

# Resolution Plan for Covered Insured Depository Institution

## Public Section

# **Regions Bank**

Plan submission due date: December 31, 2014

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## Introduction

To promote financial stability, section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") requires that bank holding companies with total consolidated assets of \$50 billion or more and nonbank financial companies designated by the Financial Stability Oversight Council ("FSOC") for supervision by the Board of Governors of the Federal Reserve System (the "Board" or "Federal Reserve") periodically submit resolution plans to the Federal Reserve and the Federal Deposit Insurance Corporation ("FDIC"). Each plan must describe the company's strategy for rapid and orderly resolution in the event of material financial distress or failure of the company, and include both public and confidential sections.

Regions Financial Corporation (the "Parent"), a bank holding company with approximately \$118 billion in consolidated assets, is required to submit a resolution plan under the Dodd-Frank Act.

Regions Bank ("Regions Bank" or the "Bank"), is a wholly owned subsidiary of Regions Financial Corporation and represents the vast majority of all activity within the Parent. Regions Bank, with total assets of approximately \$117 billion, is a Covered Insured Depository Institution ("CIDI") required to submit a resolution plan. Regions Bank, the Parent's only Insured Depository Institution ("IDI") is a full-service institution providing traditional banking products and services, including wealth management, trust, mortgage banking, and insurance agency business. The Bank operates in 1,705 offices and has 2,029 ATMs across a 16 state geographic footprint: Alabama, Arkansas, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, South Carolina, Tennessee, Texas and Virginia.

The Parent and the Bank are collectively referred to as the Company (the "Company").

The Company has developed Resolution Plans for the Parent ("165(d) Plan") and the Bank ("IDI Plan") pursuant to the Federal Reserve and FDIC Joint Resolution Plan Rule ("Resolution Plan Rule") as required under Title I, Section 165 (d) of the Dodd-Frank Act, and the FDIC's Resolution Plan Rule for Covered Insured Depository Institutions ("IDI Rule"). The year of 2014 marks the Company's second submission of its Resolution Plans.

This Public Section provides insight into the Bank's businesses and processes and serves as a high-level overview of the IDI Plan.

Regions Bank has robust Capital, Liquidity and Contingency Funding Plans which detail the actions it would take to avoid failure by staying well-capitalized and well-funded in adverse scenarios. In the hypothetical and unlikely event that the Bank was in danger of failure, and its Capital, Liquidity and Contingency Funding Plans or a timely private sector alternative were not able to prevent such a failure or default, Regions Bank would be subject to the FDIC receivership process under the Federal Deposit Insurance Act (the "FDIA"). Upon failure of the Bank, the Parent would be subject to the U.S. Bankruptcy Code.

The Company's IDI Plan presents executable resolution strategies in the unlikely event of failure and create a roadmap to facilitate the orderly resolution of the Bank within a reasonable timeframe while preserving its franchise value, and with no cost to taxpayers.

## **A. The Names of Material Entities**

A "Material Entity" is a subsidiary or foreign office of the covered company that is significant to the activities of a critical operation or core business line

In determining which entities were Material Entities, consideration was given to several factors:

- Percent of total assets
- Percent of total net income
- Business purpose and mapping to core business lines and critical services
- Legal or regulatory requirements
- Impact on customer retention or growth

As of December 31, 2013, the Company consisted of a total of 54 legal entities. The Parent is a Delaware corporation and a bank holding company that has elected to be a financial holding company.

The Parent conducts its banking operations through the Bank, its only IDI. The Bank represents the vast majority of all activity and operations within the Company and contains 99.1% of its assets.

As of December 31, 2013, there were 38 subsidiary entities under Regions Bank. The Bank itself represents 97.6% of its consolidated assets. The remaining subsidiaries do not provide any essential function to the Bank's operations, and are considered non material for the purpose of Resolution Planning.

Therefore, the Bank is the only Material Entity for the IDI Plan.

## **B. Description of Core Business Lines**

### **Regions Bank's Functional Structure**

Regions Bank's organizational structure is uncomplicated, customer-centric and dynamic, designed to deliver on the Bank's mission and vision while remaining nimble enough to evolve as product, service and delivery channel needs change, as well as to protect the future value of the Company. This organizational approach requires teamwork, communication, clarity of vision and disciplined attention to regulatory compliance.

