Regions Financial Corporation

Basel III Regulatory Capital Disclosures Report

As of and for the quarter ended March 31, 2017

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Glossary

Bank	Regions Bank.
Basel III	Basel Committee's 2010 Regulatory Capital Framework (Third Accord).
Basel III Rules	Final capital rules adopting the Basel III capital framework approved by U.S. federal regulators in 2013.
Board	The Company's Board of Directors.
BOLI	Bank-owned life insurance.
CCAR	Comprehensive Capital Analysis and Review.
CET1	Common Equity Tier 1.
Company	Regions Financial Corporation and its subsidiaries.
CSA	Credit Support Annexes.
DFAST	Dodd-Frank Act Stress Testing.
Dodd-Frank Act	The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.
FHA	Federal Housing Administration.
FHLB	Federal Home Loan Bank.
Form 10-K	Refers to the Annual Report on Form 10-K that is filed with the Securities and Exchange Commission by Regions Financial Corporation.
Form 10-Q	Refers to the Quarterly Report on Form 10-Q that is filed with the Securities and Exchange Commission by Regions Financial Corporation.
FRB	Federal Reserve Bank.
GNMA	Government National Mortgage Association.
ISDA	International Swaps and Derivatives Association.
MRA	Master Repurchase Agreement.
OCI	Other Comprehensive Income.
OTC	Over the counter (derivatives which are not centrally cleared).
Regions	Regions Financial Corporation and its subsidiaries.
RPA	Risk Participation Agreement.
RWA	Risk-weighted assets.
SEC	U.S. Securities and Exchange Commission.
SPE	Special purpose entity.
SSFA	Simplified Supervisory Formula Approach.
TDR	Troubled debt restructuring.
U.S.	United States.
U.S. GAAP	Generally Accepted Accounting Principles in the United States.

Forward Looking Statements

This report may include forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, which reflect Regions' current views with respect to future events and financial performance. 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 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, 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 our 2016 Annual Report on Form 10-K and "Forward-Looking Statements" in our March 31, 2017 Form 10-Q.

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.

Background and Overview

Under the Basel III Rules, Regions is designated as a standardized approach bank and, as such, began transitioning to the Basel III Rules in January 2015 subject to a phase-in period extending to January 2019. When fully phased in, the Basel III Rules will increase capital requirements through higher minimum capital levels as well as through increases in risk weights for certain exposures. Additionally, the Basel III Rules place greater emphasis on common equity. The Basel III Rules, among other things, (i) introduce a measure called CET1, (ii) specify that Tier 1 capital consists of CET1 and "Additional Tier 1 capital" instruments meeting specified requirements, (iii) define CET1 narrowly by requiring that most deductions/adjustments to regulatory capital measures be made to CET1 and not to the other components of capital and (iv) expand the scope of the deductions/adjustments to capital as compared to prior regulations. The Basel III Rules also provide for a number of deductions from and adjustments to CET1. Regions is currently not subject to the U.S. market risk capital rule, which applies only to banking institutions with significant trading activity.

This document and certain of the Company's public filings present the Regulatory Capital Disclosures in compliance with Basel III as described in Section 63 of the final rules. The Company's Annual Report on Form 10-K for the year ended December 31, 2016 and its Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 filed with the SEC contains management's discussion of the overall risk profile of the Company and related management strategies. These Regulatory Capital Disclosures should be read in conjunction with the Form 10-K and Form 10-Q, as well as the Consolidated Financial Statements for Holding Companies - FR Y-9C. The Regulatory Capital Disclosures Matrix presented in Appendix 1 specifies where all disclosures required by the Basel III Rules are located.

Table 1 Scope of Application

Regions Financial Corporation is a financial holding company headquartered in Birmingham, Alabama. The terms "we," "us" and "our" mean Regions Financial Corporation, a Delaware corporation and its subsidiaries, when appropriate. Regions conducts its banking operations through Regions Bank, an Alabama state-chartered commercial bank that is a member of the Federal Reserve System. At March 31, 2017, Regions operated 1,523 banking offices across the South, Midwest and Texas. Regions provides traditional commercial, retail and mortgage banking services, as well as other financial services in the fields of asset management, wealth management, securities brokerage, insurance, trust services, merger and acquisition advisory services and other specialty financing. At March 31, 2017, Regions had total consolidated assets of approximately $124.5 billion, total consolidated deposits of approximately $99.4 billion and total consolidated stockholders' equity of approximately $16.7 billion.

The Company's accounting and reporting policies conform to U.S. GAAP. Additionally, where applicable, the policies conform to the accounting and reporting guidelines prescribed by bank regulatory authorities. See Note 1, "Summary of Significant Accounting Policies" to the consolidated financial statements included in Regions' 2016 Form 10-K. The basis of consolidation for accounting and regulatory purposes is the same.

Regions is a legal entity separate and distinct from its banking and other subsidiaries. The principal source of cash flow to Regions, including cash flow to pay dividends to its stockholders and principal and interest on any of its outstanding debt, is dividends from Regions Bank. There are statutory and regulatory limitations on the payment of dividends by Regions Bank to Regions. Under the Federal Reserve's Regulation H, Regions Bank may not, without approval of the Federal Reserve, declare or pay a dividend to Regions if the total of all dividends declared in a calendar year exceeds the total of (a) Regions Bank's net income for that year and (b) its retained net income for the preceding two calendar years, less any required transfers to additional paid-in capital or to a fund for the retirement of preferred stock.

Under Alabama law, Regions Bank may not pay a dividend in excess of 90% of its net earnings unless its surplus is equal to at least 20% of capital. Regions Bank is also required by Alabama law to seek the approval of the Alabama Superintendent of Banking prior to the payment of dividends if the total of all dividends declared by Regions Bank in any calendar year will exceed the total of (a) Regions Bank's net earnings for that year, plus (b) its retained net earnings for the preceding two years, less any required transfers to surplus. The statute defines net earnings as the remainder of all earnings from current operations plus actual recoveries on loans and investments and other assets, after deducting from the total thereof all current operating expenses, actual losses, accrued dividends on preferred stock, if any, and all federal, state and local taxes. Regions Bank cannot, without approval from the Federal Reserve and the Alabama Superintendent of Banking, declare or pay a dividend to Regions unless Regions Bank is able to satisfy the criteria discussed above.

Regions' insurance subsidiaries are insurance brokers and do not currently engage in underwriting activities. However, Regions did engage in underwriting activities in the past. At March 31, 2017, the Company's insurance subsidiaries' aggregate amount of surplus capital included in the total capital of the consolidated group was minimal.

At March 31, 2017, none of the Company's subsidiaries that have a capital requirement had capital less than the minimum total capital requirement.

Table 2 Capital Structure

Regions has issued a variety of capital instruments to meet its regulatory capital requirements. These capital instruments include common stock that qualifies as CET1, noncumulative perpetual preferred stock that qualifies as additional Tier 1 capital and subordinated debt that qualifies as Tier 2 capital. For further information on the Company's capital instruments, see Note 13, "Long-Term Borrowings", and Note 15, "Stockholders' Equity and Accumulated Other Comprehensive Income (Loss)", to the consolidated financial statements in Part II, Item 8 of the 2016 Form 10-K. See also Note 7, "Stockholders' Equity and Accumulated Other Comprehensive Income (Loss)", to the consolidated financial statements in Part I, Item 1 of the March 31, 2017 Form 10-Q. See also Table 14, "Long-Term Borrowings", in Part I, Item 2 of the March 31, 2017 Form 10-Q.

