Exhibit 99.2

REGIONS

# Regions Financial Corporation and Subsidiaries

## Financial Supplement

## Fourth Quarter 2019

**Regions Financial Corporation and Subsidiaries**
**Financial Supplement to Fourth Quarter 2019 Earnings Release**

## Table of Contents

**Regions Financial Corporation and Subsidiaries**
**Financial Supplement to Fourth Quarter 2019 Earnings Release**

## Financial Highlights

| *($ amounts in millions, except per share data)* | Quarter Ended 12/31/2019 | 9/30/2019 | 6/30/2019 | 3/31/2019 | 12/31/2018 |
|---|---|---|---|---|---|
| **Earnings Summary** | | | | | |
| Interest income and other financing income - taxable equivalent | **$ 1,121** | $ 1,173 | $ 1,202 | $ 1,196 | $ 1,171 |
| Interest expense - taxable equivalent | **180** | 213 | 235 | 223 | 188 |
| Depreciation expense on operating lease assets | **10** | 10 | 11 | 12 | 12 |
| Net interest income and other financing income - taxable equivalent - continuing operations | **931** | 950 | 956 | 961 | 971 |
| Less: Taxable-equivalent adjustment | **13** | 13 | 14 | 13 | 13 |
| Net interest income and other financing income | **918** | 937 | 942 | 948 | 958 |
| Provision for loan losses | **96** | 108 | 92 | 91 | 95 |
| Net interest income and other financing income after provision for loan losses | **822** | 829 | 850 | 857 | 863 |
| Non-interest income | **562** | 558 | 494 | 502 | 481 |
| Non-interest expense | **897** | 871 | 861 | 860 | 853 |
| Income from continuing operations before income taxes | **487** | 516 | 483 | 499 | 491 |
| Income tax expense | **98** | 107 | 93 | 105 | 85 |
| Income from continuing operations | **389** | 409 | 390 | 394 | 406 |
| Net income | **$ 389** | $ 409 | $ 390 | $ 394 | $ 406 |
| Income from continuing operations available to common shareholders | **$ 366** | $ 385 | $ 374 | $ 378 | $ 390 |
| Net income available to common shareholders | **$ 366** | $ 385 | $ 374 | $ 378 | $ 390 |
| | | | | | |
| Earnings per common share from continuing operations - basic | **$ 0.38** | $ 0.39 | $ 0.37 | $ 0.37 | $ 0.38 |
| Earnings per common share from continuing operations - diluted | **0.38** | 0.39 | 0.37 | 0.37 | 0.37 |
| Earnings per common share - basic | **0.38** | 0.39 | 0.37 | 0.37 | 0.38 |
| Earnings per common share - diluted | **0.38** | 0.39 | 0.37 | 0.37 | 0.37 |
| | | | | | |
| **Balance Sheet Summary** | | | | | |
| At quarter-end—Consolidated | | | | | |
| Loans, net of unearned income | **$ 82,963** | $ 82,786 | $ 83,553 | $ 84,430 | $ 83,152 |
| Allowance for loan losses | **(869)** | (869) | (853) | (853) | (840) |
| Assets | **126,240** | 128,147 | 127,518 | 128,802 | 125,688 |
| Deposits | **97,475** | 94,305 | 94,971 | 95,720 | 94,491 |
| Long-term borrowings - Federal Home Loan Bank advances | **2,501** | 3,001 | 3,102 | 6,902 | 6,902 |
| Long-term borrowings - Other | **5,378** | 6,127 | 6,111 | 6,055 | 5,522 |
| Stockholders' equity | **16,295** | 16,581 | 16,608 | 15,512 | 15,090 |
| Average balances—Consolidated | | | | | |
| Loans, net of unearned income | **$ 82,392** | $ 82,986 | $ 83,905 | $ 83,725 | $ 81,873 |
| Assets | **124,138** | 124,663 | 126,115 | 125,543 | 123,538 |
| Deposits | **94,512** | 94,056 | 94,918 | 94,170 | 93,159 |
| Long-term borrowings - Federal Home Loan Bank advances | **2,659** | 3,222 | 4,787 | 5,876 | 5,704 |
| Long-term borrowings - Other | **5,942** | 6,118 | 6,068 | 5,877 | 5,478 |
| Stockholders' equity | **16,564** | 16,621 | 15,927 | 15,192 | 14,605 |

**Regions Financial Corporation and Subsidiaries**
**Financial Supplement to Fourth Quarter 2019 Earnings Release**

## Selected Ratios and Other Information

| | As of and for Quarter Ended | | | | |
|---|---|---|---|---|---|
| | **12/31/2019** | 9/30/2019 | 6/30/2019 | 3/31/2019 | 12/31/2018 |
| Return on average assets* (1) | **1.24%** | 1.30% | 1.24% | 1.27% | 1.30% |
| Return on average common stockholders' equity* | **9.51%** | 9.98% | 10.16% | 10.66% | 11.22% |
| Return on average common stockholders' equity from continuing operations* | **9.51%** | 9.98% | 10.15% | 10.66% | 11.23% |
| Return on average tangible common stockholders' equity (non-GAAP)* (2) | **13.95%** | 14.62% | 15.11% | 16.09% | 17.32% |
| Return on average tangible common stockholders' equity from continuing operations (non-GAAP)* (2) | **13.95%** | 14.62% | 15.10% | 16.09% | 17.33% |
| Efficiency ratio from continuing operations | **60.1%** | 57.7% | 59.4% | 58.8% | 58.7% |
| Adjusted efficiency ratio from continuing operations (non-GAAP) (2) | **58.1%** | 57.4% | 58.3% | 58.3% | 58.1% |
| Common book value per share | **$ 15.65** | $ 15.83 | $ 15.24 | $ 14.50 | $ 13.92 |
| Tangible common book value per share (non-GAAP) (2) | **$ 10.58** | $ 10.79 | $ 10.42 | $ 9.72 | $ 9.19 |
| Tangible common stockholders' equity to tangible assets (non-GAAP) (2) | **8.34%** | 8.44% | 8.53% | 7.95% | 7.80% |
| Basel III common equity (3) | **$ 10,228** | $ 10,121 | $ 10,484 | $ 10,443 | $ 10,371 |
| Basel III common equity Tier 1 ratio (3) | **9.6%** | 9.6% | 9.9% | 9.8% | 9.9% |
| Tier 1 capital ratio (3) | **10.8%** | 10.8% | 11.1% | 10.6% | 10.7% |
| Total risk-based capital ratio (3) | **12.6%** | 12.6% | 12.9% | 12.4% | 12.5% |
| Leverage ratio (3) | **9.7%** | 9.5% | 9.7% | 9.3% | 9.3% |
| Effective tax rate | **20.3%** | 20.6% | 19.4% | 21.0% | 17.4% |
| Allowance for loan losses as a percentage of loans, net of unearned income | **1.05%** | 1.05% | 1.02% | 1.01% | 1.01% |
| Allowance for loan losses to non-performing loans, excluding loans held for sale | **171%** | 188% | 160% | 163% | 169% |
| Net interest margin (FTE)* | **3.39%** | 3.44% | 3.45% | 3.51% | 3.52% |
| Loans, net of unearned income, to total deposits | **85.1%** | 87.8% | 88.0% | 88.2% | 88.0% |
| Net charge-offs as a percentage of average loans* | **0.46%** | 0.44% | 0.44% | 0.38% | 0.46% |
| Non-accrual loans, excluding loans held for sale, as a percentage of loans | **0.61%** | 0.56% | 0.64% | 0.62% | 0.60% |
| Non-performing assets (excluding loans 90 days past due) as a percentage of loans, foreclosed properties, non-marketable investments and non-performing loans held for sale | **0.70%** | 0.65% | 0.72% | 0.71% | 0.68% |
| Non-performing assets (including loans 90 days past due) as a percentage of loans, foreclosed properties, non-marketable investments and non-performing loans held for sale (4) | **0.89%** | 0.82% | 0.89% | 0.88% | 0.85% |
| Associate headcount—full-time equivalent from continuing operations | **19,564** | 19,549 | 19,765 | 20,056 | 19,969 |
| ATMs | **2,028** | 1,993 | 2,021 | 1,985 | 1,952 |
| Branch Statistics | | | | | |
| Full service | **1,374** | 1,370 | 1,402 | 1,399 | 1,396 |
| Drive-through/transaction service only | **54** | 55 | 58 | 57 | 58 |
| Total branch outlets | **1,428** | 1,425 | 1,460 | 1,456 | 1,454 |

| | Year Ended December 31 | |
|---|---|---|
| | **2019** | 2018 |
| Return on average assets (1) | **1.26%** | 1.27% |
| Return on average common stockholders' equity | **10.07%** | 11.64% |
| Return on average common stockholders' equity from continuing operations | **10.06%** | 10.33% |
| Return on average tangible common stockholders' equity (non-GAAP) (2) | **14.91%** | 17.57% |
| Return on average tangible common stockholders' equity from continuing operations (non-GAAP) (2) | **14.91%** | 15.59% |
| Efficiency ratio from continuing operations | **59.0%** | 61.5% |
| Adjusted efficiency ratio from continuing operations (non-GAAP) (2) | **58.0%** | 59.3% |
| Effective tax rate | **20.3%** | 19.8% |
| Net interest margin (FTE) from continuing operations | **3.45%** | 3.50% |
| Net charge-offs as a percentage of average loans | **0.43%** | 0.40% |
| Adjusted net charge-offs as a percentage of average loans (non-GAAP) (2) | **0.43%** | 0.39% |

*Annualized
(1) Calculated by dividing income from continuing operations by consolidated average assets.
(2) See reconciliation of GAAP to non-GAAP Financial Measures on pages 8, 12, 13, 14, 22, 23 and 26.
(3) Current quarter Basel III common equity as well as the Basel III common equity Tier 1, Tier 1 capital, Total risk-based capital and Leverage ratios are estimated.
(4) Excludes guaranteed residential first mortgages that are 90+ days past due and still accruing. Refer to the footnotes on page 18 for amounts related to these loans.

### Consolidated Statements of Income (unaudited)

| *($ amounts in millions, except per share data)* | Quarter Ended 12/31/2019 | 9/30/2019 | 6/30/2019 | 3/31/2019 | 12/31/2018 |
|---|---|---|---|---|---|
| Interest income, including other financing income on: | | | | | |
| Loans, including fees | **$ 923** | $ 970 | $ 992 | $ 981 | $ 962 |
| Debt securities—taxable | **155** | 160 | 163 | 165 | 160 |
| Loans held for sale | **5** | 5 | 4 | 3 | 4 |
| Other earning assets | **13** | 12 | 15 | 19 | 17 |
| Operating lease assets | **12** | 13 | 14 | 15 | 15 |
| Total interest income, including other financing income | **1,108** | 1,160 | 1,188 | 1,183 | 1,158 |
| Interest expense on: | | | | | |
| Deposits | **98** | 116 | 125 | 108 | 80 |
| Short-term borrowings | **12** | 14 | 14 | 13 | 15 |
| Long-term borrowings | **70** | 83 | 96 | 102 | 93 |
| Total interest expense | **180** | 213 | 235 | 223 | 188 |
| Depreciation expense on operating lease assets | **10** | 10 | 11 | 12 | 12 |
| Total interest expense and depreciation expense on operating lease assets | **190** | 223 | 246 | 235 | 200 |
| Net interest income and other financing income | **918** | 937 | 942 | 948 | 958 |
| Provision for loan losses | **96** | 108 | 92 | 91 | 95 |
| Net interest income and other financing income after provision for loan losses | **822** | 829 | 850 | 857 | 863 |
| Non-interest income: | | | | | |
| Service charges on deposit accounts | **187** | 186 | 181 | 175 | 185 |
| Card and ATM fees | **112** | 114 | 120 | 109 | 111 |
| Wealth management income | **84** | 83 | 79 | 76 | 77 |
| Capital markets income | **61** | 36 | 39 | 42 | 50 |
| Mortgage income | **49** | 56 | 31 | 27 | 30 |
| Securities gains (losses), net | **(2)** | — | (19) | (7) | — |
| Other | **71** | 83 | 63 | 80 | 28 |
| Total non-interest income | **562** | 558 | 494 | 502 | 481 |
| Non-interest expense: | | | | | |
| Salaries and employee benefits | **488** | 481 | 469 | 478 | 468 |
| Net occupancy expense | **79** | 80 | 80 | 82 | 86 |
| Furniture and equipment expense | **82** | 83 | 84 | 76 | 82 |
| Other | **248** | 227 | 228 | 224 | 217 |
| Total non-interest expense | **897** | 871 | 861 | 860 | 853 |
| Income from continuing operations before income taxes | **487** | 516 | 483 | 499 | 491 |
| Income tax expense | **98** | 107 | 93 | 105 | 85 |
| Income from continuing operations | **389** | 409 | 390 | 394 | 406 |
| Net income | **$ 389** | $ 409 | $ 390 | $ 394 | $ 406 |
| Net income from continuing operations available to common shareholders | **$ 366** | $ 385 | $ 374 | $ 378 | $ 390 |
| Net income available to common shareholders | **$ 366** | $ 385 | $ 374 | $ 378 | $ 390 |
| Weighted-average shares outstanding—during quarter: | | | | | |
| Basic | **963** | 988 | 1,010 | 1,019 | 1,035 |
| Diluted | **968** | 991 | 1,012 | 1,028 | 1,043 |
| Actual shares outstanding—end of quarter | **957** | 964 | 1,004 | 1,013 | 1,025 |
| Earnings per common share from continuing operations: (1) | | | | | |
| Basic | **$ 0.38** | $ 0.39 | $ 0.37 | $ 0.37 | $ 0.38 |
| Diluted | **$ 0.38** | $ 0.39 | $ 0.37 | $ 0.37 | $ 0.37 |
| Earnings per common share: (1) | | | | | |
| Basic | **$ 0.38** | $ 0.39 | $ 0.37 | $ 0.37 | $ 0.38 |
| Diluted | **$ 0.38** | $ 0.39 | $ 0.37 | $ 0.37 | $ 0.37 |
| Taxable-equivalent net interest income and other financing income | **$ 931** | $ 950 | $ 956 | $ 961 | $ 971 |

(1) Quarterly amounts may not add to year-to-date amounts due to rounding.

**Consolidated Statements of Income (continued) (unaudited)**

| | Year Ended December 31 | |
|---|---|---|
| *($ amounts in millions, except per share data)* | **2019** | 2018 |
| Interest income, including other financing income on: | | |
| Loans, including fees | **$ 3,866** | $ 3,613 |
| Debt securities—taxable | **643** | 625 |
| Loans held for sale | **17** | 15 |
| Other earning assets | **59** | 70 |
| Operating lease assets | **54** | 70 |
| Total interest income, including other financing income | **4,639** | 4,393 |
| Interest expense on: | | |
| Deposits | **447** | 250 |
| Short-term borrowings | **53** | 30 |
| Long-term borrowings | **351** | 322 |
| Total interest expense | **851** | 602 |
| Depreciation expense on operating lease assets | **43** | 56 |
| Total interest expense and depreciation expense on operating lease assets | **894** | 658 |
| Net interest income and other financing income | **3,745** | 3,735 |
| Provision for loan losses | **387** | 229 |
| Net interest income and other financing income after provision for loan losses | **3,358** | 3,506 |
| Non-interest income: | | |
| Service charges on deposit accounts | **729** | 710 |
| Card and ATM fees | **455** | 438 |
| Wealth management income | **322** | 306 |
| Capital markets income | **178** | 202 |
| Mortgage income | **163** | 137 |
| Securities gains (losses), net | **(28)** | 1 |
| Other | **297** | 225 |
| Total non-interest income | **2,116** | 2,019 |
| Non-interest expense: | | |
| Salaries and employee benefits | **1,916** | 1,947 |
| Net occupancy expense | **321** | 335 |
| Furniture and equipment expense | **325** | 325 |
| Other | **927** | 963 |
| Total non-interest expense | **3,489** | 3,570 |
| Income from continuing operations before income taxes | **1,985** | 1,955 |
| Income tax expense | **403** | 387 |
| Income from continuing operations | **1,582** | 1,568 |
| Discontinued operations [(1)]: | | |
| Income from discontinued operations before income taxes | **—** | 271 |
| Income tax expense (benefit) | **—** | 80 |
| Income from discontinued operations, net of tax | **—** | 191 |
| Net income | **$ 1,582** | $ 1,759 |
| Net income from continuing operations available to common shareholders | **$ 1,503** | $ 1,504 |
| Net income available to common shareholders | **$ 1,503** | $ 1,695 |
| Weighted-average shares outstanding—during year: | | |
| Basic | **995** | 1,092 |
| Diluted | **999** | 1,102 |
| Actual shares outstanding—end of period | **957** | 1,025 |
| Earnings per common share from continuing operations: | | |
| Basic | **$ 1.51** | $ 1.38 |
| Diluted | **$ 1.50** | $ 1.36 |
| Earnings per common share: | | |
| Basic | **$ 1.51** | $ 1.55 |
| Diluted | **$ 1.50** | $ 1.54 |
| Taxable-equivalent net interest income and other financing income | **$ 3,798** | $ 3,787 |

(1) On April 4, 2018, Regions entered into a stock purchase agreement to sell Regions Insurance Group, Inc to BB&T Insurance Holdings. The transaction closed on July 2, 2018. The transaction generated an after-tax gain of $196 million. On January 11, 2012, Regions entered into a stock purchase agreement to sell Morgan Keegan and Company and related affiliates to Raymond James Financial Inc. The sale closed on April 2, 2012.

