

# **Regions Financial Corporation**

## **401(k) Plan**

### **Summary Plan Description November 2015**



**Portions of this document and the Appendices A and B constitute part of a prospectus (the “Prospectus”) covering securities that have been registered under the Securities Act of 1933, as amended.**

**The Prospectus does not constitute an offer within any state to any person to whom such offer would be unlawful. Neither the delivery of the Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the Regions Financial Corporation 401(k) Plan, the investment options offered under the Regions Financial Corporation 401(k) Plan or the affairs of Regions Financial Corporation since the date as of which information has been given herein.**

**The securities offered pursuant to the Prospectus have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission nor has the Securities and Exchange Commission or any state securities commission passed upon the accuracy or adequacy of the Prospectus. Any representation to the contrary is a criminal offense.**

**The information contained herein has been provided by Regions Financial Corporation and is the sole responsibility of Regions Financial Corporation.**

# The Regions Financial Corporation 401(k) Plan and You

The Plan is an important part of the Regions Financial Corporation Benefits Program. The Plan offers an approach to long-term savings that is:

- Flexible... because you decide how much to contribute and how to invest your savings.
- Easy... because your contributions are automatically deducted from each paycheck before federal and most state and local income taxes are imposed.
- Tax-effective... because taxable income is reduced while you save under the pre-tax option. You pay no income taxes on contributions and any investment earnings on them until you take the money out of the Plan.
- Generous... because the Company actually pays you to save by making Company Matching Contributions to your account once you have met the eligibility requirements. The Company will match on the first 4% of your Compensation that you contribute to the Plan. The Board of Directors can also provide for an additional discretionary match. Also, the Company makes an additional 2% of Compensation contribution on behalf of certain employees who generally are not eligible to accrue benefits under the Regions Financial Corporation Retirement Plan.

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This booklet was prepared for the employees of the Company and represents the Summary Plan Description (“SPD”) for the Plan. This SPD is not a contract, nor is it part of the Plan. Rather, it is designed to summarize the main features of the Plan in easy-to-understand language. It is not intended to replace the Plan document. It is not possible for all of the details in the Plan document to be included in this summary. In the event of any ambiguity or inconsistency between this SPD and the Plan document, the Plan document will control. You may obtain a copy of the Plan document from the Plan Administrator.

The Plan is intended to be a “qualified plan” under relevant provisions of the Internal Revenue Code. The Plan may be amended from time to time in order to comply with current and future legal requirements. Also, although the Plan was established with the expectation that it would continue indefinitely, the Company has the right, in its sole discretion, to amend, suspend, or terminate the Plan at any time. In addition, each Participating Employer has a similarly broad right to suspend or terminate its participation in the Plan.

Nothing in this SPD is intended to imply that any individual will have the right to continuing employment with the Company.

## Account Information

You may access your account through an interactive system that allows you to obtain information about your 401(k) account and the available investment funds, 24-hours a day, seven days a week. One way to do so is by logging on to [401k.regions.com](http://401k.regions.com). You also can access your account by calling the Retirement Plan Information Line at 1-800-370-9442. By accessing your account online or over the telephone, you can:

- Enroll in the Plan
- Request a form to update Plan records with your new address (other than active associates)
- Change your contribution rate
- Stop your contributions
- Designate your Beneficiary (online or by requesting and completing a form)
- Request prospectuses
- Obtain your account balance and your balance in each investment fund

- Obtain information about each investment fund
- Make exchanges (transfers) between investment funds
- Change your investment fund allocations
- Verify your most recent transactions
- Request a loan
- Request a hardship withdrawal form
- Request a termination or in-service distribution
- View prior account statements (online only)
- Create a customized retirement savings strategy (online only)
- Make elections concerning pass-through dividends in the Regions Stock Fund

### **Mercer Service Center**

The Mercer Service Center can assist you with certain Plan transactions, including pass-through dividend elections and Beneficiary designations. To reach the Mercer Service Center, call the Retirement Plan Information Line at 1-800-370-9442.

### **How does the Plan Work?**

The basics of the Plan are simple. You make contributions to the Plan by automatic payroll deductions (you either elect to contribute a percentage of your Compensation to the Plan or the Company automatically contributes 2% of your Compensation to the Plan). The Company then credits your payroll deductions to a Plan account in your name. Once you become eligible, the Company also will credit to your account Company Matching Contributions in amount up to 4% of your Compensation. The Board of Directors has the discretionary authority to increase the amount of this Company Matching Contribution. Further, certain employees who are not eligible to accrue benefits in the Regions Financial Corporation Retirement Plan will receive an Additional Employer Contribution in the amount of 2% of Compensation, whether or not they contribute to the Plan.

Your account will be held along with all other associates' accounts and invested in a trust fund. You will be given a choice of investment funds, and you can select how you want your account invested. Periodically, you will receive a statement of your account, showing your contributions, investment earnings, your accumulated balance, and fee information. When you terminate employment or retire from the Company, you may withdraw your account balance. Under certain circumstances, you may be able to withdraw some or all of your account balance while still employed by the Company.

The remainder of this SPD is designed to familiarize you with the more important details of the operation of the Plan. Please read this SPD to learn about the Plan.

### **Important Definitions**

There are a number of key words and phrases that have a very specific meaning when used in connection with the Plan. The following definitions may help you understand the Plan better as you read through this SPD.

***Additional Employer Contribution*** — The Company will make an annual contribution of 2% of eligible Participants Compensation as an Additional Employer Contribution. Eligible Participants are those who satisfy all of the following conditions: (1) are eligible to be credited with a Company Matching Contribution for such year (without regard to whether the Participant makes Deferrals for such year) as a result of having completed at least one Year of Service; (2) is employed by the Employer on December 31 of such year; (3) has earned at least 1,000 Hours of Service during the Plan Year; and (4) is not eligible to accrue additional benefits in the Regions Financial Corporation Retirement Plan for such Plan Year. In the

event a Participant completes his first Year of Service during the Plan Year, the determination of the Additional Employer Contribution will not include any Compensation earned before the first day of the month that follows completion of such Year of Service.

**Beneficiary** — The person you name to receive your account balance if you die.

**Break In Service** — A 12-month period in which you do not have one Hour of Service.

**Company** — Regions Financial Corporation. Company also includes subsidiaries and other businesses in the Controlled Group (see below). Certain subsidiaries do not participate in the Plan. If you work for or transfer to one of those subsidiaries, you are not eligible to participate in the Plan, but you do earn “Years of Service” for purposes of Vesting and meeting the eligibility requirements for receiving Company contributions in the event you become eligible to participate in the Plan.

**Company Matching Contributions** — You may make pre-tax deferrals and/or Roth Elective Deferrals. Regular after-tax contributions are not allowed. The Company will match your pre-tax deferrals and your Roth Elective Deferrals \$1.00 for \$1.00, up to 4% of your eligible Compensation. The Board of Directors has the discretionary authority to increase the Company Matching Contribution to greater than dollar for dollar. The combined match on pre-tax deferrals and Roth Elective Deferrals will not exceed 4% of Compensation. Pre-tax deferrals and Roth Elective Deferrals made prior to the Participant’s completion of one Year of Service will not be matched. This match meets the safe harbor requirements for a 401(k) plan, which allows the Company to simplify some of the testing procedures required for 401(k) plans.

**Compensation** — Compensation means your pay for each Plan Year (or portion thereof) including, without limitation, base pay, overtime pay, shift differential, commissions, cash bonuses, eligible differential pay for Qualified Reservists, and cash incentives but excluding special pay, including but not limited to, hiring and retention bonuses, moving allowances, expense reimbursements, finder’s fees, prizes, income from the exercise of stock options (or the lapsing of a restriction on a stock award), amounts paid or accrued under the Plan, and any other deferred compensation provided by the Employer, amounts paid to an individual who is performing Qualified Military Service to the extent those payments exceed the amounts the individual would have received if the individual had continued to perform services for the Employer, amounts paid to an individual who is permanently or totally disabled, and amounts earned but not paid during the year solely because of the timing of pay periods. Effective for Plan Years beginning in or after 2010, but only for Participants actively employed on or after December 31, 2010, Compensation will include 50% of Salary Stock (stock or stock units granted in lieu of base salary) and 50% of restricted stock compliant with TARP issued in lieu of bonus for the purpose of complying with TARP restrictions. For 2015 and 2016, the maximum amount of annual compensation that can be considered under the Plan is \$265,000.

