



**Regions Financial Corporation and Subsidiaries**

**Financial Supplement**

**Second Quarter 2014**

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**Regions Financial Corporation and Subsidiaries**  
**Financial Supplement to Second Quarter 2014 Earnings Release**

**Consolidated Balance Sheets (unaudited)**

<i>(\$ amounts in millions)</i>	As of				
	6/30/2014	3/31/2014	12/31/2013	9/30/2013	6/30/2013
<b>Assets:</b>					
Cash and due from banks	\$ 2,094	\$ 2,072	\$ 1,661	\$ 2,032	\$ 2,112
Interest-bearing deposits in other banks	2,705	3,114	3,612	1,827	2,168
Federal funds sold and securities purchased under agreements to resell	20	10	—	—	—
Trading account securities	100	117	111	119	102
Securities held to maturity	2,275	2,317	2,353	2,388	2,425
Securities available for sale	21,963	21,615	21,485	21,630	22,001
Loans held for sale	514	395	1,055	673	839
Loans, net of unearned income	76,513	75,680	74,609	75,892	74,990
Allowance for loan losses	(1,229)	(1,261)	(1,341)	(1,540)	(1,636)
Net loans	75,284	74,419	73,268	74,352	73,354
Other interest-earning assets	65	86	86	105	135
Premises and equipment, net	2,194	2,194	2,216	2,218	2,228
Interest receivable	308	316	313	331	326
Goodwill	4,816	4,816	4,816	4,816	4,816
Mortgage servicing rights at fair value (MSRs)	276	288	297	281	276
Other identifiable intangible assets	281	294	295	307	318
Other assets	5,824	5,880	5,828	5,785	7,607
<b>Total assets</b>	<b>\$ 118,719</b>	<b>\$ 117,933</b>	<b>\$ 117,396</b>	<b>\$ 116,864</b>	<b>\$ 118,707</b>
<b>Liabilities and stockholders' equity:</b>					
<b>Deposits:</b>					
Non-interest-bearing	\$ 31,277	\$ 31,154	\$ 30,083	\$ 30,308	\$ 29,464
Interest-bearing	62,545	62,239	62,370	62,013	62,990
<b>Total deposits</b>	<b>93,822</b>	<b>93,393</b>	<b>92,453</b>	<b>92,321</b>	<b>92,454</b>
<b>Borrowed funds:</b>					
<b>Short-term borrowings:</b>					
Federal funds purchased and securities sold under agreements to repurchase	1,818	1,981	2,182	1,773	2,877
Other short-term borrowings	—	—	—	—	1,000
<b>Total short-term borrowings</b>	<b>1,818</b>	<b>1,981</b>	<b>2,182</b>	<b>1,773</b>	<b>3,877</b>
Long-term borrowings	3,824	4,226	4,830	4,838	4,856
<b>Total borrowed funds</b>	<b>5,642</b>	<b>6,207</b>	<b>7,012</b>	<b>6,611</b>	<b>8,733</b>
Other liabilities	2,226	2,201	2,163	2,443	2,191
<b>Total liabilities</b>	<b>101,690</b>	<b>101,801</b>	<b>101,628</b>	<b>101,375</b>	<b>103,378</b>
<b>Stockholders' equity:</b>					
Preferred stock, non-cumulative perpetual	920	442	450	458	466
Common stock	14	14	14	14	14
Additional paid-in capital	19,121	19,179	19,216	19,248	19,440
Retained earnings (deficit)	(1,597)	(1,897)	(2,216)	(2,443)	(2,736)
Treasury stock, at cost	(1,377)	(1,377)	(1,377)	(1,377)	(1,377)
Accumulated other comprehensive income (loss), net	(52)	(229)	(319)	(411)	(478)
<b>Total stockholders' equity</b>	<b>17,029</b>	<b>16,132</b>	<b>15,768</b>	<b>15,489</b>	<b>15,329</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 118,719</b>	<b>\$ 117,933</b>	<b>\$ 117,396</b>	<b>\$ 116,864</b>	<b>\$ 118,707</b>

Regions Financial Corporation and Subsidiaries  
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Consolidated Statements of Income (unaudited)

	Quarter Ended				
	6/30/2014	3/31/2014	12/31/2013	9/30/2013	6/30/2013
<i>(\$ amounts in millions, except per share data)</i>					
Interest income on:					
Loans, including fees	\$ 737	\$ 732	\$ 758	\$ 758	\$ 746
Securities—taxable	156	154	151	144	152
Loans held for sale	4	8	6	6	8
Trading account securities	—	2	1	1	—
Other interest-earning assets	2	2	1	2	1
Total interest income	899	898	917	911	907
Interest expense on:					
Deposits	25	27	29	31	33
Short-term borrowings	1	—	—	1	1
Long-term borrowings	51	55	56	55	65
Total interest expense	77	82	85	87	99
Net interest income	822	816	832	824	808
Provision for loan losses	35	2	79	18	31
Net interest income after provision for loan losses	787	814	753	806	777
Non-interest income:					
Service charges on deposit accounts	174	173	185	190	175
Card and ATM fees	84	79	80	82	81
Mortgage income	43	40	43	52	69
Securities gains, net	6	2	—	3	8
Other	150	144	218	168	164
Total non-interest income	457	438	526	495	497
Non-interest expense:					
Salaries and employee benefits	443	455	464	455	452
Net occupancy expense	90	93	91	92	92
Furniture and equipment expense	70	70	71	71	69
Other	217	199	320	266	271
Total non-interest expense	820	817	946	884	884
Income from continuing operations before income taxes	424	435	333	417	390
Income tax expense	125	128	92	124	122
Income from continuing operations	299	307	241	293	268
Discontinued operations:					
Income (loss) from discontinued operations before income taxes	2	19	(25)	(1)	(2)
Income tax expense (benefit)	1	7	(11)	(1)	(1)
Income (loss) from discontinued operations, net of tax	1	12	(14)	—	(1)
Net income	\$ 300	\$ 319	\$ 227	\$ 293	\$ 267
Net income from continuing operations available to common shareholders	\$ 291	\$ 299	\$ 233	\$ 285	\$ 260
Net income available to common shareholders	\$ 292	\$ 311	\$ 219	\$ 285	\$ 259
Weighted-average shares outstanding—during quarter:					
Basic	1,378	1,378	1,378	1,388	1,401
Diluted	1,390	1,390	1,395	1,405	1,418
Actual shares outstanding—end of quarter	1,378	1,378	1,378	1,378	1,395
Earnings per common share from continuing operations:					
Basic	\$ 0.21	\$ 0.22	\$ 0.17	\$ 0.21	\$ 0.19
Diluted	\$ 0.21	\$ 0.21	\$ 0.17	\$ 0.20	\$ 0.18
Earnings per common share:					
Basic	\$ 0.21	\$ 0.23	\$ 0.16	\$ 0.21	\$ 0.18
Diluted	\$ 0.21	\$ 0.22	\$ 0.16	\$ 0.20	\$ 0.18
Cash dividends declared per common share	\$ 0.05	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03
Taxable-equivalent net interest income from continuing operations	\$ 837	\$ 831	\$ 846	\$ 838	\$ 821

Selected Ratios and Other Information

	As of and for Quarter Ended				
	6/30/2014	3/31/2014	12/31/2013	9/30/2013	6/30/2013
Return on average assets from continuing operations*	0.99%	1.03%	0.79%	0.97%	0.88%
Return on average tangible common stockholders' equity (non-GAAP)* <sup>(1)</sup>	10.68%	11.84%	8.58%	11.41%	10.15%
Adjusted efficiency ratio from continuing operations (non-GAAP) <sup>(1)</sup>	64.2%	66.9%	66.3%	67.3%	63.1%
Common book value per share	\$ 11.69	\$ 11.38	\$ 11.12	\$ 10.90	\$ 10.65
Tangible common book value per share (non-GAAP) <sup>(1)</sup>	\$ 8.12	\$ 7.81	\$ 7.54	\$ 7.32	\$ 7.11
Tangible common stockholders' equity to tangible assets (non-GAAP) <sup>(1)</sup>	9.84%	9.53%	9.24%	9.02%	8.72%
Tier 1 common equity risk-based ratio (non-GAAP) <sup>(1)(2)</sup>	11.6%	11.4%	11.2%	11.0%	11.1%
Basel III common equity Tier 1 ratio (non-GAAP) <sup>(1)(2)</sup>	11.0%	10.8%	10.6%	10.4%	10.3%
Tier 1 capital ratio <sup>(2)</sup>	12.5%	11.8%	11.7%	11.5%	11.6%
Total risk-based capital ratio <sup>(2)</sup>	15.3%	14.9%	14.7%	14.5%	14.7%
Leverage ratio <sup>(2)</sup>	10.8%	10.2%	10.0%	9.9%	9.7%
Allowance for loan losses as a percentage of loans, net of unearned income	1.61%	1.67%	1.80%	2.03%	2.18%
Allowance for loan losses to non-performing loans, excluding loans held for sale	1.37x	1.18x	1.24x	1.14x	1.09x
Net interest margin (FTE) from continuing operations*	3.24%	3.26%	3.26%	3.24%	3.16%
Loans, net of unearned income, to total deposits	81.6%	81.0%	80.7%	82.2%	81.1%
Net charge-offs as a percentage of average loans*	0.35%	0.44%	1.46%	0.60%	0.77%
Adjusted net charge-offs as a percentage of average loans (non-GAAP)* <sup>(1)</sup>	0.35%	0.44%	0.67%	0.60%	0.77%
Non-accrual loans, excluding loans held for sale, as a percentage of loans	1.17%	1.41%	1.45%	1.78%	2.01%
Non-performing assets (excluding loans 90 days past due) as a percentage of loans, foreclosed properties and non-performing loans held for sale	1.37%	1.63%	1.74%	2.03%	2.25%
Non-performing assets (including loans 90 days past due) as a percentage of loans, foreclosed properties and non-performing loans held for sale <sup>(3)</sup>	1.69%	1.97%	2.08%	2.38%	2.68%
Associate headcount	23,416	23,687	24,255	24,068	23,692
ATMs	1,990	2,002	2,029	2,030	2,038
<b>Branch Statistics</b>					
Full service	1,592	1,592	1,624	1,625	1,628
Drive-thru/transaction service only	81	81	81	81	81
Total branch outlets	1,673	1,673	1,705	1,706	1,709

\*Annualized

(1) See reconciliation of GAAP to non-GAAP Financial Measures on pages 12 and 16-18.

