

Regions Corporate **SUSTAINABILITY REPORT**



2017

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Regions uses the Global Reporting Initiative (GRI) framework to provide transparent and comparable disclosure of our economic, environmental, and social impacts. This report references the GRI Standards (2016), as specified in the GRI Content Index. The 2017 Corporate Sustainability Report covers the period of January 1 through December 31, 2017. Any questions about this report should be directed to Limor Bernstock, Corporate Social Responsibility, limor.bernstock@regions.com.

This 2017 Corporate Sustainability Report should be read in conjunction with our 2017 Annual Report and 2018 Proxy Statement, both of which contain additional information about Regions. This report uses certain terms, including those that the Global Reporting Initiative guidelines refer to as “Material Topics,” to reflect the issues of greatest importance to Regions and our stakeholders. Used in this context, these terms should not be confused with terms, such as “material” or “materiality,” as defined by or construed in accordance with securities law or as used in the context of financial statements and financial reporting. Furthermore, any forward-looking statements contained in this report should not be unduly relied upon, as actual results could differ materially from expectations. For more information about such statements, please refer to the “Forward-Looking Statements” and “Risk Factors” sections of our Annual Report on Form 10-K for the year ended December 31, 2017, which can be found at <http://ir.regions.com/financials.cfm>.

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A Message

FROM OUR CHIEF EXECUTIVE OFFICER AND CHAIRMAN



We finished last year making good progress in areas that support our purpose to make a meaningful difference in the communities where we work and live. Our mission to make life better and create shared value for our stakeholders is built on a foundation of integrity, trust, respect, and empathy. More than 22,000 associates throughout our 15-state franchise come to work every day focused on putting our mission into action, as well as working and living according to our values:

- Put People First
- Do What is Right
- Focus on the Customer
- Reach Higher
- Enjoy Life

We have a clear, actionable strategic plan to grow value for our stakeholders: enhance our ability to serve the financial needs of our customers; create a high-performing and engaged team of associates; be actively involved in supporting our communities; and

deliver sustainable performance to shareholders. Last fall, we launched a customer-centric initiative called Simplify and Grow in support of our strategic plan. The goals of Simplify and Grow are to make banking easier for both our customers and the associates who serve them, and to build a sustainable organization focused on the long-term.

As part of our Simplify and Grow initiative, we are also strengthening our focus on the communities we serve. We simplified our organizational structure so that we have a closer connection with our customers and communities through market leaders.

While our organizational structure has changed, our commitment to the qualities that make our company great remain the same – creating a strong corporate culture and making investments that will benefit our associates, customers, and the communities we serve.

We are increasing the entry-level wage at Regions to \$15 an hour by the end of 2018 and are continuing to provide career paths and professional growth opportunities for our team. We are also increasing our efforts to make our workplace as diverse as our communities and inclusive for all, and have been recognized by Gallup as a Great Workplace for the third year in a row.

As you read the Sustainability Report, you will also find examples of how we serve customers and communities

fairly and responsibly. In 2017, we invested nearly \$2.9 billion in community development, including \$300 million in affordable housing. We also contributed \$40 million to our charitable foundation to support financial education, job training, economic development, and affordable housing, and increased our capital expenditure budget over the 2017 level by approximately \$100 million to support investments in facilities, technology, product innovation, and personalized service to meet customer needs.

We are also focusing on operating our company in an environmentally responsible manner, whether it is through making our branches and offices energy efficient or through investments in technology that allow our customers to bank at their convenience anywhere, quickly, and efficiently.

Thank you for your interest in our Sustainability Report and our company.

A handwritten signature in black ink that reads "Grayson Hall". The signature is fluid and cursive, with the first name being larger and more prominent than the last name.

Grayson Hall
Chief Executive Officer
and Chairman



REGIONS CORPORATE PROFILE

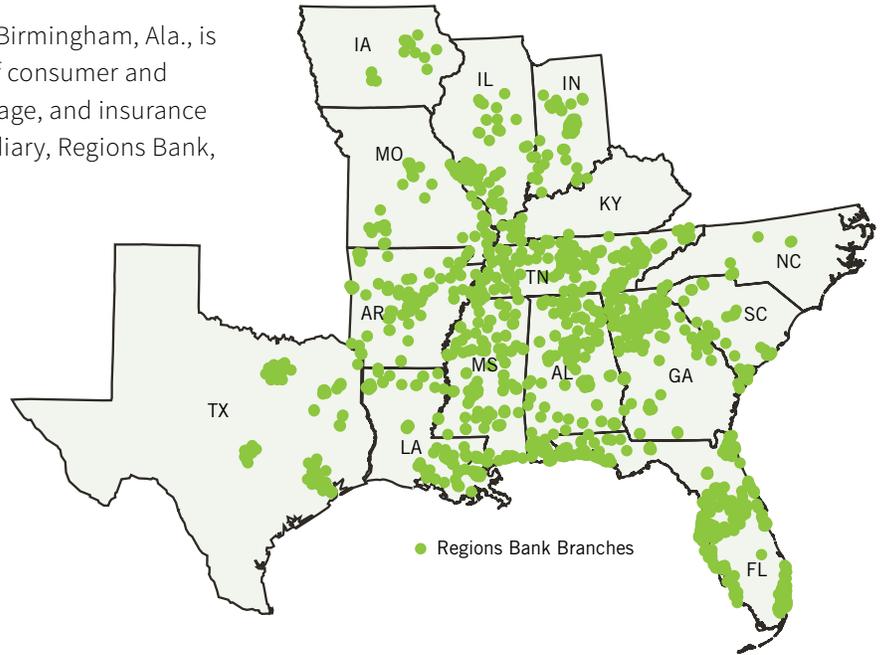
Regions Financial Corporation, headquartered in Birmingham, Ala., is one of the nation's largest full-service providers of consumer and commercial banking, wealth management, mortgage, and insurance products and services. Regions, through its subsidiary, Regions Bank, operates:

Approximately

1,500 branches

Approximately

1,900 ATMs



15 states across South, Midwest, and Texas

4.4 million customers served

43% of our customer low-cost deposits originate from customers who've banked with us more than 10 year

Full-time Equivalent Associates

21,714

Total Assets

\$124B

Average Loans

\$80B

Average Deposits

\$97B

*Note: All data as of Dec. 31, 2017.



CORPORATE VALUES AND CULTURE

Three foundational elements serve as the basis of our culture: our values, our mission, and our vision. We list them in this order for a reason — our values guide our day-to-day life, how we treat customers and each other, and expectations for how we operate. Our mission defines our corporate purpose and answers the question, “What do we want to accomplish when we work together?” And our vision is our aspiration, what we want the company to look like when we follow the values in service of our mission.



Values

At Regions, our values are not simply the values of a legal entity; they are values that encompass the ethics and commitment of our associates. Our values are a promise of how we will do business and serve as the measuring stick upon which to judge our behavior and results.

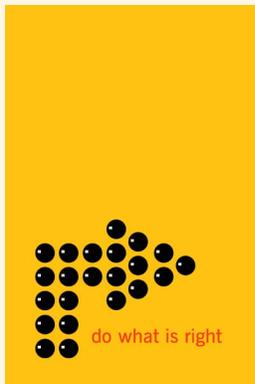


PUT PEOPLE FIRST

Have respect for every person. Listen. Care. Serve others before yourself. Build the best team. Be inclusive. Work as one team. Balance work in a full life. Lead humanely. Set the good example. And remember to say thank you.

DO WHAT IS RIGHT

Always. Be honest. Do what you say. Use common sense. Stand for quality and integrity. Take the long view. Earn trust. Be responsible and accountable.

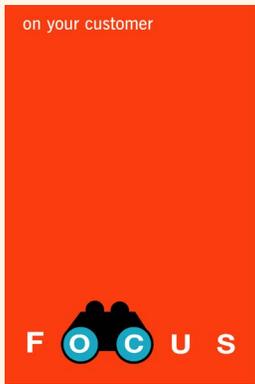


FOCUS ON YOUR CUSTOMER

Serving the customer as one team, in an exceptional way, is our business, our only business. Know your customer. Serve your customer. Be committed. Understand needs. Meet needs. Make your customer’s life better by what you do. Create shared value.

REACH HIGHER

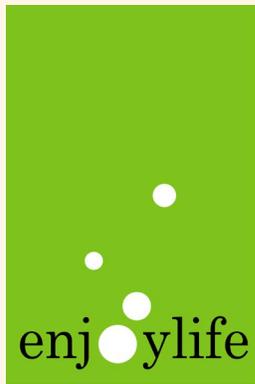
Grow. Our company must grow, and we must grow prudently. Raise the bar. Be energetic. Be



innovative. Achieve excellence. Improve continuously. Inspire and enable others. Succeed the right way. Improve efficiency and effectiveness.

ENJOY LIFE

Have fun. We are in the business of banking. But more importantly, we are in the business of life. Enjoy it. Laugh. Be creative. Celebrate. Recognize success.



Mission

Our mission is to achieve superior economic value for our shareholders over time by making life better for our customers, our associates, and our communities and creating shared value as we help them meet their financial goals and aspirations. We do this by providing competitive financial products, excellent service, and trusted financial advice.

Our mission is more than just a corporate tagline — it's at the center of every decision we make. It is the guiding principle behind the products we develop and the services we offer. It is the foundation for every customer relationship. The result is that we create shared value for the customers and the communities we serve.

Shared value is at the core of our mission and business strategy. It's a simple idea: what we do as a business should benefit our customers, company, and shareholders as well as the communities where we operate.

This is the path to sustainable business; it's how to make a decent profit in a decent way. The products and services we sell must be priced fairly so that they provide value to our customers and to the bank, while benefiting shareholders appropriately. And ultimately, the products and services we sell must benefit our communities because the company will only be as strong as the communities we serve.

Vision

Regions aims to be the premier regional financial institution in America through being deeply embedded in our communities, operating as one team with the highest integrity, providing unique and extraordinary service to all of our customers, and offering an unparalleled opportunity for professional growth for our associates.

Our vision statement is an aspiration. It clarifies what we do, where we do it, and how we will execute. This statement defines our future, and we can achieve it by

working as one team to focus on our communities and our customers, helping them succeed financially.

We do this by providing expert financial advice, guidance, and education to customers; building well-developed business plans that we execute with discipline; building on a foundation of integrity and trust; delivering excellent customer service and convenience; and offering associates the opportunity to grow professionally and be part of an outstanding team.

CORPORATE STRATEGY

Our values, mission, and vision complement each other and work together to guide our business strategy and strategic priorities, depicted in the Regions triangle. These priorities guide our day-to-day operations.

In the fall of 2017, we launched a new strategic priority, called Simplify and Grow. This initiative is focused on transforming how we approach our work through four key elements:

- Improving the customer experience
- Accelerating revenue growth
- Improving efficiency
- Offering a better associate experience

Additional information about our corporate strategy and Simplify and Grow is available on the [Investor Relations](#) section of our website.



ASSOCIATES

ASSOCIATE ENGAGEMENT

One of our strategic priorities is to Build the Best Team, which includes attracting, engaging, developing, and retaining talent aligned with Regions' culture. A fundamental component of building the best team is understanding what parts of our culture drive motivation and engagement. Engaged associates are our greatest resource, and the enthusiasm and dedication they bring to work every day makes life better for fellow associates, customers, our shareholders, and the communities we serve. Measuring engagement helps us understand how we can improve and strengthen our culture and fulfill our mission as a company.



Associate Engagement Survey

Every year, Regions works with Gallup Consulting to distribute an anonymous online Team-Associate Engagement Survey in order to measure engagement and analyze how it impacts our success. Associates answer questions to capture how they feel about their employment experience at Regions. Survey results are provided to managers, who then share them with their teams. From the survey results, each team identifies its unique sources of team engagement and disengagement. Teams use this information to develop Impact Plans focusing on two or three actions to improve their own engagement.

The annual survey provides important benchmarks about associate engagement, but it's through our leaders and their teams where the real work of engagement begins. Regions' leaders receive a variety of tools and resources to ensure their teams are engaged and what we learn from these efforts helps us understand how engagement impacts associates in different departments and roles, teamwork, and our overall performance.

Regions has been recognized for our efforts in engaging associates and building a strong culture through industry awards. In 2017, Regions received the Gallup Great Workplace Award for the third year in a row. This award recognizes organizations that embrace engagement and make it a fundamental foundation of their business.

Engagement by the Numbers

6 years of surveys

94%
average associate participation rate

30% increase in associate engagement rating over the last five years

3 Gallup Great Workplace Awards

2 Gallup Manager of the Year award finalists



Evergreen Week

Regions honors associates every September during Evergreen Week. Evergreen is a time when managers thank associates for their hard work and dedication, celebrate how associates work together to deliver the best results in the right way, and show appreciation for associates' unique talents and contributions to our company. Each year we develop a new Evergreen theme that guides the activities for the week. In 2017, our theme was Growing with Purpose, and we celebrated how what we do every day brings our purpose to life.

During Evergreen Week, in addition to a week full of fun teambuilding activities, we present associates with new Regions lapel pins at each five-year service milestone. In 2017 we honored 3,249 associates with new pins. All associates also receive an extra day of paid vacation, called an Evergreen Day, to use before the following year's Evergreen celebration.