**Controlled Group** — Regions Financial Corporation and all companies considered to be controlled by or affiliated with Regions Financial Corporation based on Internal Revenue Code Section 414 rules.

**Employee Stock Ownership Plan (ESOP) Account** — All assets invested in the Stock Fund and all pre-tax deferrals and after-tax contributions made on or after December 17, 2001, regardless of how such deferrals and contributions are invested, constitute an ESOP.

For Legacy Regions 401(k) Plan participants, this account includes the portion of your merged Legacy Regions 401(k) Plan account invested in the Regions Common Stock Unitized Fund and the portion of your account, if any, that consists of your prior Regions Employee Stock Ownership Plan (“Regions ESOP”) account balance. On January 1, 2001, the Regions ESOP was merged into the Legacy Regions 401(k) Plan. If you had an account in the Regions ESOP, it was transferred to the ESOP account portion of the Plan and

kept as a separate sub-account.

**Employer Stock** — Common stock of Regions Financial Corporation. The stock is traded on the New York Stock Exchange under the trading symbol RF. Employer stock acquired through the Plan is held in the Regions Stock Fund. Investments in Employer Stock are made through the ESOP portion of the Plan.

**Highly Compensated Employee** — An employee described in Internal Revenue Code Section 414(q) and the regulations thereunder. Generally, a Highly Compensated Employee is someone who during the current or prior Plan Year was a 5% owner, or who in the prior year earned compensation in excess of a certain dollar limit (\$120,000 in 2015 and 2016).

**Hour of Service** — An hour for which you work, or are paid or entitled to be paid on account of your employment with the Company.

**Legacy Regions 401(k) Plan** — The Regions Financial Corporation 401(k) Plan that was maintained by Regions Financial Corporation prior to the merger of such plan into the AmSouth Bancorporation Thrift Plan effective April 1, 2008 (with the surviving AmSouth Bancorporation Thrift Plan being renamed to the “Regions Financial Corporation 401(k) Plan”).

**Normal Retirement Date** — Your 65<sup>th</sup> birthday, if it is the first day of a month; otherwise, the first day of the next month.

**Participating Employer** — An affiliate of the Company that has adopted the Plan for the benefit of its eligible employees.

**Plan** — The Regions Financial Corporation 401(k) Plan (prior to April 1, 2008, known as the AmSouth Bancorporation Thrift Plan). The Plan also is referred to as the Regions 401(k) Plan. The Legacy Regions 401(k) Plan was merged into the Plan effective April 1, 2008.

**Plan Administrator** — The Benefits Management and Human Resources Committee of Regions Financial Corporation and any successor to such committee.

**Plan Document** — The legal document that sets forth the terms of the Plan. The Plan Document includes amendments to the Plan.

**Plan Year** — The calendar year.

**Pre-Tax Contributions** — Employee contributions to the Plan that are made before any federal and most state and local income taxes have been deducted.

**Qualified Military Service** — Military service as that term is used in Section 414(u) of the Internal Revenue Code.

**Qualified Reservist** — An individual who is a member of a reserve component, as defined in Section 101 of Title 37, U.S. Code, and who is ordered or called to active duty after September 11, 2001 either for a period in excess of 179 days or for an indefinite period.

**Qualified Roth Distribution** — A distribution from a Roth Deferrals Account made because of death, disability, or attainment of age 59½ AND made 5 years or more after January 1 of the first year a Roth contribution was made to the Plan. If the distribution is a Qualified Roth Distribution, no taxes are due on either the contributions or earnings that are distributed.

**Regions Stock Fund** — One of the investment options offered under the Plan. The fund is invested primarily in common stock issued by Regions Financial Corporation and, to the extent necessary, an amount of cash or cash equivalents (generally not to exceed 5% of the value of the fund) to provide liquidity to the fund. The fund is not diversified, the principal amount of your investment is not guaranteed, and there is no guarantee that dividends will be declared on the stock held in the fund.

The Trustee (or its designee) ordinarily acquires the common stock held in the fund from the open market, but it can also acquire the stock directly from the Company or by private purchase from a shareholder. All investment purchases and sales are made at current fair market value.

Your investment in the fund consists of “units,” the value of which is based upon the value of common stock, but a single unit does not represent a single share of stock.

**Roth Elective Deferrals** — Elective deferrals irrevocably designated by the Participant as a Roth Elective Deferral being made in lieu of all or a portion of the pre-tax deferrals the Participant is eligible to make. Roth Elective Deferrals are after-tax contributions and are included in the Participant’s income in the year contributed to the Plan.

**Vested Benefits** — Benefits that are always yours and cannot be forfeited.

**Year of Service** — A period of 12 consecutive months, beginning on the date you first perform an Hour of Service with the Company and each anniversary of that date. All periods of employment with the Company are considered in determining whether you have completed a Year of Service. If you terminate employment and come back within less than 12 months, that period of time is counted as if you had been employed without a break. If you terminate employment and are rehired after a 12 month break, your prior service will count but the period during which you were not employed will not be counted as service. Years of Service with any Affiliated Employer will be recognized for vesting and participation purposes.

## Keeping Track of Your Account

### Balances in Your Account

All contributions are in a Plan account set up in your name. This account is divided into various separate sub-accounts for recordkeeping purposes. The chart below gives a brief description of some of the sub-accounts that are used. You may not have all of the sub-accounts listed below.

For recordkeeping purposes, ESOP and non-ESOP assets are tracked separately.

Account Balance	Includes These Dollars
Employee After-Tax Contributions	After-tax contributions made prior to 1/1/2011 and any investment earnings
Employee Pre-Tax Deferrals	Pre-tax deferrals, including any catch-up contributions and Qualified Nonelective Contributions, and any investment earnings
Company Matching Contributions	Matching contributions and any investment earnings
Profit Sharing	Certain Company contributions made before 2001 in the Legacy Regions 401(k) plan and any investment earnings
Former Profit Sharing Voluntarily Deferred Funds	Your voluntarily deferred prior profit sharing balance under the AmSouth Thrift Plan and any investment earnings
Rollover	Funds moved from another qualified plan into the 401(k) Plan and any investment earnings
Roth Elective Deferrals	Roth after-tax contributions and any investment earnings
Additional Employer Contributions	2% Employer Contribution and any investment earnings

After the end of every calendar quarter an account statement will be available to you at [401k.regions.com](http://401k.regions.com) or you may have a copy sent to your address of record. Your account statement shows your account activity for that quarter. If you elected to receive your statement electronically, your statement will be available at [401k.regions.com](http://401k.regions.com) approximately one month after the end of the quarter. Certain sub-accounts may be combined on your account statement. It is important to keep your address current, regardless of your employment status, so you can receive your account statements and other important information about the Plan.

Recordkeeping fees of \$9.50 per quarter are charged to participant accounts. These fees are offset by any fund revenue sharing received by the recordkeeper from the various Plan investment options. Recordkeeping fees will be reflected on your account statements.