(2) Current quarter Tier 1 common, Basel III common equity Tier 1, Tier 1 capital, Total risk-based capital and Leverage ratios are estimated.

(3) Excludes guaranteed residential first mortgages that are 90+ days past due and still accruing. Refer to the footnotes on page 14 for amounts related to these loans.

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**Consolidated Average Daily Balances and Yield/Rate Analysis from Continuing Operations**

	Quarter Ended					
	6/30/2014			3/31/2014		
	Average Balance	Income/Expense	Yield/Rate	Average Balance	Income/Expense	Yield/Rate
<i>(\$ amounts in millions; yields on taxable-equivalent basis)</i>						
<b>Assets</b>						
Interest-earning assets:						
Federal funds sold and securities purchased under agreements to resell	\$ 16	\$ —	0.86%	\$ 9	\$ —	0.86%
Trading account securities	115	—	0.76	111	2	6.31
Securities:						
Taxable	23,856	156	2.62	23,872	154	2.62
Tax-exempt	3	—	—	4	—	—
Loans held for sale	413	4	3.96	854	8	3.89
Loans, net of unearned income:						
Commercial and industrial	31,058	284	3.68	29,993	278	3.75
Commercial real estate mortgage—owner-occupied	9,170	111	4.85	9,391	111	4.81
Commercial real estate construction—owner-occupied	357	4	4.09	341	3	4.00
Commercial investor real estate mortgage	5,296	42	3.20	5,287	45	3.42
Commercial investor real estate construction	1,822	15	3.18	1,524	12	3.28
Residential first mortgage	12,137	121	3.99	12,127	122	4.07
Home equity	11,106	100	3.62	11,216	101	3.64
Indirect	3,376	29	3.46	3,189	29	3.66
Consumer credit card	926	25	11.10	926	26	11.23
Other consumer	1,142	21	7.31	1,145	20	7.26
Total loans, net of unearned income	76,390	752	3.95	75,139	747	4.03
Other interest-earning assets	2,844	2	0.25	3,469	2	0.25
Total interest-earning assets	103,637	914	3.54	103,458	913	3.58
Allowance for loan losses	(1,246)			(1,321)		
Cash and due from banks	1,767			1,817		
Other non-earning assets	13,838			13,874		
	<u>\$ 117,996</u>			<u>\$ 117,828</u>		
<b>Liabilities and Stockholders' Equity</b>						
Interest-bearing liabilities:						
Savings	\$ 6,468	2	0.10	\$ 6,234	2	0.12
Interest-bearing checking	20,476	4	0.09	20,791	5	0.09
Money market	26,112	7	0.10	26,213	8	0.13
Time deposits	9,067	12	0.52	9,419	12	0.53
Total interest-bearing deposits <sup>(1)</sup>	62,123	25	0.16	62,657	27	0.17
Federal funds purchased and securities sold under agreements to repurchase	2,017	1	0.09	2,097	—	0.08
Other short-term borrowings	54	—	0.23	—	—	—
Long-term borrowings	4,161	51	4.98	4,643	55	4.78
Total interest-bearing liabilities	68,355	77	0.45	69,397	82	0.48
Non-interest-bearing deposits <sup>(1)</sup>	30,866	—	—	30,268	—	—
Total funding sources	99,221	77	0.31	99,665	82	0.33
Net interest spread			3.09			3.10
Other liabilities	2,107			2,162		
Stockholders' equity	16,668			16,001		
	<u>\$ 117,996</u>			<u>\$ 117,828</u>		
Net interest income/margin FTE basis		\$ 837	3.24%		\$ 831	3.26%

(1) Total deposit costs from continuing operations may be calculated by dividing total interest expense on deposits by the sum of interest-bearing deposits and non-interest bearing deposits. The rates for total deposit costs from continuing operations equal 0.11% and 0.12% for the quarters ended June 30, 2014 and March 31, 2014, respectively.

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**Consolidated Average Daily Balances and Yield/Rate Analysis from Continuing Operations (Continued)**

(\$ amounts in millions; yields on taxable-equivalent basis)	Quarter Ended								
	12/31/2013			9/30/2013			6/30/2013		
	Average Balance	Income/Expense	Yield/Rate	Average Balance	Income/Expense	Yield/Rate	Average Balance	Income/Expense	Yield/Rate
<b>Assets</b>									
Interest-earning assets:									
Trading account securities	\$ 110	\$ 1	3.86%	\$ 107	\$ 1	1.52%	\$ 122	\$ —	0.48%
Securities:									
Taxable	23,771	151	2.52	24,074	144	2.38	26,706	152	2.29
Tax-exempt	5	—	—	5	—	—	6	—	—
Loans held for sale	625	6	3.94	751	6	3.34	880	8	3.42
Loans, net of unearned income:									
Commercial and industrial	29,950	287	3.81	29,319	284	3.84	28,301	272	3.85
Commercial real estate mortgage—owner-occupied	9,613	116	4.81	9,678	116	4.77	9,808	114	4.66
Commercial real estate construction—owner-occupied	302	3	3.86	368	4	4.22	339	5	5.27
Commercial investor real estate mortgage	5,405	47	3.46	5,712	51	3.53	6,124	54	3.58
Commercial investor real estate construction	1,426	13	3.44	1,251	10	3.48	1,085	10	3.57
Residential first mortgage	12,752	126	3.92	12,835	128	3.95	12,823	128	4.00
Home equity	11,311	102	3.59	11,351	103	3.58	11,475	103	3.62
Indirect	3,014	29	3.77	2,810	28	3.88	2,606	26	4.08
Consumer credit card	910	28	11.83	878	26	12.16	851	27	12.33
Other consumer	1,160	21	7.21	1,157	22	7.52	1,137	20	7.25
Total loans, net of unearned income	75,843	772	4.04	75,359	772	4.07	74,549	759	4.09
Other interest-earning assets	2,579	1	0.24	2,447	2	0.25	1,869	1	0.24
Total interest-earning assets	102,933	931	3.59	102,743	925	3.57	104,132	920	3.55
Allowance for loan losses	(1,512)			(1,613)			(1,706)		
Cash and due from banks	1,807			1,781			1,745		
Other non-earning assets	13,735			14,006			14,077		
	<u>\$ 116,963</u>			<u>\$ 116,917</u>			<u>\$ 118,248</u>		
<b>Liabilities and Stockholders' Equity</b>									
Interest-bearing liabilities:									
Savings	\$ 6,049	2	0.09	\$ 6,076	1	0.10	\$ 6,148	2	0.09
Interest-bearing checking	19,815	4	0.09	19,613	5	0.09	19,636	4	0.10
Money market	26,081	8	0.13	26,250	9	0.13	25,952	9	0.14
Time deposits	9,888	15	0.59	10,417	16	0.60	11,423	18	0.66
Total interest-bearing deposits <sup>(1)</sup>	61,833	29	0.19	62,356	31	0.19	63,159	33	0.21
Federal funds purchased and securities sold under agreements to repurchase	2,021	—	0.07	1,982	1	0.07	2,287	1	0.09
Other short-term borrowings	159	—	0.20	381	—	0.20	310	—	0.19
Long-term borrowings	4,840	56	4.56	4,845	55	4.57	5,298	65	4.93
Total interest-bearing liabilities	68,853	85	0.49	69,564	87	0.49	71,054	99	0.56
Non-interest-bearing deposits <sup>(1)</sup>	30,218	—	—	29,724	—	—	29,454	—	—
Total funding sources	99,071	85	0.34	99,288	87	0.35	100,508	99	0.40
Net interest spread			<u>3.10</u>			<u>3.08</u>			<u>2.99</u>
Other liabilities	2,386			2,312			2,097		
Stockholders' equity	15,506			15,317			15,643		
	<u>\$ 116,963</u>			<u>\$ 116,917</u>			<u>\$ 118,248</u>		
Net interest income/margin FTE basis		<u>\$ 846</u>	<u>3.26%</u>		<u>\$ 838</u>	<u>3.24%</u>		<u>\$ 821</u>	<u>3.16%</u>

(1) Total deposit costs from continuing operations may be calculated by dividing total interest expense on deposits by the sum of interest-bearing deposits and non-interest bearing deposits. The rates for total deposit costs from continuing operations equal 0.12%, 0.13%, and 0.15% for the quarters ended December 31, 2013, September 30, 2013, and June 30, 2013, respectively.

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Loans

(\$ amounts in millions)	As of					6/30/2014		6/30/2014	
	6/30/2014	3/31/2014	12/31/2013	9/30/2013	6/30/2013	vs. 3/31/2014	vs. 6/30/2013		
Commercial and industrial	\$ 31,354	\$ 30,466	\$ 29,413	\$ 29,863	\$ 28,954	\$ 888	2.9 %	\$ 2,400	8.3 %
Commercial real estate mortgage—owner-occupied	9,024	9,257	9,495	9,566	9,731	(233)	(2.5)%	(707)	(7.3)%
Commercial real estate construction—owner-occupied	366	375	310	377	345	(9)	(2.4)%	21	6.1 %
Total commercial	40,744	40,098	39,218	39,806	39,030	646	1.6 %	1,714	4.4 %
Commercial investor real estate mortgage	5,193	5,338	5,318	5,613	5,806	(145)	(2.7)%	(613)	(10.6)%
Commercial investor real estate construction	1,780	1,654	1,432	1,317	1,208	126	7.6 %	572	47.4 %
Total investor real estate	6,973	6,992	6,750	6,930	7,014	(19)	(0.3)%	(41)	(0.6)%
Residential first mortgage <sup>(1)</sup>	12,187	12,136	12,163	12,856	12,839	51	0.4 %	(652)	(5.1)%
Home equity—first lien	6,068	6,008	5,998	5,894	5,726	60	1.0 %	342	6.0 %
Home equity—second lien	4,996	5,140	5,296	5,455	5,684	(144)	(2.8)%	(688)	(12.1)%
Indirect	3,422	3,253	3,075	2,889	2,693	169	5.2 %	729	27.1 %
Consumer credit card	945	917	948	896	866	28	3.1 %	79	9.1 %
Other consumer	1,178	1,136	1,161	1,166	1,138	42	3.7 %	40	3.5 %
Total consumer	28,796	28,590	28,641	29,156	28,946	206	0.7 %	(150)	(0.5)%
<b>Total Loans</b>	<b>\$ 76,513</b>	<b>\$ 75,680</b>	<b>\$ 74,609</b>	<b>\$ 75,892</b>	<b>\$ 74,990</b>	<b>\$ 833</b>	<b>1.1 %</b>	<b>\$ 1,523</b>	<b>2.0 %</b>