**Regions Financial Corporation and Subsidiaries**
**Financial Supplement to Fourth Quarter 2019 Earnings Release**

**Consolidated Average Daily Balances and Yield/Rate Analysis**

| | Quarter Ended | | | | | |
|---|---|---|---|---|---|---|
| | 12/31/2019 | | | 9/30/2019 | | |
| *($ amounts in millions; yields on taxable-equivalent basis)* | Average Balance | Income/ Expense | Yield/ Rate | Average Balance | Income/ Expense | Yield/ Rate |
| Assets | | | | | | |
| Earning assets: | | | | | | |
| Debt securities—taxable [(1)] | $ 23,830 | $ 155 | 2.61% | $ 23,909 | $ 160 | 2.67% |
| Loans held for sale | 540 | 5 | 3.58 | 557 | 5 | 3.73 |
| Loans, net of unearned income: | | | | | | |
| Commercial and industrial | 39,743 | 416 | 4.14 | 40,200 | 441 | 4.34 |
| Commercial real estate mortgage—owner-occupied | 5,489 | 63 | 4.47 | 5,481 | 66 | 4.74 |
| Commercial real estate construction—owner-occupied | 357 | 4 | 4.59 | 390 | 5 | 4.63 |
| Commercial investor real estate mortgage | 4,841 | 49 | 3.97 | 4,859 | 54 | 4.35 |
| Commercial investor real estate construction | 1,544 | 19 | 4.80 | 1,529 | 21 | 5.25 |
| Residential first mortgage | 14,416 | 141 | 3.92 | 14,298 | 142 | 3.99 |
| Home equity | 8,478 | 95 | 4.46 | 8,683 | 104 | 4.79 |
| Indirect—vehicles | 1,948 | 16 | 3.29 | 2,247 | 19 | 3.30 |
| Indirect—other consumer | 3,005 | 67 | 8.93 | 2,750 | 63 | 9.16 |
| Consumer credit card | 1,337 | 42 | 12.35 | 1,310 | 43 | 13.11 |
| Other consumer | 1,234 | 24 | 7.96 | 1,239 | 25 | 8.02 |
| Total loans, net of unearned income | 82,392 | 936 | 4.51 | 82,986 | 983 | 4.70 |
| Investment in operating leases, net | 312 | 2 | 3.62 | 323 | 3 | 3.60 |
| Other earning assets | 1,898 | 13 | 2.47 | 1,764 | 12 | 2.69 |
| Total earning assets | 108,972 | 1,111 | 4.05 | 109,539 | 1,163 | 4.21 |
| Unrealized gains/(losses) on debt securities available for sale, net [(1)] | 296 | | | 251 | | |
| Allowance for loan losses | (872) | | | (857) | | |
| Cash and due from banks | 1,939 | | | 1,891 | | |
| Other non-earning assets | 13,803 | | | 13,839 | | |
| | $ 124,138 | | | $ 124,663 | | |
| Liabilities and Stockholders' Equity | | | | | | |
| Interest-bearing liabilities: | | | | | | |
| Savings | $ 8,616 | 3 | 0.14 | $ 8,607 | 4 | 0.16 |
| Interest-bearing checking | 18,668 | 26 | 0.57 | 18,257 | 33 | 0.71 |
| Money market | 25,289 | 36 | 0.56 | 24,904 | 42 | 0.68 |
| Time deposits | 7,543 | 32 | 1.60 | 7,712 | 31 | 1.67 |
| Other deposits | 298 | 1 | 1.69 | 977 | 6 | 2.25 |
| Total interest-bearing deposits [(2)] | 60,414 | 98 | 0.64 | 60,457 | 116 | 0.77 |
| Federal funds purchased and securities sold under agreements to repurchase | 110 | 1 | 1.58 | 208 | 1 | 2.28 |
| Other short-term borrowings | 2,164 | 11 | 2.08 | 2,187 | 13 | 2.31 |
| Long-term borrowings | 8,601 | 70 | 3.23 | 9,340 | 83 | 3.47 |
| Total interest-bearing liabilities | 71,289 | 180 | 1.00 | 72,192 | 213 | 1.17 |
| Non-interest-bearing deposits [(2)] | 34,098 | — | — | 33,599 | — | — |
| Total funding sources | 105,387 | 180 | 0.67 | 105,791 | 213 | 0.80 |
| Net interest spread [(1)] | | | 3.05 | | | 3.04 |
| Other liabilities | 2,187 | | | 2,251 | | |
| Stockholders' equity | 16,564 | | | 16,621 | | |
| Noncontrolling interest | — | | | — | | |
| | $ 124,138 | | | $ 124,663 | | |
| Net interest income and other financing income/margin FTE basis [(1)] | | $ 931 | 3.39% | | $ 950 | 3.44% |

(1) Debt securities are included on an amortized cost basis with yield and net interest margin calculated accordingly.
(2) Total deposit costs may be calculated by dividing total interest expense on deposits by the sum of interest-bearing deposits and non-interest bearing deposits. The rates for total deposit costs equal 0.41% and 0.49% for the quarters ended December 31, 2019 and September 30, 2019.

**Consolidated Average Daily Balances and Yield/Rate Analysis (continued)**

| | Quarter Ended | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 06/30/2019 | | | 3/31/2019 | | | 12/31/2018 | | |
| *($ amounts in millions; yields on taxable-equivalent basis)* | Average Balance | Income/ Expense | Yield/ Rate | Average Balance | Income/ Expense | Yield/ Rate | Average Balance | Income/ Expense | Yield/ Rate |
| Assets | | | | | | | | | |
| Earning assets: | | | | | | | | | |
| Debt securities—taxable [1] | $ 24,675 | $ 163 | 2.65% | $ 24,695 | $ 165 | 2.67% | $ 24,767 | $ 160 | 2.59% |
| Loans held for sale | 398 | 4 | 4.14 | 302 | 3 | 3.63 | 413 | 4 | 4.25 |
| Loans, net of unearned income: | | | | | | | | | |
| Commercial and industrial | 40,707 | 457 | 4.49 | 39,999 | 445 | 4.49 | 38,111 | 430 | 4.46 |
| Commercial real estate mortgage—owner-occupied | 5,448 | 64 | 4.65 | 5,560 | 65 | 4.65 | 5,847 | 69 | 4.64 |
| Commercial real estate construction—owner-occupied | 447 | 5 | 4.81 | 409 | 5 | 4.72 | 349 | 4 | 4.73 |
| Commercial investor real estate mortgage | 4,699 | 54 | 4.53 | 4,729 | 54 | 4.58 | 4,275 | 48 | 4.39 |
| Commercial investor real estate construction | 1,797 | 25 | 5.44 | 1,821 | 25 | 5.60 | 1,815 | 25 | 5.31 |
| Residential first mortgage | 14,150 | 142 | 4.01 | 14,203 | 144 | 4.04 | 14,230 | 142 | 4.01 |
| Home equity | 8,910 | 109 | 4.89 | 9,135 | 111 | 4.89 | 9,335 | 111 | 4.75 |
| Indirect—vehicles | 2,578 | 23 | 3.58 | 2,924 | 24 | 3.38 | 3,109 | 27 | 3.40 |
| Indirect—other consumer | 2,662 | 60 | 9.04 | 2,429 | 54 | 8.85 | 2,287 | 51 | 8.77 |
| Consumer credit card | 1,286 | 42 | 13.09 | 1,304 | 43 | 13.41 | 1,298 | 43 | 13.06 |
| Other consumer | 1,221 | 25 | 8.02 | 1,212 | 24 | 8.12 | 1,217 | 25 | 8.12 |
| Total loans, net of unearned income | 83,905 | 1,006 | 4.79 | 83,725 | 994 | 4.78 | 81,873 | 975 | 4.72 |
| Investment in operating leases, net | 340 | 3 | 3.45 | 364 | 3 | 3.41 | 383 | 3 | 3.36 |
| Other earning assets | 1,959 | 15 | 3.00 | 1,849 | 19 | 4.29 | 2,015 | 17 | 3.26 |
| Total earning assets | 111,277 | 1,191 | 4.27 | 110,935 | 1,184 | 4.29 | 109,451 | 1,159 | 4.20 |
| Unrealized losses on debt securities available for sale, net [1] | (136) | | | (444) | | | (876) | | |
| Allowance for loan losses | (857) | | | (843) | | | (839) | | |
| Cash and due from banks | 1,857 | | | 1,893 | | | 1,957 | | |
| Other non-earning assets | 13,974 | | | 14,002 | | | 13,845 | | |
| | $ 126,115 | | | $ 125,543 | | | $ 123,538 | | |
| Liabilities and Stockholders' Equity | | | | | | | | | |
| Interest-bearing liabilities: | | | | | | | | | |
| Savings | $ 8,806 | 3 | 0.16 | $ 8,852 | 4 | 0.17 | $ 8,827 | 3 | 0.15 |
| Interest-bearing checking | 18,869 | 33 | 0.71 | 19,309 | 33 | 0.69 | 18,295 | 24 | 0.52 |
| Money market | 24,350 | 49 | 0.79 | 23,989 | 40 | 0.68 | 23,850 | 31 | 0.51 |
| Time deposits | 7,800 | 33 | 1.69 | 7,471 | 27 | 1.49 | 6,792 | 21 | 1.21 |
| Other deposits | 1,210 | 7 | 2.36 | 653 | 4 | 2.33 | 226 | 1 | 2.21 |
| Total interest-bearing deposits [2] | 61,035 | 125 | 0.82 | 60,274 | 108 | 0.73 | 57,990 | 80 | 0.54 |
| Federal funds purchased and securities sold under agreements to repurchase | 244 | 1 | 2.41 | 343 | 2 | 2.41 | 241 | 2 | 2.27 |
| Other short-term borrowings | 1,965 | 13 | 2.54 | 1,735 | 11 | 2.55 | 2,227 | 13 | 2.38 |
| Long-term borrowings | 10,855 | 96 | 3.52 | 11,753 | 102 | 3.47 | 11,182 | 93 | 3.28 |
| Total interest-bearing liabilities | 74,099 | 235 | 1.27 | 74,105 | 223 | 1.22 | 71,640 | 188 | 1.04 |
| Non-interest-bearing deposits [2] | 33,883 | — | — | 33,896 | — | — | 35,169 | — | — |
| Total funding sources | 107,982 | 235 | 0.87 | 108,001 | 223 | 0.83 | 106,809 | 188 | 0.69 |
| Net interest spread [1] | | | 3.00 | | | 3.07 | | | 3.16 |
| Other liabilities | 2,195 | | | 2,350 | | | 2,124 | | |
| Stockholders' equity | 15,927 | | | 15,192 | | | 14,605 | | |
| Noncontrolling interest | 11 | | | — | | | — | | |
| | $ 126,115 | | | $ 125,543 | | | $ 123,538 | | |
| Net interest income and other financing income/margin FTE basis [1] | | $ 956 | 3.45% | | $ 961 | 3.51% | | $ 971 | 3.52% |

(1) Debt securities are included on an amortized cost basis with yield and net interest margin calculated accordingly.
(2) Total deposit costs may be calculated by dividing total interest expense on deposits by the sum of interest-bearing deposits and non-interest bearing deposits. The rates for total deposit costs equal 0.53% for the quarter ended June 30, 2019, 0.46% for the quarter ended March 31, 2019 and 0.34% for the quarter ended December 31, 2018.

**Consolidated Average Daily Balances and Yield/Rate Analysis (continued)**

| | Year Ended December 31 | | | | | |
|---|---|---|---|---|---|---|
| | 2019 | | | 2018 | | |
| *($ amounts in millions; yields on taxable-equivalent basis)* | **Average Balance** | **Income/ Expense** | **Yield/ Rate** | Average Balance | Income/ Expense | Yield/ Rate |
| Assets | | | | | | |
| Earning assets: | | | | | | |
| Federal funds sold and securities purchased under agreements to resell | $ — | $ — | —% | $ — | $ — | —% |
| Debt securities—taxable [1] | 24,274 | 643 | 2.65 | 25,005 | 626 | 2.50 |
| Loans held for sale | 450 | 17 | 3.75 | 386 | 15 | 3.98 |
| Loans, net of unearned income: | | | | | | |
| Commercial and industrial | 40,162 | 1,759 | 4.36 | 37,220 | 1,585 | 4.24 |
| Commercial real estate mortgage—owner-occupied | 5,495 | 258 | 4.63 | 5,995 | 281 | 4.63 |
| Commercial real estate construction—owner-occupied | 401 | 19 | 4.69 | 319 | 15 | 4.76 |
| Commercial investor real estate mortgage | 4,782 | 211 | 4.35 | 3,992 | 169 | 4.18 |
| Commercial investor real estate construction | 1,672 | 90 | 5.29 | 1,832 | 92 | 4.92 |
| Residential first mortgage | 14,267 | 569 | 3.99 | 14,088 | 555 | 3.94 |
| Home equity | 8,799 | 419 | 4.76 | 9,675 | 438 | 4.53 |
| Indirect—vehicles | 2,421 | 82 | 3.40 | 3,217 | 106 | 3.28 |
| Indirect—other consumer | 2,713 | 244 | 9.00 | 1,903 | 166 | 8.70 |
| Consumer credit card | 1,309 | 170 | 12.98 | 1,268 | 161 | 12.69 |
| Other consumer | 1,227 | 98 | 8.03 | 1,183 | 96 | 8.12 |
| Total loans, net of unearned income [2] | 83,248 | 3,919 | 4.69 | 80,692 | 3,664 | 4.52 |
| Investment in operating leases, net | 334 | 11 | 3.52 | 426 | 14 | 3.26 |
| Other earning assets | 1,868 | 59 | 3.10 | 2,465 | 70 | 2.84 |
| Total earning assets | 110,174 | 4,649 | 4.21 | 108,974 | 4,389 | 4.01 |
| Unrealized losses on debt securities available for sale, net | (5) | | | (742) | | |
| Allowance for loan losses | (857) | | | (863) | | |
| Cash and due from banks | 1,895 | | | 1,975 | | |
| Other non-earning assets | 13,903 | | | 14,036 | | |
| | $ 125,110 | | | $ 123,380 | | |
| Liabilities and Stockholders' Equity | | | | | | |
| Interest-bearing liabilities: | | | | | | |
| Savings | $ 8,719 | 14 | 0.16 | $ 8,838 | 14 | 0.16 |
| Interest-bearing checking | 18,772 | 125 | 0.67 | 19,167 | 79 | 0.41 |
| Money market | 24,637 | 167 | 0.68 | 24,181 | 86 | 0.35 |
| Time deposits | 7,632 | 123 | 1.61 | 6,665 | 69 | 1.05 |
| Other deposits | 784 | 18 | 2.26 | 123 | 2 | 1.99 |
| Total interest-bearing deposits [2] | 60,544 | 447 | 0.74 | 58,974 | 250 | 0.42 |
| Federal funds purchased and securities sold under agreements to repurchase | 227 | 5 | 2.28 | 135 | 3 | 1.98 |
| Other short-term borrowings | 2,014 | 48 | 2.35 | 1,262 | 27 | 2.15 |
| Long-term borrowings | 10,126 | 351 | 3.43 | 9,977 | 322 | 3.19 |
| Total interest-bearing liabilities | 72,911 | 851 | 1.17 | 70,348 | 602 | 0.86 |
| Non-interest-bearing deposits [2] | 33,869 | — | — | 35,464 | — | — |
| Total funding sources | 106,780 | 851 | 0.79 | 105,812 | 602 | 0.57 |
| Net interest spread | | | 3.04 | | | 3.15 |
| Other liabilities | 2,245 | | | 2,187 | | |
| Stockholders' equity | 16,082 | | | 15,381 | | |
| Noncontrolling interest | 3 | | | — | | |
| | $ 125,110 | | | $ 123,380 | | |
| Net interest income and other financing income/margin FTE basis | | $ 3,798 | 3.45% | | $ 3,787 | 3.48% |

Note - In the first quarter of 2018, the Company adopted new accounting guidance, which resulted in trading account assets and equity securities available for sale being reclassified to other earning assets.
(1) Debt securities are included on an amortized cost basis with yield and net interest margin calculated accordingly.
(2) Total deposit costs from continuing operations may be calculated by dividing total interest expense on deposits by the sum of interest-bearing deposits and non-interest bearing deposits. The rates for total deposit costs from continuing operations equal 0.47% and 0.26% for the years ended December 31, 2019 and 2018, respectively.