The following table represents the amounts of CET1, Tier 1 capital and Total capital along with the related components and regulatory adjustments and deductions.

Table 2 Capital Structure

	March 31, 2017	
	Regions Financial Corporation	Regions Bank
	(In millions)	
Common Equity Tier 1 Capital:		
Common stock and surplus (net of treasury stock)	$ 15,594	$ 16,462
Retained earnings	873	291
Accumulated other comprehensive income (loss), net	(565)	(565)
Regulatory adjustments and deductions made to CET1	(4,385)	(3,697)
Common Equity Tier 1 Capital	11,517	12,491
Additional Tier 1 Capital:		
Preferred stock	820	—
Regulatory adjustments and deductions made to Tier 1 capital	(11)	—
Tier 1 Capital	12,326	12,491
Tier 2 Capital:		
Qualifying subordinated debt	556	745
Qualifying allowance for loan and lease losses	1,131	1,131
Total capital minority interest not included in Tier 1 capital	471	—
Includible unrealized gains on available for sale equity exposures	5	4
Total Capital	$ 14,489	$ 14,371

Table 3 Capital Adequacy

Capital Adequacy Assessment

Regions believes that the prudent management of capital is paramount in ensuring the Company's continued ability to provide uninterrupted high quality service to the businesses and communities it serves. Regions believes that no single tool or model can sufficiently assess capital adequacy. As such, Regions has established a multi-faceted approach which is designed to capture relevant information from across the Company and consolidate it in a way that can be reliably used to facilitate capital adequacy assessments and broader capital planning decision making. This framework is directly integrated with the Enterprise Risk Appetite Statement, as defined by the Board, and includes, but is not limited to, analysis of economic capital, regulatory capital, liquidity, and internal enterprise risk assessments. Certain of these elements are analyzed on a spot and forecasted basis and under a multiple of assumed macroeconomic conditions, including adverse scenarios of varying severity. With respect to these adverse scenarios, this "stress testing" is a critical input into Regions' internal capital adequacy assessment and is also a primary focus of CCAR and DFAST. For additional information on the risks considered and methodology employed by Regions as part of its internal stress testing routines, see Regions' semi-annual DFAST disclosure posted on Regions' website.

Regulatory Capital Ratios

Regions also manages its capital to exceed regulatory capital requirements for well-capitalized financial institutions and to exceed minimum levels inclusive of any applicable capital conservation buffer (see Table 4 "Capital Conservation Buffer"). For March 31, 2017, the Company's applicable capital requirement for regulatory and supervisory purposes is based upon the ratios determined under the standardized approach.

Under the standardized approach, banking regulators define capital requirements for banks and bank holding companies expressed in the form of a CET1 capital ratio, a Tier 1 capital ratio, a Total capital ratio, and a Leverage ratio. The current minimum required levels for these ratios are 4.5 percent, 6.0 percent, 8.0 percent, and 4.0 percent, respectively, for both Regions and Regions Bank. The requirements for Regions Bank to be considered "well capitalized" are 6.5 percent, 8.0 percent, 10.0 percent, and 5.0 percent, respectively. The requirements for Regions to be considered "well capitalized" are 6.0 percent for Tier 1 capital and 10.0 percent for Total capital.

A summary of the risk-weighted assets by exposure category and the capital ratios under the standardized approach as of March 31, 2017 are shown below.

Table 3 Capital Adequacy

Risk-Weighted Assets:		March 31, 2017 Regions Financial Corporation
		(In millions)
Exposures to government sponsored enterprises	$	3,290
Exposures to depository institutions, foreign banks and credit unions		408
Exposures to public service entities		1,609
Corporate exposures		43,637
Residential mortgage exposures		16,119
Statutory multi-family mortgage exposures		221
High volatility commercial real estate exposures		5,585
Past due loans		1,333
Other assets		11,357
Securitization exposures		213
Equity exposures[1]		2,114
Other:		
Off-balance sheet commitments		14,280
Derivatives		358
Letters of credit and other		1,117
Total risk-weighted assets	$	101,641

(1) See Table 9 for additional information regarding Regions' equity exposures.

Capital Ratios:	March 31, 2017 Regions Financial Corporation	Regions Bank
Common Equity Tier 1	11.33%	12.32%
Tier 1	12.13%	12.32%
Total	14.26%	14.17%

Table 4 Capital Conservation Buffer

The Basel III Rules introduce a new capital conservation buffer designed to absorb losses during periods of economic stress. The capital conservation buffer is on top of minimum risk-weighted asset ratios. In addition, the Basel III Rules provide for a countercyclical capital buffer applicable only to advanced approach institutions. Currently the countercyclical capital buffer is not applicable to Regions or Regions Bank. The reportable capital conservation buffer is equal to the lowest difference between the three risk-based capital ratios less the applicable minimum required ratio. Banking institutions with ratios that are above the minimum but below the combined capital conservation buffer and countercyclical capital buffer (when applicable) will face constraints on dividends, equity repurchases and compensation based on the amount of the shortfall.

When fully phased-in on January 1, 2019, the Basel III Rules will require the Company and the Bank to maintain an additional capital conservation buffer of 2.5% of CET1 to risk-weighted assets, effectively resulting in minimum ratios of (i) CET1 to risk-weighted assets of at least 7%, (ii) Tier 1 capital to risk-weighted assets of at least 8.5%, and (iii) Total capital to risk-weighted assets of at least 10.5%. The implementation of the capital conservation buffer began on January 1, 2016 at the 0.625% level and will be phased in over a remaining 3-year period (increasing by that amount on each subsequent January 1, until it reaches 2.5% on January 1, 2019).

The Basel III Rules also require disclosure of a banking institution's eligible retained income, which is calculated as the net income attributable to the institution for the four calendar quarters preceding the current calendar quarter, based on the institution's most recent quarterly Call Reports and FR Y-9C's, as appropriate, net of any distributions and associated tax effects not already reflected in net income.

A summary of the capital conservation buffer calculations and disclosure requirements under the standardized approach as of March 31, 2017 is shown below.

	March 31, 2017	
	Regions Financial Corporation	Regions Bank
	(Dollars in millions)	
CET1	11.33%	12.32%
Less: minimum	4.50%	4.50%
	6.83%	7.82%
Tier 1	12.13%	12.32%
Less: minimum	6.00%	6.00%
	6.13%	6.32%
Total	14.26%	14.17%
Less: minimum	8.00%	8.00%
	6.26%	6.17%
Reportable capital conservation buffer (lowest of the subtotals above)	6.13%	6.17%
Eligible retained income	$ (58)	$ 102

Eligible retained income for the Company at March 31, 2017 was negative, primarily as a result of share repurchases according to its capital plan as part of the CCAR process. Regions is not subject to any limitations on its capital distributions or discretionary bonus payments to executive officers because capital levels exceed the defined minimum levels, inclusive of the capital conservation buffer.