(\$ amounts in millions)	Average Balances								
	2Q14	1Q14	4Q13	3Q13	2Q13	2Q14 vs. 1Q14		2Q14 vs. 2Q13	
Commercial and industrial	\$ 31,058	\$ 29,993	\$ 29,950	\$ 29,319	\$ 28,301	\$ 1,065	3.6 %	\$ 2,757	9.7 %
Commercial real estate mortgage—owner-occupied	9,170	9,391	9,613	9,678	9,808	(221)	(2.4)%	(638)	(6.5)%
Commercial real estate construction—owner-occupied	357	341	302	368	339	16	4.7 %	18	5.3 %
Total commercial	40,585	39,725	39,865	39,365	38,448	860	2.2 %	2,137	5.6 %
Commercial investor real estate mortgage	5,296	5,287	5,405	5,712	6,124	9	0.2 %	(828)	(13.5)%
Commercial investor real estate construction	1,822	1,524	1,426	1,251	1,085	298	19.6 %	737	67.9 %
Total investor real estate	7,118	6,811	6,831	6,963	7,209	307	4.5 %	(91)	(1.3)%
Residential first mortgage <sup>(1)</sup>	12,137	12,127	12,752	12,835	12,823	10	0.1 %	(686)	(5.3)%
Home equity—first lien	6,052	6,014	5,963	5,825	5,697	38	0.6 %	355	6.2 %
Home equity—second lien	5,054	5,202	5,348	5,526	5,778	(148)	(2.8)%	(724)	(12.5)%
Indirect	3,376	3,189	3,014	2,810	2,606	187	5.9 %	770	29.5 %
Consumer credit card	926	926	910	878	851	—	NM	75	8.8 %
Other consumer	1,142	1,145	1,160	1,157	1,137	(3)	(0.3)%	5	0.4 %
Total consumer	28,687	28,603	29,147	29,031	28,892	84	0.3 %	(205)	(0.7)%
<b>Total Loans</b>	<b>\$ 76,390</b>	<b>\$ 75,139</b>	<b>\$ 75,843</b>	<b>\$ 75,359</b>	<b>\$ 74,549</b>	<b>\$ 1,251</b>	<b>1.7 %</b>	<b>\$ 1,841</b>	<b>2.5 %</b>

End of Period Loan Portfolio Balances by Percentage	As of				
	6/30/2014	3/31/2014	12/31/2013	9/30/2013	6/30/2013
Commercial and industrial	41.0%	40.3%	39.4 %	39.4%	38.6 %
Commercial real estate mortgage—owner-occupied	11.8%	12.2%	12.8 %	12.6%	13.0 %
Commercial real estate construction—owner-occupied	0.5%	0.5%	0.4 %	0.5%	0.5 %
Total commercial	53.3%	53.0%	52.6 %	52.5%	52.1 %
Commercial investor real estate mortgage	6.8%	7.0%	7.1 %	7.4%	7.7 %
Commercial investor real estate construction	2.3%	2.2%	1.9 %	1.7%	1.6 %
Total investor real estate	9.1%	9.2%	9.0 %	9.1%	9.3 %
Residential first mortgage	15.9%	16.0%	16.3 %	16.9%	17.1 %
Home equity—first lien	7.9%	8.0%	8.0 %	7.8%	7.6 %
Home equity—second lien	6.6%	6.8%	7.1 %	7.2%	7.6 %
Indirect	4.5%	4.3%	4.1 %	3.8%	3.6 %
Consumer credit card	1.2%	1.2%	1.3 %	1.2%	1.2 %
Other consumer	1.5%	1.5%	1.6 %	1.5%	1.5 %
Total consumer	37.6%	37.8%	38.4 %	38.4%	38.6 %
<b>Total Loans</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0 %</b>	<b>100.0%</b>	<b>100.0 %</b>

NM - Not Meaningful

(1) Regions transferred approximately \$686 million of primarily performing restructured residential first mortgage loans to held for sale at the end of the fourth quarter of 2013. This transaction impacts the third quarter 2013 to fourth quarter 2013 ending balance variance as well as the fourth quarter 2013 to first quarter 2014 average balance variance.



Deposits

(\$ amounts in millions)	As of						6/30/2014		6/30/2014	
	6/30/2014	3/31/2014	12/31/2013	9/30/2013	6/30/2013	6/30/2014 vs. 3/31/2014	6/30/2014 vs. 6/30/2013			
<b>Customer Deposits</b>										
Interest-free deposits	\$ 31,277	\$ 31,154	\$ 30,083	\$ 30,308	\$ 29,464	\$ 123	0.4 %	\$ 1,813	6.2 %	
Interest-bearing checking	21,159	20,605	20,789	19,583	19,937	554	2.7 %	1,222	6.1 %	
Savings	6,440	6,463	6,050	6,038	6,117	(23)	(0.4)%	323	5.3 %	
Money market—domestic	25,772	25,730	25,635	26,085	25,946	42	0.2 %	(174)	(0.7)%	
Money market—foreign	223	222	220	241	193	1	0.5 %	30	15.5 %	
Low-cost deposits	84,871	84,174	82,777	82,255	81,657	697	0.8 %	3,214	3.9 %	
Time deposits	8,951	9,219	9,608	10,066	10,797	(268)	(2.9)%	(1,846)	(17.1)%	
Total customer deposits	93,822	93,393	92,385	92,321	92,454	429	0.5 %	1,368	1.5 %	
<b>Corporate Treasury Deposits</b>										
Time deposits	—	—	68	—	—	—	NM	—	NM	
<b>Total Deposits</b>	<b>\$ 93,822</b>	<b>\$ 93,393</b>	<b>\$ 92,453</b>	<b>\$ 92,321</b>	<b>\$ 92,454</b>	<b>\$ 429</b>	<b>0.5 %</b>	<b>\$ 1,368</b>	<b>1.5 %</b>	

(\$ amounts in millions)	Average Balances								2Q14 vs. 2Q13	
	2Q14	1Q14	4Q13	3Q13	2Q13	2Q14 vs. 1Q14	2Q14 vs. 1Q14	2Q14 vs. 2Q13	2Q14 vs. 2Q13	2Q14 vs. 2Q13
<b>Customer Deposits</b>										
Interest-free deposits	\$ 30,866	\$ 30,268	\$ 30,218	\$ 29,724	\$ 29,454	\$ 598	2.0 %	\$ 1,412	4.8 %	
Interest-bearing checking	20,476	20,791	19,815	19,613	19,636	(315)	(1.5)%	840	4.3 %	
Savings	6,468	6,234	6,049	6,076	6,148	234	3.8 %	320	5.2 %	
Money market—domestic	25,889	25,988	25,834	26,026	25,722	(99)	(0.4)%	167	0.6 %	
Money market—foreign	223	225	247	224	230	(2)	(0.9)%	(7)	(3.0)%	
Low-cost deposits	83,922	83,506	82,163	81,663	81,190	416	0.5 %	2,732	3.4 %	
Time deposits	9,067	9,417	9,843	10,417	11,423	(350)	(3.7)%	(2,356)	(20.6)%	
Total customer deposits	92,989	92,923	92,006	92,080	92,613	66	0.1 %	376	0.4 %	
<b>Corporate Treasury Deposits</b>										
Time deposits	—	2	45	—	—	(2)	(100.0)%	—	NM	
<b>Total Deposits</b>	<b>\$ 92,989</b>	<b>\$ 92,925</b>	<b>\$ 92,051</b>	<b>\$ 92,080</b>	<b>\$ 92,613</b>	<b>\$ 64</b>	<b>0.1 %</b>	<b>\$ 376</b>	<b>0.4 %</b>	

End of Period Deposits by Percentage	As of				
	6/30/2014	3/31/2014	12/31/2013	9/30/2013	6/30/2013
<b>Customer Deposits</b>					
Interest-free deposits	33.3%	33.4%	32.5 %	32.8 %	31.9 %
Interest-bearing checking	22.6%	22.1 %	22.5 %	21.2 %	21.6 %
Savings	6.9%	6.9 %	6.6 %	6.5 %	6.6 %
Money market—domestic	27.5%	27.5 %	27.7 %	28.3 %	28.1 %
Money market—foreign	0.2%	0.2 %	0.2 %	0.3 %	0.2 %
Low-cost deposits	90.5%	90.1 %	89.5 %	89.1 %	88.4 %
Time deposits	9.5%	9.9 %	10.4 %	10.9 %	11.6 %
Total customer deposits	100.0%	100.0 %	99.9 %	100.0 %	100.0 %
<b>Corporate Treasury Deposits</b>					
Time deposits	—%	—%	0.1 %	—%	—%
<b>Total Deposits</b>	<b>100.0%</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

NM - Not Meaningful

**Regions Financial Corporation and Subsidiaries**  
**Financial Supplement to Second Quarter 2014 Earnings Release**

**Pre-Tax Pre-Provision Income ("PPI") and Adjusted PPI (non-GAAP)**

The Pre-Tax Pre-Provision Income table below presents computations of pre-tax pre-provision income from continuing operations excluding certain adjustments (non-GAAP). Regions believes that the presentation of PPI and the exclusion of certain items to PPI provides a meaningful base for period-to-period comparisons, which management believes will assist investors in analyzing the operating results of the Company and predicting future performance. These non-GAAP financial measures are also used by management to assess the performance of Regions' business. It is possible that the activities related to the adjustments may recur; however, management does not consider the activities related to the adjustments to be indications of ongoing operations. Regions believes that presentation of these non-GAAP financial measures will permit investors to assess the performance of the Company on the same basis as that applied by management. Non-GAAP financial measures have inherent limitations, are not required to be uniformly applied and are not audited. Although these non-GAAP financial measures are frequently used by stakeholders in the evaluation of a company, they have limitations as analytical tools, and should not be considered in isolation, or as a substitute for analyses of results as reported under GAAP. In particular, a measure of income that excludes certain adjustments does not represent the amount that effectively accrues directly to stockholders.