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

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

| | Quarter Ended | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| *($ amounts in millions)* | **12/31/2019** | 9/30/2019 | 6/30/2019 | 3/31/2019 | 12/31/2018 | 4Q19 vs. 3Q19 | | 4Q19 vs. 4Q18 | |
| Net income from continuing operations available to common shareholders (GAAP) | **$ 366** | $ 385 | $ 374 | $ 378 | $ 390 | $ (19) | (4.9)% | $ (24) | (6.2)% |
| Preferred dividends (GAAP) | **23** | 24 | 16 | 16 | 16 | (1) | (4.2)% | 7 | 43.8 % |
| Income tax expense (GAAP) | **98** | 107 | 93 | 105 | 85 | (9) | (8.4)% | 13 | 15.3 % |
| Income from continuing operations before income taxes (GAAP) | **487** | 516 | 483 | 499 | 491 | (29) | (5.6)% | (4) | (0.8)% |
| Provision for loan losses (GAAP) | **96** | 108 | 92 | 91 | 95 | (12) | (11.1)% | 1 | 1.1 % |
| Pre-tax pre-provision income from continuing operations (non-GAAP) | **583** | 624 | 575 | 590 | 586 | (41) | (6.6)% | (3) | (0.5)% |
| Other adjustments: | | | | | | | | | |
| Gain on sale of affordable housing residential mortgage loans (1) | **—** | — | — | (8) | — | — | NM | — | NM |
| Securities (gains) losses, net | **2** | — | 19 | 7 | — | 2 | NM | 2 | NM |
| Leveraged lease termination gains | **—** | (1) | — | — | — | 1 | (100.0)% | — | NM |
| Salaries and employee benefits—severance charges | **—** | 1 | 2 | 2 | 7 | (1) | (100.0)% | (7) | (100.0)% |
| Branch consolidation, property and equipment charges | **12** | 5 | 2 | 6 | 3 | 7 | 140.0 % | 9 | 300.0 % |
| Loss on early extinguishment of debt | **16** | — | — | — | — | 16 | NM | 16 | NM |
| Total other adjustments | **30** | 5 | 23 | 7 | 10 | 25 | NM | 20 | 200.0 % |
| **Adjusted pre-tax pre-provision income from continuing operations (non-GAAP)** | **$ 613** | $ 629 | $ 598 | $ 597 | $ 596 | $ (16) | (2.5)% | $ 17 | 2.9 % |

| | Year Ended | | | |
|---|---|---|---|---|
| *($ amounts in millions)* | **12/31/2019** | 12/31/2018 | 2019 vs. 2018 | |
| Net income from continuing operations available to common shareholders (GAAP) | **$ 1,503** | $ 1,504 | $ (1) | (0.1)% |
| Preferred dividends (GAAP) | **79** | 64 | 15 | 23.4 % |
| Income tax expense (GAAP) | **403** | 387 | 16 | 4.1 % |
| Income from continuing operations before income taxes (GAAP) | **1,985** | 1,955 | 30 | 1.5 % |
| Provision for loan losses (GAAP) | **387** | 229 | 158 | 69.0 % |
| Pre-tax pre-provision income from continuing operations (non-GAAP) | **2,372** | 2,184 | 188 | 8.6 % |
| Other adjustments: | | | | |
| Gain on sale of affordable housing residential mortgage loans (1) | **(8)** | — | (8) | NM |
| Securities (gains) losses, net | **28** | (1) | 29 | NM |
| Leveraged lease termination gains, net | **(1)** | (8) | 7 | (87.5)% |
| Salaries and employee benefits—severance charges | **5** | 61 | (56) | (91.8)% |
| Branch consolidation, property and equipment charges | **25** | 11 | 14 | 127.3 % |
| Contribution to Regions Financial Corporation foundation | **—** | 60 | (60) | (100.0)% |
| Loss on early extinguishment of debt | **16** | — | 16 | NM |
| Expenses associated with residential mortgage loan sale | **—** | 4 | (4) | (100.0)% |
| Total other adjustments | **65** | 127 | (62) | (48.8)% |
| **Adjusted pre-tax pre-provision income from continuing operations (non-GAAP)** | **$ 2,437** | $ 2,311 | $ 126 | 5.5 % |

NM - Not Meaningful
(1) The gain on sale of affordable housing residential mortgage loans in the first quarter of 2019 was the result of the sale of approximately $167 million of loans.

### Non-Interest Income from Continuing Operations

| | Quarter Ended | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| *($ amounts in millions)* | **12/31/2019** | 9/30/2019 | 6/30/2019 | 3/31/2019 | 12/31/2018 | 4Q19 vs. 3Q19 | | 4Q19 vs. 4Q18 | |
| Service charges on deposit accounts | **$ 187** | $ 186 | $ 181 | $ 175 | $ 185 | $ 1 | 0.5 % | $ 2 | 1.1 % |
| Card and ATM fees | **112** | 114 | 120 | 109 | 111 | (2) | (1.8)% | 1 | 0.9 % |
| Wealth management income | **84** | 83 | 79 | 76 | 77 | 1 | 1.2 % | 7 | 9.1 % |
| Capital markets income (1) | **61** | 36 | 39 | 42 | 50 | 25 | 69.4 % | 11 | 22.0 % |
| Mortgage income | **49** | 56 | 31 | 27 | 30 | (7) | (12.5)% | 19 | 63.3 % |
| Commercial credit fee income | **18** | 19 | 18 | 18 | 19 | (1) | (5.3)% | (1) | (5.3)% |
| Bank-owned life insurance | **18** | 18 | 19 | 23 | 12 | — | — % | 6 | 50.0 % |
| Securities gains (losses), net | **(2)** | — | (19) | (7) | — | (2) | NM | (2) | NM |
| Market value adjustments on employee benefit assets - defined benefit (2) | **—** | — | — | 5 | (7) | — | NM | 7 | (100.0)% |
| Market value adjustments on employee benefit assets - other (3) | **7** | 7 | (2) | (1) | (8) | — | NM | 15 | (187.5)% |
| Other | **28** | 39 | 28 | 35 | 12 | (11) | (28.2)% | 16 | 133.3 % |
| Total non-interest income from continuing operations | **$ 562** | $ 558 | $ 494 | $ 502 | $ 481 | $ 4 | 0.7 % | $ 81 | 16.8 % |

### Mortgage Income

| | Quarter Ended | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| *($ amounts in millions)* | **12/31/2019** | 9/30/2019 | 6/30/2019 | 3/31/2019 | 12/31/2018 | 4Q19 vs. 3Q19 | | 4Q19 vs. 4Q18 | |
| Production and sales | **$ 30** | $ 31 | $ 26 | $ 19 | $ 15 | $ (1) | (3.2)% | $ 15 | 100.0 % |
| Loan servicing | **25** | 25 | 26 | 26 | 26 | — | — % | (1) | (3.8)% |
| MSR and related hedge impact: | | | | | | | | | |
| MSRs fair value increase (decrease) due to change in valuation inputs or assumptions | **40** | (31) | (43) | (28) | (20) | 71 | (229.0)% | 60 | NM |
| MSRs hedge gain (loss) | **(33)** | 46 | 36 | 21 | 21 | (79) | (171.7)% | (54) | NM |
| MSRs change due to payment decay | **(13)** | (15) | (14) | (11) | (12) | 2 | (13.3)% | (1) | 8.3 % |
| MSR and related hedge impact | **(6)** | — | (21) | (18) | (11) | (6) | NM | 5 | (45.5)% |
| Total mortgage income | **$ 49** | $ 56 | $ 31 | $ 27 | $ 30 | $ (7) | (12.5)% | $ 19 | 63.3 % |
| | | | | | | | | | |
| Mortgage production - purchased | **$ 1,014** | $ 1,139 | $ 1,149 | $ 712 | $ 813 | $ (125) | (11.0)% | $ 201 | 24.7 % |
| Mortgage production - refinanced | **639** | 578 | 312 | 209 | 216 | 61 | 10.6 % | 423 | 195.8 % |
| Total mortgage production (4) | **$ 1,653** | $ 1,717 | $ 1,461 | $ 921 | $ 1,029 | $ (64) | (3.7)% | $ 624 | 60.6 % |

### Wealth Management Income

| | Quarter Ended | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| *($ amounts in millions)* | **12/31/2019** | 9/30/2019 | 6/30/2019 | 3/31/2019 | 12/31/2018 | 4Q19 vs. 3Q19 | | 4Q19 vs. 4Q18 | |
| Investment management and trust fee income | **$ 64** | $ 63 | $ 59 | $ 57 | $ 60 | $ 1 | 1.6 % | $ 4 | 6.7 % |
| Investment services fee income | **20** | 20 | 20 | 19 | 17 | — | — % | 3 | 17.6 % |
| Total wealth management income (5) | **$ 84** | $ 83 | $ 79 | $ 76 | $ 77 | $ 1 | 1.2 % | $ 7 | 9.1 % |

### Capital Markets Income

| | Quarter Ended | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| *($ amounts in millions)* | **12/31/2019** | 9/30/2019 | 6/30/2019 | 3/31/2019 | 12/31/2018 | 4Q19 vs. 3Q19 | | 4Q19 vs. 4Q18 | |
| Capital markets income | **$ 61** | $ 36 | $ 39 | $ 42 | $ 50 | $ 25 | 69.4 % | $ 11 | 22.0 % |
| Less: Valuation adjustments on customer derivatives (6) | **5** | (6) | (7) | (2) | (7) | 11 | (183.3)% | 12 | NM |
| Capital markets income excluding valuation adjustments | **$ 56** | $ 42 | $ 46 | $ 44 | $ 57 | $ 14 | 33.3 % | $ (1) | (1.8)% |

NM - Not Meaningful
(1) Capital markets income primarily relates to capital raising activities that includes debt securities underwriting and placement, loan syndication and placement, as well as foreign exchange, derivative and merger and acquisition advisory services.
(2) During the second quarter of 2019, the Company reallocated these employee benefit assets from primarily equity securities to fixed income investments. Market valuation adjustments for fixed income investments are recorded in other comprehensive income, and as such these adjustments have not impacted non-interest income since the first quarter of 2019.
(3) These market value adjustments relate to assets held for employee benefits that are offset within salaries and employee benefits expense.
(4) Total mortgage production represents production during the period, including amounts sold into the secondary market as well as amounts retained in Regions' residential first mortgage loan portfolio.
(5) Total wealth management income presented above does not include the portion of service charges on deposit accounts and similar smaller dollar amounts that are also attributable to the wealth management segment.
(6) For the purposes of determining the fair value of customer derivatives, the Company considers the risk of nonperformance by counterparties, as well as the Company's own risk of nonperformance. The valuation adjustments above are reflective of the values associated with these considerations.

### Non-Interest Income from Continuing Operations

| | Year Ended | | Year-to-Date 12/31/2019 vs. 12/31/2018 | |
|---|---|---|---|---|
| *($ amounts in millions)* | 12/31/2019 | 12/31/2018 | Amount | Percent |
| Service charges on deposit accounts | **$ 729** | $ 710 | $ 19 | 2.7 % |
| Card and ATM fees | **455** | 438 | 17 | 3.9 % |
| Wealth management income | **322** | 306 | 16 | 5.2 % |
| Capital markets income [1] | **178** | 202 | (24) | (11.9)% |
| Mortgage income | **163** | 137 | 26 | 19.0 % |
| Commercial credit fee income | **73** | 71 | 2 | 2.8 % |
| Bank-owned life insurance | **78** | 65 | 13 | 20.0 % |
| Securities gains (losses), net | **(28)** | 1 | (29) | NM |
| Market value adjustments on employee benefit assets - defined benefit | **5** | (6) | 11 | (183.3)% |
| Market value adjustments on employee benefit assets - other [2] | **11** | (5) | 16 | (320.0)% |
| Other | **130** | 100 | 30 | 30.0 % |
| Total non-interest income from continuing operations | **$ 2,116** | $ 2,019 | $ 97 | 4.8 % |

### Mortgage Income

| | Year Ended | | Year-to-Date 12/31/2019 vs. 12/31/2018 | |
|---|---|---|---|---|
| *($ amounts in millions)* | 12/31/2019 | 12/31/2018 | Amount | Percent |
| Production and sales | **$ 106** | $ 85 | $ 21 | 24.7 % |
| Loan servicing | **102** | 95 | 7 | 7.4 % |
| MSR and related hedge impact: | | | | |
| MSRs fair value increase (decrease) due to change in valuation inputs or assumptions | **(62)** | 18 | (80) | (444.4)% |
| MSRs hedge gain (loss) | **70** | (14) | 84 | (600.0)% |
| MSRs change due to payment decay | **(53)** | (47) | (6) | 12.8 % |
| MSR and related hedge impact | **(45)** | (43) | (2) | 4.7 % |
| Total mortgage income | **$ 163** | $ 137 | $ 26 | 19.0 % |
| | | | | |
| Mortgage production - purchased | **$ 4,014** | $ 3,821 | $ 193 | 5.1 % |
| Mortgage production - refinanced | **1,738** | 981 | 757 | 77.2 % |
| Total mortgage production [3] | **$ 5,752** | $ 4,802 | $ 950 | 19.8 % |

### Wealth Management Income

| | Year Ended | | Year-to-Date 12/31/2019 vs. 12/31/2018 | |
|---|---|---|---|---|
| *($ amounts in millions)* | 12/31/2019 | 12/31/2018 | Amount | Percent |
| Investment management and trust fee income | **$ 243** | $ 235 | $ 8 | 3.4 % |
| Investment services fee income | **79** | 71 | 8 | 11.3 % |
| Total wealth management income [4] | **$ 322** | $ 306 | $ 16 | 5.2 % |

### Capital Markets Income

| | Year Ended | | Year-to-Date 12/31/2019 vs. 12/31/2018 | |
|---|---|---|---|---|
| *($ amounts in millions)* | 12/31/2019 | 12/31/2018 | Amount | Percent |
| Capital markets income | **$ 178** | $ 202 | $ (24) | (11.9)% |
| Less: Valuation adjustments on customer derivatives [5] | **(10)** | (2) | (8) | 400.0 % |
| Capital markets income excluding valuation adjustments | **$ 188** | $ 204 | $ (16) | (7.8)% |

NM - Not Meaningful

(1) Capital markets income primarily relates to capital raising activities that includes debt securities underwriting and placement, loan syndication and placement, as well as foreign exchange, derivative and merger and acquisition advisory services.
(2) These market value adjustments relate to assets held for certain employee benefits and are offset within salaries and employee benefits expense.
(3) Total mortgage production represents production during the period, including amounts sold into the secondary market as well as amounts retained in Regions' residential first mortgage loan portfolio.
(4) Total wealth management income presented above does not include the portion of service charges on deposit accounts and similar smaller dollar amounts that are also attributable to the wealth management segment.
(5) For the purposes of determining the fair value of customer derivatives, the Company considers the risk of nonperformance by counterparties, as well as the Company's own risk of nonperformance. The valuation adjustments above are reflective of the values associated with these considerations.