The primary objective of Regions Bank's structure is to enable the business to identify customers' needs and, based on those needs, connect its most skilled and knowledgeable bankers with customers. The Bank's structure takes advantage of its market presence and depends on teamwork connecting specialists, relationship managers and functional support teams to meet customers' needs with the best products, services and customer experience required while managing the Bank's human capital, financial performance and risks effectively. A bank-wide program (Regions360) aims to deepen customer relationships, create shared value and bring in the right partners to serve all customers' needs and financial goals, delivering one team, one bank, one Regions.

To deliver on this commitment, in 2013 Regions Bank's structural organization contained three geographic structures ("Geographic Structures") and three Business Group Structures. Regions Bank's three Geographic Structures are East, Mid-America and South. Its three Business Group Structures are Business, Consumer and Wealth.

### **Regions Bank's Geographic Organization**

Regions Bank's 16 state footprint is organized into three Geographic Structures - Mid-America, South and East - and delivers local banking services and products through the branch network associates, relationship managers and Consumer and Business oriented sales personnel.

Within the three Geographic Structures, there are 19 banking areas that are led by Area Presidents, which report up to Regional Presidents.

### **Business Groups**

Each of the three Business Group Structures - Business, Consumer and Wealth - contains businesses, channels and, in some cases, support services, described as follows:

- Business: the Business Services Group offers a range of products and services to commercial and business clients and is organized into the following businesses units:
  - Commercial Banking
  - Specialized Industries

- Regions Business Capital
- Real Estate Banking
- Capital Markets
- Treasury Management
- Business Banking

It also includes Business Services Administration, a support function shared by all businesses within the Group.

Products and Services offered by the Business Services Group are available in all three Geographic Structures. For the year ended December 31, 2013, the Business Services Group contributed \$705 million of net income.

- Consumer: represents the branch and ATM networks and offers consumer and small business banking products and services, including deposit products, mortgages, home equity lines and loans, credit cards, direct and indirect loans. These services are also provided through alternative channels such as the contact center, internet and mobile banking.

The Consumer Group Structure is divided into two groups: Consumer Services and Consumer Lending.

- The Consumer Services Group has the following businesses units:
  - Retail Consumer Banking
  - Branch Small Business
  - Now Banking
  - Credit Card

It also includes the following support areas: Branch Support & Branch/ATM Delivery, Cards and Payments, Contact Center, Corporate Marketing, Customer Insights and Analysis, Deposit Product Management, eBusiness Services, and Sales, Service and Performance Management.

- The Consumer Lending Group has two businesses units:
  - Mortgage
  - Indirect Auto Lending

In addition, it also houses the following support areas: Compliance, QC & HMDA Reporting; Mortgage Operations; Mortgage Production; Mortgage Servicing and Product Pricing & Secondary Marketing.

Products and Services offered by Consumer Services and Consumer Lending are available in all three Geographic Structures. For the year ended December 31, 2013, the Consumer Group contributed \$346 million of net income.

- Wealth: the Wealth Management Group represents wealth management products and service such as trust activities, commercial insurance and credit related products, and investment management. The Wealth Management Group's customers include individuals and institutional clients who desire services that include investment advice, assistance in managing assets, and estate planning.

### **Core Business Lines**

"Core Business Lines" means those business lines of the covered insured depository institution ("CIDI"), including associated operations, services, functions and support, that, in the view of the CIDI, upon failure would result in a material loss of revenue, profit or franchise value.

Regions Bank has determined that the Business Group and the Consumer Group are Core Business Lines for Resolution Planning purposes. The Wealth Group is an important Business Group Structure of Regions Bank, but for purposes of the Resolution Plan is not considered a Core Business Line based on an analysis of materiality and operational interdependencies.

## C. Consolidated Financial Information Regarding Assets, Liabilities, Capital and Major Funding Sources

### Financials

The following balance sheet summary is based on Regions Bank's Consolidated Report of Condition and Income, as filed with the FDIC on FFIEC Form 031 for year-end date of December 31, 2013.

