executive Officer by the Compensation Committee.

II. Director Qualification Standards

A. Board Membership Criteria. The Board will seek members from diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity, such that the Board will maintain an appropriate mix of skills and characteristics to meet the needs of the Company. In the context of the then current make-up of the Board, the Nominating and Corporate Governance Committee and the Board will assess the qualifications of Director nominees based on criteria such as general business knowledge, an understanding of the financial services industry, experience in positions with a high degree of responsibility, leadership positions in the companies or institutions with which they are affiliated, and the contributions they can make to the Board and management. Director nominees are to be evaluated based on their individual merits, taking into account the Company's needs and the composition of the Board.

B. Majority of Independent Directors. The Board will have a majority of members who meet the independence requirements of the NYSE and applicable law. The Board will affirmatively determine on an annual basis, and the Company will disclose as required, whether each Board member is independent. The Board will make each such independence determination following the receipt of the recommendation and findings of the Nominating and Corporate Governance Committee.

For a Director to be considered independent, the Board must affirmatively determine that the Director does not have any direct or indirect material relationship with the Company or its subsidiaries, taking into account all relevant facts and circumstances. A Director who does not satisfy the bright line independence tests set forth in Section 303A.02(b) of the NYSE listed company manual cannot be determined to be "independent." In the absence of unusual facts and circumstances, relationships and transactions described as follows would not be considered to impair a Director's exercise of independent judgment or compromise the oversight role that an independent Director of the Company is expected to perform, and therefore presumptively are not material:

- The Director or an immediate family member has a customer relationship with the Company or its subsidiaries that is established and administered by the Company in the

ordinary course of business, on terms and conditions not more favorable than those afforded by the Company or its subsidiaries to other similarly situated customers. If the relationship involves a loan or extension of credit, the loan was made or credit was extended on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and involved no more than the normal risk of collectibility and presented no other unfavorable features. The Nominating and Corporate Governance Committee will be asked to review credits to a Director or his or her related interests where a potential or realized re-classification of the loan is identified through the Company's regular credit monitoring process that may have an impact on legal and regulatory compliance, public disclosure obligations, and/or the Director's independence.

- The Company or its subsidiaries employs an adult family member of the Director in the ordinary course of business in a capacity other than as an executive officer.
- The Director's or immediate family member's interest in a transaction results solely from service as a director (or comparable position) of another corporation or organization that is a party to the transaction or from the beneficial ownership of less than 10% of the other entity's equity.
- The transaction is one where the rates or charges involved in the transaction are determined by competitive bids, or the transaction involves the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority.

C. Service on Multiple Boards. Each person serving as a Director must devote the time and attention necessary to fulfill the responsibilities of a Director. Directors will review proposed service on the board of any additional public company or in any governmental position with the Nominating and Corporate Governance Committee. The Company Directors may not serve on more than three other public company boards in addition to the Company Board, unless the Nominating and Corporate Governance Committee determines that so serving will not impair the Director's service on the Company Board.

D. Term Limits. The Board does not believe it appropriate to institute fixed limits on the tenure of Directors. Directors who have served on the Board for an extended period of time are able to provide valuable insight into the operations and future of the Company based on their experience with and understanding of the Company's history, policies and objectives. The evaluation and nomination process described in these principles serves as an alternative means for the Board to continue to evolve and adopt new viewpoints.

E. Retirement Age of Directors. Directors should retire from the Board on the date of the next annual meeting of stockholders after reaching age 72, effective immediately prior to the call to order of the meeting. Exceptions should be rare and only for situations such as (1) during a transition period when there have been significant changes in executive management, (2) unexpected loss of Board member(s), or (3) other unusual or nonrecurring events, and are subject to approval by the Board based upon recommendation of the Nominating and Corporate Governance Committee.

F. Mandatory Offer of Resignation. A Director will offer his or her resignation for consideration in connection with planning for or following retirement from employment or a

material change in personal circumstances, including a change in principal job responsibilities. The Board believes that the continued membership on the Board beyond that date is a matter to be decided in each individual instance based on the recommendation of the Nominating and Corporate Governance Committee.