Better Life Award

The Better Life Award is the top award given by Regions to associates for outstanding dedication to customers and the community, as well as job performance. Presented monthly to one associate who lives the company's mission, the Better Life Award recognizes someone who has gone beyond what is required to make life better for others.

All associates are eligible to nominate someone – or be nominated – for the award. Regions Chairman and Chief Executive Officer Grayson Hall honors recipients at the company's headquarters at a meeting broadcast to offices throughout our footprint. Recipients also receive an additional week of vacation and a \$1,000 donation in their name made to the nonprofit organization of their choice.

2017 Better Life Award Winners

EDWARD LUBEMBE



Better Life Award winner Edward Lubembe, a Branch Manager in Alabaster, Ala., was born in Kenya. To ensure Lubembe had a good life after the loss of his father when he was a young boy, his mother moved them to Alabama. As a tribute to his mother's hard work, Lubembe sits on the board of the Single Mothers Empowerment Conference, Inc., a Birmingham-based nonprofit that addresses issues that impact single mothers and their children. Regions donated \$1,000 to the organization on behalf of Lubembe.

JAMIE MOBLEY

Better Life Award winner Jamie Mobley, a Commercial Relationship Manager in Searcy, Ark., has a passion for helping working students and young professionals. She worked full-time as a teller at Regions while she earned her degree from Arkansas State University-Beebe. She was named the ASU-Beebe Alumnus of the Year in 2015 and now chairs the school's development council. Regions donated \$1,000 to ASU-Beebe on behalf of Mobley.



To read about other Better Life Award winners, see our [Doing More Today website](#).

Recruiting Talent

EMERGING TALENT: Our Emerging Talent Program focuses on localized, experiential development that includes progress points and ongoing enrichment activities designed to prepare individuals for future roles in our organization. Currently, the program is available for roles within Corporate Finance, Debt Products, Corporate Banking, Human Resources, Internal Audit, and Wealth Management.

VETERANS: Our active Military Recruiting Program offers career opportunities for veterans and military members seeking employment in the financial services industry. We also have customized recruitment efforts through military-focused career programs, on-base recruiting, and a military transition program.



BENEFITS

We believe that supporting our communities begins with our associates. We strive to make life better for associates by offering a benefits package that:

- **Promotes health and wellness.** We provide coverage to associates working at least 30 hours per week that is both comprehensive and affordable to associates and their families. Associate health insurance costs are progressively aligned with compensation so that entry-level associates pay the lowest possible out of pocket monthly premium. We also offer all of our associates wellness programs and incentives that encourage associates to make healthy choices.
- **Provides financial security in the event of disability or death.** Regions provides both life and disability insurance to all benefits-eligible associates.

- **Prepares associates for retirement.** Over 90 percent of Regions associates participate in our 401(k) Plan. For eligible associates who are not in the Regions Financial Corporation Retirement Plan (a combined benefit plan closed to new participants), we make an annual 2 percent contribution to their 401(k) Plan. We also match employee contributions up to 4 percent after one year of service.
- **Helps them balance their personal responsibilities and work life.** We provide a range of programs to help associates and their families get more out of life including an Employee Assistance Program, Associate Financial Fitness and Tuition Reimbursement programs, dependent scholarships, adoption assistance, down payment assistance, and a company match for eligible charitable contributions.

Additional information is available on our [benefits](#) and [careers](#) websites.

Entry-level Wage

In early 2018, we announced we will be investing in the lives of associates by raising our entry-level wage to \$15 an hour over the course of the year. Benefits of tax reform have allowed us to accelerate our plans to increase wages and make this investment in our associates sooner than we initially planned. This change will benefit approximately 25 percent of our workforce and represents an investment of more than \$20 million a year in our community economies.

TALENT AND PERFORMANCE MANAGEMENT

Regions' Talent Management Process assesses the strengths of Regions' talent pool and builds a leadership pipeline for the future. Through this process, Regions employs a consistent, integrated approach to talent identification and development, which includes talent review, succession planning, individual development planning, and business group talent planning. We use My Learning Site, our online training center, to monitor and measure human capital development, and create a customized learning plan for each associate.

In addition, all full- and part-time associates receive regular performance reviews through Regions Performance Management (RPM), our annual performance management process. RPM ensures associates know what is expected and how they contribute to our success, receive regular feedback, and are recognized for their performance.

Regions' Talent Management Process

Managers of talent participants engage in the following activities as part of Regions' Talent Management Process:

- **Talent Review:** Annual assessment of Regions' talent pool
- **Succession Planning:** Completion and ongoing maintenance of succession plans for all talent participants
- **Individual Development Planning:** Creation of and follow-through on formalized development plans for talent participants in critical roles and for their potential successors
- **Business Group Talent Planning:** Participation in the collective review of talent at the business group level
 - o Collective review and discussion of succession plans to ensure suitable bench strength
 - o Collective discussion of development plans for all potential successors identified for critical roles
 - o Creation of retention strategies for participants in key roles who are assessed as High Retention Risk
 - o Creation of strategies for sourcing external talent for critical roles with no identified internal successors



LEARNING AND DEVELOPMENT

Regions is dedicated to skill building and development for every associate. We understand that to build the best team, we must recruit and retain talent and assist associates with their development.

Professional Development Opportunities

As an extension of our strategic priority to Build the Best Team, we offer associates opportunities to grow professionally through training programs. Associates have the option to develop skills that will help them grow in their current role or prepare for other roles that may interest them. Our training programs are designed to enhance the talent levels of associates by delivering impactful, timely, and cost-effective learning solutions which contribute to building teams and the company's growth.

Programs that Support Talent Development and Succession Planning

	Targeted Leader	Skills Developed / Course Objectives
Leaders at All Levels 1	Individual contributors or managers identified through talent management conversations as having significant growth potential or clearly demonstrating the capacity for increased responsibility	Course content is built around our talent management competencies of business, organizational, and personal leadership, and includes components of self-awareness, business acumen, strengths based coaching, and leadership skills building.
Leaders at All Levels 2	Mid-level managers	A regional program composed of a series of highly interactive face-to-face workshops focusing on specific leadership behaviors that have been shown to differentiate performance. The program emphasizes behaviors aligned with executing our Regions360® approach, as well as behaviors critical for those identified as part of a succession plan. It is conducted through virtual learning and in-person sessions.
Leaders at All Levels 3	Senior-level managers who manage managers	An integrated leadership development solution based on Regions business practices and leadership competencies. It uses a blended learning approach incorporating measurable impacts. Participants are engaged in the process over nine months through a mix of seminars, real-time practice, coaching, action learning teams, and business acumen webinars.
Advanced Leadership Development Program	Executive-level managers	Course content includes top leadership instruction on topics such as strategy, innovation, and cultural leadership. The session also allows for increased alignment with Regions' effort to drive success through organizational priorities such as Regions360, performance management, service quality, enhanced risk management, and associate engagement.



In addition to our leadership development program, we work with universities and institutions to provide associates with additional learning and educational opportunities specific to their roles. These include:

- **Kennesaw State University:** Regions works with Kennesaw State to conduct Family Enterprise Advisor training. This training supports efforts to build the best bankers by equipping Relationship Managers and Wealth Advisors with skills enabling them to be distinctive in the family enterprise relationship. Family Enterprise Advisor is an element of Commercial Banking's advanced business acumen training.
- **Vanderbilt University:** Regions works with Vanderbilt on an

executive development training program for Client Advisors. The program is designed to provide senior sales professionals with knowledge, experience, and consultative skills that will make them better business partners to Regions' clients.

- **Samford University – Brock School of Business:** Regions works with the Brock School of Business to develop and deliver professional and technical skills training to Regions associates and managers.
- **Human Capital Institute (HCI):** Regions works with HCI to offer HCI Corporate Memberships to human resources professionals and business leaders. The memberships enable access to resources to: build deep expertise in key functional

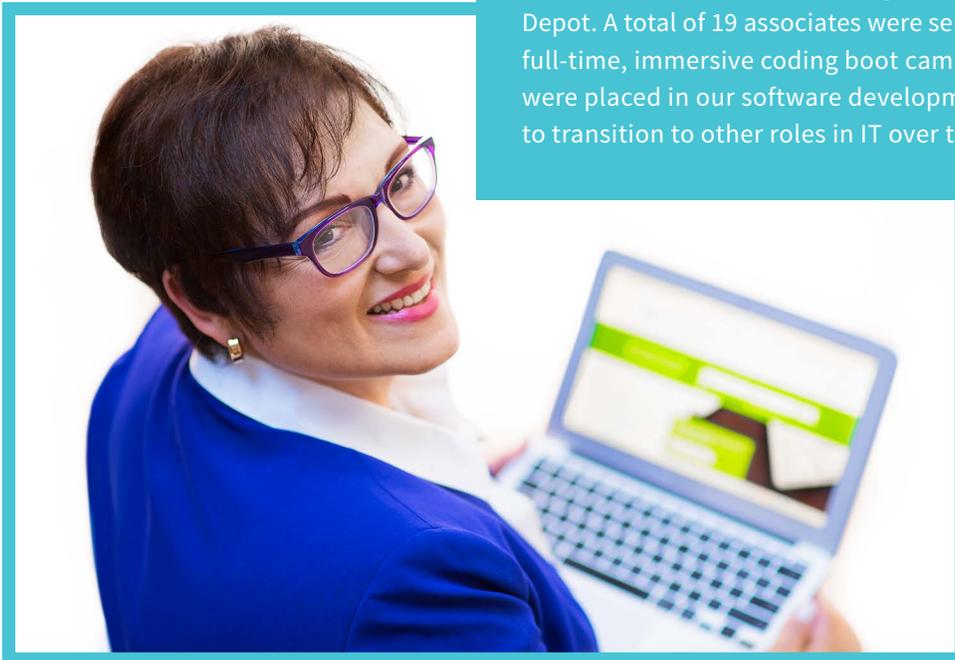
areas; expand knowledge and networks; stay on top of current trends; and gain fresh insights and learn about best practices.

- **Harvard ManageMentor®:** Regions provides associates access to ManageMentor, a premier on-demand learning and performance resource for leadership and management skill development.

We also offer a tuition reimbursement program, in which all associates are eligible for up to \$5,000 each year in reimbursement for business-related undergraduate degree programs. During 2017, 158 associates participated in Regions' Tuition Reimbursement Program and were reimbursed approximately \$420,000.

Information Technology Training

In 2017, Regions Information Technology continued a training program to provide a new career path for associates who desire to become IT professionals. Training was provided by Covalence (formerly known as Depot/U), a subsidiary of Birmingham-based business incubator Innovation Depot. A total of 19 associates were selected to participate in a 10-week, full-time, immersive coding boot camp. After the course, the participants were placed in our software development or testing groups and are able to transition to other roles in IT over time.



DIVERSITY AND INCLUSION

At Regions, diversity goes beyond race and gender to encompass age, ethnicity, veteran status, disability, sexual orientation, gender identity, religious beliefs, marital status, and other dimensions that make each of us unique. Our approach to diversity supports our overall business priorities and fosters an environment that values all individuals for the skills and talents they bring to the company. We believe our ability to be successful as a business is built on leveraging the diversity of our resources in terms of backgrounds, experiences, and ways of thinking.

Our diversity and inclusion efforts are supported by our directors, executive management, and associates, and are overseen by the Compensation and Human Resources Committee of the Board of Directors. We measure the effectiveness of our corporate diversity efforts through the Corporate Diversity Index. This internal management tool is used to measure, analyze, and assess our performance and is produced semi-annually.

We understand a diverse and inclusive workforce is essential for us to achieve our mission of making life better and our strategic priority of Building the Best Team. Our commitment is reinforced through our ongoing efforts to reflect, anticipate, and adapt to the changing demographics of the communities where we live and work.

Regions Diversity Network

The Regions Diversity Network is an association of leaders, including senior leadership, who work together to advance the company's comprehensive diversity and inclusion strategy. The Network — comprised of associates who work in areas and on matters that have a substantial impact on the company's diversity-related activities — provides a formal avenue to gather and distribute diversity-related

intelligence and improves the company's ability to identify diversity-related opportunities and risks. Through the Network, the organization's diversity practitioners meet monthly to share information and collaborate.

The Network's strategy focuses on seven broad categories:

- Diversity and inclusion leadership and strategy
- Marketplace diversity
- Supplier diversity
- Community outreach
- Employment
- Mortgage
- Charitable giving

To advance Regions' comprehensive diversity strategy, in December 2016 we expanded the Network and formed four pilot Chapters in the Midwest, Texas, and South Florida, and within the Consumer Lending group. Through the Chapters, leaders have an opportunity to gain new insight regarding diversity and inclusion matters on a local or business level and to provide feedback to the Network. We plan to form new Chapters throughout our footprint in 2018.