### Non-Interest Expense from Continuing Operations

| *($ amounts in millions)* | Quarter Ended **12/31/2019** | 9/30/2019 | 6/30/2019 | 3/31/2019 | 12/31/2018 | 4Q19 vs. 3Q19 | | 4Q19 vs. 4Q18 | |
|---|---|---|---|---|---|---|---|---|---|
| Salaries and employee benefits | **$ 488** | $ 481 | $ 469 | $ 478 | $ 468 | $ 7 | 1.5 % | $ 20 | 4.3 % |
| Net occupancy expense | **79** | 80 | 80 | 82 | 86 | (1) | (1.3)% | (7) | (8.1)% |
| Furniture and equipment expense | **82** | 83 | 84 | 76 | 82 | (1) | (1.2)% | — | — % |
| Outside services | **44** | 48 | 52 | 45 | 46 | (4) | (8.3)% | (2) | (4.3)% |
| Professional, legal and regulatory expenses | **28** | 21 | 26 | 20 | 27 | 7 | 33.3 % | 1 | 3.7 % |
| Marketing | **28** | 23 | 23 | 23 | 21 | 5 | 21.7 % | 7 | 33.3 % |
| FDIC insurance assessments | **11** | 12 | 12 | 13 | 14 | (1) | (8.3)% | (3) | (21.4)% |
| Credit/checkcard expenses | **15** | 19 | 18 | 16 | 13 | (4) | (21.1)% | 2 | 15.4 % |
| Branch consolidation, property and equipment charges | **12** | 5 | 2 | 6 | 3 | 7 | 140.0 % | 9 | 300.0 % |
| Visa class B shares expense | **2** | 5 | 3 | 4 | (2) | (3) | (60.0)% | 4 | (200.0)% |
| Provision (credit) for unfunded credit losses | **(3)** | (2) | — | (1) | 1 | (1) | 50.0 % | (4) | (400.0)% |
| Loss on early extinguishment of debt | **16** | — | — | — | — | 16 | NM | 16 | NM |
| Other | **95** | 96 | 92 | 98 | 94 | (1) | (1.0)% | 1 | 1.1 % |
| Total non-interest expense from continuing operations | **$ 897** | $ 871 | $ 861 | $ 860 | $ 853 | $ 26 | 3.0 % | $ 44 | 5.2 % |

| *($ amounts in millions)* | Year Ended **12/31/2019** | Year Ended 12/31/2018 | Year-to-Date 12/31/2019 vs. 12/31/2018 **Amount** | **Percent** |
|---|---|---|---|---|
| Salaries and employee benefits | **$ 1,916** | $ 1,947 | $ (31) | (1.6)% |
| Net occupancy expense | **321** | 335 | (14) | (4.2)% |
| Furniture and equipment expense | **325** | 325 | — | — % |
| Outside services | **189** | 187 | 2 | 1.1 % |
| Professional, legal and regulatory expenses | **95** | 119 | (24) | (20.2)% |
| Marketing | **97** | 92 | 5 | 5.4 % |
| FDIC insurance assessments | **48** | 85 | (37) | (43.5)% |
| Credit/checkcard expenses | **68** | 57 | 11 | 19.3 % |
| Branch consolidation, property and equipment charges | **25** | 11 | 14 | 127.3 % |
| Visa class B shares expense | **14** | 10 | 4 | 40.0 % |
| Provision (credit) for unfunded credit losses | **(6)** | (2) | (4) | 200.0 % |
| Loss on early extinguishment of debt | **16** | — | 16 | NM |
| Other | **381** | 404 | (23) | (5.7)% |
| Total non-interest expense from continuing operations | **$ 3,489** | $ 3,570 | $ (81) | (2.3)% |

## Reconciliation to GAAP Financial Measures

### Adjusted Efficiency Ratios, Adjusted Fee Income Ratios, Adjusted Non-Interest Income/Expense, and Adjusted Operating Leverage Ratios - Continuing Operations

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

| | | Quarter Ended | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| *($ amounts in millions)* | | **12/31/2019** | 9/30/2019 | 6/30/2019 | 3/31/2019 | 12/31/2018 | 4Q19 vs. 3Q19 | | 4Q19 vs. 4Q18 | |
| Non-interest expense (GAAP) | **A** | **$ 897** | $ 871 | $ 861 | $ 860 | $ 853 | $ 26 | 3.0 % | $ 44 | 5.2 % |
| Adjustments: | | | | | | | | | | |
| Branch consolidation, property and equipment charges | | **(12)** | (5) | (2) | (6) | (3) | (7) | 140.0 % | (9) | 300.0 % |
| Salary and employee benefits—severance charges | | **—** | (1) | (2) | (2) | (7) | 1 | (100.0)% | 7 | (100.0)% |
| Loss on early extinguishment of debt | | **$ (16)** | $ — | $ — | $ — | $ — | (16) | NM | (16) | NM |
| Adjusted non-interest expense (non-GAAP) | **B** | **$ 869** | $ 865 | $ 857 | $ 852 | $ 843 | $ 4 | 0.5 % | $ 26 | 3.1 % |
| Net interest income and other financing income (GAAP) | **C** | **$ 918** | $ 937 | $ 942 | $ 948 | $ 958 | $ (19) | (2.0)% | $ (40) | (4.2)% |
| Taxable-equivalent adjustment | | **13** | 13 | 14 | 13 | 13 | — | — % | — | — % |
| Net interest income and other financing income, taxable-equivalent basis - continuing operations | **D** | **$ 931** | $ 950 | $ 956 | $ 961 | $ 971 | $ (19) | (2.0)% | $ (40) | (4.1)% |
| Non-interest income (GAAP) | **E** | **$ 562** | $ 558 | $ 494 | $ 502 | $ 481 | $ 4 | 0.7 % | $ 81 | 16.8 % |
| Adjustments: | | | | | | | | | | |
| Securities (gains) losses, net | | **2** | — | 19 | 7 | — | 2 | NM | 2 | NM |
| Leveraged lease termination gains | | **—** | (1) | — | — | — | 1 | (100.0)% | — | NM |
| Gain on sale of affordable housing residential mortgage loans [(1)] | | **—** | — | — | (8) | — | — | NM | — | NM |
| Adjusted non-interest income (non-GAAP) | **F** | **$ 564** | $ 557 | $ 513 | $ 501 | $ 481 | $ 7 | 1.3 % | $ 83 | 17.3 % |
| Total revenue | **C+E=G** | **$ 1,480** | $ 1,495 | $ 1,436 | $ 1,450 | $ 1,439 | $ (15) | (1.0)% | $ 41 | 2.8 % |
| Adjusted total revenue (non-GAAP) | **C+F=H** | **$ 1,482** | $ 1,494 | $ 1,455 | $ 1,449 | $ 1,439 | $ (12) | (0.8)% | $ 43 | 3.0 % |
| Total revenue, taxable-equivalent basis | **D+E=I** | **$ 1,493** | $ 1,508 | $ 1,450 | $ 1,463 | $ 1,452 | $ (15) | (1.0)% | $ 41 | 2.8 % |
| Adjusted total revenue, taxable-equivalent basis (non-GAAP) | **D+F=J** | **$ 1,495** | $ 1,507 | $ 1,469 | $ 1,462 | $ 1,452 | $ (12) | (0.8)% | $ 43 | 3.0 % |
| Efficiency ratio (GAAP) | **A/I** | **60.1%** | 57.7% | 59.4% | 58.8% | 58.7% | | | | |
| Adjusted efficiency ratio (non-GAAP) | **B/J** | **58.1%** | 57.4% | 58.3% | 58.3% | 58.1% | | | | |
| Fee income ratio (GAAP) | **E/I** | **37.6%** | 37.0% | 34.1% | 34.3% | 33.1% | | | | |
| Adjusted fee income ratio (non-GAAP) | **F/J** | **37.7%** | 37.0% | 35.0% | 34.3% | 33.1% | | | | |

NM - Not Meaningful
(1) See page 8 for more information regarding this adjustment.

## Reconciliation to GAAP Financial Measures

### Adjusted Efficiency Ratios, Adjusted Fee Income Ratios, Adjusted Non-Interest Income/Expense, and Adjusted Operating Leverage Ratios - Continuing Operations (continued)

| | | Year Ended December 31 | | | |
|---|---|---|---|---|---|
| *($ amounts in millions)* | | **2019** | 2018 | 2019 vs. 2018 | |
| Non-interest expense (GAAP) | **K** | **$ 3,489** | $ 3,570 | $ (81) | (2.3)% |
| Adjustments: | | | | | |
| Contribution to the Regions Financial Corporation foundation | | **—** | (60) | 60 | (100.0)% |
| Branch consolidation, property and equipment charges | | **(25)** | (11) | (14) | 127.3 % |
| Expenses associated with residential mortgage loan sale | | **—** | (4) | 4 | (100.0)% |
| Salary and employee benefits—severance charges | | **(5)** | (61) | 56 | (91.8)% |
| Loss on early extinguishment of debt | | **$ (16)** | $ — | (16) | NM |
| Adjusted non-interest expense (non-GAAP) | **L** | **$ 3,443** | $ 3,434 | $ 9 | 0.3 % |
| Net interest income and other financing income (GAAP) | **M** | **$ 3,745** | $ 3,735 | $ 10 | 0.3 % |
| Taxable-equivalent adjustment | | **53** | 51 | 2 | 3.9 % |
| Net interest income and other financing income, taxable-equivalent basis - continuing operations | **N** | **$ 3,798** | $ 3,786 | $ 12 | 0.3 % |
| Non-interest income (GAAP) | **O** | **$ 2,116** | $ 2,019 | $ 97 | 4.8 % |
| Adjustments: | | | | | |
| Securities (gains) losses, net | | **28** | (1) | 29 | NM |
| Leveraged lease termination gains | | **(1)** | (8) | 7 | (87.5)% |
| Gain on sale of affordable housing residential mortgage loans [1] | | **(8)** | — | (8) | NM |
| Adjusted non-interest income (non-GAAP) | **P** | **$ 2,135** | $ 2,010 | $ 125 | 6.2 % |
| Total revenue | **M+O=Q** | **$ 5,861** | $ 5,754 | $ 107 | 1.9 % |
| Adjusted total revenue (non-GAAP) | **M+P=R** | **$ 5,880** | $ 5,745 | $ 135 | 2.3 % |
| Total revenue, taxable-equivalent basis | **N+O=S** | **$ 5,914** | $ 5,805 | $ 109 | 1.9 % |
| Adjusted total revenue, taxable-equivalent basis (non-GAAP) | **N+P=T** | **$ 5,933** | $ 5,796 | $ 137 | 2.4 % |
| Operating leverage ratio (GAAP) | **S-K** | | | | 4.2 % |
| Adjusted operating leverage ratio (non-GAAP) | **T-L** | | | | 2.1 % |
| Efficiency ratio (GAAP) | **K/S** | **59.0%** | 61.5% | | |
| Adjusted efficiency ratio (non-GAAP) | **L/T** | **58.0%** | 59.3% | | |
| Fee income ratio (GAAP) | **O/S** | **35.8%** | 34.8% | | |
| Adjusted fee income ratio (non-GAAP) | **P/T** | **36.0%** | 34.7% | | |

NM - Not Meaningful
(1) See page 8 for more information regarding this adjustment.

## Reconciliation to GAAP Financial Measures

### Return Ratios

The tables below provide a calculation of "return on average tangible common stockholders' equity". Tangible common stockholders' equity ratios have become a focus of some investors and management believes they may assist investors in analyzing the capital position of the Company absent the effects of intangible assets and preferred stock. Analysts and banking regulators have assessed Regions' capital adequacy using the tangible common stockholders' equity measure. Because tangible common stockholders' equity is not formally defined by GAAP or prescribed in any amount by federal banking regulations it is currently considered to be a non-GAAP financial measure and other entities may calculate it differently than Regions' disclosed calculations. Since analysts and banking regulators may assess Regions' capital adequacy using tangible common stockholders' equity, management believes that it is useful to provide investors the ability to assess Regions' capital adequacy on this same basis.

| *($ amounts in millions)* | | Quarter Ended **12/31/2019** | 9/30/2019 | 6/30/2019 | 3/31/2019 | 12/31/2018 |
|---|---|---|---|---|---|---|
| **RETURN ON AVERAGE TANGIBLE COMMON STOCKHOLDERS' EQUITY- CONSOLIDATED** | | | | | | |
| Net income available to common shareholders (GAAP) | A | **$ 366** | $ 385 | $ 374 | $ 378 | $ 390 |
| Average stockholders' equity (GAAP) | | **$ 16,564** | $ 16,621 | $ 15,927 | $ 15,192 | $ 14,605 |
| Less: | | | | | | |
| Average intangible assets (GAAP) | | **4,953** | 4,949 | 4,933 | 4,940 | 4,947 |
| Average deferred tax liability related to intangibles (GAAP) | | **(93)** | (93) | (94) | (94) | (95) |
| Average preferred stock (GAAP) | | **1,310** | 1,310 | 1,154 | 820 | 820 |
| Average tangible common stockholders' equity (non-GAAP) | B | **$ 10,394** | $ 10,455 | $ 9,934 | $ 9,526 | $ 8,933 |
| Return on average tangible common stockholders' equity (non-GAAP)* | A/B | **13.95%** | 14.62% | 15.11 % | 16.09% | 17.32% |

| *($ amounts in millions)* | | Quarter Ended **12/31/2019** | 9/30/2019 | 6/30/2019 | 3/31/2019 | 12/31/2018 |
|---|---|---|---|---|---|---|
| **RETURN ON AVERAGE TANGIBLE COMMON STOCKHOLDERS' EQUITY- CONTINUING OPERATIONS** | | | | | | |
| Net income from continuing operations available to common shareholders (GAAP) | C | **$ 366** | $ 385 | $ 374 | $ 378 | $ 390 |
| Average stockholders' equity (GAAP)(1) | | **$ 16,564** | $ 16,621 | $ 15,927 | $ 15,192 | $ 14,605 |
| Less: | | | | | | |
| Average intangible assets (GAAP)(1) | | **4,953** | 4,949 | 4,933 | 4,940 | 4,947 |
| Average deferred tax liability related to intangibles (GAAP)(1) | | **(93)** | (93) | (94) | (94) | (95) |
| Average preferred stock (GAAP)(1) | | **1,310** | 1,310 | 1,154 | 820 | 820 |
| Average tangible common stockholders' equity (non-GAAP) | D | **$ 10,394** | $ 10,455 | $ 9,934 | $ 9,526 | $ 8,933 |
| Return on average tangible common stockholders' equity (non-GAAP)* | C/D | **13.95%** | 14.62 % | 15.10 % | 16.09 % | 17.33 % |

| *($ amounts in millions)* | | Year Ended **2019** | 2018 |
|---|---|---|---|
| **RETURN ON AVERAGE TANGIBLE COMMON STOCKHOLDERS' EQUITY- CONSOLIDATED** | | | |
| Net income available to common shareholders (GAAP) | E | **$ 1,503** | $ 1,695 |
| Average stockholders' equity (GAAP) | | **$ 16,081** | $ 15,381 |
| Less: | | | |
| Average intangible assets (GAAP) | | **4,944** | 5,010 |
| Average deferred tax liability related to intangibles (GAAP) | | **(94)** | (97) |
| Average preferred stock (GAAP) | | **1,151** | 820 |
| Average tangible common stockholders' equity (non-GAAP) | F | **$ 10,080** | $ 9,648 |
| Return on average tangible common stockholders' equity (non-GAAP) | E/F | **14.91%** | **17.57%** |

| *($ amounts in millions)* | | Year Ended **2019** | 2018 |
|---|---|---|---|
| **RETURN ON AVERAGE TANGIBLE COMMON STOCKHOLDERS' EQUITY- CONTINUING OPERATIONS** | | | |
| Net income from continuing operations available to common shareholders (GAAP) | G | **$ 1,503** | $ 1,504 |
| Average stockholders' equity (GAAP)(1) | | **$ 16,081** | $ 15,381 |
| Less: | | | |
| Average intangible assets (GAAP)(1) | | **4,944** | 5,010 |
| Average deferred tax liability related to intangibles (GAAP)(1) | | **(94)** | (97) |
| Average preferred stock (GAAP)(1) | | **1,151** | 820 |
| Average tangible common stockholders' equity (non-GAAP) | H | **$ 10,080** | $ 9,648 |
| Return on average tangible common stockholders' equity (non-GAAP) | G/H | **14.91%** | 15.59 % |

*Annualized
(1) Due to the immaterial impact of the discontinued operations, the balance sheet has not been presented on a continuing operations basis.

