



REGIONS

2016 Annual Review

Every
MINUTE
Counts



Regions Financial Corporation, with \$126 billion in assets, is a member of the S&P 500 Index and is one of the nation's largest full-service providers of consumer and commercial banking, wealth management, mortgage and insurance products and services. Regions serves customers across the South, Midwest and Texas, and through its subsidiary, Regions Bank, operates approximately 1,500 banking offices and 1,900 ATMs.

Our Business

Consumer Banking

- Retail Business
- Mortgage
- Indirect Lending

Corporate Banking

- Corporate Banking
- Commercial Banking
- Real Estate Banking

Wealth Management

- Private Wealth Management
- Institutional Services
- Regions Insurance
- Regions Investment Services

What We Believe In

Our mission is to achieve superior economic value for our shareholders over time by making life better for our customers, our associates and our communities and creating shared value as we help them meet their financial goals and aspirations.

Regions' five core values guide everything we do:

- Do What Is Right
- Put People First
- Reach Higher
- Focus On Your Customer
- Enjoy Life

Delivering for Our Stakeholders



MOST
Reputable Bank by
the Reputation Institute
& American Banker



TEMKIN 2ND PLACE
for Online
Experience



GALLUP
Great Workplace
Award



GREENWICH
Excellence Awards
for Wealth Management,
Small Business Banking and
Treasury Management



TEMKIN TOP 10%
For Customer
Experience

Where We Operate*

Branch Locations by State

226

ALABAMA

88

ARKANSAS

326

FLORIDA

124

GEORGIA

55

ILLINOIS

55

INDIANA

10

IOWA

12

KENTUCKY

104

LOUISIANA

132

MISSISSIPPI

57

MISSOURI

6

NORTH
CAROLINA

26

SOUTH
CAROLINA

230

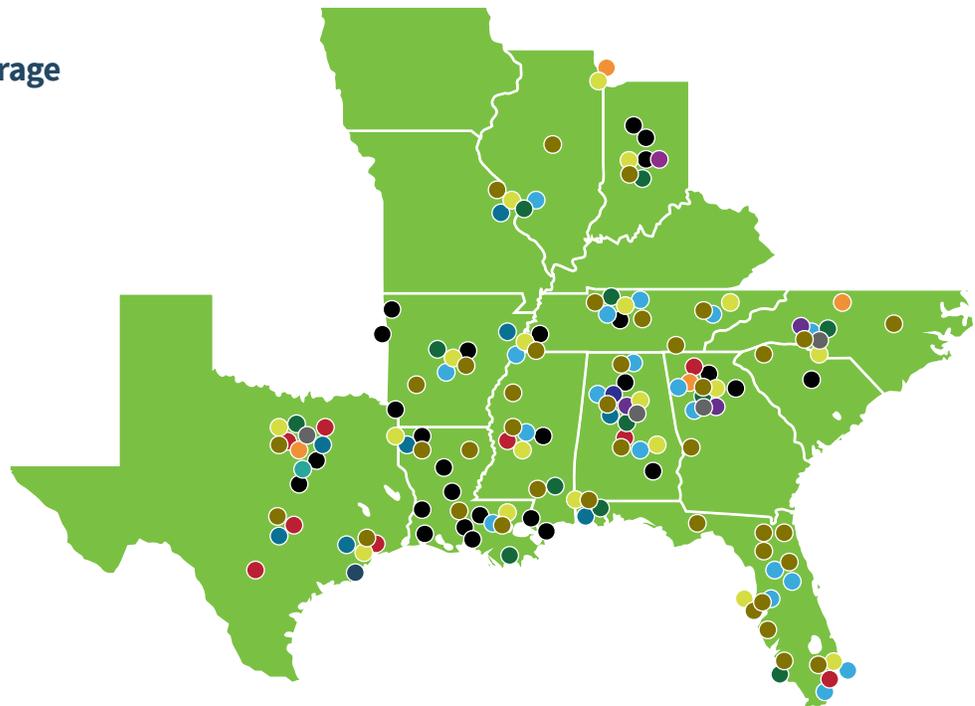
TENNESSEE

76

TEXAS

Line of Business Coverage

- Corporate Banking
- Business Capital
- Capital Markets
- Dealer Finance
- Equipment Finance
- Government/Institutional
- Specialized Industry
- Institutional Services
- Insurance
- Private Wealth
- Real Estate
- Commercial Banking



*As of December 31, 2016

Every **MINUTE** Counts

In today's fast-paced world, enabling customers to bank **HOWEVER, WHEREVER AND WHENEVER** they want is crucial to our success. Every minute of every day, Regions is working to make our customers' financial lives easier, more convenient and more secure. Find out how we provide a wide array of financial services perfectly aligned with the way our customers live today.



“...Even as digital capabilities transform our industry, we see technology as a way to enhance, not replace, the enormous value of a personal, trusted relationship between bankers and those they serve.”