Regions Diversity Advisory Council

Regions' external Diversity Advisory Council is comprised of various academic, community, and business leaders and provides objective outside perspective and guidance on diversity-related matters. Specifically, the Council supports the company by:

- Offering advice, counsel, and feedback regarding the strategic direction of the bank's existing diversity and inclusion initiatives and programs
- Providing executive recruitment input as the organization continues to develop a diverse talent pipeline and associate base
- Enhancing Regions' brand by participating in targeted marketing efforts and diversity-focused business development

SPOTLIGHT

Texas Diversity Network Chapter

In its first full year, the Texas Diversity Network Chapter focused on improving associate retention, assisting in recruitment of talented, diverse individuals, and increasing awareness. The team launched a mentorship program where associates throughout the Texas footprint were paired with senior leaders. Feedback from this program was overwhelmingly positive, with both the mentees and mentors noting that they benefited and grew from this experience. Chapter members also engaged in job fairs, area chambers, and other organizations in an effort to attract talent and increase Regions' presence. The chapter also recognized current talent through its Diversity in Action monthly postings on the Texas area internal website.



Human Resources Diversity and Inclusion Efforts

This year, our HR Diversity and Inclusion (HR D&I) team created a HR Diversity Recruiting, Retention, and Development strategy. The purpose of this strategy is to integrate HR D&I resources, relationships, and initiatives into HR strategic delivery for impactful recruiting, development, and retention results. HR D&I's strategy focuses on the following:

- **Workforce Diversity:** Recruiting from a diverse, qualified group of potential applicants to develop a high-performing workforce drawn from all segments of society
- **Workplace Inclusion:** Cultivating a culture that encourages collaboration, flexibility, and fairness to enable associates to contribute to their full potential
- **Sustainability:** Developing strategies and processes to promote a workplace culture of diversity and inclusion where expectations of accountability are clearly articulated and leaders are equipped with the ability to manage diversity, measure results, and adjust and refine approaches based on collected data

How We Plan to Execute this Strategy

WORKFORCE DIVERSITY

- Analyze recruitment data for opportunities
- Ensure that student internship programs have diverse pipelines and that recruiting and outreach activities target a diverse group of candidates
- Develop strategic relationships with a diverse range of colleges and universities and community, professional, and affinity organizations

WORKPLACE INCLUSION

- Incorporate diversity into the succession planning process
- Promote diversity and inclusion in leadership development programs
- Ensure that work experiences, assignments, and opportunities that lead to advancement are accessible and available to a diverse group of associates

SUSTAINABILITY

- Analyze demographic, hiring, and promotion data to understand issues and challenges diverse associates face
- Oversee the design, implementation, and continuous improvement of HR D&I initiatives and practices to ensure processes and procedures are established, communicated, and consistent across the company

HR partners, as part of this strategy, develop action plans for their respective areas. These plans support the focus on workforce diversity and workplace inclusion by identifying areas of opportunities with recruiting, retention, and development while creating measurable goals and increasing accountability with HR and business group partners.

In addition, our HR teams continue to make a concentrated effort to attract diverse talent through various recruiting initiatives and collaborative efforts, such as INROADS, Hiring Our Heroes, State Rehabilitation Services, the National Black MBA Association, Historically Black Colleges and Universities, and other diverse professional and community organizations. HR teams also work closely with organizations to conduct job readiness presentations, mock interview sessions, and resume building workshops.

Diversity and Inclusion Training

We continue to integrate a diversity and inclusion segment into our Leaders at All Levels in-person training, one of our programs that supports our succession management plans. This workshop is intended to dispel the notion that diversity is strictly about race and is facilitated in a manner that encourages discussions among the participants in a psychologically safe environment. More than 300 associates attended these sessions in 2017. In addition, our Doing the Right Thing workshop has elements of diversity and is intended to create an engaged and inclusive environment. Over 1,000 associates attended this instructor-led training in 2017. We are also exploring opportunities to introduce additional leadership development workshops to associates in 2018 with a focus on leading diverse teams.



Human Rights Campaign

Regions is committed to making the bank a more inclusive workplace for all associates and was awarded a score of 95 percent on the 2018 Human Rights Campaign's Corporate Equality Index, a national benchmarking survey and report on corporate policies and practices related to LGBTQ workplace equality.



COMMUNITY

In 2017, Regions invested

\$2.96 billion
in community development

Including

\$468 million
in CRA-qualified community
development lending

\$317 million
in CRA-qualified community
development investments¹

\$6.6 million
in CRA-qualified community
development contributions

\$2.2 billion
in small business and small farm lending
involving 22,600 loans

¹Including support for affordable housing developments through Low Income Housing Tax Credits (LIHTC); Community Development Financial Institutions (CDFIs); Small Business Investment Companies (SBICs); Qualified Zone Academy Bonds (QZABs); and the purchase of mortgage-backed securities (MBS).

REGIONS COMMUNITY DEVELOPMENT CORPORATION

The Regions Community Development Corporation (CDC) focuses on our efforts to serve low- and moderate-income individuals and our Community Affairs group focuses primarily on compliance with the Community Reinvestment Act (CRA). The CRA regulations require banks to serve the credit needs of entire communities, including low- and moderate-income individuals. In practice, this involves promoting economic development by supporting various nonprofit organizations within the Regions footprint.

The Regions CDC, through its Board of Directors, offers valuable insights into community needs that can be met through Region's CRA program. The CDC Board guides and monitors our efforts to assist nonprofit organizations in their missions to provide affordable housing, expand homeownership, promote financial education and job-readiness, encourage neighborhood revitalization, and support economic development and small business growth.

The CDC Board is chaired by Dr. John E. Maupin, Jr., a former president of two historically black colleges and a member of the Regions Board of Directors. Five other current CDC directors represent nonprofit organizations with a strong interest in community development activities that Regions can influence through loans, contributions, and associate service. Our Chief Risk Officer also serves as a director, and our Chief Compliance Officer, Compliance Executive, and CRA Administrator serve as officers.

Community Affairs Managers, who are based in 11 cities throughout the Regions footprint and are deeply involved in community development efforts alongside nonprofit partners, report highlights of CRA initiatives and accomplishments to the CDC Board during its twice-annual meetings. These Community Affairs Managers and hundreds of other Regions associates volunteer thousands of hours each year to work with a wide range of community organizations. Some associates serve on boards and committees of these organizations, offering technical assistance, sharing financial expertise, and applying leadership skills. Many teach financial education lessons at public housing facilities and schools serving low- and moderate-income families. Others help facilitate financing for affordable housing developments through bank loans, community foundations, local governments, federal Low Income Housing Tax Credits, and the Federal Home Loan Bank Affordable Housing Program.

All these initiatives, conducted under the umbrella of the CDC Board, support regulatory compliance and, more importantly, make life better in the communities Regions serves.



Binghamton Neighborhood of Memphis, Tenn.

The Binghamton community of Memphis, Tenn. has been marked by a decades-long population decline, abandoned homes, and high poverty and crime rates. But the nonprofit Binghamton Development Corporation (BDC) has made it its mission to revitalize the neighborhood through the development of public spaces, promotion of education, and reversal of homeownership decline. Regions, which has a branch one block from Binghamton, partnered with the BDC and provided a significant loan toward the construction of the Binghamton Gateway Center, sparking economic activity and bringing a grocery-store-anchored commercial project and jobs to what had become a food desert. Regions has provided more than \$1 million in home mortgages to these residents, helping enhance stability in the area.

Regions also sponsors, through contributions and volunteering, programs at nearly 20 nonprofit organizations active within the neighborhood. With support from Regions, these groups facilitate financial education outreach, small business incubation, workforce preparation, leadership development, health/wellness initiatives, and other activities.

AFFORDABLE HOUSING

Regions is one of the nation's leading direct investors in affordable housing made possible through the federal Low Income Housing Tax Credit program. These investments provide equity that is vital to the construction or rehabilitation of affordable housing units for low- and moderate-income renters. In 2017 under the direction of our Affordable Housing Team in the Real Estate Banking division, we invested more than \$291 million in such tax credit partnerships, supporting 43 developments that provide 3,528 units of affordable housing for low- and moderate-income individuals and families in states where we conduct business. This activity in 2017 brings the total number of affordable housing units Regions supports through investments dating back to 2007 to 25,800. Our affordable housing investments help make a difference in the communities we serve by keeping rents relatively low and improving the lives of low- and moderate-income individuals and families.

Building Revitalization in Canton, Miss.

Working closely with the Canton Redevelopment Authority, Regions helped to bring life back to an otherwise unused historic building set on five acres of land. The formerly vacant school building is being transformed into 40 affordable housing units for families in the Canton town of Madison County, Miss. In this suburban area located northeast of Jackson, Miss., there is a significant demand for affordable housing with the local economy still recovering from the recession. Unemployment rates are slowly decreasing with the biggest employers in the area being manufacturing, education, healthcare, and government sectors.

The two-story school building will be converted into 20 one-, two-, and three-bedroom units, and an added three-story garden style apartment building will be constructed with another 20 units. Some original historic features of the school will be refurbished and will remain intact, such as the school's auditorium and gymnasium with the original center court logo. Additional amenities will include a community meeting room, exercise room, and outdoor playground. The development is slated to be complete in the summer of 2018.

HOPE INSIDE

Regions began a partnership with the national nonprofit organization Operation HOPE in 2014 to support its HOPE Inside counseling centers program. At HOPE Inside centers, which are located inside branches of various financial institutions throughout the country, certified financial coaches provide credit-building and money-management counseling free of charge to underserved residents and small business entrepreneurs. The goal for these counselors is to help people make better financial decisions, improve their credit scores, become eligible for home mortgages or commercial loans, and start or expand small businesses. Operation HOPE supplies experienced counselors while host banks, such as Regions, supply workspace facilities, material support, and financial backing.





The success of the first Regions-based HOPE Inside center, established at the Five Points South branch near our headquarters in Birmingham, led to a series of expansions. Today, HOPE Inside counselors offer their services at Regions branches in Birmingham, Montgomery, and Selma, Ala.; St. Louis, Mo.; Jacksonville, Fla.; New Orleans and Baton Rouge, La.; Paducah, Ky.; and Grenada, Miss. We plan to expand our HOPE Inside commitment to serve 100 locations across our footprint within the next four years.

We have seen how this program makes a tremendous difference throughout the communities we serve. Regions is proud to build on this partnership to make financial education more accessible to more people.

FINANCIAL EDUCATION

Regions is committed to providing financial education tools and resources that meet the needs and aspirations of our associates, customers, and communities. We understand that offering financial education and guidance has a positive, long-term impact on financial stability within our communities. Providing a variety of financial education resources in branches, online, via an app, and through community involvement helps us meet customers' unique needs, build trust, and create shared value.

For Students

Working with Scholastic, Regions offers Adventures in Math, age appropriate content for parents and teachers of children in kindergarten through 8th grade. In 2017, Adventures in Math had nearly 32,000 unique visitors and more than 10,000 pages were downloaded. This digital learning center includes a variety of educational resources:

- Fun, interactive digital savings games that challenge children to make decisions about saving, giving, and budgeting through interactive challenges
- Lesson plans with corresponding student activity sheets that include exercises and quizzes reinforcing the importance of financial knowledge
- Downloadable family activity sheets

For high school students, Regions Financial Scholars program, powered by EverFi, a nationally renowned education technology company, provides students digital financial education. In 2017, this program was in 142 high schools and reached more than 12,000 students. These digital educational resources are provided to schools in the Regions footprint at no charge to the students or schools. After completing the program, students have a more thorough understanding of financial concepts and are better prepared to make decisions. The courses align with state, national, and other financial literacy standards and are recognized by the Consumer Financial Protection Bureau as being trusted resources for financial education.

2017 Financial Education by the Numbers

105,000 in-person learning events

1.5 million digital visitors

2.7 million page views

We also provide resources for college students. In 2017, Regions Transit – Financial Wellness™, powered by EverFi, was used by more than 15,000 students at 14 colleges/universities, five of which are historically black colleges. Transit is designed to empower students with skills to understand their finances within and beyond the college experience. The course covers everything from understanding and managing financial aid to managing school expenses and avoiding unnecessary debt to student loan repayment options and responsibilities.

In addition, Regions collegiate program provided financial education to 1,125 student athletes in 2017. These in-person workshops, delivered by Regions associates and other subject matter experts, feature advice and tips specific to the needs of scholar athletes.



Doing More at Mississippi State University

To help fight spiraling student debt, Mississippi State collaborated with Regions and EverFi to make money management easier for students and alumni. Regions provides support through expertise and volunteers while EverFi provides its online learning program, Transit – Financial Wellness. During the 2016-2017 school year, 8,455

Mississippi State students participated in Transit. In addition to offering the Transit course, Mississippi State partnered with Regions to initiate Maroon Money Management: Bulldogs Doing More, an event for students interested in learning more about managing their financing.

[Read more about this story in our Social Responsibility Report.](#)



Regions Institute for Financial Education (RIFE) and Gaining Early Awareness and Readiness for Undergraduate Programs (GEARUP)

GEAR UP is a competitive grant program of the U.S. Department of Education. The purpose of these 6- to 7-year grants is to promote and produce a college-going culture for middle school and high school students in high-risk communities through several enrichment programs that includes financial education and paying for college.

Regions collaborates with GEAR UP Alabama and GEAR UP Birmingham by:

- Providing onsite family education seminars, Family Wellness Workshops, in 17 counties across Alabama in predominately African American communities and three locations in Birmingham once every semester using the Regions Financial Fundamentals curriculum facilitated by our Regions at Work® team and local branch managers. In 2017, Regions associates led 47 workshops that impacted 411 people.
- In partnership with RIFE, provide in-class financial education training and lessons for teachers/team leads and students of the GEAR UP program. In 2017, RIFE provided learning opportunities to more than 3,000 students at 25 schools with GEAR UP Birmingham and more than 9,000 students at 43 schools with GEAR UP Alabama.