#### Regions Bank and Subsidiaries - Balance Sheet December 31, 2013

Call Report - Dollars in Thousands

|  | <b>Regions Bank<br/>Consolidated<br/>(\$ in Thousands)</b> |
|--|--|
| <b>Assets:</b>                               |  |
| Cash and Noninterest-bearing Balances        | \$ 1,793,693   |
| Interest-bearing Balances                    | 3,610,049  |
| Securities Held-to-Maturity                  | 2,349,857  |
| Total Avail-for-sale - Fair Value            | 20,887,070   |
| Federal Funds Sold                           | —  |
| Sec. purch. under agree to resell            | —  |
| Loans & leases held for sale                 | 1,054,932  |
| Loans & leases, net Unearned Inc             | 74,616,999   |
| LESS: Allowance for Loan and Lease Loss      | <u>1,340,852</u>   |
| Loans & leases, net Unearned Inc & Allow     | 73,276,147   |
| Total Trading Assets                         | 517,050  |
| Premises and Fixed Assets                    | 2,208,316  |
| Other Real Estate - Total                    | 131,458  |
| Investments in unconsolidated subs - Total   | —  |
| Goodwill                                     | 4,242,336  |
| Other intangible assets                      | 575,858  |
| Total Other Assets                           | <u>5,961,784</u>   |
| Total Assets                                 | <u><u>\$ 116,608,550</u></u>                               |
| <b>Liabilities and Stockholders' Equity:</b> |  |
| Deposits: Domestic Offices                   | \$ 93,763,465  |
| Domestic Deposits: Noninterest-bearing       | 30,361,539   |
| Domestic Deposits: Interest-bearing          | 63,401,926   |
| Total Deps in Foreign Offices                | 218,277  |
| Foreign Deposits: Noninterest-bearing        | —  |
| Foreign Deposits: Interest-bearing           | 218,277  |
| Federal funds purchased                      | 10,860   |
| Securities sold                              | 2,170,893  |
| Total trading liabilities                    | —  |
| Other borrowed money                         | 1,142,544  |
| Subordinated Notes and Debentures            | 1,601,880  |
| Total Other Liabilities                      | <u>1,791,750</u>   |
| Total Liabilities                            | 100,699,669  |
| Perpetual Preferred Stock & Surplus          | —  |
| Common Stock                                 | 103  |
| Surplus                                      | 18,025,192   |
| Undivided Profits/Capital Reserves           | (1,797,172)  |
| Accumulated other comprehensive Inc          | (319,242)  |
| Other equity capital components              | —  |
| Total Bank Equity Capital                    | <u>15,908,881</u>  |
| Minority Interest in Subsidiaries            | —  |
| Total Equity Capital                         | <u>15,908,881</u>  |
| Total Liabs, Pref. Stck, & Equity Cap        | <u><u>\$ 116,608,550</u></u>                               |



## Capital Summary

### Regulatory Capital

Regions Bank is an Alabama state-chartered bank and a member of the Federal Reserve System. It is generally subject to supervision and examination by both the Board of Governors of the Federal Reserve System (“the Federal Reserve”) and the Alabama State Banking Department. Regions Bank is required to comply with applicable capital adequacy standards. Currently, the minimum guidelines to be considered well-capitalized for Tier 1 Leverage, Tier 1 Risk-based capital and Total Risk-based capital are 5.0 percent, 6.0 percent and 10.0 percent, respectively. To ensure that current and projected capital levels remain adequate relative to not only these well-capitalized thresholds but also internal limits, Regions Bank employs a robust capital planning process. Among other things, this process seeks continually to evaluate and challenge the adequacy of capital by identifying and aggregating risks from across the Bank to inform the creation of scenarios designed to stress the unique sensitivities of the Bank.

The following regulatory capital summary is based on Regions Bank’s Consolidated Report of Condition and Income, as filed with the FDIC on FFIEC Form 031 for year-end date of December 31, 2013.

