

§165(d) Tailored
Resolution Plan
Public Section

**Regions Financial
Corporation**

Plan submission Date: December 31, 2013

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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”) 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 “Title 1 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 FDIC¹. Regions Bank with total assets of approximately \$120 billion is therefore required to submit a resolution plan under the IDI Rule.

On May 29, 2013, 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 2013 submission. On September 3, 2013, the Board and the FDIC jointly released an optional model template for tailored resolution plans. Our resolution plan for 2013 follows the optional model template.

The Parent, with approximately \$121 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 approximately 1,700 offices and has approximately 2,000 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”).

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

¹ Federal Deposit Insurance Corporation, Resolution Plans Required for Insured Depository Institutions with \$50 billion or More in Total Assets, 77 Fed. Reg. 3075 (Jan. 23, 2012).

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, 2012, the Parent’s IDI, Regions Bank, represented the vast majority of the Parent’s assets. Furthermore, the remaining 18 subsidiaries and two standalone non-profit entities do not provide operations or services that are material to the Company’s operations or customer retention and growth. For purposes of this Plan, Regions Financial Corporation 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 business of the Company. The substantial majority of the Company’s business activities, assets, income, support services, employees and third-party relationships 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 with the Federal Reserve Board of Governors, on FR-Y-9C, as of December 31, 2012.

Regions Financial Corporation and Subsidiaries
December 31, 2012
 (Dollars in Thousands)

	Regions Financial Consolidated
Assets:	
Cash and Noninterest-bearing Balances	\$ 1,970,929
Interest-bearing Balances	3,510,486
Securities Held-to-Maturity	10,333
Total Avail-for-sale - Fair Value	26,686,770
Federal Funds Sold	—
Sec. purch. under agree to resell	—
Loans & leases held for sale	1,382,707
Loans & leases, net Unearned Inc	73,995,119
LESS: Allowance for Loan and Lease Lo	(1,918,770)
Loans & leases, net Unearned Inc & Allow	<u>72,076,349</u>
Total Trading Assets	696,813
Premises and Fixed Assets	2,299,208
Other Real Estate - Total	146,218
Investments in unconsolidated subs - Total	1,152
Goodwill	4,815,638
Other intangible assets	535,963
Total Other Assets	7,214,822
Total Assets	<u>\$ 121,347,388</u>
Deposits: Domestic Offices	\$ 95,164,831
Domestic Deposits: Noninterest-bearing	29,964,998
Domestic Deposits: Interest-bearing	65,199,833
Total Deposits in Foreign Offices	310,799
Federal funds Purchased	20,901
Securities sold	1,427,902
Total trading liabilities	672,483
Other borrowed money	2,765,768
Subordinated Notes and Debentures	2,686,620
Sub Notes to Uncons trusts issuing TRUPs	500,756
Total Other Liabilities	<u>2,197,054</u>
Total Liabilities	105,747,114
Perpetual Preferred Stock & Surplus	482,273
Common Stock	14,546
Surplus	19,651,391
Undivided Profits/Capital Reserves	(3,337,893)
Accumulated other comprehensive Inc	65,449
Other equity capital components	(1,376,641)
Total Bank Holding Company Equity Capital	<u>15,499,125</u>
Noncontrolling (Minority) Interests in Cons Cos	<u>101,149</u>
Total Equity Capital	15,600,274
Total Liabs, Pref. Stock, & Equity Cap	<u>\$ 121,347,388</u>

Capital Summary

Regulatory Capital

The Company is required to comply with applicable capital adequacy standards established by the Board. 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 found in the Form 10-K filed with the SEC for the year ended December 31, 2012, is presented below.

Regulatory Capital	(\$ thousands)
Total Equity Capital	\$ 15,499,000
<i>Less: Accumulated Other Comprehensive Income</i>	<i>(65,000)</i>
<i>Less: Disallowed Goodwill and Other Intangibles</i>	<i>(4,826,000)</i>
<i>Less: Disallowed deferred tax asset¹</i>	<i>(35,000)</i>
<i>Less: Disallowed Servicing Assets</i>	<i>(33,000)</i>
Qualifying non-controlling interests	93,000
Qualifying trust preferred securities	501,000
Tier 1 Capital	11,134,000
Qualifying Subordinated Debt	1,966,000
Allowance for Loan and Lease Losses includible in Tier 2	1,170,000
Other Tier 2 Capital	2,000
Tier 2 Capital	3,138,000
Total Capital	\$ 14,272,000
Risk Weighted Assets	\$ 92,811,000

Capital ratios:

Tier 1 common risk-based ratio (non-GAAP)	10.84%
Tier 1 capital to total risk-weighted assets	12.00%
Total capital to total risk-weighted assets	15.38%
Tier 1 leverage ratio	9.65%
Stockholders' equity to total assets	12.77%
Common stockholders' equity to total assets	12.38%
Tangible common equity to tangible assets (non-GAAP)	8.63%

1. Taxable income from the two previous tax years and one year of projected future taxable income may be applied in calculating deferred tax assets for regulatory capital purposes.

2. Includes \$83 million and \$78 million in 2012 and 2011, respectively, associated with reserves recorded for off-balance sheet credit exposures, including derivatives.