The University of Alabama at Birmingham (UAB) and Regions Bank have collaborated since 2015 to create and support RIFE within the Collat School of Business at UAB. Regions supports financial education programming at UAB and in the community, as well as an endowed professorship for the director of RIFE. The Institute works with organizations such as GEAR UP Alabama and GEAR UP Birmingham, to integrate financial education into college and career readiness standards through programs, workshops, and camps. In addition to GEAR UP, RIFE also provides free financial education webinars, in-person workshops at public libraries, and on-campus personal finance courses.

For Adults

In-person seminars are integral to our adult financial education initiatives. In 2017, our associates delivered more than 90,000 workplace seminars across our footprint through the Regions at Work program. Financial concepts in this proprietary collection are easy to understand and action-oriented. Each branch has at least one associate trained to present these seminars.

We also provide online Insights by Regions articles, videos, and tips designed to help people make the best choices for themselves, their families, and their businesses. In 2017, Insights had more than 1.4 million visitors and 2.6 million page views. We also have 60 online calculators to help make decisions more informed and easier. These interactive tools show how a small change can have a big impact on financial choices.

In addition, our Regions Financial Learning Center, powered by EverFi, offers a self-paced series of interactive videos covering financial wellness tips and action plans with information that can help people make the best choices for themselves and their families. In 2017, more than 15,000 adults completed online modules.



For Businesses

Regions supports small businesses in many ways, including through our partnership with Inner City Capital Connections (ICCC). In 2017, Regions and community partners brought a no-cost business training program to 130 business owners in Memphis, Tenn. Through the program, entrepreneurs in or near urban or economically underserved communities receive business training, insights on management and marketing, and one-on-one coaching to strengthen their businesses.

ICCC training is provided by experts from Harvard Business School, Dartmouth's Tuck School of Business, the University of Illinois-Chicago's College of Business Administration, and other leaders in the fields of management, finance, and more. Customized coaching is also delivered by local professionals whose expertise can help small-business owners develop strategies to reach more customers and, over time, create more jobs. We have been a major sponsor of ICCC programs since 2014.



Financial Education Recognitions

Financial Services Roundtable's Corporate Social Responsibility Leadership Award. This award recognizes financial institutions for their commitment to volunteerism, community service, and providing financial education in the communities they serve.

Nasdaq and EverFi's Financial Capability Innovation Award for significant efforts to improve the financial capability of Americans through unique digital learning initiatives. Honorees were selected based on the scale and reach of their financial education initiatives, the duration of their commitment, and unique employee volunteering activities that supplement their programs.

VOLUNTEERISM

At Regions, we always look for opportunities to help make our communities better. One of the most impactful ways we can make a difference is through community and volunteer service. Our volunteering efforts are driven by two programs — What a Difference a Day Makes and Share the Good. Through What a Difference a Day Makes, each associate is given one day off with pay per year to volunteer in the community. Share the Good is our annual volunteering program that connects Regions associates with local nonprofits to address a variety of needs. Each region selects a week to organize volunteering efforts that support that year's theme.

77,700 hours of volunteer work
including **14,000** volunteer hours in financial education initiatives



Share the Good Week Celebrates Back to School

This year, our Share the Good week placed a special emphasis on students and teachers. Associates throughout our footprint organized these events:

- **Indianapolis, Ind.:** Regions associates volunteered with Teachers' Treasures, a nonprofit founded by a retired principal with the goal of helping at-risk students and their teachers by providing them with essential school supplies. Associates also filled wish lists to support the School Program at Riley Children's Hospital. The School Program supports patients' educational needs during long-term treatment.
- **Decatur, Ill.:** A food collection drive was held to benefit Decatur Kids Bags of Hopes, a program that provides backpacks with food for children who otherwise may not have anything to eat over the weekend.
- **Western Florida:** Associates collected new shoes and socks and distributed them to children at school.
- **Birmingham:** Regions associates volunteered with the Community Food Bank of Central Alabama to fill backpacks with food and provide other nutritional needs for area students and families.
- **East Alabama:** Associates participated in the United Way Day

of Action, packaging 50,000 meals for benevolent centers in Calhoun County.

- **Austin and Round Rock, Texas:** Regions worked with local police departments to fill backpacks with donated school supplies. Police officers and Regions associates delivered the backpacks to three elementary schools on the first day of classes.
- **Mississippi:** In addition to collecting school supplies in the cities of Sumner and Pearl, associates extended Share the Good to support health and financial needs, too. Associates worked with the University of Mississippi Medical Center and Mississippi Blood Services to offer health checkups in Jackson, along with financial wellness checkups.

What a Difference a Day Makes Contest

In 2017, we held our third What a Difference a Day Makes contest, an online voting competition among 16 nonprofits that allows members of the public to vote daily for their favorite organization during the month of November. The nonprofit with the most votes received a \$5,000 gift from Regions and 100 volunteer hours of service from our associates. Each of the 16 organizations that participated received some level of volunteer hours

and a financial contribution. In addition, the nonprofits had their stories shared in a way that helps more people recognize the valuable services they provide. During the contest, Regions published online profiles sharing the stories of each participating nonprofit on our website, [Doing More Today](#), and Twitter.

Second Helpings

Our 2017 winner was Indianapolis-based, Second Helpings, a nonprofit that provides hunger relief, prevents food waste, and offers culinary job training. Each day, Second Helpings makes 4,000 hot meals that are distributed to more than 85 social service agencies. It also had more than 700 adults graduate from its job training program, providing them with an opportunity to work as cooks, executive chefs, and culinary instructors, all with the goal of helping eliminate hunger at its source.

Community Food Bank of Central Alabama in Birmingham, Boys and Girls Clubs of North Alabama in Huntsville, and Palmer Home for Children in Columbus, Miss., placed in second, third, and fourth, respectively.

Lima Foxtrot

Since its founding a decade ago, Lima Foxtrot has served more than 2,600 injured service members and their families from 46 states and territories. Through this program, based at the Lakeshore Foundation in Birmingham, active-duty personnel and veterans use lessons from sport and recreation to learn how to pursue an active, healthy lifestyle.

Each November, Regions associates purchase custom-designed shirts and wear them to work in support of veterans participating in the Lakeshore Foundation programs. All proceeds from shirt sales are donated to help Lima Foxtrot reach more injured military members. In addition to raising funds, Regions associates regularly volunteer at Lima Foxtrot.



CHARITABLE GIVING

Through our Charitable Giving Program, Regions provides meaningful support to organizations that share our goal of making life better for our customers, associates, and the community. Among other requirements, Regions supports organizations that have 501(c)(3) non-profit status that are also located in a state where Regions does business. Our primary focus areas for giving are:

- **Community/Economic Development:** Regions supports programs that serve low- and moderate-income communities through affordable housing, small business development, and human services. Sub-focus areas include, homebuyer education, homeowner retention, and neighborhood revitalization and stabilization.
- **Education:** Regions is committed to education as a means of helping young people prepare for the future. We sponsor financial literacy programs in grades pre-K through 12. Also included are higher education initiatives and programs relevant to business or the banking industry.
- **Health and Human Services:** Regions provides generous overall support to the United Way, our primary outlet for sponsoring health and human service efforts in our communities, including those focused on providing basic human needs and poverty prevention.
- **Arts and Culture:** We believe the arts and culture make life more vibrant for everyone. Special consideration is given to programs that create cultural opportunities for children or serve low- and moderate-income communities.
- **Diversity and Inclusion:** Regions supports programs related to minorities and women, multicultural populations, human rights, LGBTQ inclusion, and persons with disabilities.
- **Environment and Sustainability:** Supporting the sustainability of our natural resources is critical. We fund initiatives that protect the environment including wildlife preservation and coastal conservation efforts.

- **Military Service Members and Veterans Outreach:** Regions proudly supports programs and initiatives that improve lives for service members, veterans, and military families.

We place high priority on financial literacy, affordable housing, job creation, revitalization efforts, assistance to individuals with disabilities, outreach to veterans and service member organizations, and essential services for low- and moderate-income individuals and areas.

\$11.4 million
in charitable giving

\$40 million
contribution to our charitable foundation in 2017

Disaster Recovery

Some of the communities served by Regions experienced unprecedented natural disasters in 2017, and we responded in unprecedented ways.

Hurricane Irma was the strongest storm to hit Southwest Florida in over a decade. In Naples, people had few places to turn for fuel, food, water, or ice. Our corporate and local teams worked around-the-clock to get essential supplies into the hardest-hit areas. We had a tanker of fuel brought into Naples and stationed to provide gasoline not only for the cars of Regions associates, but also for patrol vehicles used by local law enforcement.



Generators were delivered to help people get the lights back on. Food and water were given to families who had lost nearly everything. We also brought in 4,000 bags of ice that were distributed among associates and community members to keep food fresh.

Just weeks prior, in Texas, we had given \$100,000 in disaster-recovery donations to the United Way of Greater Houston's Flood Relief Fund, following the record-setting rainfall that deluged the area as Hurricane Harvey roared ashore. Further, we gave an additional \$210,000 in assistance to more than 200 associates throughout the year as part of the Regions Associate Relief Programs.

Read more about how Regions helps associates, customers, and communities immediately after storms and other natural disasters on our [Doing More Today](#) website.



United Way

Regions and United Way share a common commitment to building stronger communities. Through our partnership with United Way, we make a difference by helping homeless veterans live in permanent, sustainable housing; assisting families in times of disaster; providing assistance to seniors with their financial needs; delivering meals to homebound seniors; promoting healthy lifestyles; helping families become economically secure; ensuring all children enter kindergarten ready to learn and thrive; and much more.

LIVE UNITED

\$7.7 million donated to
United Way by Regions and our associates in 2017

Regions Riding Forward® Scholarship

Since 2012, Regions has held the Riding Forward Scholarship Essay Contest, where students submit essays about an inspirational African-American of the student's choosing.



*Since its inception, Regions has awarded **\$764,000** in scholarships to over 180 high school and college students who submitted winning essays.*

In 2017, the 30 winners, selected from over 7,000 entries, shared more than \$125,000 in scholarship funds — winning high school seniors each receive \$5,000 and college students receive \$3,500.

SPOTLIGHT

Innovation Depot

Innovation Depot is a 501(c)3 not-for-profit economic development organization that was founded in 1987 and serves as the epicenter for technology, startups, and entrepreneurs in the greater Birmingham region. Through its core programs — incubation, acceleration, and education — Innovation Depot has worked to grow economic impact and job creation in the region by providing entrepreneurial support and workforce development services to emerging technology, business service, financial technology, health, and life science businesses. In 2017, Innovation Depot served 112 early-stage companies employing 1,064 people in its 140,000 square foot building.

Innovation Depot's Velocity Accelerator is a 13-week program designed to help early-stage, high growth-potential tech companies gain the mentorship and resources they need to scale and grow quickly. The program is cohort-based, with a maximum of 10 companies at a time. Innovation Depot invests \$50,000 into each team at the start of the program. The teams work out of Innovation Depot, where the program brings in speakers to lead workshops, helps them make connections to mentors, potential customers and investors, and prepares them to give their pitch to an audience of over 700 people at the closing Demo Day event. The Velocity Accelerator Program is made possible due to the Velocity Accelerator Fund, of which Regions is a key contributor. In addition, Regions has been a supporter of Innovation Depot and its other programs since 2009.



INNOVATION DEPOT



SUPPLIER DIVERSITY

Regions is committed to building strong business relationships with a wide range of high-quality supply partners. It is clear to us that many minority- and women-owned enterprises offer the quality, innovation, reliability, and value that we seek. In addition, we regard these strategic relationships as good for society, good for business, and good for strengthening our competitive advantage. Our business relationships with diverse suppliers make a positive impact on the communities we serve, stimulate demand for consumer and business banking services and, ultimately, drive more value for the bank.

The supplier diversity initiative at Regions takes special interest in developing supply partner relationships with U.S.-based companies whose ownerships fit into one of the following categories:



- A Minority-owned Business Enterprise (MBE) must be U.S.-based and at least 51 percent owned and controlled by one or more persons with the following ethnic origins: African-American, Native American, Asian Indian American, Asian Pacific American, or Hispanic American.
- A Woman-owned Business Enterprise (WBE) must be U.S.-based and at least 51 percent owned and controlled by one or more non-ethnic women.

Third-party certification to confirm ownership, control, and management of a company is also a requirement for eligibility.

Focus on Diverse Contractors in the St. Louis Area

We encourage all our contractors to use minority- and women-owned businesses in the construction and renovation of our branch locations. We are particularly proud of the success that we are having in St. Louis, a market where we are adding 11 new branches in 2017-2018, with more in the planning stages. In this market, new branch constructions used, on average, more than 20 percent minority- and women-owned general contractors and subcontractors. Our Delmar Loop location, pictured, was built with 73 percent minority business enterprises, including a minority general contractor.



