§165(d) Tailored Resolution Plan

Public Section

Regions Financial Corporation

Plan submission Date: December 31, 2014

Table of Contents

Introduction

To promote financial stability, Section 165(d) of the Dodd-Frank Act requires each nonbank financial company supervised by the Board of Governors of the Federal Reserve System (the “Board” or "Federal Reserve") and each bank holding company with total consolidated assets of $50 billion or more (each a “Covered Company”) to periodically submit to the Board and the Federal Deposit Insurance Corporation (“FDIC”) a plan for such company’s rapid and orderly resolution in the event of material financial distress or failure. On October 17, 2011, the FDIC, together with the Board, released the final rule (the “Resolution Plan Rule”) implementing the requirement in Dodd-Frank that Covered Companies prepare resolution plans. Additionally, to protect insured depositors and to enable the FDIC to perform its resolution functions most efficiently, the FDIC has adopted a separate rule (the “IDI Rule”) requiring each Insured Depository Institution (“IDI”) with $50 billion or more in total assets to periodically submit a resolution plan to the FDIC. Regions Bank with total assets of approximately $117 billion is therefore required to submit a resolution plan under the IDI Rule.

On June 24, 2014, Regions Financial Corporation (the “Parent”), received approval from the Board and the FDIC that it may choose to file a tailored resolution plan for its 2014 submission. On August 15, 2014, the Board and the FDIC jointly released an optional model template for tailored resolution plans. The Parent's 2014 Resolution Plan ("165(d) Plan" or the "Plan") follows the optional model template.

The Parent, with approximately $118 billion in assets, is a full-service provider of consumer and commercial banking required to submit a resolution plan under the Dodd-Frank Act and the Title I Rule. The Parent conducts banking operations through Regions Bank (“Regions Bank” or the “Bank”), a wholly owned subsidiary of the Parent. The Bank represents the vast majority of all activity within the Parent. The Parent and the Bank are collectively referred to as the Company (the “Company”).

Regions Bank is a full-service institution with a range of financial products and services including traditional banking, wealth management, trust, mortgage banking, and insurance. The Bank operates in 1,705 offices and has 2,029 ATMs across a 16-state geographic footprint: Alabama, Arkansas, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, South Carolina, Tennessee, Texas and Virginia. Regions Bank has robust Capital, Liquidity and Contingency Funding Plans that detail the actions it would take to avoid failure by staying well-capitalized and well-funded in adverse scenarios. In the hypothetical and unlikely event that Regions Bank was in danger of failure, and the Company’s Capital, Liquidity and Contingency Funding Plans or a timely private sector alternative were not able to prevent such a failure or default, Regions Bank would be subject to the FDIC receivership process under the Federal Deposit Insurance Act (the “FDIA”).

This Public Section provides insight into the Company’s businesses and processes and serves as a high-level overview of the 165(d) Plan. The Company's 165(d) Plan presents executable resolution strategies in the unlikely event of failure.

A.1.The Names of Material Entities

A “Material Entity” means a subsidiary or foreign office of the Covered Company that is significant to the activities of a critical operation or core business line. “Critical Operations” are those operations, including associated services, functions and support the failure or discontinuance of which, in the view of the Covered Company or as jointly directed by the Board and the FDIC, would pose a threat to the financial stability of the United States.

In determining which entities of the Company were Material Entities, consideration was given to several factors:

- Percent of total assets
- Business purpose and mapping to Core Business Lines and Critical Operations
- Legal or regulatory requirements
- Impact on customer retention or growth

A determination was made that the Parent has no material non-bank entities. As of December 31, 2013, the Parent’s IDI, Regions Bank, represented the overwhelming majority of the Parent’s assets. Furthermore, the remaining 15 legal entities do not provide operations or services that are material to the Company’s operations, customer retention or growth.

For purposes of this Plan, the Parent is the only Material Entity.