## **Eligibility and Enrollment**

### **Eligibility**

You will be eligible to be a member of the Plan if you are an employee (other than a “leased employee” or a seasonal employee) of Regions or a participating employer. Employees who prior to April 1, 2008 were not eligible to participate in the Plan and instead were eligible to participate in the Legacy Regions 401(k) Plan were eligible to participate effective April 1, 2008, unless employed by a subsidiary that participates in a different plan. Those Participants who participated in the Legacy Regions 401(k) Plan prior to April 1, 2008 are covered by the Legacy Regions 401(k) Plan portion of the Plan. An eligible employee is eligible to participate as of the first day of the payroll period beginning after the date the enrollment is processed. An employee who transfers employment to an affiliate/subsidiary that does not participate in the Plan will not be eligible to participate in the Plan. Any person who is hired by the Company and is classified as a seasonal worker will not be eligible to participate in the Plan. For purposes of the Plan, a seasonal worker is defined as an employee who does not work more than 5 months during the Plan year. Participants who defer will be eligible for any additional discretionary match as determined by the Board of Directors. Also, an Additional Employer Contribution of 2% of the Participants’ Compensation will be made to eligible Participants. A Participant is eligible for the Additional Employer Contribution if he satisfies all of the following conditions: (1) the Participant is eligible to be credited with a Company Matching Contribution for such year (without regard to whether the Participant makes Deferrals for such year) as a result of having completed at least one Year of Service; (2) the Participant is employed by the Employer on December 31 of such year; (3) the Participant has earned at least 1,000 Hours of Service during such Plan Year; and (4) the Participant is not eligible to accrue additional benefits in the Regions Financial Corporation Retirement Plan for such Plan Year. In the event that a Participant completes his first Year of Service during the Plan Year, the determination of the Additional Employer Contribution will not include any Compensation earned before the first day of the month that follows completion of such Year of Service.

### **Enrollment**

The Regions Corporate Benefits Department will provide you with eligibility information at orientation. If you are benefits eligible, within 30 days of employment you will receive a PIN confirmation package that will include a worksheet to help you enroll. You can enroll by calling the Retirement Plan Information Line at 1-800-370-9442 or by logging on to [401k.regions.com](http://401k.regions.com).

If you do not enroll in the Plan when you are first eligible to participate, you may enroll at any time thereafter as long as you remain eligible. It is not necessary to enroll to receive the 2% Additional Employer Contribution.



## **Beneficiary Designation**

It is important to name a Beneficiary when enrolling in the Plan. You can designate your beneficiary online at [401k.regions.com](http://401k.regions.com). If you die, your Beneficiary will receive your account balance. Therefore, it is important that you make your wishes clear by designating a beneficiary.

If you are married, your spouse is your Beneficiary. You can designate someone else as your Beneficiary, but only with your spouse's written, notarized consent. If you designate a Beneficiary and subsequently marry, your prior Beneficiary designation will no longer be valid. If you fail to designate a Beneficiary and you are not married, or if your Beneficiary dies before you, your account balance will be paid to your estate.

Your estate representative must qualify to receive your benefits by furnishing satisfactory legal evidence to the Plan Administrator within 6 months of your death. Otherwise, your benefits will be paid to persons in the following order of preference:

- Adult children and guardian (if appointed) or person having custody of minor children
- Next of kin (determined according to the laws of Alabama).

You should notify the Corporate Benefits Department promptly if you get married or divorced or your spouse dies, and also update your Beneficiary designation.

To avoid distribution delays, you are encouraged to name a Beneficiary.

## **Saving with the Regions 401(k) Plan**

### **Contributions are a Percentage of your Compensation**

You choose how much you want to contribute to the Plan. Plan contributions are expressed as a percentage of your "Compensation." Federal law limits the amount of Compensation that can be taken into account each Plan Year. The maximum amount for 2015 and 2016 is \$265,000. This amount will be adjusted by law from time to time to account for inflation.

### **Employee Contributions**

If you are an eligible employee, Pre-Tax Contributions are deducted from your pay before federal and most state and local income taxes are calculated and thus reduce the income taxes you currently have to pay. Roth Elective Deferrals are deducted from your pay after taxes have already been withheld. In general, you may elect to make Pre-Tax Contributions and/or Roth Elective Deferrals from each paycheck in whole percentage amounts, from as little as 1% to as much as 80% of your eligible Compensation (in 1% increments), up to the current annual dollar limit discussed later in this section (\$18,000 or \$24,000 in 2015 and 2016, depending on your age).

Pre-Tax Contributions do not reduce your Social Security taxes or your Social Security benefits. When you save on a pre-tax basis, your take-home pay is more than it would have been had you saved an equal amount with after-tax dollars. In addition, you will not pay federal or most state income taxes on the amount you contribute to the Plan or on investment earnings until the money is distributed to you at retirement or for some other reason.

Federal law imposes an annual dollar limit on the amount of Pre-Tax Contributions and Roth Elective Deferrals that you can make during a calendar year. For 2015, the total annual dollar limit for Pre-Tax and Roth contributions combined is \$18,000 if you are less than 50 years old on December 31, 2015. If you will be at least 50 years old on December 31, 2015, the total combined limit is \$24,000. The additional \$6,000 is known as a "catch-up" contribution. These same limits apply to 2016.

If you reach the annual maximum, your contributions will stop automatically for the year. However, you should be aware that this limit applies to you individually on a combined basis to all 401(k) plans (and certain other employer sponsored retirement plans) to which you contribute. So if you contribute during the year to a plan of another employer, you should monitor your contributions to all plans combined and make sure you do not exceed the limit in the aggregate.

If you are a Highly Compensated Participant who is actively participating in the Regions Financial Corporation Supplemental 401(k) Plan, you are required to make your deferral election prior to the beginning of each Plan Year and you are not able to change your deferral election during the Plan Year.

Your Roth Elective Deferrals will be deducted from your pay after taxes have already been withheld. You will not pay taxes on any income earned on your contributions if you receive a qualified distribution. Your pre-tax deferrals (including catch-up contributions) will be deducted from your pay before taxes (other than Social Security taxes and federal unemployment taxes) are withheld. These monies and any earnings on them will be tax sheltered until such time as they are distributed from the Plan.

### **Automatic Enrollment Feature**

Effective as of January 1, 2016, if you have elected to contribute less than 2% of your Compensation to the Plan or have not made an election to contribute any Compensation, you will be enrolled automatically in the Plan. This means that 2% will be taken from your Compensation on a pre-tax basis and contributed to your account. These automatic contributions will be 2% of your Compensation each pay period. Further, if you are eligible to receive a Company Matching Contribution, the Company will match these 2% automatic contributions. However, you can choose to contribute a different amount. You can choose to contribute more than 2% or less than 2%, or even nothing at all.

If you do not make an affirmative election, 2% of your Compensation will be withheld and contributed to your account. If you decide that you do not want to contribute this 2% to the Plan, you can withdraw the automatic contributions for a short time, despite the general limits on Plan withdrawals. During the 90 days after automatic contributions are first taken from your Compensation, you can withdraw the automatic contributions by making an affirmative deferral election through [401k.regions.com](http://401k.regions.com) and requesting a refund by calling the Retirement Plan Information Line at 1-800-370-9442. The amount you are refunded will be adjusted for any gain or loss. If you withdraw your automatic contributions, you lose any Company Matching Contributions that may have been matched on the automatic contributions. Also, your withdrawal will be subject to federal income tax (but not the extra 10% tax that normally applies to early distributions). If you take out automatic contributions, the Company will treat you as having chosen to make no further contributions. However, you can always choose to continue or restart your contributions by logging on to [401k.regions.com](http://401k.regions.com) or calling the Retirement Plan Information Line at 1-800-370-9442.

### **Company Matching Contributions**

If you have at least one Year of Service, the Company will make a safe harbor matching contribution on your Pre-Tax Contributions and your Roth deferrals \$1 for \$1 up to a combined 4% of your eligible Compensation. The Company Matching Contribution generally is determined based on your entire Compensation and your entire contribution in the Plan Year. However, any Compensation you earn and contributions you make before you have one Year of Service are disregarded. This match meets the safe harbor requirements for a 401(k) plan and allows the Company to simplify some of the testing procedures required for 401(k) plans.

Example: If your Compensation is \$20,000 and you elect to defer 4% on a pre-tax basis, your deferrals will be \$800 and Regions will match this with an additional \$800. If your contributions were Roth deferrals instead, the Company match of your \$800 contributions

would be \$800. If you choose to defer 7% on a pre-tax basis and to contribute 7% as Roth deferrals, your total deferrals/contributions will be \$2,800. Regions will match 4% of your deferrals. Thus, the total matching contribution credited to your account in the Plan would be \$800.

The Board of Directors, in its sole discretion, may increase the match to an amount greater than dollar for dollar.