### Regions Bank Regulatory Capital December 31, 2013

| <b>Regulatory Capital</b>   | <b>(\$ thousands)</b> |
|---|-----------------------|
| Total Bank Equity Capital   | \$ 15,908,881         |
| <i>LESS: Net unrealized gains (losses) on available-for-sale securities</i>   | (86,762)              |
| <i>LESS: Accumulated net gains (losses) on cash flow hedges and amounts recorded in AOCI resulting from the initial and subsequent application of FASB ASC 715-20 (former FASB Statement No. 158) to defined benefit postretirement plans</i> | (232,480)             |
| <i>LESS: Disallowed goodwill and other disallowed intangible assets</i>   | 4,232,313             |
| <i>LESS: Disallowed servicing assets and purchased credit card relationships</i>  | 30,650                |
| Tier 1 Capital  | 11,965,160            |
| Qualifying subordinated debt and redeemable preferred stock   | 1,168,120             |
| Allowance for loan and lease losses includible in Tier 2 capital  | 1,202,964             |
| Unrealized gains on available-for-sale equity securities includible in Tier 2 capital   | 5,183                 |
| Tier 2 Capital  | 2,376,267             |
| <b>Total Risk-Based Capital</b>   | <b>\$ 14,341,427</b>  |
| Average Total Assets  | \$ 116,187,007        |
| <i>Less: Disallowed Goodwill and Other Intangibles</i>  | 4,232,313             |
| <i>Less: Disallowed Servicing Assets, Purchased Credit Card Relationships and Deferred Taxes</i>  | 30,650                |
| <i>Other additions to (deductions from) assets for leverage capital purposes</i>  | 231,990               |
| <b>Average Total Assets for Leverage Capital Purposes</b>   | <b>\$ 112,156,034</b> |
| <b>Risk Weighted Assets</b>   | <b>\$ 96,020,933</b>  |
| <b>Capital Ratios</b>   |                       |
| Tier 1 Leverage   | 10.67%                |
| Tier 1 Risk-based Capital   | 12.46%                |
| Total Risk-based Capital  | 14.94%                |

## Major Funding Sources

Regions Bank maintains access to and utilizes diverse wholesale and non-wholesale funding sources. The Bank's primary source of funding is its deposits, which represented \$93.98 billion as of December 31, 2013.

Short-term borrowings used as a source of funding include Federal funds purchased, repurchase agreements and customer-related borrowings. Federal funds purchased and securities sold under agreements to repurchase used for funding purposes totaled \$2.17 billion as of December 31, 2013. The Bank's long-term borrowings consist primarily of FHLB borrowings, senior notes, subordinated notes and other long-term notes payable. Long-term borrowings totaled \$4.54 billion for the Bank as of December 31, 2013.

The Bank's liquidity management function ensures the availability of funds to finance assets while meeting obligations to debt holders and depositors in normal business conditions. In order to ensure an appropriate level of liquidity is maintained, the Bank performs specific procedures including scenario analysis and stress testing at the Bank and Parent affiliate levels. The securities portfolio is one of the Bank's primary sources of liquidity as are loan portfolio secured borrowings.

## **D. Description of Derivative Activities and Hedging Activities**

### **Balance Sheet Hedging**

Derivatives entered into by the Bank's Treasury group to manage interest rate risk and facilitate asset/liability management strategies are designated as hedging derivatives. Derivative financial instruments that qualify in a hedging relationship are classified, based on the exposure being hedged, as either fair value hedges or cash flow hedges. The Bank formally documents all hedging relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for entering into various hedging transactions. The Bank performs periodic assessments to determine whether the hedging relationship has been effective in offsetting changes in fair values or cash flows of hedged items as applicable, and whether the relationship is expected to continue to be effective in the future.

### **Mortgage Servicing Rights Hedging**

Additionally, the Treasury group manages the risk associated with hedging Regions Bank's mortgage servicing rights. The majority of hedge positions are via treasury futures, interest rate swaps and options, or to-be-announced mortgage backed securities ("TBA MBS"). TBA MBS are agreements to purchase mortgage backed securities ("MBS") at a regular forward settlement date. Regions Bank accounts for the mortgage servicing rights and the derivatives used to hedge them using fair market value.

The Secondary Marketing Division of the Consumer Lending Group, housed in the Bank, hedges the risk associated with mortgage pipeline origination by using a combination of mandatory forward commitments on MBS and purchased over-the-counter ("OTC") options on MBS. Mandatory forwards sales of MBS are the primary hedging vehicle for mortgage loan customer rate lock and closed loan positions.

### **Capital Markets Trading**

The Bank's Capital Markets group maintains a derivatives trading portfolio of interest rate and foreign exchange swaps, option contracts, futures and forward commitments used to meet the needs of its customers. The portfolio is used for Business Services client accommodation to help clients manage market risk incurred through the client's business; Capital Markets does not execute transactions with clients for the purpose of speculation. As part of the Bank's macro hedging strategy, separate derivative contracts are entered into to reduce overall market risk exposure. Capital Markets also provides customers with commodity hedging products. However, the commodity risk in this portfolio is directly match, rather than hedged with a macro hedging strategy. The Bank is subject to the credit risk of a counterparty that might fail to perform. The contracts in this portfolio do not qualify for hedge accounting and are marked-to-market through earnings and included in other assets and other liabilities.

