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MANAGEMENT DISCUSSION SECTION

Ryan M. Nash
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All right. Up next we have Regions Financial. Over the past year, Regions has begun to execute on its three-year strategic plan to improve EPS growth, efficiency and its ROATCE through diversifying and growing revenues, managing expenses and deploying capital.

Here to tell us what lies ahead for 2017 is Chairman and CEO, Grayson Hall.

With that, I'm going to turn it over to, Grayson.

O. B. Grayson Hall
Chairman, President & Chief Executive Officer, Regions Financial Corp.

Thank you, Ryan, and good morning, everyone. We certainly appreciate the opportunity to present today at the Goldman Sachs U.S. Financial Services Conference. With me today are David Turner, our Chief Financial Officer; Deron Smithy, our Treasurer; and Dana Nolan our Director of Investor Relations.

Before we get started, let me remind you that our disclosure related to forward-looking statements is located in the appendix of the presentation. Let's take just a brief moment to look at our markets. Regions has a 15-state footprint serving customers across the south, the Midwest and Texas. Our core markets are highlighted and these are high market share states that make up approximately 78% of our total deposits.

The low cost deposit base across these core markets is one of the primary strengths of our franchise. These low cost deposits provide funding for loan growth and other densely populated high growth markets. Some of these high growth markets include Atlanta, Houston, St. Louis, Charlotte and Dallas which we consider to be priority markets for our strategy.

Banking at its core is a commodity business in so many ways and how we deliver products and services ultimately separate us from our competition and provide us the opportunity for strategic advantage. If you look at the culture inside our company, we have embraced a concept called shared values where we deliver value to our customers, to our communities, to our teammates and to our shareholders. Banking at its core is a people business. It's relationship banking and our bankers operate as one team, identifying and understanding customer needs and goals and then provide the best solution that meet their needs to achieve their financial goals.

And finally, we operate in some of the most attractive markets in the Southeast and the Midwest. These include great communities and markets to conduct business and present a compelling growth opportunity for our company. It's critically important that we leverage these unique strengths and execute with a disciplined approach to both financial and risk management.

We believe our culture sets us apart, and we're very proud of this when it's recognized by third parties. Regions recently received the Gallup Great Workplace Award which illustrates and underscores our strategy to build the best team. It is working, and our associates are some of the most engaged in the industry. Also, the Reputation Institute along with American Banker Magazine recently ranked Regions as the most reputable U.S. bank overall, and for the second consecutive year, the most reputable among customers.

Shifting to the current operating environment with respect to growth, we expect modest to top-line GDP growth. We do see both upsides and downside risks related to fiscal and regulatory policy changes. However, our current view is tilted more to the upside. Specifically, corporate tax reform could spark business investment, long-term capital investment while downside risk includes potential disruptions to global trade. We continue to see growing competition from outside their traditional commercial banking system.

Our overall view on credit performance remains stable, but there are some signs of stress remaining in certain segments. And of course, cybersecurity remains one of the most important issues in our industry as well as to our customers and trust in the systems and the processes that we provide are critically important.

Moving to performance, last fall at Investors Day, we committed to growing and diversifying our revenue streams. Compared to the prior year, we're on track, not only to increase total revenue, but also to improve the mix of revenue by increasing the contribution from non-interest income.

From a balance sheet perspective, our balance sheet remains naturally asset-sensitive. We are primarily core deposit funded and our asset sensitivity remains intact and under a range of deposit pricing scenarios. We remain well-positioned to benefit from a rising rate environment.

From a deposit perspective, we believe our deposits provide us with a unique competitive advantage. Low cost deposits represent 92% of our total deposits and deposit costs remain at historically low levels at 12 basis points. If you look at the break-out by segment, you'll see that just under 60% of our deposits are consumer deposits, further reflecting the strength of our retail franchise and overall health of our customers.

Our historical deposit beta has been approximately 54%, one of the lowest in our peer group. Assuming meaningful rate increases over a full tightening cycle, our current pro forma for deposit betas is 60%. The pro forma is built on conservative assumptions. As such, we believe there's an opportunity for us to outperform.

With respect to non-interest income through the first nine months, we have growth adjusted non-interest income by more than 9%. We've accomplished this growth by increasing checking accounts in households, increasing active debit and credit cards and transactions thereof, expanding our capital markets capability, increasing mortgage servicing portfolios, and through growth in wealth management income, including assets under management.