A.2. Description of Core Business Lines

"Core Business Lines" means those business lines, including associated operations, services, functions and support that, in the firm's view, upon failure would result in a material loss of revenue, profit, or franchise value.

The Bank forms the core and the vast majority of the operations of the Company. The substantial majority of the Company's business activities, assets, income, employees and third-party relationships, as well as all support services, occur within the Bank. Therefore, the Parent has no material non-bank Core Business Lines.

A.3. Consolidated Financial Information Regarding Assets, Liabilities, Capital and Major Funding Sources

Financials

The Parent's Balance Sheet Summary, as filed on FR Y-9C, as of December 31, 2013.

Regions Financial Corporation and Subsidiaries
December 31, 2013
(Dollars in Thousands)

		Regions Financial Consolidated
Assets:		
Cash and Noninterest-bearing Balances	$	1,817,222
Interest-bearing Balances		3,611,879
Securities Held-to-Maturity		2,352,958
Total Avail-for-sale - Fair Value		20,946,532
Federal Funds Sold		—
Securities purchased under agreement to resell		—
Loans & leases held for sale		1,054,932
Loans & leases, net Unearned Inc		74,617,561
LESS: Allowance for Loan and Lease Lo		(1,340,852)
Loans & leases, net Unearned Inc & Allow		73,276,709
Total Trading Assets		509,844
Premises and Fixed Assets		2,237,866
Other Real Estate - Total		131,459
Investments in unconsolidated subs - Total		614
Goodwill		4,815,633
Other intangible assets		592,230
Total Other Assets		6,313,854
Total Assets	$	117,661,732
Deposits: Domestic Offices	$	92,425,544
Domestic Deposits: Noninterest-bearing		30,275,343
Domestic Deposits: Interest-bearing		62,150,201
Total Deposits in Foreign Offices		219,900
Federal funds Purchased		10,860
Securities sold under agreement to repurchase		2,170,893
Total trading liabilities		-
Other borrowed money		2,742,934
Subordinated Notes and Debentures		2,162,547
Sub Notes to Uncons trusts issuing TRUPs		-
Total Other Liabilities		2,161,104
Total Liabilities		101,893,782
Perpetual Preferred Stock & Surplus		450,398
Common Stock		14,190
Surplus		19,215,147
Retained Earnings		(2,216,302)
Accumulated other comprehensive Inc		(318,892)
Other equity capital components		(1,376,591)
Total Bank Holding Company Equity Capital		15,767,950
Noncontrolling (Minority) Interests in Consolidated Subs		-
Total Equity Capital		15,767,950
Total Liabs, Pref. Stock, & Equity Capital	$	117,661,732

Capital Summary

Regulatory Capital

The Company is required to comply with applicable capital adequacy standards. Currently, the minimum guidelines to be considered well-capitalized for Tier 1 Leverage, Tier 1 Risk-based capital and Total Risk-based capital are 5.0 percent, 6.0 percent and 10.0 percent, respectively. To ensure that current and projected capital levels remain adequate relative to not only these well-capitalized thresholds but also internal limits, the Company employs a robust capital planning process. Among other things, this process continually seeks to evaluate and challenge the adequacy of capital by identifying and aggregating risks from across the Company to inform the creation of scenarios designed to stress the unique sensitivities of the Company.

The Parent's Regulatory Capital Summary, as filed on FR Y-9C, as of December 31, 2013.