Table 5 Credit Risk: General Disclosures

Credit risk is the risk of loss arising from a borrower or counterparty failing to meet a contractual obligation. Credit risk primarily exists in the securities portfolio, the loan portfolio, and derivatives activities. Credit risk also exists in the operating lease portfolio. Regions maintains a highly rated securities portfolio consisting primarily of agency mortgage-backed securities, in order to manage credit risk in the securities portfolio. Regions uses financial derivative instruments for management of interest rate sensitivity, as well as to offset the risks associated with customer derivatives, which include interest rate, credit and foreign exchange risks. Regions manages the credit risk of these derivative instruments in much the same way it manages credit risk of the loan portfolios by establishing credit limits for each counterparty and through collateral agreements for dealer transactions. For non-dealer transactions, the need for collateral is evaluated on an individual transaction basis and is primarily dependent on the financial strength of the counterparty. Credit risk related to derivatives is also reduced significantly by entering into legally enforceable master netting agreements.

Regions has established a risk management framework to manage risks and provide reasonable assurance of the achievement of the Company's strategic objectives. Regions' risk management framework outlines the Company's approach for managing risk that includes four components: 1) culture, 2) appetite, 3) process and 4) governance. Clearly defined roles and responsibilities are critical to the effective management of risk and are central to the four components of the Company's approach to risk management. Regions utilizes the Three Lines of Defense concept to clearly designate risk management activities within the Company. The Risk Management Group, led by the Company's Chief Risk Officer, ensures the consistent application of Regions' risk management approach within the structure of the Company's operating, capital and strategic plans. As part of its ongoing assessment process, the Risk Management Group makes recommendations to management and the Risk Committee of the Board regarding adjustments to controls as conditions or risk tolerances change. Management, with the assistance of the Risk Management Group, follows a formal process for identifying, measuring and documenting key risks (including credit risk) facing each business group and determining how those risks can be controlled or mitigated, as well as how the controls can be monitored to ensure they are effective. The Risk Committee receives reports from management to ensure operations are within the limits established by the Committee's Enterprise Risk Appetite Statement.

For further information on Regions' credit risk and risk management framework, see "Quantitative and Qualitative Disclosures about Market Risk-Risk Management," and "Quantitative and Qualitative Disclosures about Market Risk-Credit Risk," as well as "Quantitative and Qualitative Disclosures about Market Risk-Interest Rate Risk" in Part II, Item 7A of the 2016 Form 10-K for a discussion of Regions' derivative credit risk.

Regions has documented policies related to determining past due or delinquency status of a loan, placing loans on non-accrual status, returning loans to accrual status, identifying impaired loans and charging-off uncollectible loans. See Note 1 "Summary of Significant Accounting Policies" to the consolidated financial statements included in Regions' 2016 Form 10-K for further information.

Disclosures included in this Credit Risk: General Disclosures section report classifications consistent with the 2016 Form 10-K. Credit risk associated with loans combined with related commitments to extend credit and letters of credit, corporate and other debt securities and OTC derivatives are presented in this section since they represent Regions' major types of credit exposure.

Loans and Related Commitments

The Company categorizes its loan portfolio into three segments, which is the level at which it develops and documents a systematic methodology to determine the allowance for credit losses. The Company's three loan portfolio segments are commercial lending, investor real estate lending and consumer lending. Regions further disaggregates its loans into various classes based on their underlying risk characteristics. The three classes within the commercial lending segment are commercial and industrial, commercial real estate mortgage-owner occupied and commercial real estate construction-owner occupied. The two classes within investor real estate lending are commercial investor real estate mortgage and commercial investor real estate construction. The six classes within the consumer lending segment are residential first mortgage, home equity, indirect-vehicles, indirect-other consumer, consumer credit card and other consumer loans. The following tables present certain of the Company's on- and off-balance sheet positions for which the Company is subject to credit risk exposure and are presented on a U.S. GAAP basis. These amounts do not include the effects of certain credit risk mitigation techniques (for example, netting not permitted under U.S. GAAP), equity investments or liability positions that also would be subject to credit risk capital calculations, and amounts related to items that are deducted from regulatory capital. For the tables below, the residential first mortgage and home equity lending classes have been combined into "consumer real estate" and the indirect-vehicles, indirect-other consumer, consumer credit card and other consumer loan classes have been combined into "other consumer". For further information on the Company's loan portfolios, see the "Portfolio Characteristics" sections of Management's Discussion and Analysis in Part II, Item 7A of the 2016 Form 10-K, and in Part I, Item 2 of the March 31, 2017 Form 10-Q.

Table 5a provides the geographic distribution of loans and related commitments by the top ten states within the United States and all other. The table includes loans, contractual commitments to extend credit and letters of credit, and excludes loans held for sale.

Table 5a Loans and Related Commitments Exposure by Geography

	March 31, 2017					
	Commercial (1)	Investor Real Estate (2)	Consumer Real Estate (2)	Other Consumer (1)	Total	Percent of Total
	(Dollars in millions)					
Florida	$ 8,321	$ 1,986	$ 9,983	$ 2,446	$ 22,736	18.1%
Alabama	8,946	340	5,001	2,123	16,410	13.0%
Tennessee	6,997	268	5,114	1,533	13,912	11.1%
Texas	9,190	1,638	1,171	1,185	13,184	10.5%
Georgia	4,545	512	2,233	1,097	8,387	6.7%
Louisiana	3,876	262	1,487	663	6,288	5.0%
Mississippi	2,351	135	1,340	700	4,526	3.6%
North Carolina	1,915	741	637	365	3,658	2.9%
Arkansas	1,854	76	792	518	3,240	2.5%
Indiana	2,281	96	619	181	3,177	2.5%
Other (3)	21,692	2,977	3,355	2,251	30,275	24.1%
	$ 71,968	$ 9,031	$ 31,732	$ 13,062	$ 125,793	100.0%

(1) Geography defined by location of customer.
(2) Geography defined by location of collateral.
(3) Includes commitments to make commitments of approximately $1.6 billion.

Table 5b provides loans and related commitments by industry distribution. The table includes loans, contractual commitments to extend credit and letters of credit, and excludes loans held for sale.