Grayson Hall
Chairman, President and
Chief Executive Officer

To our shareholders, associates, customers and communities:



Ensuring that Regions' customers can bank however, whenever and wherever they choose is one of the important ways we put customer needs at the center of our strategy to build sustainable franchise value. Customer expectations are evolving rapidly, and we are excited about the many opportunities for technology to expand choice, increase convenience and provide a consistent experience across all delivery channels. Yet, even as digital capabilities transform our industry, we see technology as a way to enhance, not replace, the enormous value of a personal, trusted relationship between bankers and those they serve. Whether it is a busy parent managing her family's finances, the leader of a growing enterprise seeking capital to expand, or a young couple mapping a strategy to pay for college and retirement, our ability to meet and exceed expectations starts with a deep understanding of customers' needs. That focus on connecting the right solution with a specific need, serving as a knowledgeable and trusted advisor, and building deeper relationships with our customers is fundamental to who we are and the key to our continued success.

Evidence of our strong customer service comes daily from the many positive letters and emails we receive, as well as by industry observers. In 2016, Regions was named the Most Reputable Bank by the Reputation Institute and *American Banker* magazine, and, for the second consecutive year, we had the best reputation among customers. The Temkin Group placed Regions second in the nation for online experience and in the top 10 percent for overall customer experience. Additionally, measures of customer satisfaction, derived from nearly 200,000 customer interviews conducted by the Gallup Organization, show that our topline service metrics continue to improve. Moreover, we are pleased that we are improving the



Chairman's Message

consistency and predictability of service delivery across geographies and business units.

Fortifying a Foundation of Trust and Integrity

While these indicators demonstrate that we are doing the right things to ensure an outstanding customer experience, we are also doing more to identify issues that may arise. Trust and integrity have never been more important in the financial services industry. In an organization that spans 15 states and employs 22,000 employees, it is crucial to not only address customer concerns on an individual basis but also to use that information to drive improvements across our organization. We also believe our enterprise-wide strategy, central to which is creating shared value for all stakeholders, contributes to our ability to earn and retain trust. Regions bankers are trained to ask the right questions that help customers define their most important financial goals. Our shared value approach requires that our bankers put the needs of customers at the center of every interaction with them, and that the solutions we provide deliver real value. As we execute against our strategic plans, we know that getting the right results is important, but getting them in the right way is critical.

Enhancing Value While Achieving Our Financial Objectives

This customer-centric approach was one of the contributors to our strong performance. Despite a challenging operating environment, in 2016 Regions' total shareholder return, comprised of the increase in share price and the value of dividends, was 53 percent, one of the highest in our company's history. We manage our business with a focus on creating value over the long term, and we are pleased that our five-year total shareholder return of 263 percent places us second in our banking peer group.

\$1.2 BILLION
in earnings returned
to shareholders in 2016



The fundamentals of our business remain sound, and our focus on executing our strategic initiatives continues to deliver solid financial results. For the year, net income available to common shareholders totaled \$1.1 billion, an increase of 10 percent over the prior year. Earnings per diluted share were \$0.87, an increase of 16 percent. We delivered these results with an interest rate environment that showed only modest improvement and at a time when overall economic growth remained muted. Although expanding our loan portfolio is part of our long-term growth agenda, we are committed to doing so in a thoughtful and disciplined manner. To that end we have tempered our risk appetite in certain sectors and have deliberately limited loan production while focusing on increasing risk-adjusted returns. As such, average loan balances were relatively stable on a year-over-year basis; however, our overall margin improved. We will remain focused on prudent and quality loan growth. We also experienced modest growth in average deposits, which grew by \$1 billion, or 1 percent. At year end, our low-cost deposits remained robust and represented more than 92 percent of our total deposit base.

Growth Through Diversification

Diversifying revenue is central to our growth strategy, and it is also one of the most powerful risk management tools at our disposal. To that end, we are pleased with our progress in growing non-interest revenue in 2016, both in real terms and as a percentage of our overall revenue mix. On an adjusted* basis, non-interest income grew by 7 percent and demonstrates that our targeted

*See table 2 in Form 10-K for GAAP to non-GAAP reconciliations

Chairman's Message



investments are delivering results. Highlights included strong returns in capital markets, where we continue to expand our product offerings and broaden our capabilities, including mergers and acquisitions advisory services and affordable housing. We also achieved growth in wealth management income and assets under administration, an area where we have added talent and capabilities during the past several years. Increases in checking accounts, active credit cards and mortgage income were also meaningful contributors.

Risk management is fundamental to our culture, and we empower and expect every Regions associate to be an owner and manager of risk. Effective risk management requires a team approach, and each team member is empowered and expected to take full ownership of the risks that they encounter in their work. Diversification is one of our most important tools to effectively manage risk in our business. Diversification in geographies, products, customers and industry segments provides an opportunity to best protect our company and provide sustainable franchise value.

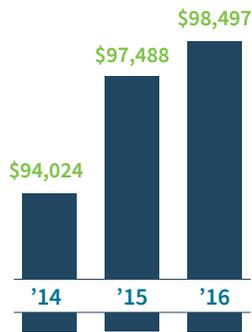
Effective capital deployment is one of our core financial strategic initiatives, and three priorities continue to guide our capital allocation strategy: organic growth, strategic investments and returning capital to shareholders. Our first priority for capital is investing in organic growth in a prudent and balanced manner. We will continue to make strategic investments that improve the efficiency of our operations or provide opportunities for additional bolt-on acquisitions that can further contribute to revenue growth. We are also committed to returning an appropriate level of capital to our shareholders. In 2016, we returned \$1.2 billion to shareholders in the form of quarterly dividends and common share repurchases.