## Credit Quality

| | As of and for Quarter Ended | | | | |
|---|---|---|---|---|---|
| *($ amounts in millions)* | **12/31/2019** | 9/30/2019 | 6/30/2019 | 3/31/2019 | 12/31/2018 |
| Components: | | | | | |
| Allowance for loan losses (ALL) | **$ 869** | $ 869 | $ 853 | $ 853 | $ 840 |
| Reserve for unfunded credit commitments | **45** | 48 | 50 | 50 | 51 |
| Allowance for credit losses (ACL) | **$ 914** | $ 917 | $ 903 | $ 903 | $ 891 |
| | | | | | |
| Provision for loan losses | **$ 96** | $ 108 | $ 92 | $ 91 | $ 95 |
| Provision (credit) for unfunded credit losses | **(3)** | (2) | — | (1) | 1 |
| | | | | | |
| Loans charged-off: | | | | | |
| Commercial and industrial | **$ 33** | $ 36 | $ 42 | $ 27 | $ 39 |
| Commercial real estate mortgage—owner-occupied | **3** | 3 | 2 | 3 | 4 |
| Commercial real estate construction—owner-occupied | **1** | — | — | — | — |
| Total commercial | **37** | 39 | 44 | 30 | 43 |
| Commercial investor real estate mortgage | **1** | — | — | — | — |
| Commercial investor real estate construction | **—** | — | — | — | — |
| Total investor real estate | **1** | — | — | — | — |
| Residential first mortgage | **—** | 1 | 2 | 1 | 2 |
| Home equity—lines of credit | **8** | 5 | 3 | 5 | 8 |
| Home equity—closed-end | **1** | 1 | 2 | 1 | 2 |
| Indirect—vehicles | **6** | 7 | 6 | 9 | 9 |
| Indirect—other consumer | **23** | 19 | 18 | 17 | 15 |
| Consumer credit card | **16** | 17 | 17 | 17 | 16 |
| Other consumer | **22** | 25 | 21 | 22 | 24 |
| Total consumer | **76** | 75 | 69 | 72 | 76 |
| Total | **114** | 114 | 113 | 102 | 119 |
| | | | | | |
| Recoveries of loans previously charged-off: | | | | | |
| Commercial and industrial | **5** | 7 | 6 | 6 | 9 |
| Commercial real estate mortgage—owner-occupied | **—** | 2 | — | 3 | 2 |
| Commercial real estate construction—owner-occupied | **—** | — | — | — | — |
| Total commercial | **5** | 9 | 6 | 9 | 11 |
| Commercial investor real estate mortgage | **2** | — | — | 1 | 1 |
| Commercial investor real estate construction | **—** | — | 1 | — | 1 |
| Total investor real estate | **2** | — | 1 | 1 | 2 |
| Residential first mortgage | **—** | 1 | 1 | 1 | 1 |
| Home equity—lines of credit | **3** | 3 | 3 | 3 | 3 |
| Home equity—closed-end | **1** | 1 | 1 | 1 | 1 |
| Indirect—vehicles | **3** | 2 | 3 | 4 | 3 |
| Indirect—other consumer | **—** | — | — | — | — |
| Consumer credit card | **2** | 3 | 2 | 2 | 1 |
| Other consumer | **2** | 3 | 4 | 3 | 2 |
| Total consumer | **11** | 13 | 14 | 14 | 11 |
| Total | **18** | 22 | 21 | 24 | 24 |
| | | | | | |
| Net loans charged-off: | | | | | |
| Commercial and industrial | **28** | 29 | 36 | 21 | 30 |
| Commercial real estate mortgage—owner-occupied | **3** | 1 | 2 | — | 2 |
| Commercial real estate construction—owner-occupied | **1** | — | — | — | — |
| Total commercial | **32** | 30 | 38 | 21 | 32 |
| Commercial investor real estate mortgage | **(1)** | — | — | (1) | (1) |
| Commercial investor real estate construction | **—** | — | (1) | — | (1) |
| Total investor real estate | **(1)** | — | (1) | (1) | (2) |
| Residential first mortgage | **—** | — | 1 | — | 1 |
| Home equity—lines of credit | **5** | 2 | — | 2 | 5 |
| Home equity—closed-end | **—** | — | 1 | — | 1 |
| Indirect—vehicles | **3** | 5 | 3 | 5 | 6 |
| Indirect—other consumer | **23** | 19 | 18 | 17 | 15 |
| Consumer credit card | **14** | 14 | 15 | 15 | 15 |
| Other consumer | **20** | 22 | 17 | 19 | 22 |
| Total consumer | **65** | 62 | 55 | 58 | 65 |
| Total | **$ 96** | $ 92 | $ 92 | $ 78 | $ 95 |

## Credit Quality (continued)

| *($ amounts in millions)* | As of and for Quarter Ended 12/31/2019 | 9/30/2019 | 6/30/2019 | 3/31/2019 | 12/31/2018 |
|---|---|---|---|---|---|
| Net loan charge-offs as a % of average loans, annualized: | | | | | |
| Commercial and industrial | **0.28 %** | 0.29 % | 0.36 % | 0.21 % | 0.32 % |
| Commercial real estate mortgage—owner-occupied | **0.19 %** | 0.07 % | 0.11 % | 0.05 % | 0.16 % |
| Total commercial | **0.27 %** | 0.26 % | 0.33 % | 0.18 % | 0.29 % |
| Commercial investor real estate mortgage | **(0.03)%** | (0.03)% | (0.03)% | (0.07)% | (0.06)% |
| Commercial investor real estate construction | **— %** | (0.02)% | (0.15)% | — % | (0.12)% |
| Total investor real estate | **(0.02)%** | (0.03)% | (0.06)% | (0.05)% | (0.07)% |
| Residential first mortgage | **0.01 %** | 0.01 % | — % | 0.02 % | 0.04 % |
| Home equity—lines of credit | **0.31 %** | 0.13 % | 0.04 % | 0.12 % | 0.35 % |
| Home equity—closed-end | **— %** | 0.05 % | 0.04 % | 0.09 % | 0.10 % |
| Indirect—vehicles | **0.76 %** | 0.74 % | 0.53 % | 0.69 % | 0.71 % |
| Indirect—other consumer | **3.00 %** | 2.83 % | 2.66 % | 2.79 % | 2.58 % |
| Consumer credit card | **4.18 %** | 4.31 % | 4.62 % | 4.66 % | 4.16 % |
| Other consumer | **6.56 %** | 6.85 % | 5.90 % | 6.13 % | 7.23 % |
| Total consumer | **0.85 %** | 0.81 % | 0.71 % | 0.75 % | 0.80 % |
| Total | **0.46 %** | 0.44 % | 0.44 % | 0.38 % | 0.46 % |
| Non-accrual loans, excluding loans held for sale | **$ 507** | $ 462 | $ 533 | $ 523 | $ 496 |
| Non-performing loans held for sale | **13** | 8 | 11 | 13 | 13 |
| Non-accrual loans, including loans held for sale | **520** | 470 | 544 | 536 | 536 |
| Foreclosed properties | **53** | 59 | 55 | 53 | 53 |
| Non-marketable investments received in foreclosure | **5** | 5 | 5 | 8 | 8 |
| Non-performing assets (NPAs) | **$ 578** | $ 534 | $ 604 | $ 597 | $ 597 |
| Loans past due > 90 days [(1)] | **$ 224** | $ 149 | $ 144 | $ 147 | $ 147 |
| Accruing restructured loans not included in categories above [(2)] | **$ 471** | $ 478 | $ 469 | $ 479 | $ 479 |
| Credit Ratios: | | | | | |
| ACL/Loans, net | **1.10 %** | 1.11 % | 1.08 % | 1.07 % | 1.07 % |
| ALL/Loans, net | **1.05 %** | 1.05 % | 1.02 % | 1.01 % | 1.01 % |
| Allowance for loan losses to non-performing loans, excluding loans held for sale | **171 %** | 188 % | 160 % | 163 % | 169 % |
| Non-accrual loans, excluding loans held for sale/Loans, net | **0.61 %** | 0.56 % | 0.64 % | 0.62 % | 0.60 % |
| NPAs (ex. 90+ past due)/Loans, foreclosed properties, non-marketable investments and non-performing loans held for sale | **0.70 %** | 0.65 % | 0.72 % | 0.71 % | 0.68 % |
| NPAs (inc. 90+ past due)/Loans, foreclosed properties, non-marketable investments and non-performing loans held for sale [(1)] | **0.89 %** | 0.82 % | 0.89 % | 0.88 % | 0.85 % |

(1) Excludes guaranteed residential first mortgages that are 90+ days past due and still accruing. Refer to the footnotes on page 18 for amounts related to these loans.
(2) See page 19 for detail of restructured loans.

## Allowance for Credit Losses

*($ amounts in millions)*

| *($ amounts in millions)* | Year Ended December 31 2019 | 2018 |
|---|---|---|
| Balance at beginning of year | **$ 891** | $ 987 |
| Net loans charged off | **(358)** | **(323)** |
| Provision for loan losses | **387** | 229 |
| Provision (credit) for unfunded credit losses | **(6)** | (2) |
| Balance at end of year | **$ 914** | $ 891 |

### Non-Accrual Loans (excludes loans held for sale)

| ($ amounts in millions) | As of 12/31/2019 | | 9/30/2019 | | 6/30/2019 | | 3/31/2019 | | 12/31/2018 | |
|---|---|---|---|---|---|---|---|---|---|---|
| Commercial and industrial | **$ 347** | **0.87%** | $ 292 | 0.73% | $ 347 | 0.86% | $ 336 | 0.82% | $ 307 | 0.78% |
| Commercial real estate mortgage—owner-occupied | **73** | **1.31%** | 68 | 1.23% | 68 | 1.26% | 67 | 1.22% | 67 | 1.21% |
| Commercial real estate construction—owner-occupied | **11** | **3.47%** | 15 | 4.10% | 15 | 3.62% | 14 | 3.26% | 8 | 2.16% |
| Total commercial | **431** | **0.94%** | 375 | 0.81% | 430 | 0.93% | 417 | 0.89% | 382 | 0.85% |
| Commercial investor real estate mortgage | **2** | **0.03%** | 9 | 0.19% | 8 | 0.15% | 8 | 0.16% | 11 | 0.22% |
| Total investor real estate | **2** | **0.03%** | 9 | 0.14% | 8 | 0.12% | 8 | 0.12% | 11 | 0.16% |
| Residential first mortgage | **27** | **0.19%** | 29 | 0.20% | 34 | 0.24% | 34 | 0.24% | 40 | 0.28% |
| Home equity—lines of credit | **41** | **0.78%** | 43 | 0.79% | 52 | 0.93% | 53 | 0.93% | 53 | 0.90% |
| Home equity—closed-end | **6** | **0.19%** | 6 | 0.21% | 9 | 0.28% | 11 | 0.32% | 10 | 0.30% |
| Total consumer | **74** | **0.24%** | 78 | 0.26% | 95 | 0.31% | 98 | 0.32% | 103 | 0.33% |
| Total non-accrual loans | **$ 507** | **0.61%** | $ 462 | 0.56% | $ 533 | 0.64% | $ 523 | 0.62% | $ 496 | 0.60% |

### Criticized and Classified Loans—Business Services (1)

| ($ amounts in millions) | As of 12/31/2019 | 9/30/2019 | 6/30/2019 | 3/31/2019 | 12/31/2018 | 12/31/2019 vs. 9/30/2019 | | 12/31/2019 vs. 12/31/2018 | |
|---|---|---|---|---|---|---|---|---|---|
| Accruing classified | **$ 929** | $ 1,095 | $ 528 | $ 631 | $ 590 | $ (166) | (15.2)% | $ 339 | 57.5% |
| Non-accruing classified | **433** | 384 | 428 | 425 | 393 | 49 | 12.8 % | 40 | 10.2% |
| Total classified | **1,362** | 1,479 | 966 | 1,056 | 983 | (117) | (7.9)% | 379 | 38.6% |
| | | | | | | | | | |
| Special mention | **889** | 840 | 1,158 | 1,063 | 939 | 49 | 5.8 % | (50) | (5.3)% |
| Total criticized | **$ 2,251** | $ 2,319 | $ 2,124 | $ 2,119 | $ 1,922 | $ (68) | (2.9)% | $ 329 | 17.1% |

(1) Business services represents the combined total of commercial and investor real estate loans.

### Home Equity Lines of Credit - Future Principal Payment Resets (2)

| ($ amounts in millions) | 12/31/2019 First Lien | % of Total | Second Lien | % of Total | Total |
|---|---|---|---|---|---|
| 2020 | $ 100 | 1.88% | $ 76 | 1.43% | $ 176 |
| 2021 | 104 | 1.96% | 93 | 1.76% | 197 |
| 2022 | 115 | 2.17% | 110 | 2.08% | 225 |
| 2023 | 144 | 2.72% | 125 | 2.36% | 269 |
| 2024 | 203 | 3.82% | 162 | 3.06% | 365 |
| 2025-2030 | 2,123 | 40.07% | 1,941 | 36.61% | 4,064 |
| 2030-2034 | — | 0.01% | 1 | 0.01% | 1 |
| Thereafter | 2 | 0.03% | 1 | 0.03% | 3 |
| Total | $ 2,791 | 52.66% | $ 2,509 | 47.34% | $ 5,300 |

(2) The balance of Regions' home equity portfolio was $8,384 million at December 31, 2019 consisting of $5,300 million of home equity lines of credit and $3,084 million of closed-end home equity loans. The home equity lines of credit presented in the table above are based on maturity date for lines with a balloon payment and draw period expiration date for lines that convert to a repayment period. The closed-end loans were primarily originated as amortizing loans, and were therefore excluded from the table above.