### **Additional Employer Contributions**

An Additional Employer Contribution of 2% of the Participants' Compensation will be made to eligible Participants. You are eligible for the Additional Employer Contribution if you satisfy all of the following conditions: (1) you are eligible to be credited with a Company Matching Contribution for such year (without regard to whether you make Deferrals for such year) as a result of having completed at least one Year of Service; (2) you are employed by the Employer on December 31 of such year; (3) you have earned at least 1,000 Hours of Service during such Plan Year; and (4) you are not eligible to accrue additional benefits in the Regions Financial Corporation Retirement Plan for such Plan Year. In the event that a Participant completes his first Year of Service during the Plan Year, the determination of the Additional Employer Contribution will not include any Compensation earned before the first day of the month that follows completion of such Year of Service.

### **Limitations on Plan Benefits**

The Plan is subject to limitations imposed on plans by the Internal Revenue Code and its regulations. The Internal Revenue Code and its regulations place certain maximums on the benefits you may receive from the Plan. For instance, there is a limit on the contribution you can add to your account in a year. The annual limit, which is \$18,000 in 2015 and 2016, is adjusted by cost-of-living increases each year. Your Pre-Tax Contributions and Roth deferrals are combined to determine whether you have reached this limit.

The Plan may not consider for any purpose any Compensation you earn in excess of certain Internal Revenue Code limits, as adjusted from time to time for cost-of-living. The annual amount of Compensation that can be considered in 2015 and 2016 is \$265,000. The limit for catch-up contributions for 2015 and 2016 is \$6,000. Because of the statutory limit on Compensation, there is a corresponding dollar limit on the amount that can be allocated to your account as a Company Matching Contribution. For 2015 and 2016, the annual limit is \$10,600. Once you have been credited with \$10,600 in Company Matching Contributions, you will get no additional matching contribution even if you continue to contribute to the Plan.

### **Rollover Contributions**

If you are an eligible employee, you generally can make a rollover contribution into the Plan if you have a distribution from another qualified employer-sponsored retirement plan or from certain other eligible retirement plans. Any rollover contribution you make will be allocated to a rollover account established for you under the Plan. Investment earnings on that money will also be credited to your rollover account. Only cash distributions may be rolled over, and certain types of distributions (such as required minimum distributions, hardship distributions and some types of installment payments) are not eligible for rollover treatment. Rollover contributions are not matched by the Company. You are always 100% vested in your rollover contributions.

Contact the Retirement Plan Information Line at 1-800-370-9442 for assistance with completing a rollover contribution.

## **Vesting**

“Vesting” refers to the percentage of the balance in your Plan account that you are entitled to keep, even if you terminate employment with the Company. “Fully vested” means that you are entitled to 100% of the amount in your account. You are always fully vested in the Employee contributions you make to your account. Except as provided below, you will be fully vested in the Company contributions credited to your account at all times.

For individuals who are Participants covered under the Legacy Regions 401(k) Plan portion of the Plan, except as explained below with respect to Company matching contributions credited to your account before January 1, 2005, you are always fully vested in your account under the Plan, including all Company matching contributions credited to your account after January 1, 2005.

You will be fully vested in Company contributions credited to your account prior to January 1, 2005 after completing three Years of Service with the Company.

## **Full Vesting for Other Reasons**

Regardless of whether you have completed three Years of Service, you will become fully vested in non-vested Company contributions if you are actively employed by the Company and you become eligible for normal retirement, become disabled or die, or the Plan is terminated.

## **Breaks in Service**

For individuals who are Participants covered under the Legacy Regions 401(k) Plan portion of the Plan, if you terminate employment before you are fully vested, the non-vested portion of your Company contribution account balance will be forfeited when you take a distribution. If you do not take a distribution, the non-vested portion of your account balance will be forfeited at the end of the fifth year following your termination of employment. If you are rehired by the Company and you forfeited a portion of your Company contribution account when you terminated employment, the amount forfeited from your Company contribution account will be reinstated to your account if you repay the full amount distributed to you from the Plan. Your repayment must be completed by the earlier of:

- the fifth anniversary of your reemployment date; or
- the date you have a five-year Break in Service following the date you received the distribution.

If your Break in Service is due to pregnancy, birth, or adoption of a child, your first 12 months of absence will not count toward a Break in Service.

If you do not repay your complete distribution, your forfeiture will not be restored. These rules are very complex; please contact the Corporate Benefits Department for more information.

## **Investing Your Account**

### **Your Investment Choices**

The Plan Administrator has selected several investment options (the “funds”) that are offered as Plan investments. Those funds have different investment characteristics and offer different levels of risk and return. For example, one investment option may invest primarily in common stocks of corporations, while another may invest primarily in bonds. You determine how your account is distributed among the investment options offered.

Investment elections can include any number of the available options, but allocations must be in whole percentage amounts. If you fail to make any investment elections, amounts contributed to your account will

be invested in a default fund selected by the Plan Administrator. The default fund for participants without investment elections is the T. Rowe Price Target Date Retirement Fund that matches most closely with the years the participant will be ages 63-67. This default election also applies to the 2% Additional Employer Contribution if you do not select other investment options. Participants with investment elections who are eligible to receive the 2% Additional Employer Contribution will have that contribution allocated in accordance with their investment elections. **Additional information regarding each investment fund is contained in each fund's prospectus and other securities filings. Prospectuses and securities filings are not prepared by the Plan Administrator. The Plan Administrator assumes that such documents are accurate and complete. However, the Plan Administrator does not have the ability to determine whether such documents are accurate and does not guarantee the accuracy of any prospectus or any other document created for the purpose of complying with Securities laws. In addition, as you direct your investments, you should be aware that many mutual fund families place restrictions on the number of times that you may trade within a fund over certain periods of time. You should carefully review the mutual fund prospectuses for information regarding trading restrictions and redemption fees that you may be charged should you violate these restrictions. In certain situations (for example excessive trading, etc.), there may be limitations regarding transfers.**

### **Investment of Company Matching Contributions**

Effective as of January 1, 2015, Company Matching Contributions (and any additional discretionary matching contributions declared by the Board of Directors) are invested in the same investment options you select for your elective deferrals. At any time, you may move those contributions into other investment options (this is referred to as “diversification”).

### **Changing Your Investments**

You may elect to have your future contributions and your existing accounts invested in increments of 1% in any of the investment options. You may change the way your account is invested at any time. For example, you may transfer (exchange) all or a portion of your current account balance from one fund to another, or you may simply change the way your future contributions are to be invested. To protect all participants in the Plan, the Plan Administrator reserves the right to restrict participants who engage in frequent short-term trading.

### **You are Responsible for Your Own Investment Decisions**

The Plan is an “ERISA 404(c) plan,” which means that the Plan Administrator has elected to utilize procedures in accordance with Section 404(c) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). This simply means that you are legally responsible for your own investment decisions. Consequently, the Plan Administrator, the Company, and the Trustee are not responsible for the investment decisions you make.

### **Establishing an Investment Portfolio**

You should carefully consider how to invest the funds in your account. The available investment options offer varying degrees of risk and have different investment goals, so review each option before choosing where to invest your savings. To help you learn about each of the available investment options, information about each of the investment options has been made available to you. You should read this information carefully and make sure you understand it. The investment options offered generally do not guarantee preservation of principal. In other words, the value of your investments can go up or down. Of course, the Company hopes they will go up over the long term, however, you should be prepared to see the value of your account fluctuate.

After you read the investment information, you should analyze your personal financial situation. If you have many years to go before you retire, or if you have more than adequate retirement funds, you may want

to invest in the funds that have greater risk but also greater potential for long-term returns. If you are risk-averse or are closer to retirement, you may want to concentrate on funds that are less volatile and more conservative. You may want to consult your personal investment advisor about the best way to invest your account.

The information available to you (which may be available in the form of a prospectus) will include, among other things: a description of each available investment option, including the investment objectives of that option; the types of assets in which the fund is invested; the risk and return characteristics of the fund; the name of any investment managers; a description of any fees or expenses that may be charged to your account; and a prospectus if the investment option has one. If, because of an oversight, you do not receive any of the materials listed above, please contact the Plan Administrator and the information will be provided to you.