## **E. Memberships in Material Payment, Clearing and Settlement Systems**

During 2013, the Bank engaged in cash and securities transactions across various payment, clearing and settlement systems ("PCS"s). Examples of these PCSs, including those material to Regions Bank, are described below.

- **Chicago Mercantile Exchange, Inc. ("CME")** provides clearing and settlement services for futures, options, and over-the-counter derivatives products. These clearing and settlement services are provided by the CME Clearing division of CME's wholly owned subsidiary, Chicago Mercantile Exchange Inc. CME Clearing confirms, clears and settles all CME Group trades.
- **The Depository Trust & Clearing Corporation** operates through 10 subsidiaries. Specifically, The Depository Trust Company is a central securities depository providing depository and book-entry services for eligible securities and other financial assets to its participants, which are principally banks and broker-dealers. The National Securities Clearing Corporation provides clearing, settlement, risk management, central counterparty services and a guarantee of completion for certain transactions for virtually all broker-to-broker trades involving equities, corporate and municipal debt, American depository receipts, exchange-traded funds and unit investment trusts. The Fixed Income Clearing Corporation ("FICC"), a U.S. securities clearing agency is owned by its users, including major banks, broker-dealers and other financial institutions. FICC operates two divisions, the Government Securities Division and the Mortgage-Backed Securities Division. Each division offers services to its own members pursuant to separate rules and procedures.
- **FedACH** is an electronic payment system providing ACH services and is owned and operated by the Federal Reserve. The ACH system exchanges batched debit and credit payments among business, consumer and government accounts. The system processes pre-authorized recurring payments and non-recurring payments.
- **FedWire Funds Service** is a wire transfer service provider that is owned and operated by the Federal Reserve. Fedwire Funds Service is a real-time gross settlement system. Payments are continuously settled on an individual, order-by-order basis without netting.
- **First Data Star Network** is a leading debit network in America providing PIN (Personal Identification Number) secured electronic debit transaction services.
- **LCH.Clearnet Ltd. ("LCH")** is incorporated under the laws of England and Wales. For U.K. regulatory purposes, LCH is a "recognized clearing house" under the Financial Services and Markets Act 2000. LCH also is a derivatives clearing organization in the U.S. and is subject to Commodity Futures Trading Commission rules and the U.S. Commodity Exchange Act. LCH is a wholly-owned subsidiary of LCH.Clearnet Group Limited. The group is currently majority-owned by its users.

- **MasterCard International** is a multi-national electronic payments technology company that connects consumers, businesses, banks and governments.
- **Shazam** is a member owned debit network in America providing PIN (Personal Identification Number) secured electronic debit transactions services.
- **The Small Value Payments Company L.L.C. (“SVPCo”)** is the Check Image Exchange business of The Clearing House, providing check imaging, clearing and related services to financial institutions of all sizes. SVPCo distributes checks to other SVPCo members, including through an Image Payments Network that allows financial institutions to exchange images and share best practices amongst one another.
- **The Society for Worldwide Interbank Financial Telecommunication (“SWIFT”)** is an international messaging system used by Regions Bank to execute non-dollar settlement of foreign exchange deals.
- **Total System Services, Inc. (“TSYS”)** provides processing services and merchant payment-acceptance solutions including processing credit and debit card transactions.
- **Viewpointe Clearing, Settlement & Association Services, LLC (“Viewpointe”)** is a private sector clearinghouse that provides cloud-based information governance, check archive, end-to-end check image exchange, clearing and settlement and ACH association services.
- **Visa, Inc.** is a global payments technology company that connects consumers, businesses, banks and governments in more than 200 countries and territories, enabling them to use electronic payments instead of cash and checks.

## **F. Description of Foreign Operations**

Regions Bank's operations are primarily located in the United States and the Bank does not have any material foreign operations. The great majority of income, assets, and liabilities are related to the Bank's domestic operations.