Additionally, we remain committed to improving efficiencies. We've announced plans to eliminate $400 million of core expenses through 2019, which represents just under 12% of our adjusted 2015 expense base. We're also committed to pulling forward savings where it's prudent to do so. This elimination includes operational efficiencies, branch and real estate optimization. And finally, we continue to evaluate opportunities to reduce third-party discretionary expenses.

Additionally, we continue to leverage technology and innovation and other Lean Six Sigma principles to re-engineer processes across the organization. These initiatives have led to both cost reduction, as well as revenue improvements, and lastly, improvements in customer service and customer satisfaction.

Let's take a look at these investments, these cost saves we're funding. The list on the left represents investments we've made to grow and diversify our revenue. It includes our partnerships with GreenSky and Avant. We're also seeing opportunities to invest and to expand additional point-of-sale lending opportunities. We've purchased the rights to service additional mortgage loans and have increased our number of mortgage bankers.

We're also investing to expand our home loan direct mortgage channel. We've invested in technology, including building out the intelligence necessary to effectively meet needs across channels and to improve our service integration.

We've added platform associates, financial consultants and corporate bankers, and we've invested in bolt-on incremental acquisitions like BlackArch and recently announced acquisition of the affordable housing syndication capabilities from First Sterling. This is all in an effort to better meet the needs of our customers. Importantly, through September, we generated 3% positive operating leverage on an adjusted basis.

Today, risk management is central to our identity and to our culture. Every associate is considered a risk manager and is expected to and accountable for working together as one committed team. Risk management is fully integrated in our strategic planning process, and we believe that balance and diversity of our revenue streams on our balance sheet is key to the prudent credit risk management process.

Looking at expectations for 2016, while loan and deposit growth was modified, during the year, we remain on track to meet our performance targets. Regions' capital levels remain at the top quartile of our peer group. Our capital deployment priorities remain unchanged. First and foremost, we are focused on prudent organic growth. Secondly, we continue to evaluate certain incremental strategic investments that provide revenue growth opportunities at a low-risk profile. And we also continue to maintain an appropriate level of shareholder return through dividends and share repurchases.

We laid out three long-term targets last year. These included the annual adjusted EPS growth of 12% to 15% by 2018, an adjusted efficiency ratio of less than 60%, and adjusted return on average tangible common equity ratio of12% to 14%, all of these by 2018. We remain committed to these long-term targets and believe we are on track to achieve them.

Total shareholder return is an important metric that we follow. This slide represents our relative performance against peers on a year-to-date basis, one-year and five-year basis as well. In all three scenarios, Regions has performed in the top quartile of our peers.

Now turning to 2017 expectations for a moment, the underlying assumptions supporting these expectations include GDP growth of 2% to 2.5% and we used the market forward interest rate curves as of November 10. For 2017, we expect full-year average loan and deposit growth in the low single digits, net interest income of 2% to 4%, adjusted non-interest income growth of 3% to 5%, adjusted non-interest expense growth of zero to 1% with a full year efficiency ratio of approximately 62%, adjusted operating leverage of 2% to 4%, and net charge-offs between 35 to 50 basis points.

In wrapping up, we remain committed to these three strategic initiatives which are integral to our success. They are, growing and diversifying revenues, disciplined expense management, and effectively deploying our capital. Importantly, we're executing on these strategic initiatives. We think about growing and diversifying revenue. We continue to focus on making the necessary investments to continue to grow revenues through expanded products and service offerings across our geographies.

And secondly, we remain disciplined in managing expenses. We want to control what we can control. We're still making prudent investments that have a fast return of payment. But we are well underway in our plan to eliminate $400 million of expenses through 2019, and importantly, our team remains committed to generating positive operating leverage.

And finally, we continue to focus on effectively deploying our capital. We believe that our capital position and the allocation thereof is sufficient to support organic growth, certain strategic opportunities and appropriate return of capital to our shareholders.

And with that, I'll stop. David Turner, Deron Smithy, and I'll be glad to answer your questions. Thank you.

QUESTION AND ANSWER SECTION

Ryan M. Nash Q
Analyst, Goldman Sachs & Co.

Thanks, Grayson. Maybe I'll kick it off. One of the things we were talking about last night at dinner is that when you put together your outlook, a lot of the budgeting and planning had been done prior to the election, and when we think about expectations for growth, Grayson, I know it's still early days, but as you've gone out and talked to CEOs of your clients, are you sensing that corporate confidence is improving? What do you think this could mean for middle market and small business growth over the next 18 to 24 months?