Increased Efficiency: A Powerful Growth Driver

Disciplined expense management is both a strategic initiative and a key component of our earnings growth plan. In an environment in which interest rate increases are likely to be slow and measured, it is essential that we focus on what we can control. When we operate more efficiently, we have the opportunity to invest those savings in initiatives that can generate revenue growth and increase franchise value. In late 2015 we announced our intention to eliminate \$300 million of core expenses over three years. Last year we raised that target to \$400 million by 2019, which represents 11.5 percent of our 2015 adjusted expense base. As part of that initiative, we have streamlined and implemented process improvements that have reduced staffing requirements by approximately 5 percent. By leveraging Lean Six Sigma principles, we have identified



Average Loans*



Average Deposits*

* Based on average fourth quarter balances





Chairman's Message



Common Equity Tier 1*

*Based on fully phased-in pro-forma

opportunities for both cost reductions and revenue improvements. We are also reducing costs through branch and real estate optimization. In 2016 we announced the consolidation of 103 branches and are working toward meeting or exceeding our goal of 150 branch consolidations by the end of 2017. These measures, and others, helped us achieve positive operating leverage of 2.6 percent for 2016 and reduced our efficiency ratio by 159 basis points, both on an adjusted basis.*

In addition to expense eliminations, we are adding technology and systems that result in a better customer experience, improved risk management and lower costs. These include our investments in enhanced online banking, digital and mobile capabilities, and in our next-generation branches, which incorporate technology to deliver better service more efficiently.

Strong Team, Sound Culture: Positioned to Achieve Growth

As we seek to build sustainable franchise value, we have established clear three-year, long-term targets: a compound annual growth rate in adjusted earnings per share of 12 to 15 percent, an adjusted efficiency ratio below 60 percent, and an adjusted return on average tangible common equity of 12 to 14 percent. These are ambitious goals, and achieving them requires that we leverage the talents of thousands of Regions associates

working as one unified team. It is rewarding to note that our associates are some of the most engaged in the industry and that, for the second year in a row, Regions was named a winner of the Gallup Great Workplace Award – one of only 35 companies worldwide to be so honored.

That high level of associate engagement across teams, departments and locations can be attributed to several factors. We strive to create a culture that respects the contributions of every associate and provides opportunities for their growth and development. We believe our commitment to the right values drives the correct behaviors, producing the right results, thereby creating shared value for customers, associates, communities and shareholders. Our culture is a powerful advantage as we seek to recruit the best. In fact, we often hear from new hires that they were attracted to Regions because of the positive and rewarding work environment. It is one where they can make their own contribution to the vital role we play in supporting the economic growth of customers and our communities – and do so with unwavering integrity. Going forward, we expect our strong culture to be an important competitive advantage that will underpin successful execution of our strategy.

In closing, I am personally grateful to our associates for their energy and commitment, and to our customers, shareholders and our Board of Directors for their continued support.

Sincerely,

GRAYSON HALL
Chairman, President and
Chief Executive Officer

*See table 2 in Form 10-K for GAAP to non-GAAP reconciliations

Every **MINUTE** Counts

7:30AM

To a successful Entrepreneur, every minute counts, so he can run his business more efficiently

With Regions Mobile Deposit, small business customers enjoy easy, flexible options for depositing checks and accessing funds...including immediately, if they choose. And by skipping a trip to the bank or an ATM, a busy hair stylist can concentrate on his first priority – making every client look great.

Every **MINUTE** Counts

10:00AM



To Express Oil Change, every minute counts when working hard to expand and grow their business

Regions banker Kelly Peace makes it a priority to develop a deep understanding of her clients' business needs – like those of the management team of Express Oil Change. Her client-centric approach focuses on needs and provides the right solution to strengthen her clients' businesses.

Every **MINUTE** Counts

1:30PM



To Busy Customers at a new state-of-the-art branch, every minute counts

Enhanced technology, increased convenience and Universal Bankers who can meet every customer need – from a cashier’s check to a home mortgage – that’s what our new branch concepts provide. We’re deploying these high-tech, high-touch facilities across our 15-state footprint. The result? Better and faster service at lower costs.

Every **MINUTE** Counts



3:00PM

To a Homeowner, every minute counts when taking time to meet with a contractor to improve her home

New windows? Finishing a basement? Adding a new deck? Through our arrangement with GreenSky® we put financing for major home improvement projects within easy reach. Consumers can apply online or in-store, credit approvals can be delivered within seconds, and contractors get the green light to move forward. It's another way we're expanding our reach while adding convenience.

Every **MINUTE** Counts



5:00PM

To a Wealth Management Client, every minute counts when planning for her grandchildren's future

For Regions wealth advisor Jennifer Carnal, superior service starts by asking detailed questions to define each customer's unique goals. Our highly individualized process allows our Wealth Management team to match the right products and wealth management strategies to each client's needs. It's an approach that's driving growth in Regions' wealth relationships, assets under management and revenues.

Every **MINUTE** Counts

6:30PM



To a Busy Mom, every minute counts when trying to keep her family's finances on track

Regions Online Banking offers a simplified digital banking experience, with intuitive navigation and helpful tools for customers to manage their finances at any time and from anywhere. Whether it's paying bills, transferring funds, verifying account balances or managing monthly expenses, our online banking ease of use earned a top 10 percent ranking in the 2016 Temkin Web Experience Ratings.