Creating More MBE/WBE Opportunities

In carrying out our day-to-day business, Regions contracts with thousands of suppliers, many of whom subcontract goods and services related to the work they perform for us. Several measures have been incorporated into our processes to encourage our prime suppliers to create more subcontracting opportunities for high-performing diverse business enterprises and measure the results through our Second Tier initiative. In addition, we work with our strategic partners, such as Women's Business Enterprise National Council, Inner City Capital Connections, and Southern Region Minority Development Council to advertise upcoming bids and share other information and opportunities as a way of promoting a diverse supplier pool.

We are continually striving to increase minority supplier spend each year. In 2018, we are expanding our efforts by launching Building Your Future Program, which will provide business development opportunities each quarter throughout our 15-state footprint to enhance minority and women owned partnerships. Our initial event will be held in Birmingham and will cover supplier diversity, procurement, and how to do business with Regions.



CUSTOMERS

FOCUS ON THE CUSTOMER

Focusing on our customers and doing what is best for them is the foundation for our service. This approach drives the way we think, how we treat each other, and the type of service we provide. By consistently providing superior customer service, we strengthen loyalty and deliver a better customer experience.

We have several programs in place to gather feedback from customers and measure how we serve them. Our efforts around the customer experience are based on four elements:

- **Success:** Making sure our customers can accomplish their banking needs
- **Effort:** Ensuring our customers can meet their goals using any delivery channel we offer, as easily as possible
- **Emotion:** Treating customers in such a way that they feel good about their relationship with Regions
- **Passion:** Employing people who are passionate about helping customers meet their financial needs

Top
10% in customer loyalty per Gallup Study

We work together to ensure that quality service is engrained in our culture through:

- Voice of the Customer programs designed to gather the opinions and thoughts of our customers, which helps us measure our service
- Managers who are focused on and constantly monitoring our service and providing daily service quality coaching to associates
- A team of associates from across the bank charged with ensuring we maintain focus on the customer and our strategic priorities
- Managers who continually review our processes to make sure we improve the customer experience at every opportunity

Awards and Recognitions



Winner 2017 American Customer Satisfaction Index for Superregional Banks (tied for first with Citibank among all named financial institutions)

4th Year Top Decile Performer in Temkin Retail Banking Experience Rankings



2nd out of 23 peer banks in the 2017 J.D. Power Retail Banking Satisfaction Study

2017 Trust in Banking Leader by Javelin Research, a wholly owned subsidiary of Greenwich Associates



22 Greenwich Excellence Awards for Small Business/Middle Market Banking in our Commercial Banking Group

2017 Greenwich Excellence award for Overall Satisfaction in Private Wealth Management





Regions is a relationship bank, and Regions360 shapes the way we approach cultivating relationships with our customers. By taking a deliberate, prescriptive approach to identifying customer needs, our bankers work as a team to bring customers our best: our best thinking, our best products, our best services, our best bankers, and our best solutions. Customers benefit from practical solutions they need and will use, and Regions benefits from broadening customer relationships that deliver long-term quality growth. Regions360 delivers shared value for customers and our company because we are doing what is right for customers and helping them succeed financially by providing competitive products in a transparent and trustworthy manner.

Our bankers bring Regions360 to life every day by:

- Identifying customers' financial goals and needs through quality conversations
- Providing practical and balanced solutions to help meet those goals
- Offering financial advice and guidance to help customers make better financial decisions
- Introducing expertise by bringing in the right bank partners to help meet complex needs with a one bank, one team approach
- Offering customers the best experience possible through relationship teams who are committed and engaged

FAIR AND RESPONSIBLE BANKING

Regions is strongly committed to making the financial products and services we offer available to prospective and existing customers on a fair and responsible basis. Accordingly, Fair Banking Compliance, a component of Risk Management, is an essential part of Regions' business and growth strategy. To equip associates for this commitment, annually Regions requires all associates to complete Fair and Responsible Banking training, an online course that includes information on adherence with Fair and Responsible Lending (FRL) and Unfair, Deceptive, or Abusive Acts or Practices (UDAAP). Additionally, associates in key lending functions must complete the Complying with Lending Regulations Fairly and Responsibly training course.

Regions Fair Banking Compliance identifies, measures, mitigates, monitors, and reports compliance with all fair lending laws and UDAAP. Regions, as part of its overall Compliance Management Program, works to foster and promote a culture of compliance with regulatory requirements, internal policies, and industry guidance impacting consumer and business products and services.

The Fair Banking Compliance Program is designed to provide a framework to integrate FRL and UDAAP compliance requirements in all products and services offered by Regions, from the development of new products to the enhancement and ongoing management of existing ones. Key components of the Program are a risk assessment process and ongoing monitoring and testing. The program focuses on the full life cycle of products and services and is reviewed by Internal Audit on a periodic basis to confirm that controls and governance processes effectively fulfill the mission of the program.

Regions is in the business of providing financial advice and guidance about products and services that help customers make important life decisions. We are committed to providing them in a clear and transparent manner that allows for informed customer choices. Regions has a strong risk culture with the goal of meeting the financial needs of our customers in a prudent and balanced manner that mitigates risk for all involved, including customers, shareholders, communities, associates, and the bank.

Regions' Fair and Responsible Banking Objectives

- Inform customers about products and services that meet their needs and give them the information they need to use these solutions appropriately
- Share product communications and disclosures in a clear, transparent way
- Deliver financial education to customers and communities
- Improve customer satisfaction and loyalty through fair and responsible banking practices
- Comply with all regulations and laws related to fair and responsible banking

Regions has developed customer clarity documents, in both English and Spanish, to tell customers in plain language about our products and services. These [Regions Quick Guides](#)® support our [Regions Simplicity Pledge](#)®, which is our commitment to providing customers with the information they need to make good financial decisions and to understand how their accounts and services work.



CUSTOMER COMPLAINT PROGRAM

Regions' Customer Complaint Program is one of our many Voice of the Customer feedback sources used to identify opportunities to improve our products, services, and the customer experience. This enterprise-wide program helps us ensure that each individual customer complaint is addressed, and it also allows us to identify complaint trends and areas for improvement.

Key components of the program include:

- A centralized application that is used to record customer complaints and any actions taken to resolve the customer's concerns. All associates, regardless of their role, are trained on the program and have access and a responsibility to ensure customer complaints are recorded in the application.
- A process to ensure every customer complaint is reviewed for timely and thorough resolution.
- A centralized team that performs quality assurance reviews on complaints and serves as an ombudsman on our customer's behalf.
- Root cause analysis that is performed by leadership and subject matter experts throughout the company. This analysis is used to identify and correct systemic issues, and find ways to improve our customer's experience, products, and services.

SALES PRACTICES

A company can be successful in a variety of ways, but how they achieve that success is just as important as the success itself. At Regions, our values and our culture serve as the foundation for how we want to be successful — by listening to our customers, understanding their needs, and meeting them.

Placing the customer first — before our products or services — ensures that we are working in their interests, helping them reach their unique financial goals. This service-culture is reinforced through a series of checks and balances that ensure we work in our customers' best interests.

As is typical in the industry, many of our customer-facing associates have goals and participate in incentive plans. Our Consumer Services team ensures that our incentives and management metrics do not measure outputs that could have unintended outcomes. Where appropriate, our bankers only receive incentives for opening accounts that result in the customer using the account or keeping required balances. And, for most of our products, if a customer closes an account in a predetermined timeframe, incentive credit is charged back to the associate.



As part of our commitment to doing what is right for our customers, our Retail Integrity Team performs computer reviews aimed at uncovering any deviation from the spirit and intent of the incentive plan or our approach to meeting customer needs. We created this new Retail Banker Integrity group within Consumer Services to continue evolving our banker oversight program with the changing environment. The Banker Integrity team is tasked with identifying potential risks and elevating them for appropriate action. We also utilize information from our Customer Complaint Program and internal Report It! associate reporting hotline to help identify potential instances of sales

practices not aligned with our needs-based approach.

Additionally, in 2017 we created the Office of Associate Conduct which partners with businesses and support groups to ensure the bank's business practices and behavioral actions are aligned with our cultural values and beliefs. This team will develop tools and processes to prevent, detect, report, and remediate inappropriate associate behavior while also serving as a central point of control to ensure coordination and effective investigative procedures occur within groups across the bank.



HOME OWNERSHIP



For many, **home ownership** is an important financial milestone — one that Regions is committed to helping our customers, including **low- and moderate-income (LMI)** and **minority census tracts** customers, achieve.

As part of Regions360, our mortgage originators partner with other bank associates to provide advice, guidance, and education so all of our customers can make the best financial decisions. In 2017, through improved reporting and oversight, we strengthened our Regions360 performance, building stronger relationships with our customers and the communities we serve.

We also implemented significant enhancements to the Regions Spatial Intelligence Portal, our proprietary mapping software. This program enables our mortgage originators to identify properties and referral sources in LMI and minority census tracts. In addition, our Mortgage Production Managers are required to submit annual Emerging Market Business Plans detailing their planned strategies for increasing production to minority and LMI borrowers. These plans also include tactics for community outreach activities and recruiting for sales force diversity. We also use goals, which are established by market on peer performance for LMI applicant income, minority applicants, LMI, and minority tract lending.

We also host monthly meetings for our Emerging Markets and Affordable Lending Strategy Workgroup. This forum reviews our market specific Community Reinvestment Act plans, assesses results and initiatives, discusses affordable lending production results and fair lending regulatory updates, and reviews our product guidelines to ensure we are maximizing lending opportunities in our emerging markets.

In 2017, Regions provided

\$6 billion

in home mortgage lending involving more than 37,000 loans, of which:

\$1.2 billion

(20%) to minority borrowers

\$766 million

(16%) to borrowers in majority-minority census tracts

\$722 million

(25%) were to low- and moderate-income borrowers

\$548 million

(16%) were to borrowers in low- and moderate-income census tracts

Understanding that unexpected life events can happen, our Mortgage Servicing team prioritizes keeping our customers in their homes and provides mortgage payment assistance to customers experiencing temporary or unexpected financial hardships.

Regions also continues to be an active member of the National Association of Hispanic Real Estate Professionals. Seven of our Hispanic mortgage originators were recognized in the association's Top 250 based on unit production, and four of these mortgage originators also ranked in the Top 100 based on volume.



REACHING THE UNBANKED AND UNDERBANKED

The financial needs of the communities that Regions serves are as diverse as the tools required to meet those needs. Regions has displayed a commitment to providing all customers — from the unbanked and underbanked, to the very wealthy — access to their preferred financial tools, industry-leading products, and expert advice and guidance.

For the underbanked and unbanked, this commitment to financial inclusivity has made Regions a leader among financial institutions in providing access to safe and reliable financial services — all under one roof. Regions was, and remains, an industry leader in offering customers expedited bill pay and money transfer through Western Union, a reloadable prepaid card, and the ability to cash all checks.

Regions Now Banking® has opened new opportunities for customers and our business, alike. Regions Now Banking includes several services:

- **Full service check-cashing:** Ability to cash any check, any amount, with fees lower than most check cashing stores
- **Money Remittance:** Ability to send money to almost anyone for pick up as cash at over 500,000 locations worldwide
- **Regions Now Card®:** a reloadable prepaid Visa debit card that can be used for everyday spending and ATM access. The card is safe, secure, and there are no overdraft fees
- **Money Orders:** an affordable alternative to writing personal checks
- **In-Person Bill Payment:** Ability to make cash payments for bills such as utilities, consumer loans, and student loans



Regions associates are trained, as part of our need-based conversation process, on the Regions Now Banking products, their applications, and how they meet various customer needs, as well as on other products and services, including deposit-secured loans, lines, and credit cards, which can help build and improve credit histories. Today the Regions Now Banking group of customers is one of the fastest-growing within the company, and it includes both previously unbanked consumers and existing bank customers using Regions Now Banking services.

At the same time, Regions Now Banking products are subject to the same rigorous internal compliance and risk oversight, and comply with all applicable regulations. Regions Now Banking helps customers take control of their finances and reach their goals using products and services of their choice — with the service, security, strength, and stability of a reputable and trusted financial partner like Regions.

Defining Unbanked and Underbanked

In 2015, the Federal Deposit Insurance Corporation published a study of alternative financial services (AFS) — those not typically offered by banks. They estimate 67 million U.S. consumers are either unbanked (did not use any traditional bank products) or

underbanked (use a combination of AFS and traditional bank products.) In addition, according to FICO, approximately 91 million U.S. consumers have a thin or no credit file, and this population has significant overlap with the un- and underbanked.