O. B. Grayson Hall A
Chairman, President & Chief Executive Officer, Regions Financial Corp.

Yeah. I mean, I do think that when you look at our strategic and planning process, we use a three-year process that continues to be refreshed and updated on an annual basis. We look at it, monitor it and alter it throughout the year, but really go through a very thorough process sort of in the third quarter timeframe. And when you look at the process we went through this year and the amount of change that has occurred since that time, it's been fairly phenomenal.

And the market reaction over the past few weeks and what the resulting impact has been on interest rate expectations and financial equity valuations in particular, it's been a pretty monumental shift in the last few weeks. That being said, what we've tried to do is to remain focused one executing our plans and reacting when things actually do occur. We've seen a pretty good shift in interest rates, and I'll ask Deron to speak about that briefly.

We're encouraged by the prospects of more change in our industry and more growth in our economy, and growth in our economy would be the most important turn for our business. But at this point in time, we're optimistic about 2017. But we are, if you will, conservative by nature, and we're going to wait to see when this actually occurs.

Ryan M. Nash
Analyst, Goldman Sachs & Co.

Q

One of the things you mentioned, Grayson, was you're encouraged for the potential for more change. And, I think one of the reasons why we've seen equity valuations go up a lot, in addition to interest rates, I think there is encouragement that we could see more things changing on the regulatory front. As you look across everything that's been put in place for the past few years, what would be a handful of maybe two to three things that you would be encouraged if we were to see more change happen on the regulatory front?

O. B. Grayson Hall
Chairman, President & Chief Executive Officer, Regions Financial Corp.

A

Well, I think, a lot of the changes we've seen have been very good. I think that, today, we've got one of the – probably the strongest financial system in the world and as an industry, and we continue to see the strength and stability of the financial system in the United States as a real strength to the country and a strength to the economy. We play an important role in supporting our economies and helping our economies grow. I do think that we had already seen real change in tone as it relates to regulation preceding it – prior to the last few weeks in terms of tailoring regulation more for the size and complexity of the financial institution. We're encouraged when we have more opportunity to more flexibility and discretion to manage our business and to help our customers meet their needs. Specific regulations, I'm going to leave to – I'm going to leave to those folks who are in charge of that, but I think that – I think just the tone around the economy, the tone around trying to use the systems and controls and processes we put in place, to use those with more flexibility and discretion, I think is a good thing.

Ryan M. Nash
Analyst, Goldman Sachs & Co.

Q

Got it. Maybe we'll switch to the impact of rising interest rates [ph] or (16:31) I don't want David to think he's going to get away without answering some questions up here, David and Deron. You've laid out the expectations for 2% to 4% NII growth. Can you – we can clearly see that you're assuming a rate hike in December and then not much thereafter. But can you talk about the underlying expectations in the difference between, the 2% to 4% range? What are you guys assuming for deposit betas and what happens to the deposit base? Maybe you can talk to some of those dynamics.

David J. Turner, Jr.
Chief Financial Officer & Senior Executive Vice President, Regions Financial Corp.

A

Sure. I'll start and I'll let Deron kind of wrap up, but – so we still have, as Grayson mentioned in his prepared comments, a still muted GDP in the 2% to 2.5% range. Clearly, if we have better balance sheet growth, because GDP is better than that would be an element that would get us to the higher end of that range. We also used the November 10 interest rate curve, the forward curve, and we just picked one, so you know what we're leveraging off of. You can game plan that all you want. But rates move pretty rapidly here over the past few weeks and the concern was it can move back to the other way.

So if it does go back the other way, you would [ph] tend to see to be at the lower end. If it holds, you'd have a tendency (17:53) loan growth bandwidth we forecast too, would be at the higher end of that. We do have our deposit betas baked in, starting around 40%. Terminal value, as you noted in Grayson's slide of [ph] 60% (18:08) So that's really the primary toggle points.

Deron, do you want to add anything to that?

Deron Smithy
Executive Vice President and Treasurer, Regions Financial Corp.

A

No, I think that's – that frames it up well. We tried to give a range that we thought was fairly balanced there. Obviously, a couple of big drivers, the shape of the curve, certainly with the curve steepening over the last several weeks, that's beneficial to us.

That drives us toward the upper end of that range, if it holds. But also, as David mentioned, deposit rates, deposit rates have been relatively stable thus far with the [ph] Federal raise (18:43) last December. Our guidance is given around the possibility that rates may need to be more reactive here in the near term.