## Early and Late Stage Delinquencies

| **Accruing 30-89 Days Past Due Loans** | **As of** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| *($ amounts in millions)* | **12/31/2019** | | 9/30/2019 | | 6/30/2019 | | 3/31/2019 | | 12/31/2018 | |
| Commercial and industrial | **$ 51** | **0.13%** | $ 50 | 0.12% | $ 74 | 0.18% | $ 35 | 0.08% | $ 102 | 0.26% |
| Commercial real estate mortgage—owner-occupied | **14** | **0.26%** | 31 | 0.56% | 33 | 0.61% | 12 | 0.22% | 19 | 0.34% |
| Commercial real estate construction—owner-occupied | **2** | **0.65%** | — | —% | 2 | 0.52% | — | —% | — | —% |
| Total commercial | **67** | **0.15%** | 81 | 0.18% | 109 | 0.24% | 47 | 0.10% | 121 | 0.27% |
| Commercial investor real estate mortgage | **2** | **0.03%** | 2 | 0.03% | 1 | 0.01% | 1 | 0.01% | 6 | 0.12% |
| Commercial investor real estate construction | **—** | **—%** | — | —% | — | —% | 1 | 0.03% | — | —% |
| Total investor real estate | **2** | **0.02%** | 2 | 0.02% | 1 | 0.01% | 2 | 0.02% | 6 | 0.09% |
| Residential first mortgage—non-guaranteed (1) | **88** | **0.63%** | 91 | 0.65% | 88 | 0.63% | 88 | 0.64% | 101 | 0.73% |
| Home equity—lines of credit | **42** | **0.79%** | 53 | 0.98% | 53 | 0.95% | 50 | 0.89% | 53 | 0.90% |
| Home equity—closed-end | **18** | **0.60%** | 19 | 0.60% | 18 | 0.56% | 18 | 0.55% | 20 | 0.58% |
| Indirect—vehicles | **41** | **2.26%** | 40 | 1.91% | 42 | 1.74% | 43 | 1.55% | 51 | 1.69% |
| Indirect—other consumer | **25** | **0.77%** | 22 | 0.78% | 20 | 0.72% | 20 | 0.80% | 20 | 0.85% |
| Consumer credit card | **19** | **1.38%** | 18 | 1.37% | 17 | 1.32% | 19 | 1.48% | 21 | 1.58% |
| Other consumer | **18** | **1.43%** | 20 | 1.63% | 21 | 1.71% | 20 | 1.67% | 20 | 1.60% |
| Total consumer (1) | **251** | **0.83%** | 263 | 0.88% | 259 | 0.85% | 258 | 0.85% | 286 | 0.92% |
| Total accruing 30-89 days past due loans (1) | **$ 320** | **0.39%** | $ 346 | 0.42% | $ 369 | 0.44% | $ 307 | 0.37% | $ 413 | 0.50% |

| **Accruing 90+ Days Past Due Loans** | **As of** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| *($ amounts in millions)* | **12/31/2019** | | 9/30/2019 | | 6/30/2019 | | 3/31/2019 | | 12/31/2018 | |
| Commercial and industrial | **$ 11** | **0.03%** | $ 10 | 0.02% | $ 11 | 0.03% | $ 11 | 0.03% | $ 8 | 0.02% |
| Commercial real estate mortgage—owner-occupied | **1** | **0.01%** | 2 | 0.03% | — | —% | 1 | 0.01% | — | —% |
| Total commercial | **12** | **0.03%** | 12 | 0.03% | 11 | 0.02% | 12 | 0.02% | 8 | 0.02% |
| Residential first mortgage—non-guaranteed (2) | **70** | **0.50%** | 62 | 0.44% | 61 | 0.44% | 66 | 0.48% | 66 | 0.47% |
| Home equity—lines of credit | **32** | **0.60%** | 32 | 0.58% | 31 | 0.55% | 27 | 0.46% | 24 | 0.41% |
| Home equity—closed-end | **10** | **0.31%** | 9 | 0.30% | 9 | 0.28% | 10 | 0.31% | 10 | 0.29% |
| Indirect—vehicles | **7** | **0.40%** | 7 | 0.34% | 6 | 0.26% | 7 | 0.26% | 9 | 0.28% |
| Indirect—other consumer | **3** | **0.10%** | 3 | 0.12% | 2 | 0.07% | 1 | 0.03% | 1 | 0.06% |
| Consumer credit card | **19** | **1.38%** | 19 | 1.43% | 20 | 1.47% | 20 | 1.59% | 20 | 1.48% |
| Other consumer | **5** | **0.42%** | 5 | 0.38% | 4 | 0.35% | 4 | 0.36% | 5 | 0.42% |
| Total consumer (2) | **146** | **0.49%** | 137 | 0.46% | 133 | 0.44% | 135 | 0.44% | 135 | 0.43% |
| Total accruing 90+ days past due loans (2) | **$ 158** | **0.19%** | $ 149 | 0.18% | $ 144 | 0.17% | $ 147 | 0.18% | $ 143 | 0.17% |
| | | | | | | | | | | |
| Total delinquencies (1) (2) | **$ 478** | **0.58%** | $ 495 | 0.60% | $ 513 | 0.62% | $ 454 | 0.54% | $ 556 | 0.67% |

(1) Excludes loans that are 100% guaranteed by FHA. Total 30-89 days past due guaranteed loans excluded were $42 million at 12/31/2019, $37 million at 9/30/2019, $35 million at 6/30/2019, $32 million at 03/31/2019, and $37 million at 12/31/2018.

(2) Excludes loans that are 100% guaranteed by FHA and all guaranteed loans sold to GNMA where Regions has the right but not the obligation to repurchase. Total 90 days or more past due guaranteed loans excluded were $66 million at 12/31/2019, 9/30/2019 and 6/30/2019, $76 million at 03/31/2019, and $84 million at 12/31/2018.

## Troubled Debt Restructurings

| | As of | | | | |
|---|---|---|---|---|---|
| *($ amounts in millions)* | **12/31/2019** | 9/30/2019 | 6/30/2019 | 3/31/2019 | 12/31/2018 |
| Current: | | | | | |
| Commercial | **$ 105** | $ 93 | $ 97 | $ 103 | $ 103 |
| Investor real estate | **32** | 30 | 15 | 14 | 13 |
| Residential first mortgage | **152** | 156 | 153 | 147 | 139 |
| Home equity—lines of credit | **40** | 42 | 43 | 45 | 46 |
| Home equity—closed-end | **103** | 110 | 117 | 125 | 133 |
| Consumer credit card | **1** | 1 | 1 | 1 | 1 |
| Other consumer | **4** | 4 | 4 | 5 | 5 |
| Total current | **437** | 436 | 430 | 440 | 440 |
| Accruing 30-89 DPD: | | | | | |
| Commercial | **1** | 6 | 4 | 3 | 5 |
| Investor real estate | **—** | — | — | — | 1 |
| Residential first mortgage | **25** | 26 | 26 | 26 | 31 |
| Home equity—lines of credit | **2** | 2 | 1 | 1 | 1 |
| Home equity—closed-end | **6** | 7 | 7 | 9 | 9 |
| Other consumer | **—** | 1 | 1 | — | 1 |
| Total accruing 30-89 DPD | **34** | 42 | 39 | 39 | 48 |
| Total accruing and <90 DPD | **471** | 478 | 469 | 479 | 488 |
| Non-accrual or 90+ DPD: | | | | | |
| Commercial | **139** | 130 | 182 | 220 | 183 |
| Investor real estate | **1** | 5 | 5 | 5 | 5 |
| Residential first mortgage | **40** | 35 | 33 | 37 | 38 |
| Home equity—lines of credit | **2** | 2 | 4 | 4 | 4 |
| Home equity—closed-end | **6** | 7 | 10 | 11 | 11 |
| Total non-accrual or 90+DPD | **188** | 179 | 234 | 277 | 241 |
| Total TDRs - Loans | **$ 659** | $ 657 | $ 703 | $ 756 | $ 729 |
| TDRs - Held For Sale | **1** | 4 | 7 | 8 | 5 |
| Total TDRs | **$ 660** | $ 661 | $ 710 | $ 764 | $ 734 |

## Total TDRs - Loans by Portfolio

| | As of | | | | |
|---|---|---|---|---|---|
| *($ amounts in millions)* | **12/31/2019** | 9/30/2019 | 6/30/2019 | 3/31/2019 | 12/31/2018 |
| Total commercial TDRs | **$ 245** | $ 229 | $ 283 | $ 326 | $ 291 |
| Total investor real estate TDRs | **33** | 35 | 20 | 19 | 19 |
| Total consumer TDRs | **381** | 393 | 400 | 411 | 419 |
| Total TDRs - Loans | **$ 659** | $ 657 | $ 703 | $ 756 | $ 729 |

**Consolidated Balance Sheets (unaudited)**

| | As of | | | | |
|---|---|---|---|---|---|
| *($ amounts in millions)* | **12/31/2019** | 9/30/2019 | 6/30/2019 | 3/31/2019 | 12/31/2018 |
| Assets: | | | | | |
| Cash and due from banks | **$ 1,598** | $ 1,966 | $ 2,026 | $ 1,666 | $ 2,018 |
| Interest-bearing deposits in other banks | **2,516** | 3,101 | 2,462 | 2,141 | 1,520 |
| Debt securities held to maturity | **1,332** | 1,375 | 1,415 | 1,451 | 1,482 |
| Debt securities available for sale | **22,606** | 22,986 | 22,699 | 23,786 | 22,729 |
| Loans held for sale | **637** | 548 | 508 | 318 | 304 |
| Loans, net of unearned income | **82,963** | 82,786 | 83,553 | 84,430 | 83,152 |
| Allowance for loan losses | **(869)** | (869) | (853) | (853) | (840) |
| Net loans | **82,094** | 81,917 | 82,700 | 83,577 | 82,312 |
| Other earning assets | **1,518** | 1,760 | 1,646 | 1,617 | 1,719 |
| Premises and equipment, net | **1,960** | 1,944 | 1,950 | 2,026 | 2,045 |
| Interest receivable | **362** | 377 | 389 | 388 | 375 |
| Goodwill | **4,845** | 4,845 | 4,829 | 4,829 | 4,829 |
| Residential mortgage servicing rights at fair value (MSRs) | **345** | 307 | 337 | 386 | 418 |
| Other identifiable intangible assets, net | **105** | 111 | 101 | 108 | 115 |
| Other assets | **6,322** | 6,910 | 6,456 | 6,509 | 5,822 |
| Total assets | **$ 126,240** | $ 128,147 | $ 127,518 | $ 128,802 | $ 125,688 |
| Liabilities and Equity: | | | | | |
| Deposits: | | | | | |
| Non-interest-bearing | **$ 34,113** | $ 34,360 | $ 34,678 | $ 34,775 | $ 35,053 |
| Interest-bearing | **63,362** | 59,945 | 60,293 | 60,945 | 59,438 |
| Total deposits | **97,475** | 94,305 | 94,971 | 95,720 | 94,491 |
| Borrowed funds: | | | | | |
| Short-term borrowings | **2,050** | 5,401 | 4,250 | 1,600 | 1,600 |
| Long-term borrowings | **7,879** | 9,128 | 9,213 | 12,957 | 12,424 |
| Total borrowed funds | **9,929** | 14,529 | 13,463 | 14,557 | 14,024 |
| Other liabilities | **2,541** | 2,732 | 2,476 | 3,002 | 2,083 |
| Total liabilities | **109,945** | 111,566 | 110,910 | 113,279 | 110,598 |
| Equity: | | | | | |
| Preferred stock, non-cumulative perpetual | **1,310** | 1,310 | 1,310 | 820 | 820 |
| Common stock | **10** | 10 | 11 | 11 | 11 |
| Additional paid-in capital | **12,685** | 12,803 | 13,380 | 13,584 | 13,766 |
| Retained earnings | **3,751** | 3,534 | 3,299 | 3,066 | 2,828 |
| Treasury stock, at cost | **(1,371)** | (1,371) | (1,371) | (1,371) | (1,371) |
| Accumulated other comprehensive income (loss), net | **(90)** | 295 | (21) | (598) | (964) |
| Total stockholders' equity | **16,295** | 16,581 | 16,608 | 15,512 | 15,090 |
| Noncontrolling interest | **—** | — | — | 11 | — |
| Total equity | **16,295** | 16,581 | 16,608 | 15,523 | 15,090 |
| Total liabilities and equity | **$ 126,240** | $ 128,147 | $ 127,518 | $ 128,802 | $ 125,688 |

## End of Period Loans

| ($ amounts in millions) | 12/31/2019 | 9/30/2019 | 6/30/2019 | 3/31/2019 | 12/31/2018 | 12/31/2019 vs. 9/30/2019 | | 12/31/2019 vs. 12/31/2018 | |
|---|---|---|---|---|---|---|---|---|---|
| Commercial and industrial (1) | **$ 39,971** | $ 40,179 | $ 40,438 | $ 40,985 | $ 39,282 | $ (208) | (0.5)% | $ 689 | 1.8 % |
| Commercial real estate mortgage—owner-occupied (2) | **5,537** | 5,532 | 5,455 | 5,522 | 5,549 | 5 | 0.1 % | (12) | (0.2)% |
| Commercial real estate construction—owner-occupied | **331** | 365 | 415 | 434 | 384 | (34) | (9.3)% | (53) | (13.8)% |
| Total commercial | **45,839** | 46,076 | 46,308 | 46,941 | 45,215 | (237) | (0.5)% | 624 | 1.4 % |
| Commercial investor real estate mortgage (2) | **4,936** | 4,769 | 4,795 | 4,715 | 4,650 | 167 | 3.5 % | 286 | 6.2 % |
| Commercial investor real estate construction | **1,621** | 1,475 | 1,658 | 1,871 | 1,786 | 146 | 9.9 % | (165) | (9.2)% |
| Total investor real estate | **6,557** | 6,244 | 6,453 | 6,586 | 6,436 | 313 | 5.0 % | 121 | 1.9 % |
| Total business | **52,396** | 52,320 | 52,761 | 53,527 | 51,651 | 76 | 0.1 % | 745 | 1.4 % |
| Residential first mortgage (3) | **14,485** | 14,397 | 14,253 | 14,113 | 14,276 | 88 | 0.6 % | 209 | 1.5 % |
| Home equity—lines of credit (4) | **5,300** | 5,430 | 5,561 | 5,705 | 5,871 | (130) | (2.4)% | (571) | (9.7)% |
| Home equity—closed-end (5) | **3,084** | 3,167 | 3,241 | 3,309 | 3,386 | (83) | (2.6)% | (302) | (8.9)% |
| Indirect—vehicles | **1,812** | 2,095 | 2,415 | 2,759 | 3,053 | (283) | (13.5)% | (1,241) | (40.6)% |
| Indirect—other consumer | **3,249** | 2,821 | 2,796 | 2,547 | 2,349 | 428 | 15.2 % | 900 | 38.3 % |
| Consumer credit card | **1,387** | 1,322 | 1,303 | 1,274 | 1,345 | 65 | 4.9 % | 42 | 3.1 % |
| Other consumer | **1,250** | 1,234 | 1,223 | 1,196 | 1,221 | 16 | 1.3 % | 29 | 2.4 % |
| Total consumer | **30,567** | 30,466 | 30,792 | 30,903 | 31,501 | 101 | 0.3 % | (934) | (3.0)% |
| **Total Loans** | **$ 82,963** | $ 82,786 | $ 83,553 | $ 84,430 | $ 83,152 | $ 177 | 0.2 % | $ (189) | (0.2)% |

(1) As of December 31, 2018, approximately $263 million of purchasing card balances previously recognized in other assets were reclassified to commercial and industrial loans.
(2) As of December 31, 2018, approximately $345 million of senior assisted living balances were reclassified from commercial real estate mortgage—owner-occupied to commercial investor real estate mortgage. The reclassification had a negligible impact on fourth quarter 2018 average balances.
(3) Regions sold $167 million of affordable housing residential mortgage loans during the first quarter of 2019.
(4) The balance of Regions' home equity lines of credit consists of $2,791 million of first lien and $2,509 million of second lien at 12/31/2019.
(5) The balance of Regions' closed-end home equity loans consists of $2,790 million of first lien and $294 million of second lien at 12/31/2019.

| End of Period Loans by Percentage | 12/31/2019 | 9/30/2019 | 6/30/2019 | 3/31/2019 | 12/31/2018 |
|---|---|---|---|---|---|
| Commercial and industrial | **48.2%** | 48.5% | 48.4% | 48.6% | 47.2% |
| Commercial real estate mortgage—owner-occupied | **6.7%** | 6.7% | 6.5% | 6.5% | 6.7% |
| Commercial real estate construction—owner-occupied | **0.4%** | 0.4% | 0.5% | 0.5% | 0.5% |
| Total commercial | **55.3%** | 55.6% | 55.4% | 55.6% | 54.4% |
| Commercial investor real estate mortgage | **5.9%** | 5.8% | 5.7% | 5.6% | 5.6% |
| Commercial investor real estate construction | **2.0%** | 1.8% | 2.0% | 2.2% | 2.1% |
| Total investor real estate | **7.9%** | 7.6% | 7.7% | 7.8% | 7.7% |
| Total business | **63.2%** | 63.2% | 63.1% | 63.4% | 62.1% |
| Residential first mortgage | **17.5%** | 17.4% | 17.0% | 16.7% | 17.2% |
| Home equity—lines of credit | **6.4%** | 6.6% | 6.7% | 6.8% | 7.1% |
| Home equity—closed-end | **3.7%** | 3.8% | 3.9% | 3.9% | 4.1% |
| Indirect—vehicles | **2.2%** | 2.5% | 2.9% | 3.3% | 3.6% |
| Indirect—other consumer | **3.9%** | 3.4% | 3.3% | 3.0% | 2.8% |
| Consumer credit card | **1.7%** | 1.6% | 1.6% | 1.5% | 1.6% |
| Other consumer | **1.4%** | 1.5% | 1.5% | 1.4% | 1.5% |
| Total consumer | **36.8%** | 36.8% | 36.9% | 36.6% | 37.9% |
| **Total Loans** | **100.0%** | 100.0% | 100.0% | 100.0% | 100.0% |