You also have the right to request additional information about each investment option. The information you may request includes: a description of the annual operating expenses of the fund to the extent that those expenses may reduce the rate of return of the fund; copies of any prospectuses, financial statements and any other reports about the fund that have been provided to the Plan Administrator; a list of assets held by the fund; information concerning the value of shares or units of the fund; and information regarding the historical investment of the fund, net of expenses.

The investment funds may be invested in common stocks or other securities that have voting rights. All voting rights are retained by the Trustee, except for voting rights on Regions Common Stock held in the Regions Stock Fund. You will not be given the opportunity to vote the shares of stock or other securities held by any fund other than shares in the Regions Stock Fund.

To help achieve long-term retirement security, you should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading your assets among different types of investments can help you achieve a favorable rate of return, while minimizing your overall risk of losing money. This is because market or other economic conditions that cause one category of assets, or one particular security, to perform very well often cause another asset category, or another particular security, to perform poorly. If you invest more than 20% of your retirement savings in any one company (such as the Regions Stock Fund) or industry, your savings may not be properly diversified. Although diversification is not a guarantee against loss, it is an effective strategy to help you manage investment risk.

In deciding how to invest your retirement savings, you should take into account all of your assets, including any retirement savings outside of the Plan. No single approach is right for everyone because, among other factors, individuals have different financial goals, different time horizons for meeting their goals, and different tolerances for risk.

It is also important to periodically review your investment portfolio, your investment objectives, and the investment options under the Plan to help ensure that your retirement savings will meet your retirement goals. You can obtain more information about investing from the U.S. Department of Labor's website, <http://www.dol.gov/ebsa/investing.html>.

### **Regions Stock Fund**

One of the investment options available under the Plan is the Regions Stock Fund, a common stock fund consisting principally of shares of common stock of Regions Financial Corporation. Investments in the Regions Stock Fund are made through the ESOP portion of the Plan and held in your ESOP Account or in your Legacy Regions ESOP account. To the extent necessary, the fund includes some cash or cash-equivalents, so that the Plan can handle requests to distribute account balances and transfer (exchange) money from the Regions Stock Fund to another Plan investment fund. Except in unusual and temporary

circumstances in which extra liquidity is needed to implement elections by participants, the Regions Stock Fund will not include more than 5% cash.

If you invest in the Regions Stock Fund, your ESOP account will be credited with “units” of ownership in the fund. You should think of units as shares in the Regions Stock Fund, as opposed to shares of Regions Stock. For example, if \$300 is invested for you in the Regions Stock Fund, and the value of each unit in the fund is \$20, fifteen units of this fund will be allocated to your ESOP account.

Units of ownership in the Regions Stock Fund are valued daily, based on:

- The number of units in the fund,
- The fair market value of shares of Regions Common Stock owned by the fund, and
- Any cash or cash equivalent investments held by the fund.

### **Voting Regions Stock**

You will be able to direct the Trustee how to vote the whole shares of Regions Stock which are represented by your interest in the Regions Stock Fund at annual and special stockholder’s meetings. Please note individual stock certificates will not be held in your name. Instead, you will have an undivided interest in the total value of the Regions Stock Fund based on your proportionate interest in the value of all shares held by the Trustee.

The Trustee votes the shares of Regions Stock held in the Regions Stock Fund according to the direction of participants. You will be given proxy materials before any stockholder vote. Shares for which timely directions are not received and shares representing forfeited account values that have not been reallocated at the time of any proxy solicitation will be voted by the Trustee in the same manner as the applicable proxy material indicates management proxy holders will vote proxies as to which no direction is given, provided the Trustee determines that you received adequate notice and reasonable information of the effect of not returning a valid voting direction.

In addition, if the Trustee determines that a given situation involves the potential for undue influence by the Company with respect to the exercise of your voting, shareholder tender offer, or similar rights, the Company will appoint an independent fiduciary to carry out the activities relating to that situation.

The Company will provide without charge, on the oral or written request of any participant, a copy of certain reports filed by the Company or any of its U.S. subsidiaries pursuant to U.S. securities laws. See “Available Securities Filings” for more information regarding these reports and the procedure for obtaining copies of them.

### **Stock Registration**

The Company has registered a minimum of twenty million shares of Regions Stock for purchase by the Trustee for allocation to employees’ accounts under the Plan. The price of the stock will be the market price thereof at the time of purchase by the Trustee.

### **Restrictions on Transfer and Resale of Stock**

Unless you are an affiliate of the Company (e.g., a director or executive officer), shares of Regions Stock acquired by you under the Plan are freely transferable upon distribution from the Plan. Affiliates of the Company may resell such shares upon compliance with the applicable provisions of Rule 144 under the Securities Act of 1933. An affiliate of the Company may resell shares of Regions stock only pursuant to a registration statement or if the sale meets all the conditions of the Rule 144 under the Securities Act of 1933. No resale prospectus is currently available.

Officers and directors of the Company may also be subject to the short-swing profit recovery provisions of Section 16(b) of the Securities Exchange Act of 1934. Under Section 16(b), an officer or director who realizes a profit on any purchase and sale of Regions Stock in any period of less than six months is required to pay such profit to the Company. If you are an officer or director who is restricted under Section 16(b), you may not use the internet or the VRU to initiate certain types of transactions that may affect your holdings in Regions Stock until such transaction has been approved by the Law Department of Regions.

### **Regions Stock Pass-Through Dividends**

You may elect to receive the dividends paid on the shares of Regions Stock represented by your interest in the Regions Stock Fund in cash. This is called a “pass-through” dividend because the dividend passes through the ESOP portion of the Plan and directly to you. Any pass-through dividends distributed from the ESOP portion of the Plan to you are subject to federal and applicable state income tax in the year they are distributed to you as ordinary income. Any dividends distributed to you will not be eligible for the lower dividend tax rate. They are not subject to withholding or the 10% penalty, and they are not eligible to be rolled over. You should consult your tax advisor about such distributions. Pass-through dividends paid as part of a Roth distribution are never a qualified distribution, and are taxable. Offering participants an election to receive the dividends paid on Regions Stock in cash allows the Company to take a deduction for those dividends.

If you do not elect to receive your dividends in cash, your dividends will be reinvested in the Regions Stock Fund. Reinvested dividends are not taxed until they are distributed in a regular withdrawal or distribution from the Plan. If you fail to make an election, the default dividend election under the Plan is to have the dividends reinvested in the Regions Stock Fund.

### **Making a Pass-Through Dividend Election**

To receive your ESOP dividends in cash, you must make an election either by calling the Retirement Plan Information Line at 1-800-370-9442 or at [401k.regions.com](http://401k.regions.com). If you want to have your dividends reinvested in the Regions Stock Fund, you don't have to do anything. You will be deemed to have elected to reinvest your dividends. Check with the Plan's recordkeeper, Mercer, for the cutoff date for that calendar quarter's dividend, which is generally about two weeks before the dividend is payable. Dividends will be paid out as soon as administratively possible after they are received by the Plan. Once you make a pass-through dividend election, that election will apply until you either call the Retirement Plan Information Line at 1-800-370-9442 or go to [401k.regions.com](http://401k.regions.com) and change your election.

### **Available Securities Filings**

The Company will provide, without charge to each participant in the Plan, on the written or oral request of any such participant to the Corporate Benefits Department, copies of the following documents which are incorporated by reference into the Prospectus and Registration Statement for the Plan. **Documents incorporated by reference into the Prospectus and Registration Statement for the Plan are not part of the Summary Plan Description. The Plan Administrator is not responsible for documents prepared for the purpose of complying with Securities laws, has not reviewed such documents, and takes no responsibility for the accuracy or completeness of such documents.**

- Regions Financial Corporation's latest Annual Report of Form 20-F filed with the Securities and Exchange Commission.
- The Plan's latest Annual Report on Form 11-K filed with the Securities and Exchange Commission.
- All other reports filed by Regions Financial Corporation pursuant to Section 13(a) or 15(d) of the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), since the end of the fiscal year covered by the Annual Report on Form 20-F referred to above.