Regions Financial Corporation Regulatory Capital
December 31, 2013

Regulatory Capital		**($ thousands)**
Total Bank Holding Company Equity Capital	$	15,767,950
LESS: Net unrealized gains (losses) on available-for-sale securities		*(86,412)*
LESS: Accumulated net gains (losses) on cash flow hedges and amounts recorded in AOCI resulting from the initial and subsequent application of FASB ASC 715-20 (former FASB Statement No.158) to defined benefit postretirement plans		*(232,480)*
LESS: Disallowed goodwill and other disallowed intangible assets		*4,797,881*
LESS: Disallowed servicing assets and purchased credit card relationships		30,650
Tier 1 Capital		11,258,311
Qualifying subordinated debt and redeemable preferred stock		1,728,787
Allowance for loan and lease losses includible in Tier 2 capital		1,207,844
Unrealized gains on available-for-sale equity securities includible in Tier 2 capital		5,430
Tier 2 Capital		2,942,061
Total Risk-Based Capital	**$**	**14,200,372**
Average Total Assets	$	116,801,476
Less: Disallowed Goodwill and Other Intangibles		*4,797,881*
Less: Disallowed Servicing Assets, Purchased Credit Card Relationships and Deferred Taxes		*30,650*
Other additions to (deductions from) assets for leverage capital purposes		*(231,990)*
Average Total Assets for Leverage Capital Purposes	**$**	**112,204,935**
Risk Weighted Assets	**$**	**96,416,226**
Capital Ratios		
Tier 1 Leverage		10.03%
Tier 1 Risk-based Capital		11.68%
Total Risk-based Capital		14.73%

Major Funding Sources

The Parent is primarily funded by its IDI, Regions Bank.

Regions Bank maintains access to and utilizes diverse wholesale and non-wholesale funding sources. The Bank's primary source of funding is its deposits, which represented $93.98 billion as of December 31, 2013.

Short-term borrowings used as a source of funding include Federal funds purchased, repurchase agreements and customer-related borrowings. Federal funds purchased and securities sold under agreements to repurchase used for funding purposes totaled $2.17 billion as of December 31, 2013. The Company’s long-term borrowings consist primarily of FHLB borrowings, senior notes, subordinated notes and other long-term notes payable.

The Company's liquidity management function ensures the availability of funds to finance assets while meeting obligations to debt holders and depositors in normal business conditions. In order to ensure an appropriate level of liquidity is maintained, the Bank performs specific procedures including scenario analysis and stress testing at the Bank and Parent affiliate levels. The securities portfolio is one of the Company’s primary sources of liquidity as are loan portfolio secured borrowings.

A.4. Description of Derivative and Hedging Activities

Regions Bank carries out the Company's derivative and hedging activities. Below is a description of these activities.

Balance Sheet Hedging

Derivatives entered into by the Bank's Treasury group to manage interest rate risk and facilitate asset/ liability management strategies are designated as hedging derivatives. Derivative financial instruments that qualify in a hedging relationship are classified, based on the exposure being hedged, as either fair value hedges or cash flow hedges. The Bank formally documents all hedging relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for entering into various hedging transactions. The Bank performs periodic assessments to determine whether the hedging relationship has been effective in offsetting changes in fair values or cash flows of hedged items as applicable, and whether the relationship is expected to continue to be effective in the future.

Mortgage Servicing Rights Hedging

Additionally, the Treasury group manages the risk associated with hedging Regions Bank's mortgage servicing rights. The majority of hedge positions are via treasury futures, interest rate swaps and options, or to-be-announced mortgage backed securities ("TBA MBS"). TBA MBS are agreements to purchase mortgage backed securities ("MBS") at a regular forward settlement date. Regions Bank accounts for the mortgage servicing rights and the derivatives used to hedge them using fair market value.

The Secondary Marketing Division of the Consumer Lending Group, housed in the Bank, hedges the risk associated with mortgage pipeline origination by using a combination of mandatory forward commitments on MBS and purchased over-the-counter ("OTC") options on MBS. Mandatory forwards sales of MBS are the primary hedging vehicle for mortgage loan customer rate lock and closed loan positions.