The unbanked are typically younger and less affluent than the general

population. The unbanked are more likely to be female and/or people of color. The most common trait of the unbanked is higher than average income volatility, with monthly changes in income in excess of +/- 10 percent. The states with the highest percentage of unbanked consumers are all within the Regions footprint.



her VISION her LEGACY

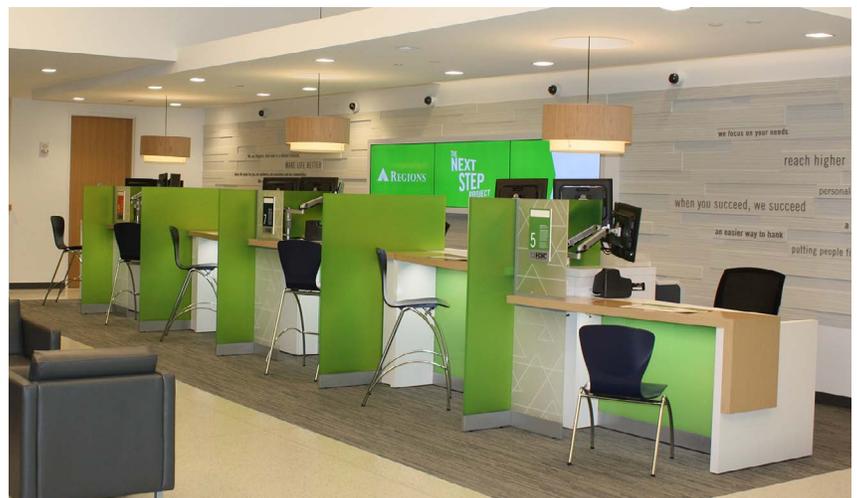
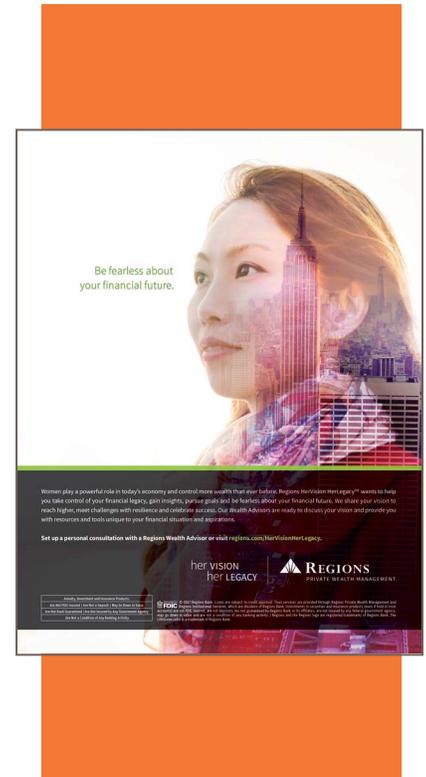
The HerVision HerLegacy initiative was launched by Private Wealth Management to educate, equip, and empower women to take control of their unique financial situations. One of the key findings from our 2015 Women & Wealth Study, conducted in partnership with Vanderbilt University, was that there is a significant confidence gap between men and women when it comes to financial matters. With this initiative, one of our primary goals is to help bridge that gap through a multi-channel strategy of events, articles, and helpful tools and resources that provide advice, guidance, and education.

Throughout 2017, Private Wealth Management focused on hosting small lunch-and-learn events that provided an open forum for women to learn directly from a Regions subject matter expert on various financial topics, ask questions, and connect with other women. While some women today have created their own wealth, many find themselves at the financial helm suddenly and unexpectedly. That is why one of our primary topics for education is Planning for the Unexpected: Death, Divorce & Disability. While this topic is often difficult, our team wants to do everything we can to ensure clients are proactive and prepared so they can live a financially confident life.

AMERICANS WITH DISABILITIES ACT PROGRAM

To ensure all customers can enjoy banking independently, with ease and on their own terms, we continually look for ways to make our facilities, services, and accommodations more accessible and easier to use.

Regions routinely reviews accessibility at branch locations and facilities, paying careful attention to drive-through windows, parking spaces, curb cuts, ramps, doors, entrances, safe deposit features, and lobby areas. Our ATMs have speech-output and voice-instruction capability specifically created for those who are blind or have low vision. Each ATM is equipped with a phone jack for earphones, ensuring customers have adequate privacy for their banking transactions, and Regions DepositSmart ATMs® enable customers to deposit checks or cash.



Other banking products and services designed for customers with disabilities include bank statements available in braille, large-print, or CD audio versions; sight checks printed with raised lines; assistance with reading, filling out, and completing forms; acceptance of telecommunication relay service calls; TTY/TDD connectivity through the Regions Contact Center; and sign language interpreters available by request in advance. All locations offer an atmosphere friendly to service animals and guide dogs.



Regions' dedication to the spirit of the Americans with Disabilities Act (ADA) extends into many functional areas within the company. We have a full-time ADA Manager on staff to conduct outreach, monitor compliance with accessibility laws, and serve as a liaison to community leaders and disability advocates. The Human Resources department actively recruits potential new associates from among the disabled community. The Marketing team works to present positive images of persons with disabilities in print ads and other marketing materials. Through the What a Difference a Day Makes volunteering program, many associates choose to assist organizations that support individuals with disabilities.

Regions sponsors major events such as the annual National ADA Symposium when it takes place within the bank's service area. We also promptly respond to suggestions or complaints that create opportunities to improve services for people with disabilities. The bank helps raise awareness about accessibility issues by producing articles and videos posted on our external communication website, [Doing More Today](#), and our internal communication website, [life@regions](#), as well as in our annual [Social Responsibility Report](#).



Doing More for Indiana Students

The mission of the Indiana Blind Children's Foundation is to invest in children with visual impairments and serve as a philanthropic arm to the Indiana School for the Blind and Visually Impaired. The foundation and school also are supported by the Regions Indiana Area team, which partnered with Nine13sports to bring an interactive experience to the students. Nine13sports, a nonprofit aimed at promoting health and wellness among school-age children, uses technology to give an exercise outlet to many who never had the opportunity before. Through the use of stationary bikes, students were introduced to the joy and freedom of pedaling on a bike and were shown that, with some accommodations, they are able to do the same things as their sighted counterparts.

Read more about this story in our [Social Responsibility Report](#).

AUTISM AWARENESS INITIATIVE

Regions takes seriously the growing need for awareness about people with Autism Spectrum Disorder. In 2016, we launched an Autism Awareness Initiative that came to fruition during a public rollout in 2017. An estimated 1.5 million Americans are on the Autism Spectrum, interacting in ways that are different from most people and sometimes experiencing emotional episodes due to sensory overload. For them and their loved ones or caregivers, even basic activities such as going to the bank can be extremely difficult. As part of this initiative, we strive to make our facilities accommodating to people with autism by creating a friendly and

welcoming environment, raising awareness, and educating people about autism. Our Autism Awareness Initiative includes:

- Training for Regions branch associates to recognize situations where an emotional episode may be taking place and communicate appropriately
- Sensory packs containing a stress ball, sunglasses, and noise-cancelling earbuds located in each branch location to assist a customer with autism who may experience a sensory episode due to noise, lights, and other factors

- Quiet areas in each facility that guests and loved ones accompanying them can use until an episode passes
- A collaboration with University of Alabama at Birmingham physicians and the Autism Society of Alabama to develop and build upon this initiative

These efforts have already made a noticeable difference. The Autism Society of Alabama recognized Regions' autism-awareness efforts by bestowing upon the bank its Innovative Program Award.



ENVIRONMENT

ENERGY MANAGEMENT

Since 2008, our Corporate Real Estate team has implemented our Energy Management Program, which focuses on energy conservation.

In 2017, we undertook the following energy reduction projects:

- Expansion of the integration of the Regions' Intelligent Facilities (iFacilities) platform. This web-based tool allows the disparate building automation system (BAS) protocols across the portfolio to be accessed and controlled remotely from a single platform, allowing us to better manage and control the BAS and mechanical systems.
- Use of Building Optimization Services platform to perform continuous analysis of the BAS operation, allowing us to find opportunities for efficiency improvements and to make operational repairs before they become an issue.
- Increased use of energy efficient solid-state LED lighting technology for both interior and exterior lighting and installation of timers and/or automatic light switches.
- Implementation of two condensation reclamation projects to capture condensate water from air-handling units.
- Continuation of HVAC and mechanical upgrades that include both energy and operational efficiency enhancements.

- Change of equipment start up and set points to increase efficiency without sacrificing occupant comfort.

We implemented an energy audit program in 2009 and perform annual energy audits at locations with high energy usage. While we focus on high energy use locations, low energy use locations still receive some level of an energy evaluation.

We also achieved electricity reductions through office space optimization. In 2017, we reduced our real estate portfolio by approximately 655,000 square feet through office and branch consolidations and the continued roll out of open floorplan reconfigurations.

35.4%
Reduction in electricity use since 2008

Electricity Use



The energy use data is based on facilities for which Regions is responsible for direct payments of utilities, which accounts for approximately 85 percent of our properties based on square footage. It does not include energy usage if (a) Regions leases out the space and the tenant directly pays the utility company or (b) Regions leases a space from a landlord and utilities are included in the lease agreement.

Regions purchases 5,000 kWh per month of renewable energy through Duke Energy's GoGreen Indiana Initiative. The energy for this program is generated from regional wind sources.





Headquarters: Regions Center

The Regions Center, our corporate headquarters in Birmingham, has been Energy Star-certified since 2012. Built in 1972, the building underwent a full infrastructure upgrade in 2010, with a focus on efficiency and optimum energy performance. Since then we continued to reduce the building’s energy consumption by customizing the HVAC sequence of operation and performing regular night and run-time audits. We also replaced fluorescent lighting with LEDs and installed occupancy sensors to eliminate wasted lighting. All of these efforts resulted in the building reducing its energy consumption by 50 percent and greenhouse gas emissions by 45 percent since 2010.

Vehicle Fleet

Regions uses vehicles to service bank facilities and to operate the employee shuttle service at our Birmingham office complex. In total, we have 105 vehicles, which used 135,826 gallons of gasoline and 6,206 gallons of propane in 2017. While our fleet is small, we continue to identify opportunities to reduce fuel consumption through more efficient routes and service frequencies.

CommuteSmart

Associates in the Birmingham area have an opportunity to participate in CommuteSmart, an initiative of the Regional Planning Commission of Greater Birmingham aimed at helping alleviate traffic congestion and reduce air pollution. In 2017, Regions associates’ participation in CommuteSmart reduced vehicle miles travelled by 460,589, which reduced air pollution by approximately 230 tons and carbon dioxide emissions by 280 tons and saved approximately 18,277 gallons of fuel.



BUILDING CONSTRUCTION AND MAINTENANCE

Our standards for new building construction and renovation have been developed with energy and water efficiency in mind. High-efficiency lighting, windows, and mechanical systems are used in all new constructions, along with high R-value insulation, effective lighting and HVAC controls, low-flow toilets, and small water heaters.

From a facilities maintenance perspective, indoor air quality is aggressively reviewed, managed, and maintained, focusing on carbon monoxide, mold, and chemicals.



Specifications for janitorial and landscaping vendor contracts are based on green cleaning standards and generally follow guidance outlined by the U.S. Green Building Council. We

adopted waterless cleaning techniques and use organically-based cleaners and reusable cleaning materials.



RECYCLING AND WASTE REDUCTION

Confidential Waste

We are committed to reducing the environmental footprint associated with the consumption and disposal of office materials. We are continuing to focus on our recycling efforts, but also are investing in technology to help us reduce our overall reliance on paper. Our confidential waste program is our most widespread recycling program, and in 2017, we collected 11.4 million pounds of paper and other confidential materials.



2017 is the first year that we started including the confidential waste that is associated with clean out projects (e.g. stored records that were destroyed due to office closures and relocations). Therefore, the 2017 figure includes an additional 873,657 pounds of waste collected during clean out projects.

PAPER

Regions is continuously reviewing opportunities to reduce the usage of copy paper in our offices, and these efforts have resulted in a 25.4 percent reduction in internal paper use since 2014. We used Six Sigma to launch our Print Optimization program which reviewed our overall printing needs and identified opportunities to reduce printing or the number of pages required. In addition, our Information Technology department has rolled out a managed print program called iPrint, which defaults computers to double-sided printing and requires the associate to release the print job at the network printer. The associate has the option at the time of release either to print or to delete the job if it is no longer needed. In addition, if the print job is not released within 24 hours, the print management solution will automatically delete it.

25.4% reduction in internal paper use since 2014

Copy Paper Sheets Purchased Annually

	2014	2015	2016	2017
Number of sheets (in thousands)	257,432	237,783	216,679	192,017
Percent FSC* certified	92%	90%	92%	93%
Sheets per full time equivalent (FTE)	10,852**	10,165	9,775	8,843

* Forest Stewardship Council sustainability harvested paper.

**Regions did not start using FTE until 2015. The 2014 metric is based on associate headcount which reflects the number of active full-time and part-time associates.

We are also reducing paper usage for marketing materials. In 2017 and continuing through 2018, we are reviewing our current brochures with internal business groups. The goal is to consolidate or eliminate brochures, as appropriate, based on historical usage and other factors. Additionally, we are transitioning some of the content to digital brochures and identifying opportunities to provide these digital materials to customers in lieu of printed options.

Electronic Waste

Regions understands the impact that electronic waste has on the environment and communities, therefore we strive to reuse electronic equipment whenever possible. In 2017, we redeployed 1,570 pieces of information technology hardware internally and re-sold 1,600 pieces of hardware. When reuse is not feasible, we recycle using approved hardware recycling vendors that are Sustainable Electronics Recycling International R2:2013 Standard certified. This standard requires certified companies to have a policy on managing used and end-of-life electronics equipment, components, and materials based on strategies such as reuse, materials and energy recovery, and/or safe disposal. The R2:2013 Standard forbids the disposal of electronics in landfills and all unsafe collection, storage, and disposal of electronics equipment. By using certified vendors, we ensure that our electronic waste is properly managed and that valuable raw materials are recovered and reused. In 2017, Regions recycled approximately 9,800 pieces of IT hardware.