Table 5b Loans and Related Commitments Exposure by Industry

	March 31, 2017			
	Loans Outstanding	Unfunded Commitments	Amount	Percent of Subtotal
	(Dollars in millions)			
Commercial:				
Administrative, support, waste and repair	$ 897	$ 430	$ 1,327	1.8%
Agriculture	563	287	850	1.2%
Educational services	1,958	358	2,316	3.2%
Energy	2,013	1,986	3,999	5.6%
Financial services [(1)]	3,351	3,194	6,545	9.1%
Government and public sector	2,538	342	2,880	4.0%
Healthcare	4,036	1,331	5,367	7.4%
Information	1,073	840	1,913	2.7%
Manufacturing [(1)]	4,225	3,626	7,851	10.9%
Professional, scientific and technical services [(1)]	1,581	1,091	2,672	3.7%
Real estate [(1)]	6,636	5,450	12,086	16.8%
Religious, leisure, personal and non-profit services	1,938	498	2,436	3.4%
Restaurant, accommodation and lodging	2,400	593	2,993	4.1%
Retail trade	2,796	2,220	5,016	7.0%
Transportation and warehousing [(1)]	2,064	1,078	3,142	4.4%
Utilities	1,183	2,076	3,259	4.5%
Wholesale goods [(1)]	2,951	2,075	5,026	7.0%
Other [(1)]	39	2,251	2,290	3.2%
Total commercial	42,242	29,726	71,968	100.0%
Investor real estate:				
Hotel	339	70	409	4.5%
Industrial [(1)]	795	114	909	10.1%
Land [(1)]	190	49	239	2.6%
Multi-family	1,588	738	2,326	25.8%
Office [(1)]	1,327	324	1,651	18.3%
Retail [(1)]	1,074	94	1,168	12.9%
Single-family/condo	851	845	1,696	18.8%
Other [(1)]	318	315	633	7.0%
Total investor real estate	6,482	2,549	9,031	100.0%
Consumer:				
Consumer real estate secured	24,098	7,634	31,732	
Consumer non-real estate secured	7,047	6,015	13,062	
Total consumer	31,145	13,649	44,794	
Total	$ 79,869	$ 45,924	$ 125,793	
Average for the quarter			$ 126,080	

(1) Regions' definition of indirect energy-related lending includes certain balances within each of these selected industry categories. As of March 31, 2017, total indirect energy-related lending and commitments were approximately $913 million.

Table 5c provides a distribution based on remaining maturity by loan category for the funded amount of loans. Table 5d provides a maturity distribution by loan category for contractual commitments to extend credit and letters of credit. The funded amount of loans combined with the contractual amounts of commitments to extend credit and letters of credit represents the Company's maximum exposure to credit loss in the event of default by the borrower if the borrower were to fully draw against the commitment. Regions manages this credit risk by using the same credit policies it applies to loans. Refer to Note 14, "Commitments, Contingencies and Guarantees", to the consolidated financial statements in Part I, Item 1 of the March 31, 2017 Form 10-Q for further details.

Table 5c Loan Maturities by Exposure Type

	March 31, 2017			
	One Year or Less	Over One Through Five Years	Over Five Years	Total
	(In millions)			
Commercial	$ 6,114	$ 25,602	$ 10,526	$ 42,242
Investor real estate	2,804	3,356	322	6,482
Consumer real estate	64	1,337	22,697	24,098
Other consumer	1,328	3,383	2,336	7,047
	$ 10,310	$ 33,678	$ 35,881	$ 79,869
Average for the quarter				$ 80,178

Table 5d Commitments and Letters of Credit Maturities by Exposure Type

	March 31, 2017		
	One Year or Less	Greater Than One Year	Total
	(In millions)		
Commercial	$ 9,592	$ 20,134	$ 29,726
Investor real estate	827	1,722	2,549
Consumer real estate	785	6,849	7,634
Other consumer	5,599	416	6,015
	$ 16,803	$ 29,121	$ 45,924
Average for the quarter			$ 45,902

Table 5e provides geographic detail on past due and nonperforming loans, excluding loans held for sale. The geographic distribution is consistent with the methodology utilized in Table 5a. The table also excludes unfunded commitments and letters of credit because Regions' obligation to provide additional funding is reduced as a result of the performing status of these loans.

Table 5e Past Due and Nonperforming Loans by Geography

	March 31, 2017				
	Accruing Loans [1]		Non-accrual Loans		
	30-89 Days Past Due	90 or More Days Past Due	Less Than 90 Days Past Due	90 or More Days Past Due	Total Non-accrual
	(In millions)				
Florida	$ 96	$ 79	$ 57	$ 87	$ 144
Alabama	48	32	99	16	115
Tennessee	46	34	48	26	74
Texas	49	8	246	56	302
Georgia	29	19	15	9	24
Louisiana	17	19	104	35	139
Mississippi	22	19	13	13	26
North Carolina	14	4	20	3	23
Arkansas	15	12	7	11	18
Indiana	5	5	2	4	6
Other	40	33	92	41	133
	$ 381	$ 264	$ 703	$ 301	$ 1,004

(1) Includes residential first mortgage loans that are 100% guaranteed by FHA and all guaranteed loans sold to GNMA where Regions has the right but not the obligation to repurchase. Total 30-89 days past due guaranteed loans included above were $29 million. Total 90 days or more past due guaranteed loans included above were $100 million.

Table 5f provides industry distribution of the past due and nonperforming loans for each class of loans, excluding loans held for sale. Unfunded commitments and letters of credit are also excluded as discussed above.

Table 5f Past Due and Nonperforming Loans by Industry

	March 31, 2017				
	Accruing Loans		Non-accrual Loans		
	30-89 Days Past Due	90 or More Days Past Due	Less Than 90 Days Past Due	90 or More Days Past Due	Total Non-accrual
	(In millions)				
Commercial:					
Administrative, support, waste and repair	$ 3	$ —	$ 3	$ 3	$ 6
Agriculture	8	—	12	22	34
Educational services	1	—	17	7	24
Energy	—	—	266	44	310
Financial services	3	—	2	5	7
Government and public sector	—	—	7	—	7
Healthcare	4	4	15	27	42
Information	—	—	5	—	5
Manufacturing	2	—	80	7	87
Professional, scientific and technical services	4	1	11	11	22
Real estate	4	1	12	6	18
Religious, leisure, personal and non-profit services	7	2	19	6	25
Restaurant, accommodation and lodging	1	—	23	15	38
Retail trade	4	1	11	5	16
Transportation and warehousing	1	1	120	29	149
Utilities	—	—	—	—	—
Wholesale goods	1	—	52	14	66
Other	1	—	—	—	—
Total commercial	44	10	655	201	856
Investor real estate:					
Hotel	—	—	—	—	—
Industrial	—	—	1	—	1
Land	—	—	1	—	1
Multi-family	26	—	1	—	1
Office	16	—	1	2	3
Retail	—	—	5	—	5
Single family/condo	1	—	2	—	2
Other	—	—	3	1	4
Total investor real estate	43	—	14	3	17
Consumer:					
Consumer real estate secured (1)	209	227	34	97	131
Consumer non-real estate secured	85	27	—	—	—
Total consumer	294	254	34	97	131
Total	$ 381	$ 264	$ 703	$ 301	$ 1,004

(1) Includes residential first mortgage loans that are 100% guaranteed by FHA and all guaranteed loans sold to GNMA where Regions has the right but not the obligation to repurchase. Total 30-89 days past due guaranteed loans included above were $29 million. Total 90 days or more past due guaranteed loans included above were $100 million.

Table 5g details the amount of the allowance by loan portfolio category. The allowance for loan and lease losses represents management's estimate of probable credit losses inherent in the loan portfolios as of period end. Regions determines its allowance in accordance with applicable accounting literature as well as regulatory guidance related to receivables and contingencies. Additional discussion of the methodology used to calculate the allowance is included in Note 1, "Summary of Significant Accounting Policies" and Note 6, "Allowance for Credit Losses" to the consolidated financial statements included in Regions' 2016 Form 10-K.