Capital Markets Trading

The Bank's Capital Markets group maintains a derivatives trading portfolio of interest rate and foreign exchange swaps, option contracts, futures and forward commitments used to meet the needs of its customers. The portfolio is used for Business Services client accommodation to help clients manage market risk incurred through the client's business; Capital Markets does not execute transactions with clients for the purpose of speculation. As part of the Bank's macro hedging strategy, separate derivative contracts are entered into to reduce overall market risk exposure. Capital Markets also provides customers with commodity hedging products. However, the commodity risk in this portfolio is directly match, rather than hedged with a macro hedging strategy. The Bank is subject to the credit risk of a counterparty that might fail to perform. The contracts in this portfolio do not qualify for hedge accounting and are marked-to-market through earnings and included in other assets and other liabilities.

A.5. Memberships in Material Payment, Clearing and Settlement Systems

The Parent utilizes, and is a member of, the following Payment, Clearing, and Settlement system (“PCS”):

- **The Depository Trust & Clearing Corporation** operates through 10 subsidiaries. Specifically, the **Depository Trust Company** is a central securities depository providing depository and book-entry services for eligible securities and other financial assets to its participants, which are principally banks and broker-dealers. The National Securities Clearing Corporation provides clearing, settlement, risk management, central counterparty services and a guarantee of completion for certain transactions for virtually all broker-to-broker trades involving equities, corporate and municipal debt, American depositary receipts, exchange-traded funds and unit investment trusts. The Fixed Income Clearing Corporation ("FICC"), a U.S. securities clearing agency is owned by its users, including major banks, broker-dealers and other financial institutions. FICC operates two divisions, the Government Securities Division and the Mortgage-Backed Securities Division. Each division offers services to its own members pursuant to separate rules and procedures.

The Bank also utilizes a number of PCSs, as a direct member, customer or indirect customer. Examples of these networks, including networks material to the Bank, are described below:

- **Chicago Mercantile Exchange, Inc. (“CME”)** is a subsidiary of the Chicago Mercantile Exchange Group. The CME provides financial derivative exchange and clearing and settlement services for derivative products.
- **FedACH** is a national electronic funds transfer systems that serves to clear debit and credit payments.
- **FedWire Funds Service** is a wire transfer service and real-time, gross settlement system used to send and receive payments that is operated by the Federal Reserve System.
- **First Data Star Network** is a leading debit network in America providing PIN (Personal Identification Number) secured electronic debit transaction services.
- **LCH.Clearnet Ltd. ("LCH")** is subsidiary of LCH.Clearnet Group, a multinational clearing house that provides services to major exchanges, platforms, as well as OTC markets. LCH.Clearnet Ltd is a clearing house based in the United Kingdom.
- **MasterCard International** is a multi-national electronic payments technology company that connects consumers, businesses, banks and governments.
- **Shazam** is a member owned debit network in America providing PIN (Personal Identification Number) secured electronic debit transactions services.
- **The Small Value Payments Company L.L.C. ("SVPCo")** is a business of The Clearing House Payments Company LLC that provides electronic check image exchange services.

- **The Society for Worldwide Interbank Financial Telecommunication (“SWIFT”)** is an international messaging system used by Regions Bank to execute non-dollar settlement of FX deals.
- **Total System Services, Inc. ("TSYS")** provides processing services and merchant payment-acceptance solutions including processing credit and debit card transactions.
- **Viewpointe Clearing, Settlement & Association Services, LLC (“Viewpointe”)** provides check and document image services along with archival and retrieval services for financial institutions.
- **Visa, Inc.** is a global payments technology company that connects consumers, businesses, banks and governments in more than 200 countries and territories.

A.6. Description of Foreign Operations

The Parent does not have any material foreign operations.