G. Election of Directors. Any incumbent Director who fails to receive the vote required by the By-Laws to be elected a Director shall promptly tender his or her resignation following the certification of the vote. The Nominating and Corporate Governance Committee shall consider such resignation and shall recommend to the Board the action to be taken. Any Director whose resignation is under consideration shall not participate in the Nominating and Corporate Governance Committee recommendation or the Board decision regarding whether to accept the resignation. The Board shall take action within 90 days following certification of the vote, unless such action would cause the Company to fail to comply with any requirement of the New York Stock Exchange or any rule or regulation promulgated under the Securities Exchange Act of 1934, in which event the Company shall take action as promptly as is practicable while continuing to meet such requirements. The Board will promptly disclose its decision, and the reasons therefore, in a Form 8-K furnished to the Securities and Exchange Commission.

III. Nomination and Selection of New Directors

As part of its responsibilities, the Nominating and Corporate Governance Committee, in consultation with the Chairman of the Board and the Chief Executive Officer, evaluates potential new candidates for Board membership, including candidates recommended by stockholders in compliance with procedures set forth in the By-Laws of the Company. The Nominating and Corporate Governance Committee then makes recommendations to the Board for its determination. The Chairman of the Board and/or the Chairman of the Nominating and Governance Committee should extend the invitation to a prospective new board member.

A stockholder who wishes to recommend a candidate for consideration by the Nominating and Corporate Governance Committee for inclusion in the slate of Directors nominated for election at an annual meeting of stockholders must submit the recommendation in accordance with Section 7 of Article II of the By-Laws of Regions Financial Corporation (the “By-Laws”).

IV. Director Responsibilities

A. Role and Function of the Board. The Board is elected by the stockholders to oversee the selection, retention and performance of the Chief Executive Officer, and to oversee management, and to assure that the long-term interests of the stockholders are being served. The principal functions of the Board include the following:

- representing the stockholder base in striving to increase stockholder value over time;
- overseeing processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance with law;
- evaluating and determining the compensation of the Chief Executive Officer;
- reviewing the Company’s compensation and benefits programs applicable to executive officers and its management succession planning;
- reviewing the major strategic, financial and other objectives of the Company;

- nominating Directors and evaluating the structure and practices of the Board to provide for sound corporate governance; and
- providing advice to management regarding the achievement of Company goals and objectives.

The Board accomplishes these functions acting directly and through its committees. In all actions taken by the Board and its committees, the Directors are expected to exercise their business judgment in what they reasonably believe to be in the best interests of the Company. In discharging that obligation, the Directors may rely on the honesty and integrity of management, auditors, and independent advisors to the Board.

B. Attendance of Directors at Meetings. Board members are expected to attend and participate in all Board meetings and meetings of committees on which they serve and to attend all meetings of stockholders. In addition to scheduled meetings, Directors are expected to be available for consultation with management at its request.

C. Advance Review of Materials. All information relevant to the understanding of matters to be discussed at an upcoming Board or committee meeting should be distributed in writing or electronically to all members in advance, whenever feasible and appropriate. In preparing this information, management should ensure that the materials distributed are as concise as possible, yet give Directors sufficient information to make informed decisions. It is the responsibility of Board members to spend the time needed to review these materials in advance of meetings. This will help facilitate the efficient use of meeting time. The Board acknowledges that certain items to be discussed at Board and committee meetings are of an extremely sensitive nature and that the distribution of materials on these matters prior to the meetings may not be appropriate.

D. Executive Sessions. All Directors and then the independent Directors will meet in executive session at each regular meeting of the Board, and will be offered the opportunity to meet in executive session at regularly-scheduled update conference calls held by the Board. These executive sessions provide the opportunity for discussion of compensation, succession planning, and other sensitive topics. Typically, the Board will meet in full executive session, followed by an executive session of independent Directors. If there is an Independent Non-Executive Chairman of the Board, he or she will preside at executive sessions of the independent Directors, and in his or her absence, the independent Directors shall select one of their number to preside. If there is not an Independent Non-Executive Chairman of the Board, the Lead Independent Director will preside at such sessions, and in his or her absence, the independent Directors shall select one of their number to preside. Others may attend only upon invitation.

E. Director Stock Ownership Requirement. Each Director is encouraged to own Company stock to further align Director and stockholder interests. The Board has and shall continue to establish guidelines for stock ownership of Directors based on the recommendation of the Nominating and Corporate Governance Committee, in consultation with the Compensation Committee.