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. Regions Bank's primary source of funding is its deposits, which provided funding for 88 percent of average interest-earning assets from continuing operations in 2012.

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 \$21.5 billion at December 31, 2012. Short-term borrowings that are the result of customer activity related to investment opportunities totaled at December 31, 2012. The Bank's long-term borrowings consist primarily of FHLB borrowings, senior notes, subordinated notes and other long-term notes payable. Long-term borrowings for the Parent totaled and for Regions Bank at December 31, 2012.

The Bank'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, holding company, and affiliate levels. The securities portfolio is one of the Bank's primary sources of liquidity as are maturities in the loan portfolio.

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 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 through 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 mortgage backed securities ("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 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. As part of the Bank's macro hedging strategy, separate derivative contracts are entered into to reduce overall market risk exposure. The Bank also 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 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 depository 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 or customer. Examples of these networks, including networks material to the Bank, are described below:

- **Chicago Mercantile Exchange, Inc.** is a subsidiary of the Chicago Mercantile Exchange Group ("CME"). 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.** 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.
- **SVPCO** is a business of The Clearing House Payments Company LLC that provides electronic check image exchange services.

- **S.W.I.F.T.** 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 Archive Services, LLC** 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, Trust, Information Technology, Community Reinvestment Act and Compliance with applicable laws and regulations
Board of Governors of the Federal Reserve System	Safety & Soundness, Trust, Information Technology, Community Reinvestment Act and Compliance with applicable laws and regulations
State of Alabama Banking Department	Safety & Soundness, Trust, Information Technology, and Compliance with applicable laws and regulations
Federal Deposit Insurance Corporation (FDIC)	Safety & Soundness, Trust, Information Technology, Community Reinvestment Act and Compliance with Consumer Protection Laws
Consumer Financial Protection Bureau (CFPB)	Federal Consumer Financial Laws
Securities and Exchange Commission (SEC)	Primary overseer and regulator of the U.S. securities markets
Financial Industry Regulatory Authority (FINRA)	Self regulatory agency ("SRO") of member securities firms

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 Board and the Alabama Banking Department. The Board and the Alabama 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, the Bank is also subject to supervision by CFPB.

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

The Parent’s recently formed broker dealer arm, Regions Securities LLC, is also subject to regulation and supervision by FINRA.

The Parent’s insurance agency subsidiaries, not material under Section 165(d) and the Title 1 Rule, are regulated by their respective State Insurance Commissioners.

A.8. Principal Officers

Executive Council members of the Company as of December 31, 2012:

Principal Officers	Position and Offices Held with Registrant and Subsidiaries	Executive Officer Since
O.B. Grayson Hall Jr.*	President and Chief Executive Officer and Director, Regions and Regions Bank.	1993
David B. Edmonds	Chief Administrative Officer and Senior Executive Vice President, Regions and Regions Bank.	1994
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 Business Lines, Regions and Regions Bank.	2009
David J. Turner, Jr.	Senior Executive Vice President and Chief Financial Officer, Regions and Regions Bank.	2010

* Effective May 16, 2013, the positions of Chairman and CEO were combined and Mr. Hall's title became Chairman, President and Chief Executive Officer.

As of December 31, 2013 there were no changes to the composition of the Executive Council of the Parent and the Bank.

A.9. Resolution Planning Corporate Governance

The Parent's Corporate Governance Structure, established and approved by the Parent's Board of Directors (the "Board of Directors"), consists of committees, working groups, processes, and procedures and provides a framework by which the Company is directed and controlled.

Ultimate authority and responsibility for the Parent's Resolution Plan rests with the Board of Directors. The Resolution Planning Executive Steering Committee ("RPSC"), an Executive Council-Sponsored Committee, was created in 2013. In accordance with the Company's Corporate Governance Structure, resolution planning oversight responsibilities have been delegated by the Board of Directors to the RPSC.

RPSC participants include the Chief Risk Officer, Chief Financial Officer, General Counsel, Director of Market & Liquidity Risk, Resolution Planning Manager, Corporate Treasurer and Director of Internal Audit.

The Resolution Planning Working Group ("Working Group") was formed under the RPSC as a cross-functional team consisting of executive representatives from business lines and required services from across the Company. The Resolution Planning Core Team ("Core Team") and Project Management Office ("PMO") are sub-committees that support and report up to the Working Group and RPSC on the resolution planning process and progress.

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

The Parent has established that the Core Team, led by the Director of Market and 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 for up to six months.

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 required services to implement the programs for developing, maintaining, and testing business continuity and disaster recovery plans in order to mitigate risks and ensure operational continuity in the event of disruptions.

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 rules and supervisory guidance for the Resolution Plan provide the assumption that in the unlikely event of a failure, idiosyncratic events specific to the Bank led to the Parent's failure. In addition, other financial institutions and broader markets are not exposed to similar stress situations.

Upon failure of the Bank, the Parent would either commence a proceeding under Chapter 11 of the U.S. Bankruptcy Code in order to reorganize or, more likely, liquidate its remaining assets in an orderly fashion, or commence a proceeding under Chapter 7 of the U.S. Bankruptcy Code in order to liquidate remaining assets.