(\$ amounts in millions)	Quarter Ended								
	6/30/2014	3/31/2014	12/31/2013	9/30/2013	6/30/2013	2Q14 vs. 1Q14		2Q14 vs. 2Q13	
Net income from continuing operations available to common shareholders (GAAP)	\$ 291	\$ 299	\$ 233	\$ 285	\$ 260	\$ (8)	(2.7)%	\$ 31	11.9 %
Preferred dividends (GAAP)	8	8	8	8	8	—	NM	—	NM
Income tax expense (GAAP)	125	128	92	124	122	(3)	(2.3)%	3	2.5 %
Income from continuing operations before income taxes (GAAP)	424	435	333	417	390	(11)	(2.5)%	34	8.7 %
Provision for loan losses (GAAP)	35	2	79	18	31	33	NM	4	12.9 %
Pre-tax pre-provision income from continuing operations (non-GAAP)	459	437	412	435	421	22	5.0 %	38	9.0 %
Other adjustments:									
Securities gains, net	(6)	(2)	—	(3)	(8)	(4)	200.0 %	2	(25.0)%
Gain on sale of other assets <sup>(1)</sup>	—	—	—	(24)	—	—	NM	—	NM
Leveraged lease termination gains, net <sup>(2)</sup>	—	(1)	(39)	—	—	1	(100.0)%	—	NM
Gain on sale of TDRs held for sale, net	—	(35)	—	—	—	35	(100.0)%	—	NM
Loss on early extinguishment of debt	—	—	—	5	56	—	NM	(56)	NM
Branch consolidation and property and equipment charges	—	6	5	—	—	(6)	(100.0)%	—	NM
Regulatory charge (credit)	(7)	—	58	—	—	(7)	NM	(7)	NM
Total other adjustments	(13)	(32)	24	(22)	48	19	(59.4)%	(61)	(127.1)%
<b>Adjusted pre-tax pre-provision income from continuing operations (non-GAAP)</b>	<b>\$ 446</b>	<b>\$ 405</b>	<b>\$ 436</b>	<b>\$ 413</b>	<b>\$ 469</b>	<b>\$ 41</b>	<b>10.1 %</b>	<b>\$ (23)</b>	<b>(4.9)%</b>

NM - Not Meaningful

(1) Gain on sale of a non-core portion of a Wealth Management business.

(2) After-tax amount for leveraged lease termination gains was \$6 million for the fourth quarter of 2013.

**Non-Interest Income**

(\$ amounts in millions)	Quarter Ended									
	6/30/2014	3/31/2014	12/31/2013	9/30/2013	6/30/2013	2Q14 vs. 1Q14		2Q14 vs. 2Q13		
Service charges on deposit accounts	\$ 174	\$ 173	\$ 185	\$ 190	\$ 175	\$ 1	0.6 %	\$ (1)	(0.6)%	
Card and ATM fees	84	79	80	82	81	5	6.3 %	3	3.7 %	
Mortgage income	43	40	43	52	69	3	7.5 %	(26)	(37.7)%	
Investment management and trust fee income	47	49	48	50	49	(2)	(4.1)%	(2)	(4.1)%	
Insurance commissions and fees	32	30	28	27	29	2	6.7 %	3	10.3 %	
Capital markets fee income and other <sup>(1)</sup>	16	13	29	18	20	3	23.1 %	(4)	(20.0)%	
Bank-owned life insurance	23	19	20	18	22	4	21.1 %	1	4.5 %	
Commercial credit fee income	15	15	16	16	17	—	NM	(2)	(11.8)%	
Leveraged lease termination gains, net	—	1	39	—	—	(1)	(100.0)%	—	NM	
Investment services fee income	11	10	8	10	9	1	10.0 %	2	22.2 %	
Securities gains, net	6	2	—	3	8	4	200.0 %	(2)	(25.0)%	
Gain on sale of other assets <sup>(2)</sup>	—	—	—	24	—	—	NM	—	NM	
Net revenue (loss) from affordable housing	(17)	(18)	1	(18)	(15)	1	(5.6)%	(2)	13.3 %	
Other	23	25	29	23	33	(2)	(8.0)%	(10)	(30.3)%	
<b>Total non-interest income from continuing operations</b>	<b>\$ 457</b>	<b>\$ 438</b>	<b>\$ 526</b>	<b>\$ 495</b>	<b>\$ 497</b>	<b>\$ 19</b>	<b>4.3 %</b>	<b>\$ (40)</b>	<b>(8.0)%</b>	

**Mortgage Income**

(\$ amounts in millions)	Quarter Ended									
	6/30/2014	3/31/2014	12/31/2013	9/30/2013	6/30/2013	2Q14 vs. 1Q14		2Q14 vs. 2Q13		
Production and sales	\$ 26	\$ 24	\$ 25	\$ 37	\$ 54	\$ 2	8.3 %	\$ (28)	(51.9)%	
Loan servicing	22	21	22	22	23	1	4.8 %	(1)	(4.3)%	
MSR hedge ineffectiveness:										
MSRs fair value increase (decrease) <sup>(3)</sup>	(19)	(17)	5	(8)	24	(2)	11.8 %	(43)	(179.2)%	
MSRs hedge gain (loss)	14	12	(9)	1	(32)	2	16.7 %	46	(143.8)%	
MSR hedge ineffectiveness	(5)	(5)	(4)	(7)	(8)	—	NM	3	(37.5)%	
<b>Total mortgage income</b>	<b>\$ 43</b>	<b>\$ 40</b>	<b>\$ 43</b>	<b>\$ 52</b>	<b>\$ 69</b>	<b>\$ 3</b>	<b>7.5 %</b>	<b>\$ (26)</b>	<b>(37.7)%</b>	
Mortgage production - purchased	\$ 968	\$ 662	\$ 802	\$ 968	\$ 1,009	\$ 306	46.2 %	\$ (41)	(4.1)%	
Mortgage production - refinanced	302	304	436	638	912	(2)	(0.7)%	(610)	(66.9)%	
<b>Total mortgage production <sup>(4)</sup></b>	<b>\$ 1,270</b>	<b>\$ 966</b>	<b>\$ 1,238</b>	<b>\$ 1,606</b>	<b>\$ 1,921</b>	<b>\$ 304</b>	<b>31.5 %</b>	<b>\$ (651)</b>	<b>(33.9)%</b>	

**Wealth Management Income**

(\$ amounts in millions)	Quarter Ended									
	6/30/2014	3/31/2014	12/31/2013	9/30/2013	6/30/2013	2Q14 vs. 1Q14		2Q14 vs. 2Q13		
Investment services fee income	\$ 11	\$ 10	\$ 8	\$ 10	\$ 9	\$ 1	10.0 %	\$ 2	22.2 %	
Investment management and trust fee income	47	49	48	50	49	(2)	(4.1)%	(2)	(4.1)%	
Insurance commissions and fees	32	30	28	27	29	2	6.7 %	3	10.3 %	
Gain on sale of other assets <sup>(2)</sup>	—	—	—	24	—	—	NM	—	NM	
<b>Total wealth management income <sup>(5)</sup></b>	<b>\$ 90</b>	<b>\$ 89</b>	<b>\$ 84</b>	<b>\$ 111</b>	<b>\$ 87</b>	<b>\$ 1</b>	<b>1.1 %</b>	<b>\$ 3</b>	<b>3.4 %</b>	

NM - Not Meaningful

- (1) Capital markets fee income and other primarily relates to loan syndications, foreign exchange and derivatives.
- (2) Gain on sale of a non-core portion of a Wealth Management business.
- (3) Fair value adjustment includes payment decay and assumptions change impact.
- (4) Represents total mortgage production during the period, including amounts sold into the secondary market as well as amounts retained in Regions' residential first mortgage loan portfolio.
- (5) Total Wealth Management income presented above does not include the portion of service charges on deposit accounts and similar smaller dollar amounts that are also attributable to the Wealth Management segment.

**Non-Interest Expense**

<i>(\$ amounts in millions)</i>	Quarter Ended									
	6/30/2014	3/31/2014	12/31/2013	9/30/2013	6/30/2013	2Q14 vs. 1Q14		2Q14 vs. 2Q13		
Salaries and employee benefits	\$ 443	\$ 455	\$ 464	\$ 455	\$ 452	\$ (12)	(2.6)%	\$ (9)	(2.0)%	
Net occupancy expense	90	93	91	92	92	(3)	(3.2)%	(2)	(2.2)%	
Furniture and equipment expense	70	70	71	71	69	—	NM	1	1.4 %	
Professional and legal expenses	37	35	46	34	21	2	5.7 %	16	76.2 %	
Deposit administrative fee	13	22	20	35	37	(9)	(40.9)%	(24)	(64.9)%	
Outside services	35	27	31	27	26	8	29.6 %	9	34.6 %	
Marketing	24	24	25	26	24	—	NM	—	NM	
Loss on early extinguishment of debt	—	—	—	5	56	—	NM	(56)	(100.0)%	
Regulatory charge (credit)	(7)	—	58	—	—	(7)	NM	(7)	NM	
Branch consolidation and property and equipment charges	—	6	5	—	—	(6)	(100.0)%	—	NM	
Provision (credit) for unfunded credit losses	11	—	4	1	(15)	11	NM	26	(173.3)%	
Gain on sale of TDRs held for sale, net	—	(35)	—	—	—	35	(100.0)%	—	NM	
Other	104	120	131	138	122	(16)	(13.3)%	(18)	(14.8)%	
Total non-interest expense from continuing operations	\$ 820	\$ 817	\$ 946	\$ 884	\$ 884	\$ 3	0.4 %	\$ (64)	(7.2)%	

NM - Not Meaningful

**Selected Non-Interest Expense Variance Analysis**

- Deposit administrative fees in the second quarter of 2014 benefited from refunds of previously incurred fees.
- Outside Services increased by \$8 million quarter over quarter primarily due to the use of temporary staffing on compliance and regulatory related projects.
- In the fourth quarter of 2013, Regions recorded a non-tax deductible regulatory charge of \$58 million related to previously disclosed inquiries from government authorities. These matters were settled in the second quarter of 2014 for \$7 million less than originally estimated.
- The provision for unfunded credit losses represents reserves related to unfunded commitments and letters of credit. Fluctuations from quarter to quarter are expected as these instruments fund. The \$11 million increase in the second quarter of 2014 is primarily the result of increased reserves on individual instruments.
- Other non-interest expenses decreased \$16 million quarter over quarter primarily due to declines in other real estate owned expense and mortgage repurchase reserves, reflecting improving credit conditions.