F. Code of Business Conduct and Ethics, and Conflicts of Interest. The Company has a comprehensive code of conduct and ethics. The code of conduct addresses compliance with law; reporting of violations of the code of conduct or of laws or regulations; employment and diversity; confidentiality of information; protection and proper use of the Company's assets; conflicts of interest; and personal securities transactions and other financial transactions. Directors are expected to be familiar with and to follow the code of conduct to the extent applicable to them. If

an actual or potential conflict of interest arises for a Director, the Director shall promptly inform the Chairman of the Board and the Chairperson of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee will recommend to the Board the appropriate action to be taken. If the Board determines that a significant conflict exists which cannot be resolved or addressed, the Director should resign.

The Company and its subsidiaries and affiliates provide banking services, brokerage services, extensions of credit and other financial services in the ordinary course of its business. The Sarbanes-Oxley Act of 2002 prohibits loans to Directors and executive officers, except certain loans in the ordinary course of business and loans by an insured depository institution subject to Regulation O of the Board of Governors of the Federal Reserve System. Any loans to Directors and executive officers are made pursuant to applicable law, including the Sarbanes-Oxley Act and Regulation O. Regulation O also applies to banking relationships with certain family members of a Director and to entities owned or controlled by a Director. To the extent banking services, brokerage services, extensions of credit and other financial services provided by the Company and its subsidiaries and affiliates to any Director or family member of a Director are in the ordinary course of business and not otherwise specifically prohibited under these Corporate Governance Principles, the Company's policies or applicable law, such services shall be provided on substantially the same terms as those prevailing at the time for comparable services provided to non-affiliates of the Company. Furthermore, such loans also may not involve more than the normal risk of repayment or present other unfavorable features.

G. Securities Trading Policies. The Company has a securities trading policy applicable to all executives and employees, which generally prohibits trading on material nonpublic information and "tipping" information to others (the "General Policy on Insider Trading"). Directors are expected to observe the General Policy on Insider Trading. In addition, in recognition that Directors, executive officers, and certain designated employees of the Company are more likely to possess material nonpublic information by virtue of their positions, they may not trade Company securities during a recurring blackout period from the 15th day of the last month of each fiscal quarter through the end of the next trading day after the financial results for that quarter are released to the public. Additionally, such persons may not trade Company securities without obtaining pre-clearance from the Company legal department. Blackout periods also may be imposed at other times when there is material, but undisclosed, information about the Company. There are limited, prescribed exceptions to this prohibition, including, for example, an individual's prearranged program that complies with applicable requirements. Directors and executive officers may not trade Company common stock during any administrative "blackout" period during which a significant number of participants in the Company's 401(k) plan are restricted from effecting transfers into or out of the plan's Company common stock fund option.

H. Confidentiality. Non-public information about the Company and its subsidiaries and its and their performance is confidential and must not be disclosed, as described in Regions' Code of Business Conduct and Ethics. Pursuant to their fiduciary duties of loyalty and care, Directors are required to protect and hold confidential all Confidential Information (as such term is defined herein below) obtained as a result of his or her directorship position absent the express permission of the Board to disclose such information. In addition, all Board materials, deliberations and discussions are confidential, regardless of subject matter. Accordingly, Confidential Information may not be used by any Director for his or her own benefit or for the benefit of others and no Director shall disclose Confidential Information outside the Company, either during or after his or her service as a Director of the Company, except with authorization of the Board or as may be otherwise required by law. Furthermore, Directors are discouraged from retaining personal notes

made at, or in preparation for, Board meetings, once appropriate review of the minutes for those meetings have been made.

“Confidential Information” means all non-public information entrusted to or obtained by a Director by reason of his or her position as a Director of the Company. It includes, but is not limited to, non-public information that might be of use to competitors or harmful to the Company or its customers if disclosed, including but not limited to: (i) non-public information about the Company's financial condition, prospects or plans, its marketing and sales programs, products and services, as well as information relating to mergers and acquisitions, stock splits and divestitures; (ii) non-public information concerning possible transactions with other companies or information about the Company's current and prospective customers, suppliers, vendors, or joint venture partners, which the Company is under an obligation to maintain as confidential; (iii) non-public information about discussions and deliberations relating to business issues and decisions, between and among employees, officers and Directors; and (iv) confidential supervisory information as defined by applicable regulatory authorities.