But if they are more reactive, then we're probably at the lower end of that range. But as David mentioned, if deposit rates remain relatively stable and we maintain the current rate levels, we think we're – we can deliver the upper end of that range.

And then if we get a more robust economy and slightly higher GDP growth and all those other factors hold, there's the opportunity to potentially outperform that modestly, but I think the rate curve and deposit beta is going to be a big driver.

Ryan M. Nash
Analyst, Goldman Sachs & Co.

Q

Deron, last night at dinner, you were talking about how [ph] 250 basis points to 275 basis points on (19:33) the 10 year is kind of the sweet spot for you guys. Can you talk through the dynamics of why that's the case just given that a lot of your rate sensitivity seems to not – doesn't necessarily come from the short end versus a lot of others that it does?

Deron Smithy
Executive Vice President and Treasurer, Regions Financial Corp.

A

Yeah. So as we've laid out our sensitivity, roughly two-thirds of it currently are at, call it, rate levels closer to, well, say, 10-year at 2%. Two-thirds of our sensitivity would come from rates moving higher and the long end of the curve moving higher. Over time, what happens is the securities portfolio, the mortgage rates underlying those securities as rates push higher, and I would say, it's in the [ph] 250 basis points to 275 basis points (20:14) range. Those loans are no longer really incentivized to refinance. And so, the big driver is we purchased those bonds at premiums and as those bonds refinance, we have to expense their premium. But when we get to a market level of interest rates for mortgages, that's fair [indiscernible] (20:35) with the mortgages that are on our books, prepay slow down, cash flows extend, and we see that as a benefit to the securities yield.

Ryan M. Nash
Analyst, Goldman Sachs & Co.

Q

Got it. Maybe for Grayson and David, I mean, clearly, the market is enthusiastic about the potential outlook for revenues across the industry. One thing that you guys laid out at the Investor Day last year was $300 million of expense reduction, you increased that to $400 million, almost 12% of the expense base. Can you talk about how you see the expense base evolving in the context, if we do get better revenues, does the 0% to 1% hold or could we see expenses go above that if the revenue environment is a little bit better?

O. B. Grayson Hall
Chairman, President & Chief Executive Officer, Regions Financial Corp.
A

So I think, clearly, that if the revenue – if the GDP outperforms next year in comparison to expectations, then obviously, it's going to be very beneficial for our industry and in particular, for our bank. But the conclusion we came to is that given our experiences over the past few years, cost efficiencies just needs to be a key part of how we operate. And so, irregardless of revenue streams, you're going to see still a very disciplined, very thoughtful approach to try and to continue to improve the efficiency of our organization. So I don't think revenue streams necessarily will relieve any of the pressure internally, it may relieve some of the pressure externally. But internally, we are committed to remaining disciplined around this issue.

David J. Turner, Jr.
Chief Financial Officer & Senior Executive Vice President, Regions Financial Corp.
A

Yeah. I would add that we have a roughly 63% efficiency ratio, we showed you the slide going to 62%, for the long term goal of being sub-60% and I think our industry is going to have to be in the 50s at some point. We have to get more efficient in how we deliver our products and services to our customers. So we're encouraged by the revenue side of the equation, but does not alleviate the desire for us to continue to work on that expense side as Grayson mentioned.

O. B. Grayson Hall
Chairman, President & Chief Executive Officer, Regions Financial Corp.
A

Ryan, all that being said is, if we see a more robust economy and we see opportunities to invest to make more – if it's a smart investment, we're going to make it even though it may cost us from an expense standpoint. But if still generates positive operating leverage and is a good long term strategic decision for us, then we're going to be compelled to look at it.

Ryan M. Nash
Analyst, Goldman Sachs & Co.
Q

One of the things, the outlook was, I think, in general, I think people would be excited about. I think one of the things that I got some questions on was the charge-off guidance of 35 basis points to 50 basis points. I guess, a two part question when I think about the guidance for the strategic plan, it was 25 basis points to 35 basis points, this is a little bit above. Can you talk about maybe how much of this is just residual potential from energy and

related industries? And then I guess related to that, given that you've reserved over 8% for energy, how do we think about the dynamic between charge-offs and provisions as we look ahead?