Credit Quality

(\$ amounts in millions)	As of and for Quarter Ended				
	6/30/2014	3/31/2014	12/31/2013	9/30/2013	6/30/2013
<b>Components:</b>					
Allowance for loan losses (ALL)	\$ 1,229	\$ 1,261	\$ 1,341	\$ 1,540	\$ 1,636
Reserve for unfunded credit commitments	89	78	78	74	73
Allowance for credit losses (ACL)	<u>\$ 1,318</u>	<u>\$ 1,339</u>	<u>\$ 1,419</u>	<u>\$ 1,614</u>	<u>\$ 1,709</u>
Provision for loan losses	\$ 35	\$ 2	\$ 79	\$ 18	\$ 31
Provision (credit) for unfunded credit losses	11	—	4	1	(15)
<b>Net loans charged-off:</b>					
Commercial and industrial	15	10	36	17	30
Commercial real estate mortgage—owner-occupied	11	13	27	20	28
Commercial real estate construction—owner-occupied	—	1	(1)	—	—
Total commercial	<u>26</u>	<u>24</u>	<u>62</u>	<u>37</u>	<u>58</u>
Commercial investor real estate mortgage	2	1	(2)	6	16
Commercial investor real estate construction	(2)	—	(1)	(1)	(2)
Total investor real estate	<u>—</u>	<u>1</u>	<u>(3)</u>	<u>5</u>	<u>14</u>
Residential first mortgage <sup>(3)</sup>	7	9	164	13	18
Home equity—first lien	3	7	8	10	7
Home equity—second lien	8	14	18	22	22
Indirect	4	7	6	5	4
Consumer credit card	8	8	8	6	11
Other consumer	11	12	15	16	10
Total consumer <sup>(3)</sup>	<u>41</u>	<u>57</u>	<u>219</u>	<u>72</u>	<u>72</u>
Total <sup>(3)</sup>	<u>\$ 67</u>	<u>\$ 82</u>	<u>\$ 278</u>	<u>\$ 114</u>	<u>\$ 144</u>
<b>Net loan charge-offs as a % of average loans, annualized:</b>					
Commercial and industrial	0.20 %	0.14 %	0.48 %	0.22 %	0.43 %
Commercial real estate mortgage—owner-occupied	0.46 %	0.58 %	1.13 %	0.81 %	1.17 %
Commercial real estate construction—owner-occupied	0.05 %	0.47 %	(0.10)%	(0.03)%	(0.83)%
Total commercial	<u>0.25 %</u>	<u>0.25 %</u>	<u>0.63 %</u>	<u>0.37 %</u>	<u>0.61 %</u>
Commercial investor real estate mortgage	0.12 %	0.10 %	(0.13)%	0.39 %	1.02 %
Commercial investor real estate construction	(0.36)%	(0.13)%	(0.44)%	(0.18)%	(0.54)%
Total investor real estate	<u>— %</u>	<u>0.05 %</u>	<u>(0.20)%</u>	<u>0.28 %</u>	<u>0.79 %</u>
Residential first mortgage <sup>(3)</sup>	0.20 %	0.32 %	5.10 %	0.41 %	0.56 %
Home equity—first lien	0.24 %	0.44 %	0.51 %	0.66 %	0.47 %
Home equity—second lien	0.62 %	1.13 %	1.35 %	1.56 %	1.53 %
Indirect	0.53 %	0.85 %	0.78 %	0.76 %	0.56 %
Consumer credit card	3.53 %	3.63 %	3.65 %	3.06 %	4.95 %
Other consumer	3.84 %	4.14 %	5.04 %	5.24 %	3.66 %
Total consumer <sup>(3)</sup>	<u>0.57 %</u>	<u>0.81 %</u>	<u>2.98 %</u>	<u>0.99 %</u>	<u>0.99 %</u>
Total <sup>(3)</sup>	<u>0.35 %</u>	<u>0.44 %</u>	<u>1.46 %</u>	<u>0.60 %</u>	<u>0.77 %</u>
Non-accrual loans, excluding loans held for sale	\$ 899	\$ 1,070	\$ 1,082	\$ 1,354	\$ 1,506
Non-performing loans held for sale	20	40	82	43	53
Non-accrual loans, including loans held for sale	<u>919</u>	<u>1,110</u>	<u>1,164</u>	<u>1,397</u>	<u>1,559</u>
Foreclosed properties	128	129	136	147	136
Non-performing assets (NPAs)	<u>\$ 1,047</u>	<u>\$ 1,239</u>	<u>\$ 1,300</u>	<u>\$ 1,544</u>	<u>\$ 1,695</u>
Loans past due > 90 days <sup>(1)</sup>	\$ 251	\$ 257	\$ 256	\$ 270	\$ 319
Accruing restructured loans not included in categories above <sup>(2)</sup>	\$ 1,412	\$ 1,578	\$ 1,676	\$ 2,529	\$ 2,591
Accruing restructured loans held for sale not included in categories above <sup>(2)</sup>	\$ 7	\$ 11	\$ 545	\$ 19	\$ 19
<b>Credit Ratios:</b>					
ACL/Loans, net	1.72 %	1.77 %	1.90 %	2.13 %	2.28 %
ALL/Loans, net	1.61 %	1.67 %	1.80 %	2.03 %	2.18 %
Allowance for loan losses to non-performing loans, excluding loans held for sale	1.37x	1.18x	1.24x	1.14x	1.09x
Non-accrual loans, excluding loans held for sale/Loans, net	1.17 %	1.41 %	1.45 %	1.78 %	2.01 %
NPAs (ex. 90+ past due)/Loans, foreclosed properties and non-performing loans held for sale	1.37 %	1.63 %	1.74 %	2.03 %	2.25 %
NPAs (inc. 90+ past due)/Loans, foreclosed properties and non-performing loans held for sale <sup>(1)</sup>	1.69 %	1.97 %	2.08 %	2.38 %	2.68 %

(1) Excludes guaranteed residential first mortgages that are 90+ days past due and still accruing. Refer to the footnotes on page 14 for amounts related to these loans.

(2) See page 15 for detail of restructured loans.

(3) Includes \$151 million in residential first mortgage net charge-offs on loans transferred to loans held for sale during the fourth quarter of 2013. Excluding these net charge-offs, the adjusted net charge-off percentage for residential first mortgages for the fourth quarter of 2013 would have been 0.41% (non-GAAP). Excluding these net charge-offs, the adjusted net charge-off percentage for total consumer loans for the fourth quarter of 2013 would have been 0.93% (non-GAAP). The adjusted net charge-off percentage for all loans would have been 0.67% (non-GAAP). See page 12 for a reconciliation of these GAAP to non-GAAP net charge-off ratios.

Credit Quality (Continued)

Adjusted Net Charge-Offs Ratio (non-GAAP)

Select calculations for annualized net charge-offs as a percentage of average loans (GAAP) are presented in the table below. During the fourth quarter of 2013, Regions made the strategic decision to transfer certain primarily accruing restructured residential first mortgage loans to loans held for sale. These loans were marked down to fair value through net charge-offs upon transfer to held for sale. Management believes that excluding the incremental increase to net charge-offs from the affected net charge-off ratios to arrive at an adjusted net charge-off ratio (non-GAAP) will assist investors in analyzing the Company's credit quality performance as well as provide a better basis from which to predict future performance. Non-GAAP financial measures have inherent limitations, are not required to be uniformly applied and are not audited. Although these non-GAAP financial measures are frequently used by stakeholders in the evaluation of a company, they have limitations as analytical tools, and should not be considered in isolation, or as a substitute for analyses of results as reported under GAAP.

	As of and for Quarter Ended					
		6/30/2014	3/31/2014	12/31/2013	9/30/2013	6/30/2013
<i>(\$ amounts in millions)</i>						
Residential first mortgage net charge-offs (GAAP)	A	\$ 7	\$ 9	\$ 164	\$ 13	\$ 18
Less: Net charge-offs associated with transfer to loans held for sale		—	—	151	—	—
Adjusted residential first mortgage net charge-offs (non-GAAP)	B	\$ 7	\$ 9	\$ 13	\$ 13	\$ 18
Total consumer net charge-offs (GAAP)	C	\$ 41	\$ 57	\$ 219	\$ 72	\$ 72
Less: Net charge-offs associated with transfer to loans held for sale		—	—	151	—	—
Adjusted total consumer net charge-offs (non-GAAP)	D	\$ 41	\$ 57	\$ 68	\$ 72	\$ 72
Total net charge-offs (GAAP)	E	\$ 67	\$ 82	\$ 278	\$ 114	\$ 144
Less: Net charge-offs associated with transfer to loans held for sale		—	—	151	—	—
Adjusted net charge-offs (non-GAAP)	F	\$ 67	\$ 82	\$ 127	\$ 114	\$ 144
Average residential first mortgage loans (GAAP)	G	\$ 12,137	\$ 12,127	\$ 12,752	\$ 12,835	\$ 12,823
Add: Average balances of residential first mortgage loans transferred to loans held for sale		—	—	74	—	—
Adjusted average residential first mortgage loans (non-GAAP)	H	\$ 12,137	\$ 12,127	\$ 12,826	\$ 12,835	\$ 12,823
Average total consumer loans (GAAP)	I	\$ 28,687	\$ 28,603	\$ 29,147	\$ 29,031	\$ 28,892
Add: Average balances of residential first mortgage loans transferred to loans held for sale		—	—	74	—	—
Adjusted average total consumer loans (non-GAAP)	J	\$ 28,687	\$ 28,603	\$ 29,221	\$ 29,031	\$ 28,892
Total average loans (GAAP)	K	\$ 76,390	\$ 75,139	\$ 75,843	\$ 75,359	\$ 74,549
Add: Average balances of residential first mortgage loans transferred to loans held for sale		—	—	74	—	—
Adjusted total average loans (non-GAAP)	L	\$ 76,390	\$ 75,139	\$ 75,917	\$ 75,359	\$ 74,549
Residential first mortgage net charge-off percentage (GAAP)*	A/G	0.20%	0.32%	5.10%	0.41%	0.56%
Adjusted residential first mortgage net charge-off percentage (non-GAAP)*	B/H	0.20%	0.32%	0.41%	0.41%	0.56%
Total consumer net charge-off percentage (GAAP)*	C/I	0.57%	0.81%	2.98%	0.99%	0.99%
Adjusted total consumer net charge-off percentage (non-GAAP)*	D/J	0.57%	0.81%	0.93%	0.99%	0.99%
Total net charge-off percentage (GAAP)*	E/K	0.35%	0.44%	1.46%	0.60%	0.77%
Adjusted total net charge-off percentage (non-GAAP)*	F/L	0.35%	0.44%	0.67%	0.60%	0.77%

\* Annualized

Non-Accrual Loans (excludes loans held for sale)