## G. Material Supervisory Authorities

The following table details the material supervisory authorities for Regions Bank as of December 31, 2013:

| Regulatory/Supervisory Authority                      | Activities Regulated  |
|---|---|
| Federal Reserve Bank of Atlanta<br>Safety & Soundness | Safety and Soundness, Trust, Information Technology, Comprehensive Capital Analysis and Review (CCAR) and compliance with applicable laws and regulations         |
| Federal Reserve Bank of Atlanta<br>Consumer Division  | Community Reinvestment Act (CRA), Fair Housing Act (FHA), Servicemembers Civil Relief Act (SCRA), Home Mortgage Disclosure Act (HMDA), Flood insurance compliance |
| Board of Governors of the Federal Reserve System      | Safety and Soundness, Trust, Information Technology, CCAR, Community Reinvestment Act and compliance with applicable laws and regulations                         |
| Alabama State Banking Department                      | Safety and Soundness, Trust, Information Technology, and compliance with applicable laws and regulations.   |
| Federal Deposit Insurance Corporation (FDIC)          | Safety and Soundness, Trust, Information Technology and compliance applicable laws and regulations  |
| Consumer Financial Protection Bureau (CFPB)           | Federal consumer financial protection laws  |

Regions Bank is a member of the FDIC, and, as such, its deposits are insured by the FDIC to the extent provided by law. Regions Bank is an Alabama state-chartered bank and a member of the Federal Reserve System. It is generally subject to supervision and examination by both the Federal Reserve and the Alabama State Banking Department. The Federal Reserve and the Alabama State Banking Department regularly examine the operations of Regions Bank and are given authority to approve or disapprove mergers, acquisitions, consolidations, the establishment of branches and similar corporate actions.

Regions Bank is subject to numerous statutes and regulations that affect its business activities and operations, including various consumer protection laws and regulations. Depository institutions with assets exceeding \$10 billion, such as Regions Bank, their affiliates, and other “larger participants” in the markets for consumer financial services (as determined by the CFPB) are subject to direct supervision by the CFPB, including any applicable examination, enforcement and reporting requirements the CFPB may establish. As such, Regions Bank is also subject to supervision by the CFPB.

## H. Principal Officers

Executive Council members of Regions Financial Corporation and Regions Bank are described in the table below:

| <b>Principal Officers</b>     | <b>Position and Offices Held with Registrant and Subsidiaries</b>                                  | <b>Executive Officer Since</b> |
|-------------------------------|--|--------------------------------|
| O.B. Grayson Hall, Jr.        | Chairman, President and Chief Executive Officer, Regions and Regions Bank                          | 1993                           |
| Fournier J. "Boots" Gale, III | Senior Executive Vice President, General Counsel and Corporate Secretary, Regions and Regions Bank | 2011                           |
| C. Matthew Lusco              | Senior Executive Vice President and Chief Risk Officer, Regions and Regions Bank                   | 2011                           |
| John B. Owen                  | Senior Executive Vice President and Head of the General Bank, Regions and Regions Bank             | 2009                           |
| David J. Turner, Jr.          | Senior Executive Vice President and Chief Financial Officer, Regions and Regions Bank              | 2010                           |

As of December 31, 2014, there were no changes to the composition of the Executive Council of Regions Financial Corporation and Regions Bank.



## **I. Resolution Planning Corporate Governance**

Regions Bank's Corporate Governance Structure, established and approved by the Board of Directors, consists of committees, working groups, processes, and procedures that provide a framework by which the Bank is directed and controlled. The Resolution Planning governance is aligned with the Bank's Corporate Governance.

Ultimate authority and responsibility for Regions Bank's Resolution Plan rests with the Board of Directors. The Resolution Planning Executive Committee ("RPC"), an Executive Council Sponsored Committee, created in accordance with Region's Corporate Governance Structure, is delegated by the Board of Directors with Resolution Planning overseeing responsibilities.

RPC voting members are the Chief Risk Officer, Chief Financial Officer, General Counsel, Director of Market & Liquidity Risk and Corporate Treasurer. Also participating in the RPC are the Funding and Liquidity Manager, Resolution Planning Manager and Director of Internal Audit.

Under the RPC, an Oversight Group formed by executives of the business lines, support functions and geographies provides an additional level of control, at the appropriate hierarchical level. Its main function is to oversee Working Group's input and vet Plans prior to RPC's review. Members of the cross functional Working Group, high level managers and subject matter experts, are responsible to provide input, review, approve and certify their respective sections in the Plan.