David J. Turner, Jr.
Chief Financial Officer & Senior Executive Vice President, Regions Financial Corp.
A

Yeah. So we had the range last year 25 basis points to 35 basis points as you mentioned. We've done some things on the balance sheet through a point-of-sale consumer offering that we have that has a tendency to have a higher charge-off rate. We get compensated for that. We had not – we had a little bit of accounting change during the year. We were recording that net, originally. We broke that out and grossed it up, so the charge-offs are actually in the 25 to 35 which pushed us to the upper end of that range – we're at about 32 basis points. So, that's a part of it. We believe that point-of-sale initiative will continue to expand into 2017. So, you'll see some growth from that. We clearly want to give you a range that we felt comfortable with.

We do have energy charge-offs as we changed during the year that pushed into 2017 in particular as it relates to oil field services. We do believe we have a reserve adequate to cover our inherent losses today, but we also acknowledge there's continued stress in oil field services, and so you should see some of that coming through charge-offs next year.

Now, your last part of that was to the extent charge-offs were at the upper end. The need to re-provide for those charge-offs lessens a bit, if they're related to energy – certain elements of energy. So, we got a lot of questions about how conservative we are. We're going to let you draw your own conclusion. But, we've given you a range we feel very comfortable that we should be able to operate in, given what we know about the economy and our balance sheet mix for the year.

O. B. Grayson Hall
Chairman, President & Chief Executive Officer, Regions Financial Corp.

A

But, I do think you need to bifurcate those charge-offs between consumer and business. And, on the consumer side to David's point, we're having a lot of success and generate consumer loan growth. A lot of that's in the unsecured point-of-sale market and it's inherently going to have larger losses.

But to David's point, we get paid for that, and we're encouraged by the financial performance for that part of the portfolio. And the consumer credit quality still appears very good, very stable and so we feel very good about the quality of that consumer portfolio but it will have inherently larger losses in an absolute dollar basis as that portfolio continues to grow.

The business portfolio, quite frankly, has been stable, but with specific stresses in certain markets as David mentioned, energy. We've said, all along that was going to take a while to play out; this turned out to be absolutely true. I think that still has a fairly long duration in terms of clearing up. Price stability in oil prices has been very helpful but it still got to play out.

Ryan M. Nash
Analyst, Goldman Sachs & Co.

Q

And to switch gears a little bit to talk about capital. You're buying back over [ph] $750 (27:09) million of stock over the next year or so. You're paying out close to 100%. Clearly, the stock price has gone up, so buying back shares is not as effective today as they were a month ago; that's a good problem to have.

I guess, as you think about returning capital, can you talk about your expectations moving forward, given what we've heard from Governor Tarullo's speech, given what we've seen from other banks across the industry, do you think we could see a step function change in moving towards that goal of getting the capital levels to something that starts with a nine as opposed to where it is today in the high 10?

David J. Turner, Jr.
Chief Financial Officer & Senior Executive Vice President, Regions Financial Corp.

A

Yes, I'll start and then, David can conclude. As I mentioned in my prepared remarks, when we think about capital allocation, first and foremost, we think about it in terms of supporting organic growth. That's our preferred way to allocate our capital. And we spent a lot of time over the last couple of years and in particular, this year, in really trying to enhance the way we look at allocating capital within our businesses and how those businesses are performing and making sure that we're allocating capital to the right businesses that we believe we can grow and have sustained success in.

And so, we're quite proud of the progress we've made in that regard, but organic growth has not been sufficient to consume the capital we've generated. Secondarily, we've looked at incremental bolt-on acquisitions that we think help us serve our customers better, provide increased revenue stream and do so at a risk appetite that we think is appropriate. Lastly, when we get to the end of that, when we still have capital that needs to be deployed, we'll be using dividends and share repurchases to return that to the shareholder.

We do think some of the recent commentary and some of the recent proposed rule changing will give us more flexibility and discretion to be able to address that issue, is one that we look at very, very diligently every quarter with our board and one that obviously, we go through the annual CCAR process to work through, and I think the improvements in that process have been constructive year-over-year and maybe more constructive this year than any 12-month period we've had. So, Dave...

David J. Turner, Jr.
Chief Financial Officer & Senior Executive Vice President, Regions Financial Corp.
A

Listen, I would say – you talked about our share price increasing has made our share buyback less effective. I would change your words a little bit, if I could. They've been just as effective. They've just been more expensive. And...

Ryan M. Nash
Analyst, Goldman Sachs & Co.
Q

Good problem to have.

David J. Turner, Jr.
Chief Financial Officer & Senior Executive Vice President, Regions Financial Corp.
A

And we're okay with that. We do believe, you saw the excess common equity that we have in our slide, and we've been working towards getting our Common Equity Tier 1 to that 9.5% range, and we'll do that over time, even though our stock price has gone up and they're a little more expensive; it's still the right thing for us to do.