### Average Balances of Loans

| *($ amounts in millions)* | Average Balances 4Q19 | 3Q19 | 2Q19 | 1Q19 | 4Q18 | 4Q19 vs. 3Q19 | | 4Q19 vs. 4Q18 | |
|---|---|---|---|---|---|---|---|---|---|
| Commercial and industrial | **$ 39,743** | $ 40,200 | $ 40,707 | $ 39,999 | $ 38,111 | $ (457) | (1.1)% | $ 1,632 | 4.3 % |
| Commercial real estate mortgage—owner-occupied | **5,489** | 5,481 | 5,448 | 5,560 | 5,847 | 8 | 0.1% | (358) | (6.1)% |
| Commercial real estate construction—owner-occupied | **357** | 390 | 447 | 409 | 349 | (33) | (8.5)% | 8 | 2.3 % |
| Total commercial | **45,589** | 46,071 | 46,602 | 45,968 | 44,307 | (482) | (1.0)% | 1,282 | 2.9 % |
| Commercial investor real estate mortgage | **4,841** | 4,859 | 4,699 | 4,729 | 4,275 | (18) | (0.4)% | 566 | 13.2 % |
| Commercial investor real estate construction | **1,544** | 1,529 | 1,797 | 1,821 | 1,815 | 15 | 1.0% | (271) | (14.9)% |
| Total investor real estate | **6,385** | 6,388 | 6,496 | 6,550 | 6,090 | (3) | —% | 295 | 4.8 % |
| Total business | **51,974** | 52,459 | 53,098 | 52,518 | 50,397 | (485) | (0.9)% | 1,577 | 3.1 % |
| Residential first mortgage | **14,416** | 14,298 | 14,150 | 14,203 | 14,230 | 118 | 0.8% | 186 | 1.3 % |
| Home equity—lines of credit | **5,357** | 5,482 | 5,637 | 5,792 | 5,924 | (125) | (2.3)% | (567) | (9.6)% |
| Home equity—closed-end | **3,121** | 3,201 | 3,273 | 3,343 | 3,411 | (80) | (2.5)% | (290) | (8.5)% |
| Indirect—vehicles | **1,948** | 2,247 | 2,578 | 2,924 | 3,109 | (299) | (13.3)% | (1,161) | (37.3)% |
| Indirect—other consumer | **3,005** | 2,750 | 2,662 | 2,429 | 2,287 | 255 | 9.3% | 718 | 31.4 % |
| Consumer credit card | **1,337** | 1,310 | 1,286 | 1,304 | 1,298 | 27 | 2.1% | 39 | 3.0 % |
| Other consumer | **1,234** | 1,239 | 1,221 | 1,212 | 1,217 | (5) | (0.4)% | 17 | 1.4 % |
| Total consumer | **30,418** | 30,527 | 30,807 | 31,207 | 31,476 | (109) | (0.4)% | (1,058) | (3.4)% |
| **Total loans** | **$ 82,392** | $ 82,986 | $ 83,905 | $ 83,725 | $ 81,873 | $ (594) | (0.7)% | $ 519 | 0.6 % |

### Adjusted Average Balances of Loans (non-GAAP)

Regions believes adjusting total average loans for the impact of the purchasing card reclassification from other assets and the indirect vehicles exit portfolio, provides a meaningful calculation of loan growth rates and presents them on the same basis as that applied by management.

| *($ amounts in millions)* | Average Balances 4Q19 | 3Q19 | 2Q19 | 1Q19 | 4Q18 | 4Q19 vs. 3Q19 | | 4Q19 vs. 4Q18 | |
|---|---|---|---|---|---|---|---|---|---|
| Commercial and industrial | **$ 39,743** | $ 40,200 | $ 40,707 | $ 39,999 | $ 38,111 | $ (457) | (1.1)% | $ 1,632 | 4.3 % |
| Add: Purchasing card balances (1) | **—** | — | — | — | 252 | — | NM | (252) | (100.0)% |
| **Adjusted commercial and industrial loans (non-GAAP)** | **$ 39,743** | $ 40,200 | $ 40,707 | $ 39,999 | $ 38,363 | $ (457) | (1.1)% | $ 1,380 | 3.6 % |
| Total commercial loans | **$ 45,589** | $ 46,071 | $ 46,602 | $ 45,968 | $ 44,307 | $ (482) | (1.0)% | $ 1,282 | 2.9 % |
| Add: Purchasing card balances (1) | **—** | — | — | — | 252 | — | NM | (252) | (100.0)% |
| **Adjusted total commercial loans (non-GAAP)** | **$ 45,589** | $ 46,071 | $ 46,602 | $ 45,968 | $ 44,559 | $ (482) | (1.0)% | $ 1,030 | 2.3 % |
| Total business loans | **$ 51,974** | $ 52,459 | $ 53,098 | $ 52,518 | $ 50,397 | $ (485) | (0.9)% | $ 1,577 | 3.1 % |
| Add: Purchasing card balances (1) | **—** | — | — | — | 252 | — | NM | (252) | (100.0)% |
| **Adjusted total business loans (non-GAAP)** | **$ 51,974** | $ 52,459 | $ 53,098 | $ 52,518 | $ 50,649 | $ (485) | (0.9)% | $ 1,325 | 2.6 % |
| Total consumer loans | **$ 30,418** | $ 30,527 | $ 30,807 | $ 31,207 | $ 31,476 | $ (109) | (0.4)% | $ (1,058) | (3.4)% |
| Less: Indirect—vehicles | **1,948** | 2,247 | 2,578 | 2,924 | 3,109 | (299) | (13.3)% | (1,161) | (37.3)% |
| **Adjusted total consumer loans (non-GAAP)** | **$ 28,470** | $ 28,280 | $ 28,229 | $ 28,283 | $ 28,367 | $ 190 | 0.7% | $ 103 | 0.4 % |
| Total loans | **$ 82,392** | $ 82,986 | $ 83,905 | $ 83,725 | $ 81,873 | $ (594) | (0.7)% | $ 519 | 0.6 % |
| Add: Purchasing card balances (1) | **—** | — | — | — | 252 | — | NM | (252) | (100.0)% |
| Less: Indirect—vehicles | **1,948** | 2,247 | 2,578 | 2,924 | 3,109 | (299) | (13.3)% | (1,161) | (37.3)% |
| **Adjusted total loans (non-GAAP)** | **$ 80,444** | $ 80,739 | $ 81,327 | $ 80,801 | $ 79,016 | $ (295) | (0.4)% | $ 1,428 | 1.8 % |

(1) On December 31, 2018, purchasing cards were reclassified to commercial and industrial loans from other assets.

### Average Balances of Loans (continued)

| *($ amounts in millions)* | Average Balances — Year Ended December 31 2019 | 2018 | 2019 vs. 2018 | |
|---|---|---|---|---|
| Commercial and industrial | **$ 40,162** | $ 37,220 | $ 2,942 | 7.9 % |
| Commercial real estate mortgage—owner-occupied | **5,495** | 5,995 | (500) | (8.3)% |
| Commercial real estate construction—owner-occupied | **401** | 319 | 82 | 25.7 % |
| Total commercial | **46,058** | 43,534 | 2,524 | 5.8 % |
| Commercial investor real estate mortgage | **4,782** | 3,992 | 790 | 19.8 % |
| Commercial investor real estate construction | **1,672** | 1,832 | (160) | (8.7)% |
| Total investor real estate | **6,454** | 5,824 | 630 | 10.8 % |
| Total business | **52,512** | 49,358 | 3,154 | 6.4 % |
| Residential first mortgage | **14,267** | 14,088 | 179 | 1.3 % |
| Home equity—lines of credit | **5,565** | 6,177 | (612) | (9.9)% |
| Home equity—closed-end | **3,234** | 3,498 | (264) | (7.5)% |
| Indirect—vehicles | **2,421** | 3,217 | (796) | (24.7)% |
| Indirect—other consumer | **2,713** | 1,903 | 810 | 42.6 % |
| Consumer credit card | **1,309** | 1,268 | 41 | 3.2 % |
| Other consumer | **1,227** | 1,183 | 44 | 3.7 % |
| Total consumer | **30,736** | 31,334 | (598) | (1.9)% |
| **Total Loans** | **$ 83,248** | $ 80,692 | $ 2,556 | 3.2 % |

### Adjusted Average Balances of Loans (non-GAAP)

Regions believes adjusting total average loans for the impact of the purchasing card reclassification from other assets, the first quarter 2018 residential first mortgage loan sale and the indirect vehicles exit portfolio, provides a meaningful calculation of loan growth rates and presents them on the same basis as that applied by management.

| *($ amounts in millions)* | Average Balances — Year Ended December 31 2019 | 2018 | 2019 vs. 2018 | |
|---|---|---|---|---|
| Commercial and industrial | **$ 40,162** | $ 37,220 | $ 2,942 | 7.9 % |
| Add: Purchasing card balances(1) | **—** | 232 | (232) | (100.0)% |
| **Adjusted commercial and industrial loans (non-GAAP)** | **$ 40,162** | $ 37,452 | $ 2,710 | 7.2 % |
| Total commercial loans | **$ 46,058** | $ 43,534 | $ 2,524 | 5.8 % |
| Add: Purchasing card balances(1) | **—** | 232 | (232) | (100.0)% |
| **Adjusted total commercial loans (non-GAAP)** | **$ 46,058** | $ 43,766 | $ 2,292 | 5.2 % |
| Total business loans | **$ 52,512** | $ 49,358 | $ 3,154 | 6.4 % |
| Add: Purchasing card balances(1) | **—** | 232 | (232) | (100.0)% |
| **Adjusted total business loans (non-GAAP)** | **$ 52,512** | $ 49,590 | $ 2,922 | 5.9 % |
| Total consumer loans | **$ 30,736** | $ 31,334 | $ (598) | (1.9)% |
| Less: Balances of residential first mortgage loans sold(2) | **—** | 40 | (40) | (100.0)% |
| Less: Indirect—vehicles | **2,421** | 3,217 | (796) | (24.7)% |
| **Adjusted total consumer loans (non-GAAP)** | **$ 28,315** | $ 28,077 | $ 238 | 0.8 % |
| Total Loans | **$ 83,248** | $ 80,692 | $ 2,556 | 3.2 % |
| Add: Purchasing card balances(1) | **—** | 232 | (232) | (100.0)% |
| Less: Balances of residential first mortgage loans sold(2) | **—** | 40 | (40) | (100.0)% |
| Less: Indirect—vehicles | **2,421** | 3,217 | (796) | (24.7)% |
| **Adjusted total loans (non-GAAP)** | **$ 80,827** | $ 77,666 | $ 3,161 | 4.1 % |

(1) On December 31, 2018, purchasing cards were reclassified to commercial and industrial loans from other assets.
(2) Adjustments to average loan balances assume a simple day-weighted average impact for the year ended December 31, 2018.

**End of Period Deposits**

| | As of | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 12/31/2019 vs. 9/30/2019 | | 12/31/2019 vs. 12/31/2018 | |
| *($ amounts in millions)* | **12/31/2019** | 9/30/2019 | 6/30/2019 | 3/31/2019 | 12/31/2018 | | | | |
| Interest-free deposits | **$ 34,113** | $ 34,360 | $ 34,678 | $ 34,775 | $ 35,053 | $ (247) | (0.7)% | $ (940) | (2.7)% |
| Interest-bearing checking | **20,046** | 18,107 | 18,625 | 19,724 | 19,175 | 1,939 | 10.7 % | 871 | 4.5 % |
| Savings | **8,640** | 8,588 | 8,659 | 9,031 | 8,788 | 52 | 0.6 % | (148) | (1.7)% |
| Money market—domestic | **25,326** | 25,329 | 24,729 | 23,806 | 24,111 | (3) | — % | 1,215 | 5.0 % |
| Low-cost deposits | **88,125** | 86,384 | 86,691 | 87,336 | 87,127 | 1,741 | 2.0 % | 998 | 1.1 % |
| Time deposits | **7,442** | 7,639 | 7,731 | 7,704 | 7,122 | (197) | (2.6)% | 320 | 4.5 % |
| **Total Customer Deposits** | **95,567** | 94,023 | 94,422 | 95,040 | 94,249 | 1,544 | 1.6 % | 1,318 | 1.4 % |
| Corporate treasury time deposits | **108** | 282 | 549 | 680 | 242 | (174) | (61.7)% | (134) | (55.4)% |
| Corporate treasury other deposits | **$ 1,800** | — | — | — | — | 1,800 | NM | 1,800 | NM |
| **Total Deposits** | **$ 97,475** | $ 94,305 | $ 94,971 | $ 95,720 | $ 94,491 | $ 3,170 | 3.4 % | $ 2,984 | 3.2 % |

| | As of | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 12/31/2019 vs. 9/30/2019 | | 12/31/2019 vs. 12/31/2018 | |
| *($ amounts in millions)* | **12/31/2019** | 9/30/2019 | 6/30/2019 | 3/31/2019 | 12/31/2018 | | | | |
| Consumer Bank Segment | **$ 59,438** | $ 59,422 | $ 59,775 | $ 59,880 | $ 57,575 | $ 16 | — % | $ 1,863 | 3.2 % |
| Corporate Bank Segment | **27,626** | 26,312 | 26,386 | 26,741 | 27,748 | 1,314 | 5.0 % | (122) | (0.4)% |
| Wealth Management Segment | **8,162** | 7,905 | 7,919 | 7,994 | 8,072 | 257 | 3.3 % | 90 | 1.1 % |
| Other (1) | **2,249** | 666 | 891 | 1,105 | 1,096 | 1,583 | 237.7 % | 1,153 | 105.2 % |
| **Total Deposits** | **$ 97,475** | $ 94,305 | $ 94,971 | $ 95,720 | $ 94,491 | $ 3,170 | 3.4 % | $ 2,984 | 3.2 % |

| | As of | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 12/31/2019 vs. 9/30/2019 | | 12/31/2019 vs. 12/31/2018 | |
| *($ amounts in millions)* | **12/31/2019** | 9/30/2019 | 6/30/2019 | 3/31/2019 | 12/31/2018 | | | | |
| Wealth Management - Private Wealth | **$ 7,180** | $ 6,913 | $ 6,965 | $ 7,089 | $ 7,204 | $ 267 | 3.9 % | $ (24) | (0.3)% |
| Wealth Management - Institutional Services | **982** | 992 | 954 | 905 | 868 | (10) | (1.0)% | 114 | 13.1 % |
| **Total Wealth Management Segment Deposits** | **$ 8,162** | $ 7,905 | $ 7,919 | $ 7,994 | $ 8,072 | $ 257 | 3.3 % | $ 90 | 1.1 % |

| | As of | | | | |
|---|---|---|---|---|---|
| **End of Period Deposits by Percentage** | **12/31/2019** | 9/30/2019 | 6/30/2019 | 3/31/2019 | 12/31/2018 |
| Interest-free deposits | **35.0%** | 36.4% | 36.5 % | 36.3% | 37.1 % |
| Interest-bearing checking | **20.6%** | 19.2% | 19.6 % | 20.6% | 20.3 % |
| Savings | **8.9%** | 9.1% | 9.1 % | 9.4% | 9.3 % |
| Money market—domestic | **26.0%** | 26.9% | 26.0 % | 24.9% | 25.5 % |
| Low-cost deposits | **90.5%** | 91.6% | 91.2 % | 91.2% | 92.2 % |
| Time deposits | **7.6%** | 8.1% | 8.2 % | 8.1% | 7.5 % |
| **Total Customer Deposits** | **98.1%** | 99.7% | 99.4 % | 99.3% | 99.7 % |
| Corporate treasury time deposits | **0.1%** | 0.3% | 0.6 % | 0.7% | 0.3 % |
| Corporate treasury other deposits | **1.8%** | —% | — % | —% | — % |
| **Total Deposits** | **100.0%** | 100.0% | 100.0 % | 100.0% | 100.0 % |

(1) Other deposits represent non-customer balances primarily consisting of wholesale funding (for example, Eurodollar trade deposits, selected deposits and brokered time deposits).