V. Board Committees

A. Number and Types of Committees. The Board as a whole is responsible for the oversight of management on behalf of the Company's stockholders. The Board is assisted in its oversight function by Board committees. The Board has the following standing committees: Nominating and Corporate Governance Committee, Compensation Committee, Audit Committee and Risk Committee. Each standing committee will perform its duties as assigned by the Board of Directors in compliance with Company By-Laws and the Committee's charter. The Board may add new committees or dissolve or merge existing committees as it deems advisable in the fulfillment of its primary responsibilities, consistent with applicable New York Stock Exchange listing requirements and applicable laws and regulations.

In particular, the Compensation Committee oversees the design and implementation of compensation programs for the Company's Chief Executive Officer, executive management, key employees and, in connection with the Nominating and Corporate Governance Committee, the Directors. The Compensation Committee establishes the compensation of the Chief Executive Officer based on the Board's annual evaluation of his or her performance in relation to the goals and objectives set by the Compensation Committee, and the committee makes a report to the Board regarding compensation of other executive management personnel.

Committees report highlights of their meetings to the Board at the next regularly scheduled Board meeting following a committee meeting.

B. Committee Charters. Each standing committee shall have its own charter setting forth the purposes and responsibilities of the committee. The charters also will provide that each committee will evaluate its performance on an annual basis.

C. Independence and Qualifications of Committee Members. Each member of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee will meet the applicable independence and qualification requirements of the New York Stock Exchange, the Securities Exchange Act of 1934, and any other applicable law. The Audit Committee shall have at least one member who qualifies as an "audit committee financial expert" within the meaning of the New York Stock Exchange listing standards.

D. Appointment of Committee Members and Committee Chairs. The Board appoints committee members and committee chairs upon recommendation of the Nominating and Corporate Governance Committee. In determining the composition of Board committees, the Board will consider any listing and/or regulatory qualifications that may be applicable to specific committees. Management-Directors do not serve on any committee.

E. Rotation of Committee Assignment. The Board believes that Committee assignments should be based on the Director's knowledge, interests and areas of expertise. It does not favor mandatory rotation of committee assignments. The Board believes experience and continuity are more important than rotation and that Board members should only be rotated if rotation is likely to increase committee performance or facilitate committee work.

VI. Board Operations

A. Scheduling Board and Committee Meetings. The Board believes that regular meetings at appropriate intervals throughout the year are desirable for the performance of the Board's responsibilities. In addition to regularly scheduled meetings, special Board meetings may be called upon appropriate notice at any time to address specific needs of the Company. The Chairman of the Board, in consultation with the Lead Independent Director and other Board members, will determine the timing and length of Board meetings. The frequency, timing, and length of committee meetings will be determined by the chair of each committee consistent with the charter for that committee.

B. Selecting Agenda Items for Board and Committee Meetings. The Chairman of the Board and the Corporate Secretary prepare the agenda for each Board meeting based on suggestions from other Directors and issues that arise. The agenda is approved by the Lead Independent Director. Each Director is welcome to suggest the inclusion of items for the agenda and to raise subjects that are not on the agenda during any meeting. Committee agendas are prepared based on expressions of interest by committee members and recommendations of management. Committee chairs give substantive input to and approve final agendas prior to committee meetings. Meeting materials are distributed in advance to each Director or committee member.

C. Attendance of Non-Directors at Board and Committee Meetings. The Board believes that attendance of key executive officers augments the meeting process and assists the Board and its committees in performing their responsibilities.

- *Board Meetings.* The Corporate Secretary and members of the Executive Council regularly attend all scheduled Board meetings. The Chairman encourages these individuals to respond to questions posed by Board members relating to their areas of expertise. Such individuals do not attend executive sessions of the Board or any committee thereof unless requested. The Board also believes that these individuals can assist the Board with its deliberations and provide critical insights and analysis, particularly when the Board hears presentations on the business and strategic plans for the upcoming year. Attendance of such officers allows the most knowledgeable and accountable executives to communicate directly with the Board. It also provides the Board direct access to individuals critical to the Company's succession planning. Other persons may be present at the invitation of the Chairman.