That 9.5%, by the way, isn't just made up. We do a lot of work, starting with the 4.5% level. We add 2.5% buffer and then we look at the actual stresses that we have in our company, and we want to maintain capital with that included because it's preservation of that dividend and being able to have the dividend and not having it stopped because you breach some level is really important to us. So, it's incumbent upon us, right now with the stress in our balance sheet. 9.5% is the right Common Equity Tier 1.

As your stresses change, up or down, you have to change your 9.5%. There are certain stresses in our balance sheet today, we're working on; construction lending is particularly costly from a capital standpoint, so we're changing construction lending, investor real estate construction to more term to reduce the amount of stress. And if we do that, then our 9.5% becomes something lower. So, we will continue to do that right now though at 11% – roughly 11% Common Equity Tier 1. We have enough to do to get it to 9.5% over this period of time. And as we work towards that we're continually reassessing what we think we need to have.

Ryan M. Nash
Analyst, Goldman Sachs & Co.
Q

Grayson, I think you know [ph] what (31:37) the follow-up I'm going to ask is, we talked about this for a decent amount of time last night it's just at the theme of M&A. I think the industry is optimistic that we could see more M&A happening. The stock has gone from $7 all the way to the mid-$13, your currency has come back. Does that at all change the way you approach traditional bank M&A? I know you've done a handful of bolt-on acquisitions that have been incredibly successful. But how do you think about M&A as a tool to deploying capital, given where the stock is trading now, given where the regulatory environment looks like it's moving towards?

O. B. Grayson Hall
Chairman, President & Chief Executive Officer, Regions Financial Corp.

A

Well, I mean, first – we'd be the first to say we're very encouraged by how equity valuations have moved. We've traded at a discount to peers for some time and we closed that gap to a large degree over the last several weeks. But, still traded at a slight discount to a number of peers. And so, the mathematics of it all have improved, but quite frankly that's not our focus, right now. We still believe, given, where we're at in the cycle that our focus needs to be on organic growth. We've been spending a lot of time on non-bank bolt-on acquisitions.

And you should expect to see us continue to do that. I do think, there is lot of people in the market who think bank M&A may pick up over the next few months. We certainly are mindful of that and we watch that, but that's not our priority at the moment. And even if it were to become that, our focus would be on transactions that are small enough to be considered incremental and not pose risk for our organization. But, it's just not our focus at the moment.

Ryan M. Nash
Analyst, Goldman Sachs & Co.

Q

We have about two minutes left I'm going to see if there's any questions from the audience or else I could continue. All right, maybe I'll give you another one. If we look at the – put together all the expectations that were laid out, ballpark, it gets you to about a little above the 10% return on tangible common equity. David, can you maybe talk about the bridge from getting from 10% to the low ends of the 12% to 14% range? What do we need to see happen in terms of an economic backdrop and what do we need to see happen on the operational side?

David J. Turner, Jr.
Chief Financial Officer & Senior Executive Vice President, Regions Financial Corp.

A

Yeah. It's a great question. So, we've laid out what we think is a very doable plan over this period of time to end in 2018. We have to work – as we think about return on tangible common equity, we really need to work on the numerator, growing and diversifying revenue, managing the expense base and we proved we can do that. We just have to continue to execute that plan.

At the same time, we have to get the denominator, our equity base right-sized and that's through the organic growth that we've talked about, it's partially through the bolt-on acquisitions, dividends and then share repurchases. Share repurchases for 2017 are going to include for half the year, our existing CCAR that we filed last April that we're under; we'll have a new submission in this April and we will talk specifically what we're going to do.

But, we learned some things last year. Clearly, the removable or the qualitative piece is incrementally positive; looking at what some of our peers did in terms of – with those returns, but in terms of percentage of income. So, I think we're going to – we need to get our capital deployed or returned is kind of what the game plan is, so that we can get to that 9.5% because getting to 9.5% is critically important to getting the return on tangible common at 12% to 14%. So, you should expect to continue to see progress towards that, in particular as we get into the latter part of 2017 and 2018.

Ryan M. Nash
Analyst, Goldman Sachs & Co.

One last check, if there's any questions from the audience. If not, we will stop there.

O. B. Grayson Hall

Chairman, President & Chief Executive Officer, Regions Financial Corp.

Thank you.

Ryan M. Nash

Analyst, Goldman Sachs & Co.

All right, great. Please join us in thanking, Regions.