For those customers receiving paper statements, Regions uses soy-based inks and eco-friendly material for window film for statement envelopes (approximately 38 million annually). Recycled paper is also used in various marketing materials including direct marketing, brochures, and in-branch advertising. For merchandising programs, the paper used is purchased exclusively from domestic sources that participate in the planned replanting of trees. For each tree harvested, two or three trees are planted.

Paperless Transactions

To reduce the amount of paper used in our interactions with our customers, we updated our account process and implemented eSignature capabilities. This allows customers to electronically review and sign most deposit, lending, and treasury management documents, and elect to receive their copies electronically — saving the customer time, reducing the amount of paper printed, and securely delivering and storing sensitive bank documents.

We will continue to integrate this new technology throughout our businesses. The Contact Center's new account teams began using the software in May 2017. We fully deployed the software to all branch locations in December 2017, and the Private Wealth division is deploying the technology in the first quarter of 2018. In the coming year, we expect to expand the business uses of eSignature into other customer-facing areas and products, improving efficiency and speed of service, while reducing material waste.

For the past few years, customers have had the option to receive transaction receipts electronically at our retail branches and this option will be expanded to ATMs in 2018.

Mobile Banking

Regions Mobile Banking encourages convenient money management and paperless transactions by offering customers:

- Convenient and secure access to their Regions accounts from their mobile device
- Bill and personal payment options
- Funds transfer capabilities
- Mobile deposit capabilities, allowing consumer and business customers to take a picture of a check for electronic deposit

GREEN LENDING

Solar Power Financing

Regions supports the development and implementation of clean energy solutions for our Corporate Banking clients. Since 2015, Regions has provided capital in the form of sale-leasebacks to leading developers of utility scale photovoltaic (PV) solar projects across the U.S.

In 2017, we provided \$347 million in funding for 17 individual PV solar projects located in California, Colorado, Indiana, North Carolina, Tennessee, and Texas. These projects consist of ground-mounted PV projects as well as rooftop and carport mounted facilities located at universities, corporate headquarters, and military bases. Overall generating capacity from these solar projects exceed 125 megawatts — an amount sufficient to power over 20,000 homes.

\$347
million in
funding for solar power projects

Redstone Arsenal Solar Project



During the fourth quarter of 2017, Regions completed the financing for a 10-megawatt solar PV facility and a 1-megawatt battery storage system at the Redstone Arsenal U.S. Army post near Huntsville, Ala. This PV facility was designed and installed by SunPower Corporation. With a generation capacity sufficient to power approximately 2,500 homes per year, this clean energy project supports the U.S. Army's efforts to reduce electricity costs at its various bases while enhancing energy resilience. Power produced by this facility is sold to the U.S. Army under a long-term purchase agreement.



SPOTLIGHT

Southern Research

Southern Research, headquartered in Birmingham, is an independent, 501(c)(3) nonprofit, scientific research organization. Southern Research supports the pharmaceutical, biotechnology, defense, aerospace, environmental, and energy industries, and pursues entrepreneurial and collaborative initiatives to develop and maintain a pipeline of intellectual property and innovative technologies that positively impact real-world problems.



One of Southern Research's focus areas is renewable energy and storage. There are many ways to produce energy with growing renewable energy generation — leading the way to a cleaner energy future. Large scale solar energy generation, however, is limited by our inability to economically store energy. Southern Research is committed to being the leader in the development, management, and democratization of thermal energy storage for grid-scale electricity

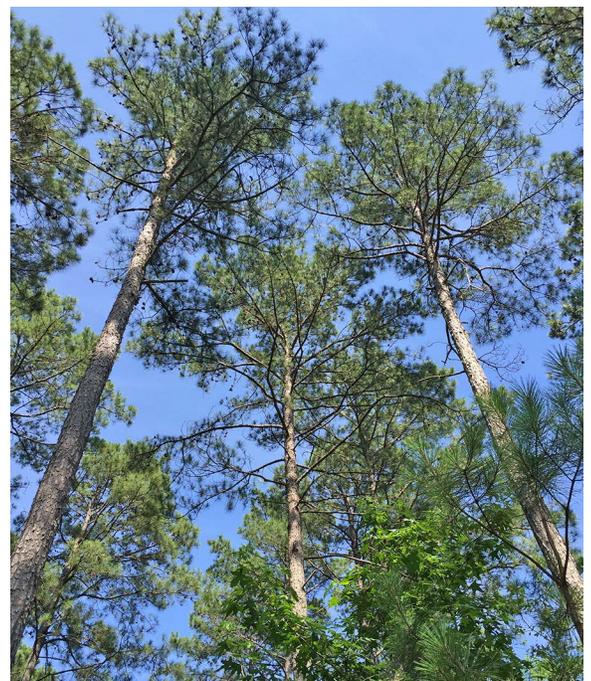
generation via Concentrating Solar Power and has developed a business focused on testing and development of distributed energy generation and storage systems. Further, in collaboration with other corporate, nonprofit, and governmental agencies, Southern Research is developing a new Energy Storage Research Center focused on grid-scale energy storage applications in combination with renewables in the Southeastern U.S.

Regions and Southern Research have a long-standing relationship from the earliest days of the organization when we provided initial funding for the construction and equipping of its scientific laboratories. Today, Regions works with Southern Research to help fund its capital needs through the extension of debt and its day-to-day needs through cash management services and operating accounts.

SUSTAINABLE FORESTRY

Regions Natural Resources and Real Estate group brings a commitment to sustainability and forestry best practices to clients needing land and timber management services. Relying on a staff of 44 natural resource professional and registered foresters, Regions is responsible for the sustainable management of more than 1 million acres of timberland across 15 states and adheres to all applicable State Best Management Practices (BMPs) for Forestry. Our forestry management efforts and State BMPs are implemented to improve water quality, carbon sequestration, and wildlife habitat.

In addition to following BMP, a portion of the timberland acres managed by Regions foresters is certified under the 2015-2019 Sustainable Forestry Initiative Standard or the 2015-2020 American Tree Farm Certification Standard. Both third-party certification systems promote sustainable forestry practices aimed at protecting water quality, biodiversity, wildlife habitat, species at risk, and forests with exceptional conservation value.



RISK MANAGEMENT

RISK OWNERSHIP & AWARENESS

Risk Ownership & Awareness is one of our core foundational disciplines that helps make risk management a part of who we are. As such, every associate is responsible for risk management. This team approach is referred to as the “three lines of defense.” Associates in the Business Groups, who deal with our customers daily, form the first line of defense. They identify and address risks ranging from fraud to credit decisions. Risk Management and Enterprise Support Units form the second line of defense, acting as coaches and guides to, and monitors, of the first line. Internal Audit and Credit Review form the third line, providing an independent review of the work of the first two lines.

Regions Risk Management Framework

Regions’ risk management framework outlines our approach for managing risk that includes the following four components:

- **Culture:** A strong, collaborative risk culture ensures focus on risk in all activities and encourages the necessary mindset and behavior to enable effective risk management and promote sound risk-taking within the bounds of our risk appetite. Our risk culture requires that risks be promptly identified, escalated, and challenged; thereby, benefiting our overall performance.
- **Appetite:** Our risk appetite statements define the types and levels of risk we are willing to take to achieve our objectives.
- **Process:** Effective risk management requires sustainable processes and tools to effectively identify, measure, mitigate, monitor, and report risk.
- **Governance:** Governance serves as the foundation for comprehensive management of the risks that we face. It outlines clear responsibility and accountability for managing, monitoring, escalating, and reporting both existing and emerging risks.

ETHICAL CONDUCT

We have relationships with associates, customers, vendors, and the communities where we work and live. In every category, Regions must be regarded as trustworthy and fair. By having a strong Code of Business Conduct and Ethics (Code of Conduct), we demonstrate that doing what is right is not just a slogan — it is the way we do business.

The Code of Conduct is designed to provide guidance and resources to help ensure, among other matters, that:

- Regions and its associates remain in compliance with all applicable laws and regulations
- Regions is a safe and nondiscriminatory place to work and do business
- Confidential and proprietary information is protected
- Inappropriate gifts or favors are not accepted or given
- Conflicts of interest are avoided

The **Code of Conduct** is about more than compliance; it is about **what is expected of each associate and how we maintain trust with those we serve.**

Our executive-level Ethics Council is responsible for enforcing our standards of conduct and considering all potential violations of the Code of Conduct that could have a material effect on Regions. The Council meets on a quarterly basis, or more frequently if necessary, and provides a quarterly report to the Audit Committee of all matters presented to the Ethics Council and an annual report to the Nominating and Corporate Governance Committee.

Associates are required to complete annual Business Conduct and Ethics training and attest they have read and understand the Code of Conduct. Additional information about our governance process and policies, including the Code of Conduct, can be found on our [Investor Relations](#) website.



CORPORATE CULTURE

At Regions, we foster a culture of ethics through our governance framework — programs and efforts that embed our culture and expectations for behavior throughout our company. Our strong culture begins with setting the right tone at the top starting with the Board of Directors and executive management.

In February 2018, our board expanded the purpose of and renamed the Compensation Committee to the Compensation and Human Resources Committee. As part of its expanded purpose, the committee assists the board in overseeing the development, implementation, and effectiveness of Regions' strategies and policies regarding its human resources management function, including, but not limited to, human capital and talent management, management succession (in coordination with the Nominating and Corporate Governance Committee), and diversity and inclusion practices.

Respect in the Workplace

In 2017, attention was brought to the issue of workplace sexual harassment and misconduct through media reports of high profile accusations. Our policies and values are strongly aligned to maintain a workplace culture of respect, which we reinforce through yearly required training on how to identify harassment in the workplace and report it.

Our culture is the result of years of commitment — starting at the top of the bank — and efforts to create a robust, effective risk framework that reflects our core values, especially Putting People First and Doing What is Right. Our Code of Conduct and written policies are the foundation of this framework. Our No-Harassment Policy, which applies to associates, customers, and vendors, clearly defines sexual harassment and prohibited conduct.

This policy states that associates have a duty to immediately report harassment. It also states our commitment to providing a work environment free from harassment and that fosters our associates' ability to devote their full attention and best efforts to their jobs. Our No-Retaliation Policy compliments the No-Harassment Policy by prohibiting retaliation against associates who make good faith reports of unethical, unlawful, or illegal conduct.

We want associates to be clear on what our policies prohibit and, therefore, require Respect in the Workplace training on a regular basis. The course focuses on respect and inclusion at work, as well as the policies and laws in place that offer protection. It includes tools to help associates recognize behaviors that do not support our culture and values and how an issue can be reported. In 2017, our CEO reminded all associates of this training and the importance of each associate's part in creating a respectful workplace.

To ensure associates are comfortable reporting policy violations, in addition to providing multiple reporting channels, we also protect the confidentiality of complaints to the extent possible.

Complaints may be reported via Human Resources, our newly-established Office of Associate Conduct (OAC), or anonymously by calling the Report It! Hotline or submitting a Report It! complaint online. Our OAC is notified of all complaints and ensures harassment and misconduct complaints are investigated promptly, effectively, and fairly. Oversight by the OAC helps ensure our preventative measures, how we handle complaints, and resolution efforts are effective.

Our actions yield positive results in the form of a culture that reflects our core values, but we will continue to review our policies to ensure their effectiveness. We know maintaining a solid culture creates job satisfaction, builds associate engagement, and promotes collaboration and a commitment to excellence. This is what enables us to create shared value.

Regions has an Open Door Policy when it comes to associate concerns and encourages open and honest communication to resolve associate disputes and complaints in a fair and reasonable manner.

THE REPORT IT! HOTLINE

Associates may use the Report It! Hotline (1-888-270-5934) to report violations. The Report It! Hotline is available 24 hours a day, every day of the year. All calls are answered by trained professionals, and callers are given the option of speaking Spanish. Callers may provide their identity or remain anonymous — it is their choice. Associates may also file complaints at www.reportlineweb.com/regions. Investigations are thorough and protect confidential information to the maximum degree possible.



Bank Secrecy Act, Anti-Money Laundering, and U.S. Sanctions

Regions is committed to complying with both the letter and the spirit of the laws and regulations that govern sanctions, anti-money laundering, and terrorist financing. Our comprehensive, company-wide, Corporate Bank Secrecy Act, Anti-Money Laundering, and Office of Foreign Assets Control Compliance (BSA/AML/OFAC) Program consists of a corporate policy and corporate procedures applicable to all Regions associates, management, affiliates, subsidiaries, and business units. We continuously review our policies and procedures and update them as needed.

Regions remains committed to ensuring not only that all our policies and procedures fully comply with rules and regulations, but also that these policies and procedures are clearly communicated and accessible to our associates. The Corporate BSA/AML/OFAC Policy and Procedures and the numerous Business Unit BSA/AML/OFAC Procedures are posted on our internal website, life@regions. Additionally, as part of our effort to ensure that the BSA/AML/OFAC Policy and Procedures are widely understood and observed, we track participation in Regions' mandatory BSA/AML/OFAC training programs. We also provide targeted, supplemental training for certain associates.