A.7. Material Supervisory Authorities

The following are the material supervisory authorities for the Parent:

Regulatory/Supervisory Authority	Activities Regulated
Federal Reserve Bank of Atlanta Safety & Soundness	Safety and Soundness, Trust, Information Technology, Comprehensive Capital Analysis and Review (CCAR) and compliance with applicable laws and regulations
Federal Reserve Bank of Atlanta Consumer Division	Community Reinvestment Act (CRA), Fair Housing Act (FHA), Servicemembers Civil Relief Act (SCRA), Home Mortgage Disclosure Act (HMDA), Flood insurance compliance
Board of Governors of the Federal Reserve System	Safety and Soundness, Trust, Information Technology, CCAR, Community Reinvestment Act and compliance with applicable laws and regulations
Alabama State Banking Department	Safety and Soundness, Trust, Information Technology, and compliance with applicable laws and regulations.
Federal Deposit Insurance Corporation (FDIC)	Safety and Soundness, Trust, Information Technology and compliance applicable laws and regulations
Consumer Financial Protection Bureau (CFPB)	Federal consumer financial protection laws
Financial Industry Regulatory Authority (FINRA)	Investor protection and market integrity through its regulation of the securities industry.
Securities and Exchange Commission (SEC)	Primary overseer and regulator of the U.S. securities markets.

The Parent is registered with the Board as a bank holding company and has elected to be treated as a financial holding company under the Bank Holding Company Act of 1956, as amended (“BHC Act”). As such, the Parent and its subsidiaries are subject to the supervision, examination and reporting requirements of the BHC Act and the regulations of the Board. The Parent conducts its banking operations through Regions Bank.

Regions Bank is a member of the FDIC, and, as such, its deposits are insured by the FDIC to the extent provided by law. Regions Bank is an Alabama state-chartered bank and a member of the Federal Reserve System. It is generally subject to supervision and examination by both the Federal Reserve and the Alabama State Banking Department. The Federal Reserve and the Alabama State Banking Department regularly examine the operations of Regions Bank and are given authority to approve or disapprove mergers, acquisitions, consolidations, the establishment of branches and similar corporate actions.

Regions Bank is subject to numerous statutes and regulations that affect its business activities and operations, including various consumer protection laws and regulations. Depository institutions with assets exceeding $10 billion, such as Regions Bank, their affiliates, and other “larger participants” in the markets for consumer financial services (as determined by the CFPB) are subject to direct supervision by the CFPB, including any applicable examination, enforcement and reporting requirements the CFPB may establish. As such, Regions Bank is also subject to supervision by the CFPB.

The Parent, as a publicly traded entity on the New York Stock Exchange, is also subject to applicable SEC regulations and financial filing requirements.

The Parent’s limited purpose broker dealer arm, Regions Securities LLC, not material under Section 165(d) and the Resolution Plan Rule, is subject to regulation and supervision by FINRA.

The Parent’s insurance agency subsidiaries, not material under Section 165(d) and the Resolution Plan Rule, are regulated by their respective State Insurance Commissioners.

A.8. Principal Officers

Executive Council members of the Company are:

Principal Officers	Position and Offices Held with Registrant and Subsidiaries	Executive Officer Since
O.B. Grayson Hall, Jr.	Chairman, President and Chief Executive Officer, Regions and Regions Bank	1993
Fournier J. “Boots” Gale, III	Senior Executive Vice President, General Counsel and Corporate Secretary, Regions and Regions Bank	2011
C. Matthew Lusco	Senior Executive Vice President and Chief Risk Officer, Regions and Regions Bank	2011
John B. Owen	Senior Executive Vice President and Head of the General Bank, Regions and Regions Bank	2009
David J. Turner, Jr.	Senior Executive Vice President and Chief Financial Officer, Regions and Regions Bank	2010

As of December 31, 2014, there were no changes to the composition of the Executive Council of the Parent and the Bank.

A.9. Resolution Planning Corporate Governance

The Company’s Corporate Governance Structure, established and approved by the Board of Directors, consists of committees, working groups, processes, and procedures that provide a framework by which the Company is directed and controlled. The Resolution Planning governance is aligned with the Company's Corporate Governance.