Table 5g **Allocation of the Allowance for Loan Losses**

	March 31, 2017		
	Individually Evaluated for Impairment	Collectively Evaluated for Impairment	Total
		(In millions)	
Commercial	$ 228	$ 499	$ 727
Investor real estate	17	70	87
Consumer real estate	56	48	104
Other consumer loans	—	143	143
	$ 301	$ 760	$ 1,061

Management considers the current level of the allowance appropriate to absorb losses inherent in the loan portfolios. Management's determination of the appropriateness of the allowance requires the use of judgments and estimations that may change in the future. Changes in the factors used by management to determine the appropriateness of the allowance or the availability of new information could cause the allowance to be increased or decreased in future periods. In addition, bank regulatory agencies, as part of their examination process, may require changes in the level of the allowance based on their judgments and estimates. Actual losses could vary from management's estimates.

Refer to Note 4, "Loans and the Allowance for Credit Losses", to the consolidated financial statements in Part I, Item 1 of the Company's March 31, 2017 Form 10-Q for a rollforward of the allowance.

Table 5h presents loan charge-offs by industry for each of the Company's loan portfolios.

Table 5h Charge-Offs by Industry

	Three Months Ended March 31, 2017
	(In millions)
Commercial:	
Administrative, support, waste and repair	$ —
Agriculture	—
Educational services	6
Energy	13
Financial services	2
Government and public sector	—
Healthcare	24
Information	—
Manufacturing	2
Professional, scientific and technical services	1
Real estate	1
Religious, leisure, personal and non-profit services	2
Restaurant, accommodation & lodging	1
Retail trade	2
Transportation and warehousing	—
Wholesale goods	3
Other	1
Total commercial charge-offs	58
Total commercial recoveries	(6)
Total commercial net charge-offs	52
Investor real estate:	
Hotel	—
Industrial	—
Land	—
Multi-family	—
Office	—
Retail	—
Single-family/condo	1
Other	—
Total investor real estate charge-offs	1
Total investor real estate recoveries	(2)
Total investor real estate net charge-offs (recoveries)	(1)
Consumer:	
Consumer real estate secured charge-offs	12
Consumer real estate secured recoveries	(6)
Consumer non-real estate secured charge-offs	53
Consumer non-real estate secured recoveries	(10)
Total consumer net charge-offs	49
Total net charge-offs	$ 100

Table 5i details the level of Regions' impaired loans by industry along with the amount of those loans with a related allowance and those with no related allowance.

Table 5i Impaired Loans by Industry

	March 31, 2017		
	Impaired Loans with Related Allowance	Impaired Loans With No Related Allowance	Total Impaired Loans
		(In millions)	
Commercial:			
Administrative, support, waste and repair	$ 19	$ —	$ 19
Agriculture	29	6	35
Educational services	22	3	25
Energy	251	66	317
Financial services	8	—	8
Government and public sector	8	—	8
Healthcare	50	7	57
Information	5	—	5
Manufacturing	116	22	138
Professional, scientific and technical services	28	—	28
Real estate	27	—	27
Religious, leisure, personal and non-profit services	44	9	53
Restaurant, accommodation and lodging	41	—	41
Retail trade	32	—	32
Transportation and warehousing	148	2	150
Utilities	39	—	39
Wholesale goods	81	40	121
Other	—	—	—
Total commercial	948	155	1,103
Investor real estate:			
Hotel	—	—	—
Industrial	9	1	10
Land	5	—	5
Multi-family	33	—	33
Office	44	—	44
Retail	17	4	21
Single-family/condo	5	—	5
Other	8	—	8
Total investor real estate	121	5	126
Consumer:			
Consumer real estate secured	748	—	748
Consumer non-real estate secured	12	—	12
Total consumer	760	—	760
Total	$ 1,829	$ 160	$ 1,989

Impaired loans include non-accrual commercial and investor real estate loans (excluding leases), as well as all TDRs, which were approximately $1.4 billion at March 31, 2017.

Corporate and Other Debt Securities

The Company’s investment securities portfolio primarily includes U.S. Treasury and agencies, agency mortgage-backed securities, and corporate and other debt obligations. Obligations of state and political subdivisions (municipal securities) and equity securities are minimal. The most important feature management relies on when assessing credit risk for U.S. Treasury and agencies and agency mortgage-backed securities is the guarantee of the federal government or its agencies. Geography is one of the factors the Company considers in managing its investment in corporate and other debt obligations. Table 5j reflects the Company's corporate and other debt obligations' geographic distribution consistent with the methodology utilized in Table 5a. Table 5k reflects the Company’s corporate and other debt obligations’ distribution by the industry of the issuer, which is another factor considered in assessing risk. Table 5l illustrates the maturity distribution of the corporate and other debt obligations.

Table 5j Corporate and Other Debt Securities by Geography

	March 31, 2017	
	Amount	Percent of Total
	(Dollars in millions)	
California	$ 149	11.8%
New York	135	10.6%
Pennsylvania	79	6.3%
Texas	65	5.1%
Illinois	57	4.5%
Michigan	54	4.3%
New Jersey	54	4.3%
Arkansas	49	3.9%
Georgia	46	3.6%
Ohio	38	3.0%
Other	538	42.6%
	$ 1,264	100.0%
Average for the quarter	$ 1,269	

Table 5k Corporate and Other Debt Securities by Issuer Industry

	March 31, 2017	
	Amount	Percent of Total
	(Dollars in millions)	
Industrial	$ 834	66.0%
Utilities - electric	169	13.4%
Telecommunications	103	8.1%
Special purpose	98	7.7%
Transportation - rail	25	2.0%
Utilities - gas	19	1.5%
Financial	6	0.5%
Gas transmission	4	0.3%
Other	6	0.5%
	$ 1,264	100.0%

Table 5l Corporate and Other Debt Securities by Maturity

	March 31, 2017		
	Amount		Percent of Total
	(Dollars in millions)		
One year or less	$	45	3.5%
Over one year through five years		404	32.0%
Over five years		815	64.5%
	$	1,264	100.0%

OTC Derivatives

Tables 5m, 5n, and 5o present information related to credit exposure for OTC derivatives. OTC derivatives include bilateral trades, which are transactions directly between trading parties. Transactions cleared through central counterparties are not included due to the lower level of associated credit risk. The values in the tables represent current credit exposure, which is the fair value of derivatives in a net asset position, after giving effect to counterparty netting. This basis is similar to the calculation used for risk-based capital calculation purposes. Derivatives used to meet the needs of bank customers are shown by counterparty type and by geography in tables 5m and 5n, respectively. The geographic distribution is consistent with the methodology utilized in Table 5a. Table 5o presents maturity information. Derivatives used by Regions to hedge its own interest rate, commodity, credit and foreign exchange risk are shown in a single line in all three tables. Counterparties for these transactions are financial entity dealers; accordingly, counterparty and geographic breakout is not considered meaningful for disclosure.