(\$ amounts in millions)	As of									
	6/30/2014		3/31/2014		12/31/2013		9/30/2013		6/30/2013	
Commercial and industrial	\$ 200	0.64%	\$ 280	0.92%	\$ 257	0.87%	\$ 383	1.28%	\$ 408	1.41%
Commercial real estate mortgage—owner-occupied	294	3.25%	307	3.31%	303	3.19%	364	3.81%	398	4.08%
Commercial real estate construction—owner-occupied	8	2.32%	16	4.31%	17	5.33%	12	3.25%	15	4.38%
<b>Total Commercial</b>	<b>502</b>	<b>1.23%</b>	<b>603</b>	<b>1.50%</b>	<b>577</b>	<b>1.47%</b>	<b>759</b>	<b>1.91%</b>	<b>821</b>	<b>2.10%</b>
Commercial investor real estate mortgage	158	3.05%	209	3.91%	238	4.47%	276	4.92%	352	6.07%
Commercial investor real estate construction	9	0.49%	8	0.51%	10	0.70%	31	2.34%	16	1.30%
<b>Total Investor Real Estate</b>	<b>167</b>	<b>2.39%</b>	<b>217</b>	<b>3.11%</b>	<b>248</b>	<b>3.67%</b>	<b>307</b>	<b>4.43%</b>	<b>368</b>	<b>5.25%</b>
Residential first mortgage	119	0.98%	136	1.12%	146	1.21%	167	1.30%	186	1.44%
Home equity	111	1.00%	114	1.02%	111	0.98%	121	1.06%	130	1.14%
Direct	—	—%	—	—%	—	—%	—	—%	—	0.06%
Indirect	—	—%	—	—%	—	—%	—	—%	1	0.03%
Consumer credit card	—	—%	—	—%	—	—%	—	—%	—	—%
Other consumer	—	—%	—	—%	—	—%	—	—%	—	—%
<b>Total Consumer</b>	<b>230</b>	<b>0.80%</b>	<b>250</b>	<b>0.87%</b>	<b>257</b>	<b>0.90%</b>	<b>288</b>	<b>0.99%</b>	<b>317</b>	<b>1.09%</b>
<b>Total Non-Accrual Loans</b>	<b>\$ 899</b>	<b>1.17%</b>	<b>\$ 1,070</b>	<b>1.41%</b>	<b>\$ 1,082</b>	<b>1.45%</b>	<b>\$ 1,354</b>	<b>1.78%</b>	<b>\$ 1,506</b>	<b>2.01%</b>

Criticized and Classified Loans—Commercial and Investor Real Estate

(\$ amounts in millions)	As of									
	6/30/2014	3/31/2014	12/31/2013	9/30/2013	6/30/2013	6/30/2014 vs. 3/31/2014		6/30/2014 vs. 6/30/2013		
Special Mention	\$ 1,327	\$ 1,067	\$ 927	\$ 1,035	\$ 1,142	\$ 260	24.4 %	\$ 185	16.2 %	
Accruing Classified Loans	1,055	1,094	1,263	1,411	1,587	(39)	(3.6)%	(532)	(33.5)%	
Non-Accruing Classified Loans	669	820	825	1,066	1,189	(151)	(18.4)%	(520)	(43.7)%	
<b>Total</b>	<b>\$ 3,051</b>	<b>\$ 2,981</b>	<b>\$ 3,015</b>	<b>\$ 3,512</b>	<b>\$ 3,918</b>	<b>\$ 70</b>	<b>2.3 %</b>	<b>\$ (867)</b>	<b>(22.1)%</b>	

Home Equity Lines of Credit - Future Maturities<sup>(1)</sup>

(\$ amounts in millions)	As of 6/30/2014				
	First Lien	% of Total	Second Lien	% of Total	Total
2014	\$ 14	0.16%	\$ 114	1.29%	\$ 128
2015	24	0.27%	171	1.95%	\$ 195
2016	30	0.34%	40	0.45%	\$ 70
2017	6	0.06%	12	0.14%	\$ 18
2018	18	0.20%	26	0.30%	\$ 44
2019-2023	1,244	14.12%	1,106	12.55%	\$ 2,350
2024-2028	2,770	31.43%	3,111	35.30%	\$ 5,881
Thereafter	72	0.82%	55	0.62%	\$ 127
<b>Total</b>	<b>\$ 4,178</b>	<b>47.40%</b>	<b>\$ 4,635</b>	<b>52.60%</b>	<b>\$ 8,813</b>

(1) The balance of Regions' home equity portfolio was \$11,064 million at June 30, 2014 consisting of \$8,813 million of home equity lines of credit and \$2,251 million of closed-end home equity loans. The closed-end loans were primarily originated as amortizing loans, and were therefore excluded from the table above.

Early and Late Stage Delinquencies

Accruing 30-89 Days Past Due Loans <i>(\$ amounts in millions)</i>	As of									
	6/30/2014		3/31/2014		12/31/2013		9/30/2013		6/30/2013	
Commercial and industrial	\$ 35	0.11%	\$ 27	0.09%	\$ 43	0.15%	\$ 31	0.10%	\$ 36	0.12%
Commercial real estate mortgage—owner-occupied	56	0.63%	37	0.39%	56	0.59%	56	0.59%	52	0.54%
Commercial real estate construction—owner-occupied	1	0.21%	—	0.10%	—	0.06%	1	0.21%	1	0.25%
<b>Total Commercial</b>	<b>92</b>	<b>0.23%</b>	<b>64</b>	<b>0.16%</b>	<b>99</b>	<b>0.25%</b>	<b>88</b>	<b>0.22%</b>	<b>89</b>	<b>0.23%</b>
Commercial investor real estate mortgage	61	1.17%	75	1.41%	35	0.66%	118	2.11%	60	1.04%
Commercial investor real estate construction	—	0.01%	2	0.15%	5	0.32%	4	0.27%	3	0.21%
<b>Total Investor Real Estate</b>	<b>61</b>	<b>0.87%</b>	<b>77</b>	<b>1.11%</b>	<b>40</b>	<b>0.59%</b>	<b>122</b>	<b>1.76%</b>	<b>63</b>	<b>0.90%</b>
Residential first mortgage—non-guaranteed <sup>(1)</sup>	153	1.30%	146	1.24%	187	1.58%	176	1.41%	183	1.47%
Home equity	111	1.00%	123	1.10%	146	1.30%	131	1.15%	133	1.16%
Direct	8	0.92%	8	0.95%	9	1.09%	8	1.03%	9	1.16%
Indirect	45	1.31%	42	1.28%	50	1.62%	39	1.35%	38	1.39%
Consumer credit card	11	1.13%	11	1.26%	13	1.38%	12	1.37%	10	1.18%
Other consumer	10	2.91%	8	2.41%	10	2.89%	12	3.38%	12	3.53%
<b>Total Consumer <sup>(1)</sup></b>	<b>338</b>	<b>1.19%</b>	<b>338</b>	<b>1.20%</b>	<b>415</b>	<b>1.47%</b>	<b>378</b>	<b>1.31%</b>	<b>385</b>	<b>1.35%</b>
<b>Total Accruing 30-89 Days Past Due Loans <sup>(1)</sup></b>	<b>\$ 491</b>	<b>0.64%</b>	<b>\$ 479</b>	<b>0.64%</b>	<b>\$ 554</b>	<b>0.75%</b>	<b>\$ 588</b>	<b>0.78%</b>	<b>\$ 537</b>	<b>0.72%</b>

Accruing 90+ Days Past Due Loans <i>(\$ amounts in millions)</i>	As of									
	6/30/2014		3/31/2014		12/31/2013		9/30/2013		6/30/2013	
Commercial and industrial	\$ 9	0.03%	\$ 7	0.02%	\$ 6	0.02%	\$ 6	0.02%	\$ 8	0.03%
Commercial real estate mortgage—owner-occupied	5	0.05%	3	0.04%	6	0.06%	7	0.07%	16	0.16%
Commercial real estate construction—owner-occupied	—	—%	—	—%	—	—%	—	0.12%	—	—%
<b>Total Commercial</b>	<b>14</b>	<b>0.03%</b>	<b>10</b>	<b>0.03%</b>	<b>12</b>	<b>0.03%</b>	<b>13</b>	<b>0.03%</b>	<b>24</b>	<b>0.06%</b>
Commercial investor real estate mortgage	17	0.32%	2	0.04%	6	0.10%	15	0.27%	24	0.41%
Commercial investor real estate construction	—	—%	—	—%	—	—%	1	0.07%	—	0.03%
<b>Total Investor Real Estate</b>	<b>17</b>	<b>0.24%</b>	<b>2</b>	<b>0.03%</b>	<b>6</b>	<b>0.08%</b>	<b>16</b>	<b>0.23%</b>	<b>24</b>	<b>0.34%</b>
Residential first mortgage—non-guaranteed <sup>(2)</sup>	136	1.15%	154	1.31%	142	1.21%	149	1.19%	178	1.42%
Home equity	65	0.58%	71	0.63%	75	0.66%	72	0.64%	75	0.66%
Direct	1	0.14%	1	0.12%	1	0.14%	2	0.16%	1	0.15%
Indirect	5	0.16%	5	0.15%	5	0.17%	4	0.15%	3	0.13%
Consumer credit card	11	1.19%	12	1.30%	12	1.28%	12	1.27%	11	1.27%
Other consumer	2	0.57%	2	0.62%	3	0.64%	2	0.47%	3	0.63%
<b>Total Consumer <sup>(2)</sup></b>	<b>220</b>	<b>0.78%</b>	<b>245</b>	<b>0.87%</b>	<b>238</b>	<b>0.84%</b>	<b>241</b>	<b>0.83%</b>	<b>271</b>	<b>0.95%</b>
<b>Total Accruing 90+ Days Past Due Loans <sup>(2)</sup></b>	<b>\$ 251</b>	<b>0.33%</b>	<b>\$ 257</b>	<b>0.34%</b>	<b>\$ 256</b>	<b>0.34%</b>	<b>\$ 270</b>	<b>0.36%</b>	<b>\$ 319</b>	<b>0.43%</b>

- (1) Excludes loans that are 100% guaranteed by FHA and also those 100% guaranteed by GNMA where Regions has the right but not the obligation to repurchase. Total 30-89 days past due guaranteed loans excluded were \$19 million at 6/30/14, \$16 million at 3/31/14, \$17 million at 12/31/13, \$18 million at 9/30/13, and \$20 million at 6/30/13.
- (2) Excludes loans that are 100% guaranteed by FHA and also those 100% guaranteed by GNMA where Regions has the right but not the obligation to repurchase. Total 90 days or more past due guaranteed loans excluded were \$88 million at 6/30/14, \$94 million at 3/31/14, \$106 million at 12/31/13, \$97 million at 9/30/13, and \$96 million at 6/30/13.