Ultimate authority and responsibility for the Company’s Resolution Plan rests with the Board of Directors. The Resolution Planning Executive Committee (“RPC”), an Executive Council Sponsored Committee, created in accordance with Region’s Corporate Governance Structure, is delegated by the Board of Directors with Resolution Planning overseeing responsibilities.

RPC voting members are the Chief Risk Officer, Chief Financial Officer, General Counsel, Director of Market & Liquidity Risk and Corporate Treasurer. Also participating in the RPC are the Funding and Liquidity Manager, Resolution Planning Manager and Director of Internal Audit.

Under the RPC, an Oversight Group formed by executives of the business lines, support functions and geographies provides an additional level of control, at the appropriate hierarchical level. Its main function is to oversee Working Group's input and vet Plans prior to RPC's review. Members of the cross functional Working Group, high level managers and subject matter experts, are responsible to provide input, review, approve and certify their respective sections in the Plan.

The Resolution Planning Office ("RPO") is the engine to the Resolution Planning process, its function includes project management, and request, collection, revision and aggregation of input, as well as drafting of Plans. The RPO is a sub-committees that supports and reports up to the RPC.

The organizational structure of the Company's Resolution Planning and its related processes and procedures are integrated into the Risk Management Organizational Structure and Governance as well.

The Company has established that the RPO, led by the Director of Market & Liquidity Risk, is responsible for coordinating the development and evolution of future Resolution Plan submissions, ongoing review, revisions and maintenance of the Plans as well as the execution of actions which address potential impediments to an orderly resolution.

The Board of Directors has reviewed and approved the final Resolution Plan.

A.10. Description of Material Management Information Systems

The Company utilizes multiple management information systems and applications for risk management, accounting, financial, operational, and regulatory data generation and reporting. For resolution planning purposes, critical systems have been identified as including those required to maintain day-to-day business operations and compliance with regulatory requirements.

The Operations and Technology function supports the Company's systems to ensure that they are operational and support internal, regulatory and customer-facing business requirements.

The Company maintains appropriate policies, procedures, and organizational structure related to business continuity planning to ensure that the Company is able to provide essential business and technology services in the event of disasters and other business interruptions. The Company has established an experienced Business Continuity Management team to oversee its Business Continuity and Incident Response programs. The team works with all lines of business and their technology partners to implement the programs for developing, maintaining, and testing business continuity and disaster recovery plans. The plans are created using an all-hazards approach with flexibility for responding to incidents of varying types.

The Company employs a comprehensive Business Continuity Program that governs plan development, maintenance, training and testing. The Company conducts an annual impact analysis of business processes that provides the basis for plan development. Businesses develop and maintain plans to ensure continuance of critical and essential functions and conduct training and testing of these plans at least annually. Business Continuity Management periodically reviews these plans to ensure compliance with planning guidance and best practices.

A.11. High-level Description of Resolution Strategy

Under Section 165(d), the Resolution Plan must address strategies for a quick and orderly resolution of the Parent which avoids any systemic risk to the U.S. financial system and the broader U.S. economy. The Company's Plan assumes that a hypothetical idiosyncratic event specific to the Bank leads to the Parent’s failure, and that this hypothetical failure may occur under the baseline, adverse or severely adverse macroeconomic conditions provided by the Board pursuant to 12 U.S.C. § 5365(i)(1)(B) for the purposes of the Company’s Comprehensive Capital Analysis and Review ("CCAR") submitted on January 6, 2014.

Upon a failure of the Bank, the Parent would either commence a proceeding under Chapter 7 of the U.S. Bankruptcy Code (a “Chapter 7 Proceeding”) in order to liquidate remaining assets or commence a proceeding under Chapter 11 of the U.S. Bankruptcy Code (a "Chapter 11 Proceeding") in order to liquidate its remaining assets in an orderly fashion. The Company does not believe that a reorganization of the Parent is practical, considering that the Parent has no material operating business that could emerge as a going concern after the failure of its IDI, and it has few assets other than the Bank and cash.