Table 5m OTC Derivative Exposures by Counterparty

	March 31, 2017		
	Exposure		Percent of Total
	(Dollars in millions)		
Customer derivatives:			
Corporate	$	122	66.7%
Consumer		2	1.1%
Banks		1	0.5%
Public		2	1.1%
Non-bank financial institutions		1	0.5%
Total customer		128	69.9%
Dealer hedges (non-customer)		55	30.1%
Net current credit exposure		183	100.0%
Collateral held		(50)	
Unsecured net current credit exposure	$	133	

Table 5n OTC Derivative Exposures by Geography

	March 31, 2017	
	Exposure	Percent of Total
	(Dollars in millions)	
Customer derivatives:		
Louisiana	$ 26	14.2%
Florida	21	11.5%
Tennessee	16	8.7%
Alabama	15	8.2%
Missouri	11	6.0%
Texas	8	4.4%
Mississippi	7	3.8%
Arkansas	6	3.3%
Georgia	4	2.2%
North Carolina	2	1.1%
Other	12	6.5%
Total customer	128	69.9%
Dealer hedges (non-customer)	55	30.1%
Net current credit exposure	183	100.0%
Collateral held	(50)	
Unsecured net current credit exposure	$ 133	

Table 5o OTC Derivative Exposures by Maturity

	March 31, 2017			
	One Year or Less	Over One Through Five Years	Over Five Years	Total
	(In millions)			
OTC derivatives	$ 67	$ 178	$ 86	$ 331
Counterparty netting [(a)]				(148)
Net current credit exposure				183
Collateral held				(50)
Unsecured net current credit exposure				$ 133
Average for the quarter				$ 152

(a) Represents netting of derivative assets and liabilities with the same counterparty subject to master netting agreements.

Table 6 Counterparty Credit Risk-Related Exposures

Counterparty credit risk is the risk that a counterparty to a financial contract or transaction could be unable or unwilling to fulfill its contractual obligation which could potentially lead to financial losses for the Company. This risk is inherent to activities in OTC derivatives, margin loans, and repo-style transactions. At present, Regions does not engage in margin loans with any of its financial institution counterparties. At March 31, 2017, Regions had no repo-style transactions outstanding with financial institution counterparties. To aid in mitigating this risk, Regions utilizes various netting agreements including, but not limited to ISDA/CSAs and MRAs. These agreements provide the framework governing activities across a full range of OTC products and repo-style transactions, contractually binding both parties to apply close-out netting across all outstanding transactions covered by an agreement if either party defaults or other predetermined events occur.

Standard ISDA/CSAs and MRAs are required for all OTC derivative and repo-style transactions with financial institution counterparties. In addition to netting, these agreements provide for the exchange of collateral to further mitigate exposure. Regions has infrastructure in place to calculate net positions and manage collateral exchanges with financial counterparties on a daily basis. Eligible collateral types are documented in each master agreement or supporting annex within, and are managed under established credit policies. This collateral is and has primarily been cash, though certain fixed income securities may be exchanged as well on occasion. In the event of a material adverse change in the Bank’s own credit rating, financial counterparties may require additional collateral (independent amount) to maintain the trading relationship resulting in additional exposure. At March 31, 2017, the additional collateral required to be posted for a three-notch downgrade of Regions Financial Corporation or Regions Bank would be approximately $146 million.

To reduce derivative counterparty credit exposure to individual counterparties, Regions centrally clears eligible transactions. OTC transactions are not centrally cleared and are therefore the only derivatives included in Table 6a below. All exposures, including exposures related to centrally cleared transactions, are managed through internally established limits set by the Company’s Counterparty Risk Management group. All OTC derivative financial institution counterparties must be reviewed and approved by the Counterparty Risk Management. The approval of all counterparties and the subsequent setting of limits is based on in-depth analysis of each counterparty’s creditworthiness and assessment of the credit exposure associated with a counterparty. Internal risk rating tools along with additional quantitative and qualitative assessments of the creditworthiness of a counterparty are utilized to assign a risk rating. Utilizing the internal risk rating along with an assessment of the risks associated with the specific type of exposure are then evaluated to set limits in accordance with Regions’ risk tolerance.

Regions also enters into transactions possessing counterparty credit risk with corporate, institutional and real estate customers. These transactions are primarily designed to hedge the customers’ exposures to interest rate, commodity price or foreign exchange rate movements. These transactions are usually not cleared through a clearinghouse; rather, Regions retains the credit exposure of the clients for the life of the trade. The credit risk in these transactions is usually underwritten in conjunction with a loan transaction for the customer, and, when the loan is collateralized, the derivative shares in the collateral which can be real estate, working capital assets, securities, contracts or other assets. The credit approval process for these transactions includes independent credit officers familiar with the underlying credit risk, working in conjunction with a Capital Markets credit officer experienced in derivatives and the underlying documentation.

Regions enters into credit derivatives, including RPAs and index-based credit default swaps, in relation to hedging activities and for customer and other risk management purposes. Regions enters into RPAs to share interest rate derivative contracts with other counterparties or to take on credit exposure with other counterparties for revenue generation purposes. Index-based credit default swaps are utilized to hedge spread risk related to Regions' commercial mortgage banking activities.

The following table is presented on a U.S. GAAP basis and summarizes the netting and collateral positions of the Company’s OTC derivatives transactions by exposure type. As defined, the gross current credit exposure is the greater of the positive fair value of the derivative or zero (asset derivatives). The collateral is comprised of $46 million of cash and $4 million of U.S. government agency securities.

Table 6a OTC Derivative Credit Exposures

		March 31, 2017
		(In millions)
Interest rate swaps	$	235
Foreign exchange		41
Commodities		38
Options		12
Forward agreements		3
Credit derivatives		2
OTC derivatives - gross current credit exposure		331
Counterparty netting [(a)]		(148)
Net current credit exposure		183
Collateral held		(50)
Unsecured net current credit exposure	$	133

(a) Represents netting of derivative assets and liabilities with the same counterparty subject to master netting agreements.

The following table summarizes the notional amounts of outstanding credit derivatives.

Table 6b Credit Derivatives

	March 31, 2017			
	Purchased		Sold	
	(In millions)			
Swap participations notional amounts	$	773	$	2,341
Credit default swaps notional amounts		38		38

For a further discussion of the Company's credit derivatives, see Note 21, "Derivative Financial Instruments and Hedging Activities", to the consolidated financial statements in Part II, Item 8 of the Company's 2016 Form 10-K and Schedule HC-L, Derivatives and Off-Balance-Sheet Items, in the Company's Consolidated Financial Statements for Holding Companies - FR Y-9C dated March 31, 2017.

Table 7 Credit Risk Mitigation

Credit risk mitigation techniques are primarily utilized in the loan portfolio and derivative transactions. Regions' objective regarding credit risk mitigation related to the loan portfolio is to maintain a high-quality credit portfolio that provides for stable credit costs with acceptable volatility through an economic cycle. Regions has a diversified loan portfolio in terms of product type, collateral and geography which helps to mitigate credit risk. Regions' objective regarding credit risk mitigation related to derivative transactions is to enter into master netting agreements and collateral agreements with counterparties.