### Average Balances of Deposits

| ($ amounts in millions) | 4Q19 | 3Q19 | 2Q19 | 1Q19 | 4Q18 | 4Q19 vs. 3Q19 | | 4Q19 vs. 4Q18 | |
|---|---|---|---|---|---|---|---|---|---|
| Interest-free deposits | **$ 34,098** | $ 33,599 | $ 33,883 | $ 33,896 | $ 35,169 | $ 499 | 1.5 % | $ (1,071) | (3.0)% |
| Interest-bearing checking | **18,668** | 18,257 | 18,869 | 19,309 | 18,295 | 411 | 2.3 % | 373 | 2.0 % |
| Savings | **8,616** | 8,607 | 8,806 | 8,852 | 8,827 | 9 | 0.1 % | (211) | (2.4)% |
| Money market—domestic | **25,289** | 24,904 | 24,350 | 23,989 | 23,850 | 385 | 1.5 % | 1,439 | 6.0 % |
| Low-cost deposits | **86,671** | 85,367 | 85,908 | 86,046 | 86,141 | 1,304 | 1.5 % | 530 | 0.6 % |
| Time deposits | **7,543** | 7,712 | 7,800 | 7,471 | 6,792 | (169) | (2.2)% | 751 | 11.1 % |
| **Total Customer Deposits** | **94,214** | 93,079 | 93,708 | 93,517 | 92,933 | 1,135 | 1.2 % | 1,281 | 1.4 % |
| Corporate treasury time deposits | **189** | 436 | 657 | 496 | 87 | (247) | (56.7)% | 102 | 117.2 % |
| Corporate treasury other deposits | **109** | 541 | 553 | 157 | 139 | (432) | (79.9)% | (30) | (21.6)% |
| **Total Deposits** | **$ 94,512** | $ 94,056 | $ 94,918 | $ 94,170 | $ 93,159 | $ 456 | 0.5 % | 1,353 | 1.5 % |

| ($ amounts in millions) | 4Q19 | 3Q19 | 2Q19 | 1Q19 | 4Q18 | 4Q19 vs. 3Q19 | | 4Q19 vs. 4Q18 | |
|---|---|---|---|---|---|---|---|---|---|
| Consumer Bank Segment | **$ 59,359** | $ 59,217 | $ 59,277 | $ 57,952 | $ 57,366 | $ 142 | 0.2 % | $ 1,993 | 3.5 % |
| Corporate Bank Segment | **26,627** | 25,690 | 26,154 | 26,904 | 26,323 | 937 | 3.6 % | 304 | 1.2 % |
| Wealth Management Segment | **7,891** | 7,843 | 7,924 | 7,948 | 8,027 | 48 | 0.6 % | (136) | (1.7)% |
| Other [(1)] | **635** | 1,306 | 1,563 | 1,366 | 1,443 | (671) | (51.4)% | (808) | (56.0)% |
| **Total Deposits** | **$ 94,512** | $ 94,056 | $ 94,918 | $ 94,170 | $ 93,159 | $ 456 | 0.5 % | $ 1,353 | 1.5 % |

| ($ amounts in millions) | 4Q19 | 3Q19 | 2Q19 | 1Q19 | 4Q18 | 4Q19 vs. 3Q19 | | 4Q19 vs. 4Q18 | |
|---|---|---|---|---|---|---|---|---|---|
| Wealth Management - Private Wealth | **$ 7,040** | $ 6,984 | $ 7,033 | $ 7,111 | $ 7,084 | $ 56 | 0.8 % | $ (44) | (0.6)% |
| Wealth Management - Institutional Services | **851** | 859 | 891 | 837 | 943 | (8) | (0.9)% | (92) | (9.8)% |
| **Total Wealth Management Segment Deposits** | **$ 7,891** | $ 7,843 | $ 7,924 | $ 7,948 | $ 8,027 | $ 48 | 0.6 % | $ (136) | (1.7)% |

| ($ amounts in millions) | Average Balances Year Ended December 31 2019 | 2018 | 2019 vs. 2018 | |
|---|---|---|---|---|
| Interest-free deposits | **$ 33,869** | $ 35,464 | $ (1,595) | (4.5)% |
| Interest-bearing checking | **18,772** | 19,167 | (395) | (2.1)% |
| Savings | **8,719** | 8,838 | (119) | (1.3)% |
| Money market—domestic | **24,637** | 24,173 | 464 | 1.9 % |
| Money market—foreign | **—** | 8 | (8) | (100.0)% |
| Low-cost deposits | **85,997** | 87,650 | (1,653) | (1.9)% |
| Time deposits | **7,632** | 6,665 | 967 | 14.5 % |
| **Total Customer Deposits** | **93,629** | 94,315 | (686) | (0.7)% |
| Corporate treasury time deposits | **444** | 39 | 405 | NM |
| Corporate treasury other deposits | **340** | 84 | 256 | 304.8 % |
| **Total Deposits** | **$ 94,413** | $ 94,438 | $ (25) | — % |

| ($ amounts in millions) | Average Balances Year Ended December 31 2019 | 2018 | 2019 vs. 2018 | |
|---|---|---|---|---|
| Consumer Bank Segment | **$ 58,956** | $ 57,588 | $ 1,368 | 2.4 % |
| Corporate Bank Segment | **26,341** | 26,925 | (584) | (2.2)% |
| Wealth Management Segment | **7,901** | 8,430 | (529) | (6.3)% |
| Other [(1)] | **1,215** | 1,495 | (280) | (18.7)% |
| **Total Deposits** | **$ 94,413** | $ 94,438 | $ (25) | — % |

| ($ amounts in millions) | Average Balances Year Ended December 31 2019 | 2018 | 2019 vs. 2018 | |
|---|---|---|---|---|
| Wealth Management - Private Wealth | **$ 7,042** | $ 7,380 | $ (338) | (4.6)% |
| Wealth Management - Institutional Services | **859** | 1,050 | (191) | (18.2)% |
| **Total Wealth Management Segment Deposits** | **$ 7,901** | $ 8,430 | $ (529) | (6.3)% |

(1) Other deposits represent non-customer balances primarily consisting of wholesale funding (for example, Eurodollar trade deposits, selected deposits and brokered time deposits).

### Reconciliation to GAAP Financial Measures

### Tangible Common Ratios

The following tables provide the calculation of the end of period “tangible common stockholders’ equity” and "tangible common book value per share" ratios, a reconciliation of stockholders’ equity (GAAP) to tangible common stockholders’ equity (non-GAAP). Since analysts and banking regulators may assess Regions’ capital adequacy using tangible common stockholders' equity, we believe that it is useful to provide investors the ability to assess Regions’ capital adequacy on this same basis.

| | | As of and for Quarter Ended | | | | |
|---|---|---|---|---|---|---|
| *($ amounts in millions, except per share data)* | | **12/31/2019** | 9/30/2019 | 6/30/2019 | 3/31/2019 | 12/31/2018 |
| **Tangible Common Ratios—Consolidated** | | | | | | |
| Stockholders’ equity (GAAP) | | **$ 16,295** | $ 16,581 | $ 16,608 | $ 15,512 | $ 15,090 |
| Less: | | | | | | |
| Preferred stock (GAAP) | | **1,310** | 1,310 | 1,310 | 820 | 820 |
| Intangible assets (GAAP) | | **4,950** | 4,956 | 4,930 | 4,937 | 4,944 |
| Deferred tax liability related to intangibles (GAAP) | | **(92)** | (93) | (94) | (94) | (94) |
| Tangible common stockholders’ equity (non-GAAP) | **A** | **$ 10,127** | $ 10,408 | $ 10,462 | $ 9,849 | $ 9,420 |
| Total assets (GAAP) | | **$ 126,240** | $ 128,147 | $ 127,518 | $ 128,802 | $ 125,688 |
| Less: | | | | | | |
| Intangible assets (GAAP) | | **4,950** | 4,956 | 4,930 | 4,937 | 4,944 |
| Deferred tax liability related to intangibles (GAAP) | | **(92)** | (93) | (94) | (94) | (94) |
| Tangible assets (non-GAAP) | **B** | **$ 121,382** | $ 123,284 | $ 122,682 | $ 123,959 | $ 120,838 |
| Shares outstanding—end of quarter | **C** | **957** | 964 | 1,004 | 1,013 | 1,025 |
| Tangible common stockholders’ equity to tangible assets (non-GAAP) | **A/B** | **8.34%** | 8.44% | 8.53% | 7.95% | 7.80% |
| Tangible common book value per share (non-GAAP) | **A/C** | **$ 10.58** | $ 10.79 | $ 10.42 | $ 9.72 | $ 9.19 |

**Forward-Looking Statements**

This release may include forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not based on historical information, but rather are related to future operations, strategies, financial results or other developments. Forward-looking statements are based on management's current expectations as well as certain assumptions and estimates made by, and information available to, management at the time the statements are made. Those statements are based on general assumptions and are subject to various risks, and because they also relate to the future they are likewise subject to inherent uncertainties and other factors that may cause actual results to differ materially from the views, beliefs and projections expressed in such statements. Therefore, we caution you against relying on any of these forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, those described below:

- Current and future economic and market conditions in the United States generally or in the communities we serve, including the effects of possible declines in property values, increases in unemployment rates and potential reductions of economic growth, which may adversely affect our lending and other businesses and our financial results and conditions.
- Possible changes in trade, monetary and fiscal policies of, and other activities undertaken by, governments, agencies, central banks and similar organizations, which could have a material adverse effect on our earnings.
- Possible changes in market interest rates or capital markets could adversely affect our revenue and expense, the value of assets and obligations, and the availability and cost of capital and liquidity.
- Any impairment of our goodwill or other intangibles, any repricing of assets, or any adjustment of valuation allowances on our deferred tax assets due to changes in law, adverse changes in the economic environment, declining operations of the reporting unit or other factors.
- The effect of changes in tax laws, including the effect of any future interpretations of or amendments to Tax Reform, which may impact our earnings, capital ratios and our ability to return capital to stockholders.
- Possible changes in the creditworthiness of customers and the possible impairment of the collectability of loans and leases, including operating leases.
- Changes in the speed of loan prepayments, loan origination and sale volumes, charge-offs, loan loss provisions or actual loan losses where our allowance for loan losses may not be adequate to cover our eventual losses.
- Possible acceleration of prepayments on mortgage-backed securities due to low interest rates, and the related acceleration of premium amortization on those securities.
- Loss of customer checking and savings account deposits as customers pursue other, higher-yield investments, which could increase our funding costs.
- Possible changes in consumer and business spending and saving habits and the related effect on our ability to increase assets and to attract deposits, which could adversely affect our net income.
- Our ability to effectively compete with other traditional and non-traditional financial services companies, some of whom possess greater financial resources than we do or are subject to different regulatory standards than we are.
- Our inability to develop and gain acceptance from current and prospective customers for new products and services and the enhancement of existing products and services to meet customers' needs and respond to emerging technological trends in a timely manner could have a negative impact on our revenue.
- Our inability to keep pace with technological changes could result in losing business to competitors.
- Changes in laws and regulations affecting our businesses, including legislation and regulations relating to bank products and services, as well as changes in the enforcement and interpretation of such laws and regulations by applicable governmental and self-regulatory agencies, which could require us to change certain business practices, increase compliance risk, reduce our revenue, impose additional costs on us, or otherwise negatively affect our businesses.
- Our ability to obtain a regulatory non-objection (as part of the CCAR process or otherwise) to take certain capital actions, including paying dividends and any plans to increase common stock dividends, repurchase common stock under current or future programs, or redeem preferred stock or other regulatory capital instruments, may impact our ability to return capital to stockholders and market perceptions of us.
- Our ability to comply with stress testing and capital planning requirements (as part of the CCAR process or otherwise) may continue to require a significant investment of our managerial resources due to the importance of such tests and requirements.
- Our ability to comply with applicable capital and liquidity requirements (including, among other things, the Basel III capital standards and the LCR rule), including our ability to generate capital internally or raise capital on favorable terms, and if we fail to meet requirements, our financial condition could be negatively impacted.
- The effects of any developments, changes or actions relating to any litigation or regulatory proceedings brought against us or any of our subsidiaries.
- The costs, including possibly incurring fines, penalties, or other negative effects (including reputational harm) of any adverse judicial, administrative, or arbitral rulings or proceedings, regulatory enforcement actions, or other legal actions to which we or any of our subsidiaries are a party, and which may adversely affect our results.
- Our ability to manage fluctuations in the value of assets and liabilities and off-balance sheet exposure so as to maintain sufficient capital and liquidity to support our business.
- Our ability to execute on our strategic and operational plans, including our ability to fully realize the financial and non-financial benefits relating to our strategic initiatives.
- The risks and uncertainties related to our acquisition or divestiture of businesses.
- The success of our marketing efforts in attracting and retaining customers.
- Our ability to recruit and retain talented and experienced personnel to assist in the development, management and operation of our products and services may be affected by changes in laws and regulations in effect from time to time.
- Fraud or misconduct by our customers, employees or business partners.
- Any inaccurate or incomplete information provided to us by our customers or counterparties.

- Inability of our framework to manage risks associated with our business such as credit risk and operational risk, including third-party vendors and other service providers, which could, among other things, result in a breach of operating or security systems as a result of a cyber attack or similar act or failure to deliver our services effectively.
- Dependence on key suppliers or vendors to obtain equipment and other supplies for our business on acceptable terms.
- The inability of our internal controls and procedures to prevent, detect or mitigate any material errors or fraudulent acts.
- The effects of geopolitical instability, including wars, conflicts and terrorist attacks and the potential impact, directly or indirectly, on our businesses.
- The effects of man-made and natural disasters, including fires, floods, droughts, tornadoes, hurricanes, and environmental damage, which may negatively affect our operations and/or our loan portfolios and increase our cost of conducting business. The severity and impact of future earthquakes, fires, hurricanes, tornadoes, droughts, floods and other weather-related events are difficult to predict and may be exacerbated by global climate change.
- Changes in commodity market prices and conditions could adversely affect the cash flows of our borrowers operating in industries that are impacted by changes in commodity prices (including businesses indirectly impacted by commodities prices such as businesses that transport commodities or manufacture equipment used in the production of commodities), which could impair their ability to service any loans outstanding to them and/or reduce demand for loans in those industries.
- Our ability to identify and address cyber-security risks such as data security breaches, malware, “denial of service” attacks, “hacking” and identity theft, including account take-overs, a failure of which could disrupt our business and result in the disclosure of and/or misuse or misappropriation of confidential or proprietary information, disruption or damage to our systems, increased costs, losses, or adverse effects to our reputation.
- Our ability to realize our adjusted efficiency ratio target as part of our expense management initiatives.
- Possible cessation or market replacement of LIBOR and the related effect on our LIBOR-based financial products and contracts, including, but not limited to, hedging products, debt obligations, investments, and loans.
- Possible downgrades in our credit ratings or outlook could increase the costs of funding from capital markets.
- The effects of a possible downgrade in the U.S. government’s sovereign credit rating or outlook, which could result in risks to us and general economic conditions that we are not able to predict.
- The effects of problems encountered by other financial institutions that adversely affect us or the banking industry generally could require us to change certain business practices, reduce our revenue, impose additional costs on us, or otherwise negatively affect our businesses.
- The effects of the failure of any component of our business infrastructure provided by a third party could disrupt our businesses, result in the disclosure of and/or misuse of confidential information or proprietary information, increase our costs, negatively affect our reputation, and cause losses.
- Our ability to receive dividends from our subsidiaries could affect our liquidity and ability to pay dividends to shareholders.
- Changes in accounting policies or procedures as may be required by the FASB or other regulatory agencies could materially affect our financial statements and how we report those results, and expectations and preliminary analyses relating to how such changes will affect our financial results could prove incorrect.
- Other risks identified from time to time in reports that we file with the SEC.
- Fluctuations in the price of our common stock and inability to complete stock repurchases in the time frame and/or on the terms anticipated.
- The effects of any damage to our reputation resulting from developments related to any of the items identified above.

The foregoing list of factors is not exhaustive. For discussion of these and other factors that may cause actual results to differ from expectations, look under the captions “Forward-Looking Statements” and “Risk Factors” of Regions’ Annual Report on Form 10-K for the year ended December 31, 2018 as filed with the SEC.

The words "future," “anticipates,” "assumes," “intends,” “plans,” “seeks,” “believes,” "predicts," "potential," "objectives," “estimates,” “expects,” “targets,” “projects,” “outlook,” “forecast,” "would," “will,” “may,” “might,” “could,” “should,” “can,” and similar terms and expressions often signify forward-looking statements. You should not place undue reliance on any forward-looking statements, which speak only as of the date made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible to predict all of them. We assume no obligation and do not intend to update or revise any forward-looking statements that are made from time to time, either as a result of future developments, new information or otherwise, except as may be required by law.

Regions’ Investor Relations contact is Dana Nolan at (205) 264-7040; Regions’ Media contact is Evelyn Mitchell at (205) 264-4551.