Every **MINUTE** Counts

7:30PM



To a College Student on the go, every minute counts when depositing a check on a busy schedule

At Regions, the ATM remains an important channel to provide customers convenient access to banking services. We've made a significant investment in a new generation of SmartATMs that give video access to remote bankers. These terminals offer a complete range of services – like cashing a check even without a debit card or PIN.



Strategic Initiatives



Grow and Diversify Revenue

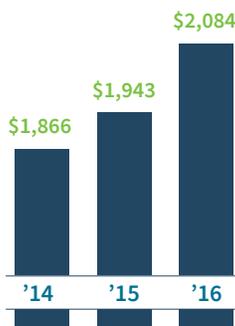
“As we build our business, we want to pursue the highest and best opportunities that fit well with our client set. Our growth agenda is designed solely around our clients and their needs.”



Terry Katon,
Executive Managing Director
and Group Head, Capital
Markets

Capital
markets income
increased 46%
year-over-year

**Adjusted
Non-Interest Income***



* See table 2 in Form 10-K for GAAP to non-GAAP reconciliations

Increasing revenue is the goal of any enterprise, but Regions is focused on disciplined growth that also contributes to the diversification of our business. As a financial institution focused on risk, we recognize that diversification is one of the most powerful risk management tools at our disposal. That’s why our growth agenda emphasizes expanding the contribution to earnings from non-interest income. In 2016, we met that objective, growing non-interest income by 7 percent on an adjusted basis.

An especially strong contributor to that performance was our Capital Markets segment, which grew income 46 percent last year. Focusing on corporate, commercial and real estate banking clients, Capital Markets is comprised of three primary businesses: capital raising, hedging and risk management, and advisory services. This business is fueling growth by adding capabilities and talent,



Strategic Initiatives

by deepening existing customer relationships and, where appropriate, through “bolt-on” acquisitions that expand the Regions product offerings.

According to Terry Katon, Head of Capital Markets, “A core strength for us is capital raising beyond what the bank supplies as loans. This is supplemental lending capacity, providing alternative sources of capital like second lien and mezzanine debt.” Our offerings also include long-term capital in the form of fixed-rate public debt and private debt. In order to continue the growth trajectory, the business requires additional investment in loan distribution, as well as trading and fixed-income distribution. Notes Katon, “We’re seeing lift from a revenue standpoint, and we believe we are in the early stages of that growth.”

The addition of high-quality businesses with unique capabilities and expertise is also driving success. Katon continues, “As we grow, we are being selective about the businesses we choose to be in. We want to pursue the highest and best opportunities that meet our clients’ needs.” BlackArch Partners, acquired in late 2015, specializes in merger and acquisition advisory services in the middle market space. “It’s a high-quality, relatively early-stage firm, with very talented people who have great experience and a great reputation in the market,” says Katon. “BlackArch had a great year in 2016, and we have the opportunity to expand their contributions as they are introduced to more Regions clients and we spread that capability across our client base.”

Attracting and developing the best people is crucial to continued growth. “Talent is critical to our success because our assets are the intellectual capital and expertise of our associates. It’s essential that we attract the right kind of professionals who align with our culture and understand our goals and objectives. Nikki Stephenson is a great example, a shining star in our Capital Markets organization. She’s superb at building teams, collaborating with bankers and delivering for clients. Nikki embodies what we look for as we continue to build our organization.”

A clear direction, expanded capabilities and top-tier talent: that’s Regions Capital Markets’ formula for continued success.



Nikki Stephenson
Capital Markets Banker



Strategic Initiatives



Manage Expenses with Discipline

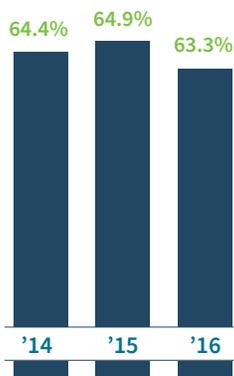
“In addition to reducing expenses, driving process efficiencies and enhancing revenue opportunities, our goal is to deliver a high-quality and predictable customer experience.”



Logan Pichel
Head of Consumer Lending

We expect to eliminate **\$400 million** in adjusted* expenses** through 2019

Adjusted Efficiency Ratio*



* See table 2 in Form 10-K for GAAP to non-GAAP reconciliations

** Based on adjusted 2015 expenses

Regions has set an ambitious efficiency target: reduce core expenses by \$400 million by 2019. Achieving that objective requires improvements, big and small, across all departments and geographies. As that work of improving our efficiencies unfolds, it's imperative that the entire company focus on what it can control and act on. The company has embraced lean Six Sigma principles that utilize problem-solving methodology to drive process improvements across the organization. These efforts to improve business process efficiencies and effectiveness touch nearly every function in the organization. Approximately 50 to 60 Six Sigma engagements are underway at any one time. Some are narrowly focused on a single department or geography, while others have broad impact across functional groups, such as human resources, finance, operations and technology.