The amount and type of collateral supporting a loan impacts the level of credit risk related to that loan. During the underwriting process, the collateral is assessed as part of the overall credit evaluation of the loan. In recurring support of loan collateral values, Regions obtains updated valuations for large commercial and investor real estate non-performing loans on at least an annual basis. For loans that are individually identified for impairment, those valuations are currently discounted as appropriate from the most recent appraisal to consider continued declines in values. The discounted valuations are utilized in the measurement of the level of impairment in the allowance calculation. For loans that are not individually identified for impairment and secured by collateral, Regions considers the impact of declines in valuations in the loss given default estimates within the allowance calculation.

As a matter of business practice, Regions may require some form of credit support as a mitigating factor, such as a guarantee. Guarantees are legally binding and entered into simultaneously with the primary loan agreements. Evaluation of guarantors' ability and willingness to pay is considered as part of the risk rating process, which provides the basis for the allowance for the commercial and investor real estate portfolios.

The "Critical Accounting Estimates and Related Policies - Allowance for Credit Losses", "Risk Management" and "Credit Risk" sections of the "Quantitative and Qualitative Disclosures about Market Risk" disclosures in Part II, Item 7A of the 2016 Form 10-K contains more information on credit risk management and mitigation.

In connection with derivative activities, credit risk is mitigated by entering into legally enforceable master netting agreements. When there is more than one transaction with a counterparty and there is a legally enforceable master netting agreement in place, the exposure represents the net of the gain and loss positions with and collateral received from and/or posted to that counterparty. The majority of interest rate derivatives traded by Regions are subject to mandatory clearing. The counterparty risk for cleared trades effectively moves from the executing broker to the clearinghouse allowing Regions to benefit from the risk mitigation controls in place at the respective clearinghouse.

See the "Market Risk-Interest Rate Risk " section of the "Quantitative and Qualitative Disclosures about Market Risk" disclosures in Part II, Item 7A of the 2016 Form 10-K for a discussion of derivatives' credit risk.

The Basel III Rules allow eligible financial collateral, eligible guarantees, and eligible credit derivatives to be recognized in the calculation of risk-weighted assets. The Company's use of credit risk mitigants related to Regions' major types of credit exposure in the calculation of risk-weighted assets is presented in Tables 7a and 7b below. When financial collateral is obtained that qualifies as eligible collateral under the Basel III Rules, the eligible collateral can be substituted for the collateralized portion of the credit exposure in the risk-weighted asset calculation. The impact of any applicable collateral haircuts on the exposure amount secured by eligible collateral is immaterial. As illustrated below, the bulk of eligible financial collateral consists of cash and U.S. Treasury or agency securities; therefore the associated risk-weighted asset amounts are immaterial. Similarly, when an eligible guarantee is received, the risk weight applicable to the eligible guarantor would apply to the exposure covered by the guarantee.

Table 7a Eligible Financial Collateral

		March 31, 2017
	Collateral Type	Exposure Amount Secured by Eligible Collateral
		(In millions)
Loans	Cash on deposit at bank	$ 230
OTC derivatives	Cash on deposit at bank, U.S. Treasury and agency securities	50
Letters of credit	Cash on deposit at bank	68
Unfunded commitments	Cash on deposit at bank	9

Table 7b Eligible Guarantees

	Guarantor	March 31, 2017 Exposure Amount	Risk Weighted Assets
		(In millions)	
Securities	U.S. government and agencies	$ 23,268	$ 3,251
Loans	U.S. government and agencies	944	189

Table 8 Securitization

Regions has not engaged in securitization activities that it sponsors ("originated securitizations") in several years. The remaining estimated fair value of originated securitization exposures is immaterial and is included in securities available for sale. Regions has purchased tranches of non-agency securitizations (primarily commercial mortgage-backed securities) for its securities available for sale portfolio.

The credit and market risks inherent in securitization exposures are mitigated due to the high credit ratings of the related securities. Additionally, personnel within the Treasury and Risk areas monitor these securities for downgrades and potential credit problems. Currently, Regions does not own any resecuritization exposures, but these would be subject to the same review and monitoring processes.

For the purchased securitization exposures, the Company applies the SSFA. The SSFA is a formula that starts with a baseline derived from the capital requirements that apply to all exposures underlying the securitization and then assigns risk weights based on the subordination level and the level of delinquencies of an exposure. The agencies designed the SSFA to apply relatively higher capital requirements to the more risky junior tranches of a securitization that are the first to absorb losses, and relatively lower requirements to the most senior exposures.

The tables below illustrate Regions' securitization exposures, related capital requirements and risk-weighted asset impact. The available for sale securitization exposure amounts for purposes of risk-weighting are the carrying values of the securities less any unrealized gains on the exposure plus any unrealized losses on the exposure recognized in OCI.

Table 8a Securitizations by Exposure Type

	March 31, 2017 Balance Sheet Exposure	Off-balance Sheet Exposure	Total Exposure
		(In millions)	
Commercial non-agency mortgage-backed securities	$ 806	$ —	$ 806
Residential non-agency mortgage-backed securities	3	—	3
Asset-backed securities	2	—	2
Total securitization exposure	$ 811	$ —	$ 811

Table 8b Securitizations by Capital Treatment and Risk Weight

	March 31, 2017				
	Exposure	SSFA Risk Weighted Assets	Gross-Up Risk Weighted Assets	1250% Risk Weighted Assets	Capital Impact
			(In millions)		
20% risk weighting	$ 806	$ 161	$ —	$ —	$ 13
199% - 1149% risk weighting	1	8	—	—	1
1250% risk weighting	4	—	—	44	3
	$ 811	$ 169	$ —	$ 44	$ 17

The capital impact of risk-weighted assets is calculated by multiplying each risk-weighted asset amount in the table above by the minimum total risk-based capital ratio of 8%.

Table 9 Equity Exposures Not Subject to the Market Risk Rule

Regions has total equity exposures ("equities") of approximately $3.8 billion, with $1.8 billion in individual equities and $2.0 billion in equity funds at March 31, 2017. The majority of the individual equity investments are related to community reinvestment activities, including tax-advantaged investments. The majority of the equity funds are related to the Company's separate account BOLI.

The Company applies the Simple Risk-Weight Approach for its individual equity securities. Under this approach, the risk weight for each equity exposure is calculated by multiplying the carrying value of the equity exposure by the applicable regulatory prescribed risk weight. The Company applies the Simple Modified Look-Through Approach for equity exposures to investment funds. Under this approach, the carrying value of this exposure is multiplied by the highest risk weight that applies to any exposure the fund is permitted to hold under its prospectus or related documents. For the separate account BOLI investment, the Company uses the Alternative Modified Look-Through Approach. Under this approach, the carrying value (cash surrender value) of this exposure is assigned on a pro rata basis to different risk weight categories based on the information in the fund's prospectus or related documents. Investment guidelines specify objectives and constraints for separate account BOLI investment funds, including permitted and non-permitted investments, concentration and diversification requirements, credit quality requirements and duration parameters. In compliance with these guidelines, the underlying investment exposures consist of high quality, investment grade securities that are generally similar to those in the Barclays U.S. Aggregate Index.

Equity securities classified as trading comprise mutual fund investments made in connection with employee deferred compensation plans and are reported at fair value. Changes in fair value are recorded in earnings.