**Troubled Debt Restructurings**

<i>(\$ amounts in millions)</i>	As of				
	6/30/2014	3/31/2014	12/31/2013	9/30/2013	6/30/2013
<b>Current:</b>					
Commercial	\$ 332	\$ 408	\$ 441	\$ 428	\$ 426
Investor real estate	321	441	498	599	721
Residential first mortgage	261	240	212	894	898
Home equity	332	334	332	337	343
Consumer credit card	2	2	2	2	1
Other consumer	20	22	25	28	31
<b>Total Current</b>	<b>1,268</b>	<b>1,447</b>	<b>1,510</b>	<b>2,288</b>	<b>2,420</b>
<b>Accruing 30-89 DPD:</b>					
Commercial	23	18	27	17	18
Investor real estate	34	18	13	88	26
Residential first mortgage	61	70	95	104	91
Home equity	24	23	29	29	33
Other consumer	2	2	2	3	3
<b>Total Accruing 30-89 DPD</b>	<b>144</b>	<b>131</b>	<b>166</b>	<b>241</b>	<b>171</b>
<b>Total Accruing and &lt;90 DPD</b>	<b>1,412</b>	<b>1,578</b>	<b>1,676</b>	<b>2,529</b>	<b>2,591</b>
<b>Non-accrual or 90+ DPD:</b>					
Commercial	146	207	156	283	302
Investor real estate	96	145	157	174	208
Residential first mortgage	130	147	156	161	177
Home equity	27	29	30	31	31
<b>Total Non-accrual or 90+DPD</b>	<b>399</b>	<b>528</b>	<b>499</b>	<b>649</b>	<b>718</b>
<b>Total TDRs - Loans</b>	<b>\$ 1,811</b>	<b>\$ 2,106</b>	<b>\$ 2,175</b>	<b>\$ 3,178</b>	<b>\$ 3,309</b>
<b>TDRs - Held For Sale <sup>(1)</sup></b>	<b>16</b>	<b>38</b>	<b>579</b>	<b>31</b>	<b>39</b>
<b>Total TDRs</b>	<b>\$ 1,827</b>	<b>\$ 2,144</b>	<b>\$ 2,754</b>	<b>\$ 3,209</b>	<b>\$ 3,348</b>

(1) The majority of TDRs held for sale at December 31, 2013 were comprised of residential first mortgage loans transferred during the fourth quarter of 2013 and subsequently sold in the first quarter of 2014.

Reconciliation to GAAP Financial Measures—Continuing Operations

Adjusted Efficiency Ratios, Adjusted Fee Income Ratios, and Adjusted Non-Interest Income/Expense

The table below presents computations of the efficiency ratio (non-GAAP), which is a measure of productivity, generally calculated as non-interest expense divided by total revenue. The table also shows the fee income ratio (non-GAAP), generally calculated as non-interest income divided by total revenue. Management uses these ratios to monitor performance and believes these measures provide meaningful information to investors. Non-interest expense (GAAP) is presented excluding certain adjustments to arrive at adjusted non-interest expense (non-GAAP), which is the numerator for the efficiency ratio. Non-interest income (GAAP) is presented excluding certain adjustments to arrive at adjusted non-interest income (non-GAAP), which is the numerator for the fee income ratio. Net interest income on a taxable-equivalent basis and non-interest income are added together to arrive at total revenue (GAAP). Adjustments are made to arrive at adjusted total revenue (non-GAAP), which is the denominator for the fee income and efficiency ratios. Regions believes that the exclusion of these adjustments provides a meaningful base for period-to-period comparisons, which management believes will assist investors in analyzing the operating results of the Company and predicting future performance. These non-GAAP financial measures are also used by management to assess the performance of Regions' business. It is possible that the activities related to the adjustments may recur; however, management does not consider the activities related to the adjustments to be indications of ongoing operations. Regions believes that presentation of these non-GAAP financial measures will permit investors to assess the performance of the Company on the same basis as that applied by management.

(\$ amounts in millions)	Quarter Ended						2Q14		2Q14	
	6/30/2014	3/31/2014	12/31/2013	9/30/2013	6/30/2013	vs. 1Q14	vs. 2Q13			
Non-interest expense (GAAP)	\$ 820	\$ 817	\$ 946	\$ 884	\$ 884	\$ 3	0.4 %	\$ (64)	(7.2)%	
Adjustments:										
Loss on early extinguishment of debt	—	—	—	(5)	(56)	—	NM	56	(100.0)%	
Regulatory (charge) credit	7	—	(58)	—	—	7	NM	7	NM	
Branch consolidation and property and equipment charges	—	(6)	(5)	—	—	6	(100.0)%	—	NM	
Gain on sale of TDRs held for sale, net	—	35	—	—	—	(35)	(100.0)%	—	NM	
Adjusted non-interest expense (non-GAAP)	<b>A \$ 827</b>	<b>\$ 846</b>	<b>\$ 883</b>	<b>\$ 879</b>	<b>\$ 828</b>	<b>\$ (19)</b>	<b>(2.2)%</b>	<b>\$ (1)</b>	<b>(0.1)%</b>	
Net interest income (GAAP)	\$ 822	\$ 816	\$ 832	\$ 824	\$ 808	\$ 6	0.7 %	\$ 14	1.7 %	
Taxable-equivalent adjustment	15	15	14	14	13	—	NM	2	15.4 %	
Net interest income, taxable-equivalent basis	<b>837</b>	<b>831</b>	<b>846</b>	<b>838</b>	<b>821</b>	<b>6</b>	<b>0.7 %</b>	<b>16</b>	<b>1.9 %</b>	
Non-interest income (GAAP)	457	438	526	495	497	19	4.3 %	(40)	(8.0)%	
Adjustments:										
Leveraged lease termination gains, net	—	(1)	(39)	—	—	1	(100.0)%	—	NM	
Securities gains, net	(6)	(2)	—	(3)	(8)	(4)	200.0 %	2	(25.0)%	
Gain on sale of other assets <sup>(1)</sup>	—	—	—	(24)	—	—	NM	—	NM	
Adjusted non-interest income (non-GAAP)	<b>B 451</b>	<b>435</b>	<b>487</b>	<b>468</b>	<b>489</b>	<b>16</b>	<b>3.7 %</b>	<b>(38)</b>	<b>(7.8)%</b>	
Adjusted total revenue (non-GAAP)	<b>C \$ 1,288</b>	<b>\$ 1,266</b>	<b>\$ 1,333</b>	<b>\$ 1,306</b>	<b>\$ 1,310</b>	<b>\$ 22</b>	<b>1.7 %</b>	<b>\$ (22)</b>	<b>(1.7)%</b>	
Adjusted efficiency ratio (non-GAAP)	<b>A/C 64.2%</b>	<b>66.9%</b>	<b>66.3%</b>	<b>67.3%</b>	<b>63.1%</b>					
Adjusted fee income ratio (non-GAAP)	<b>B/C 35.0%</b>	<b>34.4%</b>	<b>36.5%</b>	<b>35.9%</b>	<b>37.3%</b>					

NM - Not Meaningful

(1) Gain on sale of a non-core portion of a Wealth Management business.

Reconciliation to GAAP Financial Measures

Return Ratios, Tangible Common Ratios, Capital

The following tables provide calculations of “return on average tangible common stockholders’ equity”, end of period “tangible common stockholders’ equity” ratios and a reconciliation of stockholders’ equity (GAAP) to tangible common stockholders’ equity (non-GAAP), Tier 1 capital (regulatory) and “Tier 1 common equity” (non-GAAP). Tangible common stockholders’ equity ratios have become a focus of some investors and management believes they may assist investors in analyzing the capital position of the Company absent the effects of intangible assets and preferred stock. Traditionally, the Federal Reserve and other banking regulatory bodies have assessed a bank’s capital adequacy based on Tier 1 capital, the calculation of which is prescribed in amount by federal banking regulations. In connection with the Company’s Comprehensive Capital Analysis and Review (“CCAR”), these regulators are supplementing their assessment of the capital adequacy of a bank based on a variation of Tier 1 capital, known as Tier 1 common equity. While not prescribed in amount by federal banking regulations (under Basel I), analysts and banking regulators have assessed Regions’ capital adequacy using the tangible common stockholders’ equity and/or the Tier 1 common equity measures. Because tangible common stockholders’ and Tier 1 common equity are not formally defined by GAAP or prescribed in any amount by federal banking regulations (under Basel I), these measures are currently considered to be non-GAAP financial measures and other entities may calculate them differently than Regions’ disclosed calculations. Since analysts and banking regulators may assess Regions’ capital adequacy using tangible common stockholders’ equity and Tier 1 common equity, management believes that it is useful to provide investors the ability to assess Regions’ capital adequacy on these same bases.

Tier 1 common equity is often expressed as a percentage of risk-weighted assets. Under the risk-based capital framework, a company’s balance sheet assets and credit equivalent amounts of off-balance sheet items are assigned to one of four broad risk categories. The aggregated dollar amount in each category is then multiplied by the risk-weighted category. The resulting weighted values from each of the four categories are added together and this sum is the risk-weighted assets total that, as adjusted, comprises the denominator of certain risk-based capital ratios. Tier 1 capital is then divided by this denominator (risk-weighted assets) to determine the Tier 1 capital ratio. Adjustments are made to Tier 1 capital to arrive at Tier 1 common equity (non-GAAP). Tier 1 common equity (non-GAAP) is also divided by the risk-weighted assets to determine the Tier 1 common equity ratio (non-GAAP). The amounts disclosed as risk-weighted assets are calculated consistent with banking regulatory requirements.

The following tables also provide calculations of “Common equity Tier 1” (CET1), based on Regions’ current understanding of the Final Basel III requirements. In December 2010, the Basel Committee on Banking Supervision (the “Basel Committee”) released its final framework for Basel III, which will strengthen international capital and liquidity regulation. In June 2012, U.S. Regulators released three separate Notices of Proposed Rulemaking covering U.S. implementation of the Basel III framework. In July 2013, U.S. Regulators released final rules covering the U.S. implementation of the Basel III framework, which will change capital requirements and place greater emphasis on common equity. For Regions, the Basel III framework will be phased in beginning in 2015 with full implementation complete beginning in 2019. The calculations provided below are estimates, based on Regions’ current understanding of the final framework, including the Company’s interpretation of the requirements, and informal feedback received through the regulatory process. Regions’ understanding of the framework is evolving and will likely change as analysis and discussions with regulators continue. Because the Basel III implementation regulations are not formally defined by GAAP, these measures are considered to be non-GAAP financial measures, and other entities may calculate them differently from Regions’ disclosed calculations. Since analysts and banking regulators may assess Regions’ capital adequacy using the Basel III framework, we believe that it is useful to provide investors the ability to assess Regions’ capital adequacy on the same basis.