Strategic Initiatives

One highly successful project using this methodology focused on improving the processing time of home equity loans. Logan Pichel, Head of Consumer Lending, and Rohini Ashruff, who leads Consumer Lending Operations, used lean Six Sigma principles to reduce expenses. “Home equity lending represents approximately 35 percent of our consumer lending portfolio and 16 percent of consumer lending production, so it is a very significant part of our consumer business,” notes Pichel. “Over time, the application process expanded, and turnaround times were longer than desired. This reduced the rate of loans that were booked and increased overall labor costs.”

Ashruff’s group worked to identify a series of opportunities for improvement which included streamlined and simplified documents that auto-populate with essential information, a new documentation requirement checklist and better tools to share documents electronically. The result? An improved and simplified loan application process for both bankers and their customers.

After implementing these changes, loan production increased, labor costs per loan declined, and the percentage of approved loans that closed grew significantly. The aggregate positive impact was in the millions of dollars. Equally important, customer experience metrics improved. “In addition to reducing expenses, driving process efficiencies

and enhancing revenue opportunities, our goal is to deliver a high-quality and predictable customer experience,” says Pichel.

Regions is committed to continued disciplined expense management and to reach a 60 percent adjusted efficiency ratio by the end of 2018. We are determined to use process improvements along with technology to reduce costs and enhance the customer experience.



Rohini Ashruff
Consumer Lending Operations



Strategic Initiatives



Deploy Capital Effectively

“Capital and liquidity are the lifeblood of our business. Without both, we can’t effectively meet the needs of our customers. We seek the right mix of businesses that meet our objectives for shareholder return while ensuring that we have sufficient capital and liquidity to serve our clients in every business climate.”



Deron Smithy
Treasurer

In 2016 we returned
\$1.2 billion
to shareholders while
prudently investing in
organic growth

As Regions continues to strengthen its capital planning and capital deployment capabilities, no consideration is more important than balancing the requirements of various Regions stakeholders. Treasurer Deron Smithy and his team are at the forefront of this effort, weighing complex considerations, such as economic forecasts, the interest rate environment, and the relative health of individual markets and industries, alongside the needs of borrowers, depositors and shareholders. According to Smithy, “It is a dynamic process with multiple dimensions and multiple stakeholders to consider. We think about how to position the balance sheet, what businesses we choose to engage in and help grow, and what is the right level of capital to meet the risks inherent in those businesses. Together, those factors establish the foundation for how we begin capital planning.”

In its simplest form, a bank is a depository institution where people bring their funds to earn a



Strategic Initiatives

reasonable return for savings, and a place where companies as well as individuals come for their financing needs. Notes Smithy, “liquidity is the ability to meet the financing needs for our clients while, at the same time, assuring external stakeholders, such as the rating agencies, regulators, and our bond and equity investors, that we’re managing the variability in our business and that we’ve got the wherewithal to perform consistent with our financial commitments. It is imperative that our customers have confidence that we will be there to support their needs not only during good times, but also periods where the economic environment is weakening.”

Smithy continues that in the years since the economic crisis, assessing and managing risk has been transformed into a much more robust and detailed process. “Risk management today is a far more integrated understanding of risk across a range of scenarios. Today all strategic decisions must be evaluated considering how they will perform during periods of stress. Scenario stress testing has become synonymous with prudent capital and liquidity planning.”

Forecasting is only as good as the data and market intelligence that are collected and analyzed. Regions' current process engages a wide array of participants across the bank and utilizes a broad set of inputs to develop a consensus baseline view. An internal economic forecast committee meets regularly, made up of a cross-section of professionals across the organization – from economists to portfolio managers to commercial and consumer bankers. “We have bankers on the

ground who are engaged with customers every day. They can address the questions: Are those customers confident, or are they concerned about the future? How are the balance sheets for our consumers and our commercial customers trending? Bringing these associates into the room to provide real-time insight into what’s going on in the economy adds to our forecasting efforts. It has been very constructive internally, both to identify risk but also to help those associates forecast how changes in the environment can impact the businesses they serve.”



Deron Smithy
Treasurer

\$ Financial Highlights

(In millions, except per share data, branch and ATMs)

	2016	2015	2014
EARNINGS SUMMARY			
Income from continuing operations available to common shareholders	\$ 1,094	\$ 1,011	\$ 1,082
Net income available to common shareholders	1,099	998	1,095
Earnings per common share from continuing operations – diluted	0.87	0.76	0.78
Earnings per common share – diluted	0.87	0.75	0.79
BALANCE SHEET SUMMARY			
At year-end			
Loans, net of unearned income	\$ 80,095	\$ 81,162	\$ 77,307
Assets	125,968	126,050	119,563
Deposits	99,035	98,430	94,200
Long-term debt	7,763	8,349	3,462
Stockholders' equity	16,664	16,844	16,873
Average balances			
Loans, net of unearned income	\$ 81,333	\$ 79,634	\$ 76,253
Assets	125,506	122,265	118,352
Deposits	97,921	96,890	93,481
Long-term debt	8,159	5,046	4,057
Stockholders' equity	17,124	16,922	16,609
SELECTED RATIOS			
Tangible common stockholders' equity to tangible assets (non-GAAP) ⁽¹⁾	8.99%	9.13%	9.66%
Allowance for loan losses as a percentage of loans, net of unearned income	1.36	1.36	1.43
Allowance for credit losses as a percentage of loans, net of unearned income	1.45	1.43	1.51
Adjusted efficiency ratio (non-GAAP) ⁽¹⁾	63.28	64.87	64.45
Basel III common equity Tier 1 ratio — Fully Phased-In Pro-Forma (non-GAAP) ⁽¹⁾⁽²⁾⁽³⁾	11.05	10.69	11.00
Tier 1 Capital ⁽²⁾⁽³⁾⁽⁴⁾	11.98	11.65	12.54
OTHER INFORMATION			
Basic Weighted-average number of common shares outstanding	1,255	1,325	1,375
Diluted Weighted-average number of common shares outstanding	1,261	1,334	1,387
Total Branch Outlets	1,527	1,627	1,666
ATMs	1,906	1,962	1,997