The majority of nonpublic equity securities are investments in low income housing partnerships, common stock of the FRB and common stock of the FHLB of Atlanta. Regions is required to maintain certain levels of FRB and FHLB stock. Investments in low income housing partnerships are accounted for under the proportional amortization method (see Note 2, "Variable Interest Entities" to the consolidated financial statements included in Regions' 2016 Form 10-K). Shares in the FRB and FHLB are accounted for at amortized cost, which approximates fair value. Under regulatory reporting rules, these equities are reported in other assets because they do not have readily determinable fair values.

Public equity securities are recorded as available for sale and carried at fair value with unrealized net gains or losses reported within accumulated other comprehensive income (loss) in stockholders' equity. For regulatory capital purposes, 45% of unrealized gains on available for sale equity securities are included in Tier 2 capital.

Table 9a summarizes the amortized cost and fair value of the Company's equities not subject to the market risk rule.

Table 9a Equities Not Subject to the Market Risk Rule

	March 31, 2017			
	Nonpublic	Public	Separate Account BOLI	Total
	(In millions)			
Amortized cost	$ 1,772	$ 350	$ 1,653	$ 3,775
Unrealized gains (losses)	—	10	—	10
Latent revaluation gains (losses)	—	—	(18)	(18)
Fair value	$ 1,772	$ 360	$ 1,635	$ 3,767

Table 9b summarizes the capital impact of equities which is calculated by multiplying each risk-weighted asset amount in the table below by the minimum total risk-based capital ratio of 8%.

Table 9b Equities Risk Weights and Capital Impact

	March 31, 2017		
	Exposure	Risk Weighted Assets	Capital Impact of RWA Total
	(In millions)		
Simple risk-weight approach:			
0%	$ 502	$ —	$ —
20%	122	24	2
100%	1,464	1,464	117
Simple modified look-through approach	34	69	6
Alternative modified look-through approach	1,653	552	44
	3,775	2,109	169
Unrealized gains included in Tier 1 or Tier 2 capital	5	5	—
	$ 3,780	$ 2,114	$ 169

Table 9c summarizes information related to the realized and unrealized gains or losses on equities. Latent revaluation gains/ losses are unrealized gains/losses on nonpublic equities recorded at cost which are not recognized in the Company's balance sheet or income statement.

Table 9c Equities Realized and Unrealized Gains (Losses)

	March 31, 2017
	(In millions)
Quarter to date realized gains from sales and liquidations	$ 2
Total unrealized gains (losses)	10
Unrealized gains included in Tier 1 or Tier 2 capital	5
Latent revaluation gains (losses)	(18)

Table 10 Interest Rate Risk for Non-Trading Activities

Regions' primary market risk is interest rate risk. This includes uncertainty with respect to absolute interest rate levels as well as uncertainty with respect to relative interest rate levels, which are impacted by both the shape and the slope of the various yield curves that affect the financial products and services that the Company offers. To quantify this risk, Regions measures the change in its net interest income and other financing income in various interest rate scenarios compared to a base case scenario. These scenarios include traditional instantaneous parallel rate shifts, gradual parallel rate shifts, as well as additional curve steepening and flattening scenarios. Net interest income and other financing income sensitivity to market rate movements is a useful short-term indicator of Regions' interest rate risk.

Financial simulation models are Regions' primary tools used to measure interest rate exposure. Using a wide range of sophisticated simulation techniques provides management with extensive information on the potential impact to net interest income and other financing income caused by changes in interest rates. Models are structured to simulate cash flows and accrual characteristics of Regions' balance sheet. Assumptions are made about the direction and volatility of interest rates, the slope of the yield curve, and the changing composition of the balance sheet that result from both strategic plans and from customer behavior. Among the assumptions are expectations of balance sheet growth and composition, the pricing and maturity characteristics of existing business and the characteristics of future business. Interest rate-related risks are expressly considered, such as pricing spreads, the pricing of deposit accounts, prepayments and other option risks. Regions considers these factors, as well as the degree of certainty or uncertainty surrounding their future behavior.

For further information on interest rate risk, interest rate sensitivity analyses, and the reported level of interest rate risk carried by Regions' balance sheet, see "Market Risk-Interest Rate Risk" and "Market Risk-Prepayment Risk" in Part II, Item 7A of the 2016 Form 10-K and "Market Risk-Interest Rate Risk" and "Market Risk-Prepayment Risk" in Part I, Item 2 of the March 31, 2017 Form 10-Q.

Appendix 1 Basel III Regulatory Capital Disclosure Matrix

Table Number	Disclosure Requirement	Description	Disclosures Report	March 31, 2017 Form 10-Q	2016 Form 10-K
			(Disclosure starts on page numbers)		
1	Scope of application	Name of the top corporate entity	5	56	9
		Descriptions of differences in basis for consolidating entities	5	—	—
		Restrictions on transfers of funds or total capital within the group	5	87	15
		Aggregate amount of surplus capital of insurance subsidiaries	5	—	—
		Aggregate amount of total capital that is less than minimum capital	6	—	—
2	Capital structure	Terms and conditions of capital instruments	6	72	75, 139
		Capital components	6	72,76	46, 139
3	Capital adequacy	Capital adequacy assessment process	7	—	—
		Risk-weighted assets by exposure type	8	—	—
		Market risk-weighted assets	NA	NA	NA
		Capital ratios	8	72	139
		Risk-weighted assets	8	76	46
4	Capital conservation buffer	Calculation of capital conservation buffer	9	—	—
		Calculation of eligible retained income	9	NA	NA
		Limitations on distributions and discretionary bonus payments	9	NA	NA
5	Credit risk: general disclosures	Policies and practices	10	82	84, 100, 102
		Credit risk exposures:			
		Loans and related commitments	11	18, 60	60, 61, 121
		Impaired loans by industry	18	—	—
		Past due loans by industry	15	—	—
		Allowance disaggregated on the basis of impairment methodology	16	19	122
		Charge-offs by industry	17	—	—
		Impaired loans by geography	14	—	—
		Reconciliation of changes in allowance	16	19	122

		Debt securities	19	14	118
		OTC derivatives	20	—	—
6	Counterparty credit risk-related exposures	Policies and practices	22	—	86
		Counterparty risk exposure	22	—	—
		Credit derivatives purchased and sold	22	39	157
7	Credit risk mitigation	Policies and processes	24	82	84
		Exposures covered by eligible financial collateral	24	—	—
		Exposures covered by guarantees/credit derivatives and related risk-weighted assets	25	—	—
8	Securitization	Policies and practices	25	—	—
		SPEs and affiliated entities	NA	NA	NA
		Accounting policies for securitization activities	NA	NA	NA
		Exposures securitized by the bank and resecuritizations	NA	NA	NA
		Securitization exposures	25,26	—	—
9	Equities not subject to the market risk rule	Policies and practices	26	—	100, 115
		Amortized cost and fair value by type/nature and public versus nonpublic	27	—	—
		Realized and unrealized gains (losses)	27	—	—
		Capital requirements	27	—	—
10	Interest rate risk for non-trading activities	Nature, assumptions and frequency of measurement	28	79	79
		Earnings sensitivity to rate movements	28	80	80
NA	Disclosure is not applicable to Regions				