- All other reports filed with the Securities and Exchange Commission by Regions Financial Corporation or the Plan after the end of the fiscal year covered by the Form 11-K referred to above.
- The description of Regions stock contained in the registration statement filed under Section 12 of the Exchange Act, including all amendments or reports filed for the purpose of updating such description.
- All other documents subsequently filed by Regions Financial Corporation or the Plan pursuant to Section 13(a), 13(c), 14, or 15(d) of the Exchange Act prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, will be deemed to be incorporated by reference herein and to be a part hereof from the date of filing of such documents.

Any statement contained in a document incorporated or deemed incorporated herein by reference will be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein or in any subsequently filed document which also is, or is deemed to be, incorporated herein by reference modifies or supersedes such statement. Any such statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute part of this Prospectus.

You may request a copy of the Company's latest annual report to shareholders and any of the documents incorporated by reference in this Prospectus, at no cost, by writing or calling the Corporate Benefits Department.

## **Withdrawals While You Are Employed**

In order for the Plan to qualify for various benefits under the Internal Revenue Code, the Plan must impose certain limitations on your ability to withdraw funds from your account. As a result, you can withdraw amounts from your account while you are employed only under the following circumstances:

- after you reach age 59½;
- by taking a loan from the Plan, if available;
- if you incur a qualified financial hardship;
- if you are a participant in the Legacy Regions 401(k) Plan component of the Plan, by requesting an entitlement withdrawal, if available; or
- if you are a Qualified Reservist taking a distribution during Qualified Military Service

You can make an in-service withdrawal from your after-tax contribution, Pre-1999 Company matching and rollover accounts while you are still employed and considered an active participant. Withdrawals are processed as soon as administratively feasible. In order to initiate a withdrawal, you must log onto your account at [401k.regions.com](http://401k.regions.com) or call the Retirement Plan Information Line at 1-800-370-9442. All requests are made electronically or by giving direction to a Service Center Representative. Hardship withdrawal requests and requests for funds subject to the Joint and Survivor rules require completion of a paper form. If it is necessary to complete a paper form, you must complete the paperwork and return it to:

Regular Mailing Address:

Mercer  
 Attn: Regions 401(k) Plan/651862  
 P.O. Box 9740  
 Providence, RI 02940-9740

Overnight Mailing Address (excluding USPS Express Mail):

Mercer

Attn: Regions 401(k) Plan/651862  
Investors Way  
Norwood, MA 02062

A check will be mailed to your home address or to your rollover institution, in accordance with your instructions, as soon as administratively feasible after receipt of a properly executed request or completed withdrawal form.

The following chart will help you determine what part of your money is available for withdrawal.

<b><u>You May Withdraw for any Reason from Your:</u></b>	<b><u>May Be Withdrawn After:</u></b>
Employee After-Tax Contribution Account	No Restriction
Pre-Tax Deferrals Account (including catch-up contributions, QNECs, and profit sharing contributions under the Legacy Regions 401(k) Plan)	Age 59½
Roth Contributions	Age 59½ & 5 years for a Qualified Distribution
Company Matching Contribution Accounts (made before 1/1/99 in the Thrift Plan)	No Restriction
Company Matching Contribution Accounts (made on or after 1/1/99 in the Thrift Plan)	Age 59½
Rollover Account	No Restriction
Stock Fund Dividends	Per Participant Election
2% Additional Employer Contribution	Age 59½ (not available for hardships or loans)

Before you request a withdrawal, you should talk with your tax advisor to determine how it will affect you. You should consider the following:

- You will have to pay income tax on money that you withdraw that has not already been taxed. (This includes the matching amount, rollovers, stock fund dividends and any income you have earned from your investment.)
- If you make a withdrawal before you reach age 59½, you may have an additional tax penalty of 10% on the taxable part of the withdrawal, except in some limited situations.
- Withdrawals will be distributed based on available balances in investment elections in which you are invested as of the date of distribution. **However**, withdrawals will be made from investments other than the Regions Stock Fund to the extent such funds are available. Withdrawals from the Regions Stock Fund will only occur if sufficient funds are not available from other investments. Designated insiders will have to pre-clear the withdrawal in accordance with standard pre-clearance trade restrictions if funds will be withdrawn from the Regions Stock Fund.
- Any withdrawal from your after-tax account will be considered as a proportionate combination of your after-tax employee contributions and the taxable investment income your contributions have earned. This is a federal tax requirement.
- A Qualified Reservist who elects to receive a distribution by reason of death, disability or termination of employment may not make pre-tax deferrals during the 6-month period beginning

on the date of the distribution. For distribution purposes, a Qualified Reservist is treated as a terminated Participant during any period he or she is performing Qualified Military Service.

- You will have to pay a penalty on earnings on Roth Elective Deferrals if the withdrawal is not a Qualified Roth Distribution, that is, if you withdraw your Roth deferrals before you are 59½ **and** you have had your Roth deferral account for less than five years.

### **In-Service Withdrawals**

You may withdraw monies from your Employee After-Tax Contribution account. In addition, you may request a distribution of monies deposited before January 1, 1999 from your Company Matching Contribution Account and your Rollover Account at any time.

### **Age 59½ Withdrawals**

You may withdraw funds any time after you reach age 59½. Under current law, withdrawals after age 59½ are subject to regular income tax (unless you roll those amounts into an IRA or another eligible retirement plan), but are not subject to the 10% excise tax on early withdrawals. Withdrawals will be processed as soon as administratively possible.

### **Entitlement Withdrawals**

For individuals who are participants covered by the Legacy Regions 401(k) Plan portion of the Plan, if a portion of your account balance consists of contributions made by the Company to the profit sharing portion of the Regions Profit Sharing/401(k) Plan while it was in effect, the Regions ESOP contributions, ESOP rollover contributions, or any employer contributions transferred from a merged plan, you may ask for an entitlement withdrawal from this portion of your account balance at any time.

### **Loans**

If you are an active associate receiving a regular paycheck, the Plan enables you to borrow from your Plan account without incurring a penalty or tax obligation (provided you pay back the loan). When you take out a loan, the principal and interest are paid back to your account. In addition, because you have *borrowed* the money and are repaying it, you don't pay any taxes on the loan.

The minimum loan amount is \$1,000. The term of the loan cannot exceed five years for all loans processed on or after April 1, 2008. You can have only one loan outstanding at any time. You are not eligible for a loan if you have a tax levy or garnishment against your wages.

You may borrow only from your pre-tax contribution account, your after-tax contribution account, your Roth Elective Deferral Account and your rollover contribution account. Additional Employer Contribution funds are not available for loans. In general, loans are limited to 50% of your balance in these accounts, or \$50,000, whichever is less. If you have paid off another loan within 12 months before taking out a new loan, the \$50,000 limit is reduced by the largest loan balance you had outstanding in the prior 12 months.

When you request a loan, a loan check will be automatically mailed to you with the information from the promissory note on the back. By endorsing the check, you are accepting the terms of the promissory note. In general, no paperwork is necessary and you can apply online. If your account requires spousal consent, you will be sent a form to complete. The promissory note will authorize the payroll deduction and pledge your account as security for the loan.

Repaying your loan is convenient and easy. Interest and principal on Plan loans are repaid on an after-tax basis through automatic payroll deductions and reinvested in your account according to your current investment instructions. You are responsible for informing the Corporate Benefits Department or Payroll if loan payments are not deducted automatically from your paycheck. You can prepay the full balance on your

loan at any time without penalty. The interest rate is based on the prime rate quoted from time to time in *The Wall Street Journal*, plus 1%.

If you fail to make any loan repayment, you will be considered in default. If you default on a loan, the outstanding balance, including interest, is considered a taxable distribution from the Plan. If you terminate employment with the Company before repaying your entire loan, you must pay back the outstanding balance within 60 days or before your distribution request is processed, whichever is earlier, or your loan will be defaulted. Repayment must occur before you receive a distribution from the Plan. If you default on your loan or do not repay your loan after your employment terminates, the outstanding balance will be subtracted from your account balance and treated as a taxable distribution from the Plan. It will be subject to federal income tax, as well as any applicable state and local taxes. In addition, you may be subject to a 10% excise tax for early withdrawal. While the after-tax funds and the Roth deferrals are not includable in income, the earnings allocable to the Roth deferrals are includable in income and part of the taxable distribution.