⁽¹⁾ See table 2 in Form 10-K for GAAP to non-GAAP reconciliations.

⁽²⁾ Current year Basel III common equity Tier 1 and Tier 1 capital ratios are estimated.

⁽³⁾ Regions' regulatory capital ratios for years prior to 2015 have not been revised to reflect the retrospective application of new accounting guidance related to investments in qualified affordable housing projects.

⁽⁴⁾ Beginning in 2015, Regions' regulatory capital ratios are calculated pursuant to the phase-in provisions of the Basel III rules. All prior period ratios were calculated pursuant to the Basel I capital rules.

Board of Directors

Carolyn H. Byrd ⁽¹⁾
Chairman and Chief Executive Officer
GlobalTech Financial, LLC

David J. Cooper, Sr. ⁽²⁾⁽³⁾
Vice Chairman
Cooper/T. Smith Corporation

Don DeFosset ⁽²⁾⁽⁴⁾
Former Chairman,
President and Chief Executive Officer
Walter Industries, Inc.

Samuel A. Di Piazza, Jr. ⁽¹⁾⁽²⁾
Former Global Chief Executive Officer
PricewaterhouseCoopers
Former Vice Chairman
Citigroup Global Corporate and
Investment Bank

Eric C. Fast ⁽¹⁾⁽⁴⁾
Former Chief Executive Officer
Crane Co.

O. B. Grayson Hall, Jr.
Chairman, President and
Chief Executive Officer
Regions Financial Corporation

John D. Johns ⁽⁴⁾
Chairman and
Chief Executive Officer
Protective Life Corporation

Ruth Ann Marshall ⁽²⁾⁽³⁾
Former President
The Americas, MasterCard
International, Inc.

Susan W. Matlock ⁽²⁾⁽⁴⁾
Former President and
Chief Executive Officer
Innovation Depot

John E. Maupin, Jr. ⁽¹⁾⁽³⁾
Former President
Morehouse School of Medicine

Charles D. McCrary ⁽³⁾⁽⁵⁾
Lead Independent Director,
Regions Board of Directors
Former President and
Chief Executive Officer
Alabama Power Company

James T. Prokopanko ⁽³⁾⁽⁴⁾
Former President and
Chief Executive Officer
The Mosaic Company

Lee J. Styslinger III ⁽¹⁾⁽⁴⁾
Chairman and Chief Executive Officer
Altec, Inc.

José S. Suquet ⁽²⁾⁽⁴⁾
Chairman, President and
Chief Executive Officer
Pan-American Insurance Group

Member of:

⁽¹⁾ Audit Committee

⁽²⁾ Compensation Committee

⁽³⁾ Nominating and Corporate Governance Committee

⁽⁴⁾ Risk Committee

⁽⁵⁾ Lead Independent Director

Executive Management

O. B. Grayson Hall, Jr.
Chairman, President and
Chief Executive Officer
Executive Council and Operating Committee

David J. Turner, Jr.
Senior Executive Vice President
Chief Financial Officer
Executive Council and Operating Committee

Fournier J. “Boots” Gale, III
Senior Executive Vice President
General Counsel and Corporate Secretary
Executive Council and Operating Committee

C. Matthew Lusco
Senior Executive Vice President
Chief Risk Officer
Executive Council and Operating Committee

John B. Owen
Senior Executive Vice President
Head of Regional Banking Group
Executive Council and Operating Committee

John M. Turner, Jr.
Senior Executive Vice President
Head of Corporate Banking Group
Executive Council and Operating Committee

Brett D. Couch
Senior Executive Vice President
Regional President, East Region
Operating Committee

Barb Godin
Senior Executive Vice President
Chief Credit Officer
Operating Committee

C. Keith Herron
Senior Executive Vice President
Regional President, South Region
Operating Committee

William E. Horton
Senior Executive Vice President
Head of Commercial Banking
Operating Committee

Ellen Jones
Senior Executive Vice President
Head of Strategic Performance and Alignment
Operating Committee

David R. Keenan
Senior Executive Vice President
Head of Human Resources
Operating Committee

Scott M. Peters
Senior Executive Vice President
Consumer Services Group Head
Operating Committee

William D. Ritter
Senior Executive Vice President
Wealth Management Group Head
Operating Committee

Ronald G. Smith
Senior Executive Vice President
Regional President, Mid-America Region
Operating Committee



Shareholder Information

CORPORATE HEADQUARTERS

1900 Fifth Avenue North
Birmingham, AL 35203
Phone: 1-800-734-4667

STOCK LISTING

Regions common stock is traded on the NYSE under the symbol RF.