The Resolution Planning Office ("RPO") is the engine to the Resolution Planning process, its function includes project management, and request, collection, revision and aggregation of input, as well as drafting of Plans. The RPO is a sub-committees that supports and reports up to the RPC.

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

Regions Bank has established that the RPO, led by the Director of Market & Liquidity Risk, is responsible for coordinating the development and evolution of future Resolution Plan submissions, ongoing review, revisions and maintenance of the plans as well as the execution of actions which address potential impediments to an orderly resolution.

The Board of Directors has reviewed and approved the final Resolution Plan.

## **J. Description of Material Management Information Systems**

The Company utilizes multiple management information systems and applications for risk management, accounting, financial, operational, and regulatory data generation and reporting. For resolution planning purposes, critical systems have been identified as including those required to maintain day-to-day business operations and compliance with regulatory requirements.

The Operations and Technology function supports the Company's systems to ensure that they are operational and support internal, regulatory and customer-facing business requirements.

The Company maintains appropriate policies, procedures, and organizational structure related to business continuity planning to ensure that the Company is able to provide essential business and technology services in the event of disasters and other business interruptions. The Company has established an experienced Business Continuity Management team to oversee its Business Continuity and Incident Response programs. The team works with all lines of business and their technology partners to implement the programs for developing, maintaining, and testing business continuity and disaster recovery plans. The plans are created using an all-hazards approach with flexibility for responding to incidents of varying types.

The Company employs a comprehensive Business Continuity Program that governs plan development, maintenance, training and testing. The Company conducts an annual impact analysis of business processes that provides the basis for plan development. Businesses develop and maintain plans to ensure continuance of critical and essential functions and conduct training and testing of these plans at least annually. Business Continuity Management periodically reviews these plans to ensure compliance with planning guidance and best practices.

## **K. High-Level Description of Resolution Strategy**

Pursuant to the IDI Rule, Resolution Plans must address strategies for a quick and orderly resolution of the Holding Company, Regions Financial Corporation, and its Covered Insured Depository Institution, Regions Bank, while avoiding systemic risk to the U.S. financial system and the broader U.S. economy.

The Company has developed strategies under the assumptions provided by the rules and supervisory guidance for the Resolution Plans, considering that an idiosyncratic event specific to Regions Bank led to the Bank's failure, and that this hypothetical failure may occur under the baseline, adverse or severely adverse macroeconomic conditions provided by the Board pursuant to 12 U.S.C. § 5365(i)(1)(B) for the purposes of the Company's Comprehensive Capital Analysis and Review ("CCAR") submitted on January 6, 2014.

Regions Bank maintains Capital, Liquidity and Contingency Funding Plans which detail the actions it would take to avoid failure by staying well-capitalized and well-funded in adverse scenarios. In the hypothetical and unlikely event that the Bank was in danger of failure, and Capital, Liquidity and Contingency Funding Plans or other timely private sector alternative were not able to prevent the default, Regions Bank would be subject to the FDIC receivership process under the FDIA.

Regions Bank's Resolution Plan presents resolution strategies for the FDIC to consider. The strategies were developed with the goal of maximizing value for the receiver, incurring the least cost to the FDIC's Deposit Insurance Fund, ensuring access to customers' insured deposits, mitigating risks, and limiting the loss of franchise value in a lengthy resolution process. The preferred strategy would be to maintain the Bank as a whole and execute a whole bank purchase and assumption. Alternatively, the receiver could sell and transfer ownership of the Bank in multiple transactions along the Bank's geographical alignment. Both options contemplate a delayed transaction(s) utilizing the FDIC's power to charter a bridge bank as an interim step to a sale to a third-party buyer or buyers.

Regions Bank represents a desirable target for purchase due to its geographic footprint, branch network, and strong deposit base. Selling Regions Bank as a whole should preserve franchise value and minimize disruption to local communities during a transition period.

Potential acquirers of Regions Bank include US-headquartered banks with complementary branch networks and service offerings looking to expand into Regions Bank's territory or deepen their presence through an attractive franchise acquisition. Also in consideration would be foreign-based global banking groups interested in entering the US market or expanding their US operations.