- *Committee Meetings.* Directors who are not members of a committee are welcome to attend any committee meeting. Additionally, members of management and others may be present at the invitation of the chair.

VII. Director Access to Management and Independent Advisors

A. Access to Management. Board members have complete access to management. Any meeting or contact that a Director wishes to initiate may be arranged directly by the Director.

B. Access to Independent Advisors. The main responsibility for providing assistance to the Board rests on the internal organization. The Board and its committees can, if they wish to do so, seek financial, legal or other expert advice from a source independent of management and shall be provided the resources for such purposes. In general, this would be with the knowledge of the Chief Executive Officer, but this is not a condition to retaining such advisors. As provided in their charters, the individual committees are specifically authorized to engage and compensate independent outside counsel and advisors.

VIII. Director Compensation

The Compensation Committee, using outside advisors, makes periodic recommendations to the Nominating and Corporate Governance Committee regarding non-employee Director compensation based on comparisons with relevant peer groups. The Nominating and Corporate Governance Committee, in turn, makes recommendations to the Board regarding non-employee Director compensation. The Board believes it is desirable that a portion of overall Director compensation be linked to Company common stock in order to align Directors' interests with the long-term interests of stockholders, and, for that reason, the Board's total compensation will be structured to include an element of stock-based compensation. Management-Directors receive no separate compensation for their Board service.

IX. Director Orientation and Continuing Education

The Board and the Chief Executive Officer will provide appropriate orientation for new Directors, including arranging meetings with management to discuss strategic planning, financial statements, and key policies and practices. The Board also considers it desirable that Directors participate in continuing education opportunities and considers such participation an appropriate expense to be reimbursed by the Company.

X. Management Succession Planning

As part of the annual executive management evaluation process, the Nominating and Corporate Governance Committee will work with the Chief Executive Officer to plan for Chief Executive Officer and executive management succession, as well as to develop plans for interim succession for the Chief Executive Officer in the event of an unexpected occurrence. The succession plans will be updated and reported to the Board at least annually. Succession planning may be reviewed more frequently by the Board as it deems warranted. The Chief Executive Officer will make

available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

XI. Annual Performance Evaluation of the Board, Committees and Individual Directors

The Nominating and Corporate Governance Committee is responsible for overseeing the Board, Committee, and Individual Director Evaluation Program and coordinates an annual self-evaluation discussion that includes an assessment of the performance and overall effectiveness of the Board. The Nominating and Corporate Governance Committee periodically reviews the framework for the assessment of Board performance and the Board self-evaluation discussion.

XII. Board Interaction with Stockholders, Investment Managers and the Press

The Board believes that it is management's responsibility to speak for the Company. If comments from the Board are appropriate, they should, in most circumstances, come from the Chairman of the Board. In those instances in which it is necessary for an individual Board member to speak with outside constituencies, it is expected that he or she will do so only with the knowledge of the Chairman of the Board and Chief Executive Officer and, absent unusual circumstances, only at the request of the Chairman of the Board and Chief Executive Officer.

XIII. Communications with the Board

The Board believes questions or concerns related to matters such as financial results, strategic direction, executive compensation, corporate governance and general Board oversight, including accounting, internal accounting controls, auditing and other related matters are appropriately addressed to the Board. Matters that deal with the Company's general business operations are most appropriately addressed by management.

To contact the Board or any Board member, please write to the Corporate Secretary of the Company at the following address:

Regions Financial Corporation
c/o Office of the Corporate Secretary
1900 Fifth Avenue North
Birmingham, Alabama 35203

The mailing envelope should contain a clear notation indicating that the enclosed letter is a "Board Communication" or "Director Communication." All such letters should state whether the intended recipients are all members of the Board or just certain specified individual Directors.

The Corporate Secretary will circulate the communications to the appropriate Director or Directors, with the exception of those communications that are of a personal nature or not related to the duties and responsibilities of the Board, including without limitation, routine customer service complaints. The Corporate Secretary will maintain a log of any such communications not shared with the Board and such log will be provided to the Board on a quarterly basis. In addition, Directors may review any communication upon request. Items such as commercial solicitations, opinion survey polls, new product or service suggestions, resumes, job inquiries and mass mailings will not be shared with the Board nor maintained on a log.