### **Financial Hardship Withdrawals**

A financial hardship withdrawal is a distribution to you while you are still employed by the Company from your Pre-Tax Accounts (Employee Pre-Tax Deferrals, including catch-up contributions, and former Profit Sharing Voluntarily Deferred Funds) and Roth Elective Deferral Account for the purpose of paying certain expenses that are deemed to create a financial hardship. Investment earnings on your Pre-Tax Contributions and Roth Elective Deferrals cannot be withdrawn for hardship. However, a pro rata portion of a hardship from a Roth account must be treated as earnings for tax purposes. If it is not a Qualified Roth Distribution, the amount allocable to earnings will be includable in income and subject to the 10% penalty tax. Additional Employer Contribution funds are not available for hardship withdrawals.

You can obtain a hardship request form by contacting the Mercer Service Center. Your request will be reviewed (including documentation verifying your expenses) using uniform standards consistent with regulations issued by the U.S. Treasury Department in order to determine if you qualify for a hardship withdrawal. You may be requested to submit additional documentation in order to support your application.

The following kinds of expenses may give rise to a hardship permitting a withdrawal from the Plan:

- Medical expenses under Internal Revenue Code Section 213(d) incurred by you, your spouse or your dependents or which are necessary for these persons to obtain medical care and not covered by insurance.
- The purchase (excluding mortgage payments) of your principal residence.
- Payment of tuition, related educational fees and room and board expenses for the next 12 months of post-secondary education for you, your spouse or your dependents.
- Payments necessary to prevent your eviction from your principal residence or foreclosure on the mortgage of your principal residence.
- Payment for burial or funeral expenses for your deceased parent, spouse, child, or dependent.
- Expenses for the repair of damage to your principal residence that would qualify for the casualty deduction under Internal Revenue Code Section 165 (determined without regard to whether the loss exceeds 10% of adjusted gross income).

You may request a distribution somewhat greater than the amount of the hardship expense itself, to cover taxes on the distribution. Your net distribution, after taxes have been subtracted, may not exceed the amount of the hardship expense.

To qualify for a hardship withdrawal, you must be an active associate, and you must certify to the Plan

Administrator that your financial need cannot be met by:

- Reimbursement or compensation by insurance or otherwise;
- Reasonable liquidation of your assets;
- Discontinuation of your Pre-Tax Contributions and Roth Elective Deferrals to the Plan; or
- Receipt of other distributions or loans from the Plan or another qualified retirement plan or by borrowing from commercial sources on commercial terms.

You can withdraw the amount needed to meet the financial hardship and the estimated taxes payable on the withdrawal. Your net distribution, after taxes have been subtracted, may not exceed the amount of the hardship expense. **Once you receive a hardship withdrawal, you must wait six months before making contributions to the Regions 401(k) Plan.**

Hardship withdrawals are taxed as ordinary income and may also be subject to the additional 10% excise tax for early withdrawals from the Plan. Hardship withdrawals cannot be rolled over into an IRA or into another eligible retirement plan.

A Highly Compensated Participant who is actively participating in the Regions Financial Corporation Supplemental 401(k) Plan is not eligible to take a hardship withdrawal.

## **Distributions After Termination**

### **When You Terminate Employment**

You may withdraw your vested account balance when you terminate employment with the Company. For distribution purposes, a Qualified Reservist is treated as a terminated Participant during any period he or she is performing Qualified Military Service.

Benefit payments to you, or your designated beneficiary, will normally be made as soon as administratively feasible after receipt of a properly executed request. The amount of this payment will be determined by the balance in your account as of the day in which distribution is made.

The Internal Revenue Code requires that a distribution from the Plan must occur no later than the April 1 of the year following the later of the year in which you attain age 70½ or the year in which you retire. However, if you are a 5% or more owner of the Company, you must receive a distribution by April 1 of the year following the year you reach age 70½ even if you are still employed by the Company. Should you wait to request a distribution until the January 1– April 1 time frame of the year after reaching age 70½ or retiring, you would need a second distribution in the same calendar year to meet tax requirements. Failure to begin these required distributions may result in a significant tax penalty to you as an individual taxpayer.

### **If Your Account Balance Is Over \$1,000**

If you terminate employment and your vested account balance is more than \$1,000, you will have the right to leave your account balance invested in the trust fund until you reach age 70½. If you choose to leave your money in the Plan, you may withdraw it at any time you choose. Your account will continue to be credited with investment earnings and losses and charged any applicable recordkeeping and other fees, but you will not receive any additional Company matching contributions or be eligible to take out a loan or apply for a hardship distribution. You may not make additional Pre-Tax Contributions or Roth Elective Deferrals, but you may change investment options at any time.

### **If Your Account Balance Is Less Than or Equal To \$1,000**

If you terminate employment and your vested account balance is equal to or less than or falls below \$1,000,

you are not eligible to leave the funds in the Plan. You will be given the opportunity to take your withdrawal in cash or directly roll it over into an IRA or another eligible retirement plan. If you do not make an election to receive your benefits or to make a rollover, your account balance will be paid to you automatically.

### **Forfeitures**

For individuals who are participants covered by the Legacy Regions 401(k) Plan portion of the Plan, if you terminate employment with the Company before you are fully vested, you will forfeit the non-vested portion of your account balance. See the section on “Vesting” for an explanation of when non-vested amounts are forfeited and how they can be reinstated.

### **If You Become Disabled**

If you become Totally and Permanently Disabled (as determined under the Social Security Act) while working for the Company before your normal retirement date, you may elect a distribution of the full value of your account.

For individuals who are participants covered by the Legacy Regions 401(k) Plan portion of the Plan, if you become disabled while working for the Company, you will be fully vested in your entire account balance, including Company contributions allocated to your account before January 1, 2005, even if you did not complete three Years of Service.

### **If You Die**

If you die while working for the Company before retirement or before your Plan benefits have all been paid out, your beneficiary will be entitled to receive the full value of your account, less any payments that may have been made to you, valued as of the last valuation date prior to the date of distribution.

For individuals who are participants covered by the Legacy Regions 401(k) Plan portion of the Plan, upon your death while working for the Company, you will be fully vested in your entire account balance, including Company contributions allocated to your account before January 1, 2005, even if you did not complete three years of service.

If you are a Qualified Reservist and you die on or after January 1, 2007 while performing Qualified Military Service, you will be deemed to have resumed employment on the day preceding death and you will be deemed to have terminated employment on the actual date of death.

### **Forms of Payment**

If your vested account balance is \$1,000 or less when you terminate employment, it will be paid to you in a single sum (also known as a “lump sum”).

If your vested account balance is greater than \$1,000, your benefits can be distributed in a lump sum payment. After retirement or termination of employment, you will also have the right to make one withdrawal from your Plan account each year (“annual withdrawals”). You can withdraw all or any part of your balance (with a minimum of \$1,000), but you can make only one withdrawal per Plan Year (January 1 – December 31). While most distributions are usually eligible to be rolled over to another qualified plan or a traditional IRA, some are not. You cannot roll over distributions that are one of a series of substantially equal periodic payments made (not less frequently than annually) over any one of the following periods: (a) life of the employee (or joint lives of the employee and the employee’s designated beneficiary); (b) life expectancy of the employee and the employee’s designated beneficiary; or (c) a specified period of 10 years or more. You should consult with your tax advisor to make sure your withdrawal will be eligible for rollover. If your balance is over \$1,000, you must give written consent to any distribution.

Distributions from all the investment funds, except the Regions Stock Fund, are made in cash. If a portion

of your account is invested in the Regions Stock Fund, you may elect to receive your balance in the Regions Stock Fund in cash or in Regions Stock. With this option, you receive a distribution of whole shares of Regions Stock from your ESOP Account and cash for any fractional share, plus cash for the remaining value of your account invested in other funds.