CORPORATE WEBSITE

For more information, please visit www.regions.com

ANNUAL MEETING

The 2017 Annual Meeting of Stockholders of Regions Financial Corporation will be held on Thursday, April 20, 2017, at 9:00 A.M., CDT, in the Upper Lobby Auditorium of Regions Bank, 1901 Sixth Avenue North, Birmingham, AL 35203.

TRANSFER AGENT AND REGISTRAR

Computershare
Post Office Box 30170
College Station, TX 77842-3170

Telephone:

1-800-524-2879 for current stockholders

1-800-446-2617 for non-stockholders requesting enrollment materials for dividend reinvestment and stock purchase plan

Hearing Impaired:

1-800-952-9245

Shareholder Website:

<https://www-us.computershare.com/investor>

Shareholder Online Inquiries:

<https://www-us.computershare.com/investor/contact>

PRINCIPLE SUBSIDIARIES

Regions Bank
Regions Insurance Group
Regions Securities
Regions Investment Management
Regions Equipment Finance

FORM 10-K

Our 2016 Annual Report on Form 10-K (“10-K”) also serves as our 2016 Annual Report to Stockholders. Please note that our 2016 Annual Review does not include, and is not intended as a substitute for, the information contained in our 10-K. For complete financial statements, including notes and management’s discussion and analysis of financial condition and results of operations, please refer to our 10-K filed with the Securities and Exchange Commission, which can be found at ir.regions.com/financials.cfm.

DIRECTORS

To contact any of the Directors or the Lead Independent Director please mail correspondence to:

Regions Financial Corporation
c/o Office of the Corporate Secretary
Attention: “Director Communication”
1900 Fifth Ave. North
Birmingham, AL 35203

The Corporate Governance Principles, the charters of the Board Committees, the Code of Business Conduct and Ethics, the Code of Ethics for Senior Financial Officers and other governance information can be accessed by visiting our website at www.regions.com and clicking “Corporate Governance” under “Investor Relations”

DIRECT DEPOSIT OF DIVIDENDS

For information about direct deposit of dividends, please contact Computershare.

DUPLICATE MAILINGS

If you receive duplicate mailings and you wish to consolidate your accounts, please contact Computershare.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young, LLP
1901 Sixth Ave. N. Ste. 1200
Birmingham, AL 35203

Forward-Looking Statements

This Annual Report on Form 10-K, other periodic reports filed by Regions Financial Corporation under the Securities Exchange Act of 1934, as amended, and any other written or oral statements made by us or on our behalf to analysts, investors, the media and others, may include forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. The terms “Regions,” the “Company,” “we,” “us” and “our” mean Regions Financial Corporation, a Delaware corporation, and its subsidiaries when or where appropriate. The words “anticipates,” “intends,” “plans,” “seeks,” “believes,” “estimates,” “expects,” “targets,” “projects,” “outlook,” “forecast,” “will,” “may,” “could,” “should,” “can,” and similar expressions often signify forward-looking statements. Forward-looking statements are not based on historical information, but rather are related to future operations, strategies, financial results or other developments. Forward-looking statements are based on management’s current expectations as well as certain assumptions and estimates made by, and information available to, management at the time the statements are made. Those statements are based on general assumptions and are subject to various risks, and because they also relate to the future they are likewise subject to inherent uncertainties and other factors that may cause actual results to differ materially from the views, beliefs and projections expressed in such statements. Therefore, we caution you against relying on any of these forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, the risks identified in Item 1A. “Risk Factors” of this Annual Report on Form 10-K and those described below:

- Current and future economic and market conditions in the United States generally or in the communities we serve, including the effects of declines in property values, unemployment rates and potential reductions of economic growth, which may adversely affect our lending and other businesses and our financial results and conditions.
- Possible changes in trade, monetary and fiscal policies of, and other activities undertaken by, governments, agencies, central banks and similar organizations, which could have a material adverse effect on our earnings.
- The effects of a possible downgrade in the U.S. government’s sovereign credit rating or outlook, which could result in risks to us and general economic conditions that we are not able to predict.
- Possible changes in market interest rates or capital markets could adversely affect our revenue and expense, the value of assets and obligations, and the availability and cost of capital and liquidity.
- Any impairment of our goodwill or other intangibles, or any adjustment of valuation allowances on our deferred tax assets due to adverse changes in the economic environment, declining operations of the reporting unit, or other factors.
- Possible changes in the creditworthiness of customers and the possible impairment of the collectability of loans and leases, including operating leases.
- Changes in the speed of loan prepayments, loan origination and sale volumes, charge-offs, loan loss provisions or actual loan losses where our allowance for loan losses may not be adequate to cover our eventual losses.
- Possible acceleration of prepayments on mortgage-backed securities due to low interest rates, and the related acceleration of premium amortization on those securities.
- Our ability to effectively compete with other financial services companies, some of whom possess greater financial resources than we do and are subject to different regulatory standards than we are.
- Loss of customer checking and savings account deposits as customers pursue other, higher-yield investments, which could increase our funding costs.
- Our inability to develop and gain acceptance from current and prospective customers for new products and services in a timely manner could have a negative impact on our revenue.
- The effects of any developments, changes or actions relating to any litigation or regulatory proceedings brought against us or any of our subsidiaries.
- Changes in laws and regulations affecting our businesses, such as the Dodd-Frank Act and other legislation and regulations relating to bank products and services, as well as changes in the enforcement and interpretation of such laws and regulations by applicable governmental and self-regulatory agencies, which could require us to change certain business practices, increase compliance risk, reduce our revenue, impose additional costs on us, or otherwise negatively affect our businesses.
- Our ability to obtain a regulatory non-objection (as part of the CCAR process or otherwise) to take certain capital actions, including paying dividends and any plans to increase common stock dividends, repurchase common stock under current or future programs, or redeem preferred stock or other regulatory capital instruments, may impact our ability to return capital to stockholders and market perceptions of us.
- Our ability to comply with stress testing and capital planning requirements (as part of the CCAR process or otherwise) may continue to require a significant investment of our managerial resources due to the importance and intensity of such tests and requirements.
- Our ability to comply with applicable capital and liquidity requirements (including, among other things, the Basel III capital standards and the LCR rule), including our ability to generate capital internally or raise capital on favorable terms, and if we fail to meet requirements, our financial condition could be negatively impacted.
- The Basel III framework calls for additional risk-based capital surcharges for globally systemically important banks. Although we are not subject to such surcharges, it is possible that in the future we may become subject to similar surcharges.
- The costs, including possibly incurring fines, penalties, or other negative effects (including reputational harm) of any adverse judicial, administrative, or arbitral rulings or proceedings, regulatory enforcement actions, or other legal actions to which we or any of our subsidiaries are a party, and which may adversely affect our results.

Forward-Looking Statements

- Our ability to manage fluctuations in the value of assets and liabilities and off-balance sheet exposure so as to maintain sufficient capital and liquidity to support our business.
 - Our ability to execute on our strategic and operational plans, including our ability to fully realize the financial and non-financial benefits relating to our strategic initiatives.
 - The success of our marketing efforts in attracting and retaining customers.
 - Possible changes in consumer and business spending and saving habits and the related effect on our ability to increase assets and to attract deposits, which could adversely affect our net income.
 - Our ability to recruit and retain talented and experienced personnel to assist in the development, management and operation of our products and services may be affected by changes in laws and regulations in effect from time to time.
 - Fraud or misconduct by our customers, employees or business partners.
 - Any inaccurate or incomplete information provided to us by our customers or counterparties.
 - The risks and uncertainties related to our acquisition and integration of other companies.
 - Inability of our framework to manage risks associated with our business such as credit risk and operational risk, including third-party vendors and other service providers, which could, among other things, result in a breach of operating or security systems as a result of a cyber attack or similar act.
 - The inability of our internal disclosure controls and procedures to prevent, detect or mitigate any material errors or fraudulent acts.
 - The effects of geopolitical instability, including wars, conflicts and terrorist attacks and the potential impact, directly or indirectly, on our businesses.
 - The effects of man-made and natural disasters, including fires, floods, droughts, tornadoes, hurricanes, and environmental damage, which may negatively affect our operations and/or our loan portfolios and increase our cost of conducting business.
 - Changes in commodity market prices and conditions could adversely affect the cash flows of our borrowers operating in industries that are impacted by changes in commodity prices (including businesses indirectly impacted by commodities prices such as businesses that transport commodities or manufacture equipment used in the production of commodities), which could impair their ability to service any loans outstanding to them and/or reduce demand for loans in those industries.
 - Our inability to keep pace with technological changes could result in losing business to competitors.
 - Our ability to identify and address cyber-security risks such as data security breaches, “denial of service” attacks, “hacking” and identity theft, a failure of which could disrupt our business and result in the disclosure of and/or misuse or misappropriation of confidential or proprietary information; disruption or damage to our systems; increased costs; losses; or adverse effects to our reputation.
 - Our ability to realize our adjusted efficiency ratio target as part of our expense management initiatives.
 - Significant disruption of, or loss of public confidence in, the Internet and services and devices used to access the Internet could affect the ability of our customers to access their accounts and conduct banking transactions.
 - Possible downgrades in our credit ratings or outlook could increase the costs of funding from capital markets.
 - The effects of problems encountered by other financial institutions that adversely affect us or the banking industry generally could require us to change certain business practices, reduce our revenue, impose additional costs on us, or otherwise negatively affect our businesses.
 - The effects of the failure of any component of our business infrastructure provided by a third party could disrupt our businesses; result in the disclosure of and/or misuse of confidential information or proprietary information; increase our costs; negatively affect our reputation; and cause losses.
 - Our ability to receive dividends from our subsidiaries could affect our liquidity and ability to pay dividends to stockholders.
 - Changes in accounting policies or procedures as may be required by the FASB or other regulatory agencies could materially affect how we report our financial results.
 - Other risks identified from time to time in reports that we file with the SEC.
 - The effects of any damage to our reputation resulting from developments related to any of the items identified above.
- You should not place undue reliance on any forward-looking statements, which speak only as of the date made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible to predict all of them. We assume no obligation to update or revise any forward-looking statements that are made from time to time, either as a result of future developments, new information or otherwise, except as may be required by law.

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