	As of and for Quarter Ended				
	6/30/2014	3/31/2014	12/31/2013	9/30/2013	6/30/2013
<i>(\$ amounts in millions, except per share data)</i>					
<b>RETURN ON AVERAGE TANGIBLE COMMON STOCKHOLDERS’ EQUITY</b>					
Net income available to common shareholders (GAAP)	A \$ 292	\$ 311	\$ 219	\$ 285	\$ 259
Average stockholders’ equity (GAAP)	\$ 16,680	\$ 16,002	\$ 15,504	\$ 15,317	\$ 15,644
Less:					
Average intangible assets (GAAP)	5,104	5,107	5,118	5,129	5,141
Average deferred tax liability related to intangibles (GAAP)	(184)	(187)	(189)	(188)	(188)
Average preferred stock (GAAP)	779	444	452	460	468
Average tangible common stockholders’ equity (non-GAAP)	B \$ 10,981	\$ 10,638	\$ 10,123	\$ 9,916	\$ 10,223
Return on average tangible common stockholders’ equity (non-GAAP) <sup>(1)</sup>	A/B 10.68%	11.84%	8.58%	11.41%	10.15%
<b>TANGIBLE COMMON RATIOS—CONSOLIDATED</b>					
Stockholders’ equity (GAAP)	\$ 17,029	\$ 16,132	\$ 15,768	\$ 15,489	\$ 15,329
Less:					
Preferred stock (GAAP)	920	442	450	458	466
Intangible assets (GAAP)	5,097	5,110	5,111	5,123	5,134
Deferred tax liability related to intangibles (GAAP)	(183)	(186)	(188)	(189)	(187)
Tangible common stockholders’ equity (non-GAAP)	C \$ 11,195	\$ 10,766	\$ 10,395	\$ 10,097	\$ 9,916
Total assets (GAAP)	\$ 118,719	\$ 117,933	\$ 117,396	\$ 116,864	\$ 118,707
Less:					
Intangible assets (GAAP)	5,097	5,110	5,111	5,123	5,134
Deferred tax liability related to intangibles (GAAP)	(183)	(186)	(188)	(189)	(187)
Tangible assets (non-GAAP)	D \$ 113,805	\$ 113,009	\$ 112,473	\$ 111,930	\$ 113,760
Shares outstanding—end of quarter	E 1,378	1,378	1,378	1,378	1,395
Tangible common stockholders’ equity to tangible assets (non-GAAP)	C/D 9.84%	9.53%	9.24%	9.02%	8.72%
Tangible common book value per share (non-GAAP)	C/E \$ 8.12	\$ 7.81	\$ 7.54	\$ 7.32	\$ 7.11

Return Ratios, Tangible Common Ratios, Capital (Continued)

	As of and for Quarter Ended				
	6/30/2014	3/31/2014	12/31/2013	9/30/2013	6/30/2013
<i>(\$ amounts in millions)</i>					
<b>TIER 1 COMMON RISK-BASED RATIO<sup>(2)</sup>—CONSOLIDATED</b>					
Stockholders' equity (GAAP)	\$ 17,029	\$ 16,132	\$ 15,768	\$ 15,489	\$ 15,329
Accumulated other comprehensive (income) loss	52	229	319	411	478
Non-qualifying goodwill and intangibles	(4,797)	(4,804)	(4,798)	(4,804)	(4,812)
Disallowed servicing assets	(28)	(29)	(31)	(30)	(30)
Qualifying trust preferred securities	—	—	—	—	3
Tier 1 capital (regulatory)	\$ 12,256	\$ 11,528	\$ 11,258	\$ 11,066	\$ 10,968
Qualifying trust preferred securities	—	—	—	—	(3)
Preferred stock (GAAP)	(920)	(442)	(450)	(458)	(466)
Tier 1 common equity (non-GAAP)	<b>F \$ 11,336</b>	<b>\$ 11,086</b>	<b>\$ 10,808</b>	<b>\$ 10,608</b>	<b>\$ 10,499</b>
Risk-weighted assets (regulatory)	<b>G \$ 98,036</b>	<b>\$ 97,418</b>	<b>\$ 96,416</b>	<b>\$ 96,486</b>	<b>\$ 94,640</b>
Tier 1 common risk-based ratio (non-GAAP)	<b>F/G 11.6%</b>	<b>11.4%</b>	<b>11.2%</b>	<b>11.0%</b>	<b>11.1%</b>
<b>BASEL III COMMON EQUITY TIER 1 RATIO<sup>(2)</sup></b>					
Stockholder's equity (GAAP)	\$ 17,029	\$ 16,132	\$ 15,768	\$ 15,489	\$ 15,329
Non-qualifying goodwill and intangibles <sup>(3)</sup>	(4,911)	(4,923)	(4,922)	(4,933)	(4,946)
Adjustments, including all components of accumulated other comprehensive income, disallowed deferred tax assets, threshold deductions and other adjustments	(96)	61	130	244	291
Preferred stock (GAAP)	(920)	(442)	(450)	(458)	(466)
Basel III common equity Tier 1 (non-GAAP)	<b>H \$ 11,102</b>	<b>\$ 10,828</b>	<b>\$ 10,526</b>	<b>\$ 10,342</b>	<b>\$ 10,208</b>
Basel III risk-weighted assets (non-GAAP) <sup>(4)</sup>	<b>I \$ 100,904</b>	<b>\$ 100,566</b>	<b>\$ 99,483</b>	<b>\$ 99,739</b>	<b>\$ 99,048</b>
Basel III common equity Tier 1 ratio (non-GAAP)	<b>H/I 11.0%</b>	<b>10.8%</b>	<b>10.6%</b>	<b>10.4%</b>	<b>10.3%</b>

(1) Annualized

(2) Current quarter amounts and the resulting ratio are estimated.

(3) Under Basel III, regulatory capital must be reduced by purchased credit card relationship intangible assets. These assets are partially allowed in Basel I capital.

(4) Regions continues to develop systems and internal controls to precisely calculate risk-weighted assets as required by Basel III. The amount included above is a reasonable approximation, based on our understanding of the requirements.

**Regions Financial Corporation and Subsidiaries**  
**Financial Supplement to Second Quarter 2014 Earnings Release**

**Statements of Discontinued Operations (unaudited)**

On January 11, 2012, Regions entered into a stock purchase agreement to sell Morgan Keegan and Company, Inc. and related affiliates to Raymond James Financial Inc. The sale was closed on April 2, 2012. Regions Investment Management, Inc. (formerly known as Morgan Asset Management, Inc.) and Regions Trust were not included in the sale. In connection with the agreement, the results of the entities sold are reported as discontinued operations. The following table represents the unaudited condensed results of operations for discontinued operations.

	Quarter Ended				
	6/30/2014	3/31/2014	12/31/2013	9/30/2013	6/30/2013
<i>(\$ amounts in millions, except per share data)</i>					
Non-interest expense:					
Professional and legal fees	\$ (3)	\$ (19)	\$ 24	\$ 3	\$ 1
Other	1	—	1	(2)	1
Total non-interest expense	(2)	(19)	25	1	2
Income (loss) from discontinued operations before income tax	2	19	(25)	(1)	(2)
Income tax expense (benefit)	1	7	(11)	(1)	(1)
Income (loss) from discontinued operations, net of tax	\$ 1	\$ 12	\$ (14)	\$ —	\$ (1)
Weighted-average shares outstanding—during quarter <sup>(1)</sup> :					
Basic	1,378	1,378	1,378	1,388	1,401
Diluted	1,390	1,390	1,378	1,388	1,401
Earnings (loss) per common share from discontinued operations:					
Basic	\$ 0.00	\$ 0.01	\$ (0.01)	\$ (0.00)	\$ (0.00)
Diluted	\$ 0.00	\$ 0.01	\$ (0.01)	\$ (0.00)	\$ (0.00)

(1) In a quarter where there is a loss from discontinued operations, basic and diluted weighted-average common shares outstanding are the same.

### Forward-Looking Statements

This release 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. 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. These risks, uncertainties and other factors include, but are not limited to, 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 reduction of economic growth.
- Possible changes in trade, monetary and fiscal policies of, and other activities undertaken by, governments, agencies, central banks and similar organizations.
- The effects of a possible downgrade in the U.S. government's sovereign credit rating or outlook.
- Possible changes in market interest rates.
- 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.
- Changes in the speed of loan prepayments, loan origination and sale volumes, charge-offs, loan loss provisions or actual loan 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.
- Our ability to develop and gain acceptance from current and prospective customers for new products and services in a timely manner.
- Changes in laws and regulations affecting our businesses, including changes in the enforcement and interpretation of such laws and regulations by applicable governmental and self-regulatory agencies.
- Our ability to obtain regulatory approval (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 issue or redeem preferred stock or other regulatory capital instruments.
- Our ability to comply with applicable capital and liquidity requirements (including the finalized Basel III capital standards), including our ability to generate capital internally or raise capital on favorable terms.
- The costs and other 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.
- Any adverse change to our ability to collect interchange fees in a profitable manner, whether such change is the result of regulation, legislation or other governmental action.
- 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.
- Possible changes in consumer and business spending and saving habits and the related effect on our ability to increase assets and to attract deposits.
- Any inaccurate or incomplete information provided to us by our customers or counterparties.
- Inability of our framework to manage risks associated with our business, including operational risk and credit risk.
- 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.
- The effects of man-made and natural disasters, including fires, floods, droughts, tornadoes, hurricanes and environmental damage.
- Our ability to keep pace with technological changes.
- Our ability to identify and address cyber-security risks such as data security breaches, "denial of service" attacks, "hacking" and identity theft.
- Possible downgrades in our credit ratings or outlook.
- The effects of problems encountered by other financial institutions that adversely affect us or the banking industry generally.
- The effects of the failure of any component of our business infrastructure which is provided by a third party.
- Our ability to receive dividends from our subsidiaries.
- Changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board or other regulatory agencies.
- The effects of any damage to our reputation resulting from developments related to any of the items identified above.

The foregoing list of factors is not exhaustive. For discussion of these and other factors that may cause actual results to differ from expectations, look under the captions "Forward-Looking Statements" and "Risk Factors" of Regions' Annual Report on Form 10-K for the year ended December 31, 2013, as filed with the Securities and Exchange Commission.

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. You should not place undue reliance on any forward-looking statements, which speak only as of the date made. We assume no obligation to update or revise any forward-looking statements that are made from time to time.

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