BSA/AML/OFAC risk governance is accomplished through formal oversight by the Board of Directors through the Risk Committee, which provides guidance down to the organization units by approving the Corporate BSA/AML/OFAC Program. The Risk Committee receives reports from management related to BSA/AML/OFAC on at least a quarterly basis. We also have a

BSA/AML/OFAC Policy and Compliance Oversight department, a BSA/AML/OFAC Operations department, a Corporate BSA/AML/OFAC Officer, and a BSA/AML Oversight Committee, a special purpose committee. All of these governing bodies and roles are intended to oversee and monitor the effectiveness of the controls and processes in place to identify, measure, mitigate, monitor, and report on BSA/AML/OFAC specific risks.

The effectiveness of the BSA/AML/OFAC Program, as well as associates' adherence to the requirements of the Program, is subject to ongoing independent testing by our Internal Audit department. Regions is also subject to periodic BSA/AML/OFAC regulatory examinations. Our board, along with executive management receive regular reports on regulatory submissions filed by Regions as required by various BSA/AML/OFAC laws and regulations and our BSA/AML/OFAC Program.

Individual recognition and accountability are paramount to the success of our BSA/AML/OFAC Program. Accordingly, Regions has a program that is administered by Corporate Security, with oversight by the BSA/AML Oversight Committee, to reward associates for exceptional efforts to monitor and refer potentially suspicious activity. Additionally, adherence to the requirements of the BSA/AML/OFAC Program is built into associates' performance evaluations.

Anti-Corruption and Bribery

Our Code of Conduct prohibits employees from engaging in bribery or corruption of any type. The Code of Conduct requires associates to comply fully with all applicable anti-bribery laws, including the Bank Bribery Act and the Foreign Corrupt Practices Act

and expressly prohibits associates from giving gifts to or accepting gifts from government officials. Associates who are offered a gift or other item of value in violation of Regions' policies are required to immediately report the incident to the Ethics Program Manager.

Whistleblower Complaints and Protection

Regions provides multiple channels for associates to file complaints and report suspected violations of the Code of Conduct and/or potentially suspicious behavior by customers, associates, or vendors. Two of these channels, the Report It! Hotline and the Report It! website, are administered by a third party and are available seven days a week, 24 hours a day to enable associates to make reports anonymously if they choose to do so.

Regions considers retaliation to be a serious violation of company values and the Code of Conduct. Regions prohibits retaliation of any kind for good faith reports of alleged ethical violations or misconduct. Regions' anti-retaliation policy is set forth in the Code of Conduct and in other company policies.

Anticompetitive Activities Policies

Antitrust laws prohibit agreements among competitors to restrict competition. Our Anticompetitive Activities policy strictly prohibits associates from conspiring with any Regions' competitors to fix prices, allocate markets, allocate customers, or refuse to deal with particular suppliers or customers. When in contact with Regions' competitors, associates must avoid discussing how Regions conducts its business.



MANDATORY ANNUAL COURSES AND ASSOCIATE TRAINING

In addition to job-specific training, we require that all associates complete mandatory annual courses, called MAC training. These online training courses have been developed and are revised in response to regulatory changes, industry events, and evolving risks. Completion of MAC training is a condition of continued employment at Regions; new hires must complete training within 30 calendar days from their start date, and then again annually.

In 2017, all Regions associates completed the following courses:

Business Conduct and Ethics

emphasizes responsibility and accountability relating to financial services, incentive compensation, and fraud detection. It ensures that associates know and understand the Code of Conduct and how to report violations, and reminds them why fair and consistent treatment is important.

Fair and Responsible Banking

covers key banking regulations and policies and their effects on the bank and our customers. It instructs associates on how to avoid discrimination and unfair, deceptive, or abusive acts or practices when interacting with customers, including sales practices, and how to handle and report customer complaints.

Fundamentals of Risk Management

reminds associates how sound risk management affects our ability to serve our customers and protect the bank. The course explains the three lines of defense concept, the importance of a strong risk culture, and how shared value helps build



Regions associates completed **282,458 hours** of mandatory annual compliance training in 2017. Associates also completed over **5,500 hours** of continuing education training related to money laundering and fraud protection, including elder financial exploitation.

that culture. It outlines the amount of risk we are willing to take, how we oversee risk-taking, how we reach the targeted risk management performance levels, and how compliance with risk management governance and policies affects Regions and our associates.

BSA/AML and OFAC Training

reiterates the purpose of the Bank Secrecy Act and the USA PATRIOT Act as they relate to recognizing, reporting, recordkeeping, and reducing the effects of suspicious activity. It also covers compliance with Office of Foreign Assets Control (OFAC) and Regions' OFAC compliance strategy.

Business Unit-specific Procedures for BSA/AML/OFAC informs associates of procedures specific to their function, role, and responsibilities to achieve and maintain ongoing compliance with BSA/AML/OFAC provisions and our enterprise-wide goals.

Information Security covers key laws and regulations that drive the information security policy and program, including safeguarding information and assets, reporting suspicious activity and data breaches, and identifying risks and penalties of non-compliance. Associates learn about protection, access, and use of electronic assets; protection, retention, and disposal of physical assets; and vendor management and security.

Consumer Privacy explains Regions' Privacy Policy and Privacy Disclosure notice for customers. The course identifies each associate's responsibilities related to the policy and how to effectively communicate with customers regarding their rights and options.



ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

As a bank, we acknowledge the unique risks and concerns surrounding the environmental and community impact of our lending practices, including climate change. We work collaboratively with our clients, communities, and other stakeholders to promote environmentally sustainable and socially responsible business practices.

As part of our risk management process, we have a dedicated industry team, the Energy and Natural Resources Group (ENRG), that underwrites exposure to energy and natural resources clients. The team has a broad and deep understanding of the industries and their environmental and social impacts. Our credit policies and procedures require the involvement of ENRG based on a client's primary NAICS code. Certain sectors, such as coal, utilities, and oil and gas have been identified as requiring heightened due diligence surrounding environmental and social impact, compliance with regulations, and other subsector-specific factors, such as diversification of fuel mix. In addition to expanded underwriting requirements, elevated approvals are required from senior Credit executives and these customers are monitored no less than annually per Regions' loan policies.

Regions has also established industry concentration limits that are approved by the bank's Credit Risk Committee. These limits are monitored by the Risk Analytics team who report to the Chief Credit Officer. Industry exposures are measured each quarter and reported to the Credit Risk Committee to ensure that industry exposure remains within risk tolerances.

Finally, ongoing training of Regions associates ensures compliance with our stated risk appetite and related rules and regulations. Various lines of business within the Corporate Bank

hold semi-annual calls that contain updated industry information, new lending regulations, or other topical issues related to Regions' risk appetite. Additional informal training for emerging topics (such as natural disasters) is handled either by internal committees or agenda items for regularly scheduled line of business meetings.

Coal Mining and Mountain Top Removal

Regions' Energy and Natural Resources White Paper, an internal document that defines our risk appetite, identifies many of the heightened environmental risks in lending to coal mining companies. This document is updated periodically and reflects Regions' decision to not lend to companies that utilize mountaintop removal mining practices to extract more than five percent of their total annual tonnage. In addition, extensions of credit to coal companies require enhanced due diligence with respect to legal and environmental compliance, as well as approval from Credit Officers within the ENRG approval chain. Regions manages its coal exposure as part of the Energy and Natural Resources portfolio and commitments to coal companies are reported on a quarterly basis to senior management.

Risk Ownership & Awareness

Environmental and social risks management is also integrated into our Risk Ownership & Awareness process — the three lines of defense.

The first line of defense (e.g., client managers or debt product officers) owns and manages the risks that Regions faces in its day-to-day operations. Environmental and social risks, such as environmental impact, legal compliance, and safety issues present in a client's operations or credit transaction, would be identified by Regions associates in first line of defense roles.

The second line of defense assesses risk and oversees the risk-taking activities of the first line of defense (e.g., credit officers and the legal department). Second line of defense associates need to agree with the first line's assessment of risk, including environmental or impact to the community, before a transaction can move forward to approval.

The third line of defense performs independent reviews and assessments of risk management practices of the first and second lines of defense (e.g., audit and credit review). Regions' specialized and geographic portfolios are examined on a regular basis to ensure compliance with existing loan and monitoring policies. If environmental or social issues surface with a client after the underwriting of a transaction has closed, review by the third line of defense ensures that such issues receive an appropriate post-closing evaluation.

In the event the third line of defense determines that an action plan must be established to mitigate an identified risk or operational issue, the first and second lines of defense are tasked with developing such a plan and executing it within a given time-frame. The third line of defense monitors and audits the actions taken to ensure the heightened risk has been appropriately mitigated.

Environmental Policy

Regions also has a stand-alone environmental policy with which all commercial loans, including those underwritten in the specialized portfolio, must comply. This policy sets requirements for enhanced due diligence, including the completion of an environmental questionnaire, a record search, and an environmental site assessment, based on the risks identified during the underwriting process and the loan value. Region's Chief Environmental Risk Officer must sign any transaction that contains an exception to this policy.



INFORMATION SECURITY AND PRIVACY

At Regions, we are dedicated to securing and protecting the privacy of personal and financial information we collect, store, process, and/or share in a manner that is transparent and consistent with the laws, regulations, guidance, and customer expectations. We have developed comprehensive Information Security and Privacy Programs, which include robust technical, administrative, and physical controls coupled with policies, processes, and procedures to help us safeguard information against unauthorized disclosure, modification, or destruction and to protect our information systems against unauthorized access, use, modification, destruction, loss, misuse, theft, or denial of service. These programs require regular reviews by senior management and the Board of Directors, in addition to examinations by internal and external auditors, and regulatory agencies who have oversight authority.

Our Code of Conduct and Privacy and Information Security policies require confidential treatment of customer information consistent with applicable laws, regulations, and guidance

Information Security

Regions has aligned its information security program to the National Institute of Standards and Technology (NIST) Framework for Improving Critical Infrastructure Cybersecurity and NIST Special Publication 800-53. Additionally, Regions regularly assesses the threats and vulnerabilities to its environment, so it can update and maintain its systems and controls to effectively mitigate these risks. The Information Security Program includes layered controls for network intrusion and prevention, enterprise malware protection, advanced persistent threat monitoring, data protection capabilities, and adopts the philosophy of least privileged for granting access to its systems. Regions regularly tests its detection and response capabilities through annual penetration tests, ongoing vulnerability scans, and engagement of third party vendors to perform red-team testing. The Information Security Program is subject to multiple internal and external audits, reviews, and exams annually.



and reinforce our commitment to protecting personal and financial data. All associates (including contracted associates) are required to complete both the Information Security and Consumer Privacy training courses annually. Associates who have direct contact with certain data types (e.g., Protected Health Information) are also required to complete a more detailed training course on an annual basis. Third-party vendors are routinely assessed to ensure they have appropriate security and privacy training, controls, and monitoring in place.

The increasing adoption of technology innovation, transformation, and interconnectedness has resulted in a continuing evolution in the cyber threat landscape. Attacks are becoming more frequent, widespread, sophisticated, and harder to defend. Ransomware, internet-wide vulnerabilities, supply chain compromises, cloud security, mobile malware, politically motivated attacks, and high-profile data breaches have become commonplace. Company perimeter defenses and traditional security controls no longer provide the same level of protection, as they did just a few years ago. A new approach and vision, with ongoing awareness and continuous adaptation, along with effective tools, processes, and governance, is necessary to ensure our data and information systems are protected. Therefore, we maintain a formal Cyber Incident Response Plan and Team to evaluate and respond to significant events and incidents that may impact Regions or our customers. Additionally, we have placed a computer forensics firm and an industry-leading consulting firm on retainer in case of a breach event.

Our Information Security organization is led by our Chief Information Security Officer (CISO). The CISO develops and executes an enterprise-wide information security strategy that helps protect our customers' information, complying with applicable legal and regulatory standards. As part of this role, the CISO manages the development, implementation, and maintenance of the information security infrastructure; oversees the protection of Regions' electronic assets by providing monitoring, detection, analysis, event handling, and containment of security incidents; monitors information security trends internally and externally; and informs senior leadership about information security-related issues and activities affecting the organization.



Privacy

Our internal Privacy Policy governs all business groups and associates, and is a statement of our commitment to controlling and mitigating privacy risks. This commitment is an important part of Regions' dedication to promoting the highest standards of behavior in all aspects of our practices. The policy is reviewed annually and all associates (including contracted associates) and third-party vendors must adhere to this policy.

In addition, the Regions' Privacy Pledge (a.k.a. privacy notice) is provided to all customers upon establishing a new consumer relationship or account. It explains how we collect, use, and share information, as well as, provides customers instructions on how they can limit information sharing with affiliates and marketing by Regions through email, phone, and/or direct mail. This Pledge, along with other helpful privacy, security, and fraud prevention resources, can be found at our web site under the Privacy & Security section.



These privacy programs and policies are overseen by the Enterprise Privacy Office, which is led by our Privacy Officer. The Privacy Officer is responsible for ensuring associate training is adequate and administered annually to all associates; policies and standards reflect legal and regulatory requirements; effective controls and monitoring exist within the businesses to mitigate risk; procedural and transactional reviews and testing of businesses are performed routinely to ensure the bank is compliant; and privacy issues, trends, or incidents are escalated for prompt attention and resolution.





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