### **Annuity Payments from Certain Merged Accounts**

Certain accounts merged into the Plan from other plans are payable in the form of an annuity (“annuity account”) unless the participant elects otherwise. (These annuity accounts include “Morrilton Rollover Accounts” from the First Commercial Corporation 401(k) Plan, as well as certain other annuity accounts that were merged into the Plan.) If you have such an annuity account, you may elect to have your distribution of the annuity account made in a lump sum and/or installments (as described above), however, if you are married, you must have your spouse’s written and notarized consent to make such an election. Unless you elect otherwise, your distribution of these annuity accounts will be made as follows: (i) if you are not married, your annuity account will be used to purchase an annuity policy paying you level monthly benefits for your life; and (ii) if you are married your annuity account balance will be used to purchase an annuity policy paying you level monthly benefits for life, with at least 50% of your monthly benefit (but no more than 100%) payable to your spouse for life after your death. If you may be affected by these rules, you may contact the Corporate Benefits Department at 877-562-8383, option 1, with any questions you may have.

## **Tax Information**

The Plan is a tax-qualified plan. As a result, any Pre-Tax Contributions and Company matching contributions allocated to your account, as well as any investment earnings allocated to your account, are not immediately subject to federal income taxes. The following information illustrates some additional tax effects of the Plan. For more complete information, refer to APPENDIX A and consult your personal tax advisor.

- There will be no current taxation on your Pre-Tax Deferrals (except Social Security taxes and federal unemployment taxes) or the Employer Matching Contributions made to your account.
- There will be no current taxation of any income, dividends and gains/losses in your account, except for stock fund dividends that you elect to receive.
- There will be no 10% penalty if funds are distributed after age 59½ or in case of early retirement after age 55, death or disability, or if the distribution is a special Qualified Reservist distribution or a Qualified Roth Distribution.
- There will be ordinary income tax treatment of amounts received from the Plan except in case of certain single sums received after age 59½ (some favorable rules are described in APPENDIX A).
- When Regions stock is bought in the Plan and later distributed to you, your cost becomes the value of the shares for tax purposes unless the market value is lower than the cost. After being taxed as part of your distribution, this cost becomes your tax basis in the event of later sale of shares.
- All tax can be delayed and the 10% penalty can be avoided if amounts received (and Regions shares or proceeds of sale of Regions shares) are rolled over to an IRA (or an eligible retirement plan).
- The employer’s contributions to the Plan and the dividends payable on Company stock are tax deductible for the employer.

When you receive a distribution from your account, your distribution (except for the return of your after-tax contributions) will be taxed at ordinary income tax rates in the year received, unless you roll over your distribution into an IRA or another eligible retirement plan. A Qualified Roth Distribution will not be taxable.

## **Rollover of Distributions**

Except for hardship withdrawals and certain withdrawals after age 70½, you may elect to have all or a portion of your distribution from the Plan paid directly to another eligible retirement plan or to an IRA. This is called a “direct rollover.” The portion of your distribution that is rolled over is not taxable income to you until you withdraw it from the IRA or other eligible retirement plan. The amount rolled over also is not subject to the 10% excise tax for early withdrawals.

There is another way to roll your distribution over into an IRA or another eligible retirement plan. This is known as a “60-day rollover.” In a 60-day rollover, the distribution is paid directly to you, and you deposit some or all of the amount of the distribution into an IRA or eligible retirement plan within 60 days of the distribution. In the event of a 60-day rollover, the Plan is required to withhold federal (and in some cases state) income taxes from your distribution (so that you must find other money to replace the amounts withheld for taxes if you wish to roll over 100% of the lump-sum amount). Also, you must complete the rollover within 60 days after you receive the distribution.

A non-spouse beneficiary will only be allowed to rollover that portion of the benefit that is eligible for rollover to an “inherited” individual retirement account.

## **Taxation of Distributions**

If you receive a distribution of pre-tax deferrals and/or company match from the Plan and do not elect a direct rollover, 20% of the taxable portion of your distribution will be withheld for federal income taxes and paid directly to the IRS. Also, in some cases the Plan is required to withhold state income taxes. However, you should be aware that your actual tax liability for the distribution may be more or less than the amounts withheld, and you are responsible for paying your actual tax liability even if it is more than the amounts withheld.

If you receive a distribution from the Plan before you reach age 59½ and you do not roll it over, then in addition to the regular income tax, you may have to pay a 10% excise tax. However, the 10% excise tax generally does not apply to:

- Payments made after a severance from employment which occur during or after the year you reach age 55,
- Payments made after you become totally disabled (as defined in Section 72(m)(7) of the Internal Revenue Code),
- Payments made to your Beneficiary after you die,
- Payments made to pay certain medical expenses (up to the amount allowable as a deduction under Section 213 of the Internal Revenue Code),
- Distributions of ESOP pass-through dividends, or
- Distributions that are certain Qualified Reservist distributions.

Provisions regarding taxes may change from time to time. You will receive current tax information concerning benefit payments at the time you elect to receive a distribution from the Plan.

This discussion gives only a brief overview of complex tax laws, and is based upon applicable law as in effect on the date of this SPD. A change in such law could render all or a portion of this tax discussion obsolete. Therefore, you should consult with a qualified tax adviser to obtain current information, as well as advice which is tailored to your particular circumstances prior to making any election and filing returns for any tax year in which any withdrawal or distribution is made.



## **Taxation of Distributions of Regions Stock**

There is a special rule that may reduce the taxes that you owe on a distribution that includes shares of Regions Stock (this does not apply to distributions of cash resulting from the sale of shares). To use the special rule, you must elect to receive your distribution in a lump sum distribution. Under this special rule, you may have the option of not paying tax on the “net unrealized appreciation” until you sell the Regions Stock. Net unrealized appreciation is the increase in the value of the stock while it is in the Plan. For example, if the Regions Stock was acquired by the Plan at \$28 per share and the stock is worth \$32 per share when you receive a distribution of Regions Stock from the Plan, \$4 per share is net unrealized appreciation that can be taxed later, when you sell the shares.

You can instead elect not to have the special rule apply to the net unrealized appreciation. Instead, your net unrealized appreciation will be taxed in the year you receive the stock, unless you roll over the Regions Stock to an IRA or another employer plan, if permitted.

## **Withholding on Regions Stock**

If you receive a distribution that consists only of Regions Stock, no amount will be withheld. If you receive a distribution of cash and Regions Stock, the 20% mandatory withholding will be computed on the entire taxable amount you receive (including the value of Regions Stock), but the amount withheld will be limited to the cash paid to you.

## **Company Tax Deduction**

The Company will be entitled to a tax deduction when Pre-Tax Contributions, including Company matching contributions, are paid to the trust established under the Plan. The amount of such deduction will generally be equal to the amount contributed to the Plan.

## **Other Important Information**

### **Employment Transfers**

If you transfer employment between participating affiliates, your Pre-Tax Contributions and/or Roth Elective Deferrals to the Plan will continue uninterrupted.

If you transfer employment to an employer in the Controlled Group that does not offer the Plan:

- You may be eligible for another 401(k) Plan depending on the benefits offered by the other employer.
- You will not be eligible to make future Pre-Tax Contributions or Roth Elective Deferrals to the Plan, and you will not be eligible to receive future Company Matching Contributions or Additional Employer Contributions.
- Your account will continue to be credited with increases and decreases in fund values.
- You will continue to earn Years of Service for purposes of Vesting in Company contributions allocated to your account before January 1, 2005.
- The Plan Administrator may transfer your account in the Plan to the 401(k) plan sponsored by your new employer. Such transfers will be made in cash, except that Regions Stock in your account will generally be transferred in whole shares (with fractional shares transferred in cash).
- You will not be able to take a complete withdrawal of your account balance until you terminate employment with all members of the Controlled Group.

### **Leaves of Absence**

If you are on an authorized Leave of Absence of up to one year, you will remain in the Plan unless (1) you do not return to work at the end of your leave for any reason other than your death, or (2) you are in the

armed forces of the United States and you fail, for any reason other than your death, to return to work within 90 days following the termination of your military service (or within any longer period during which your re-employment rights are protected by law). If you do not return to work, you will be considered terminated as of the end of your authorized Leave of Absence. You will not be able to make salary deferrals while you are on unpaid leave, nor will you be able to receive Company Matching Contributions, nor can you make up missed deferrals when you return, unless you were on military leave and are allowed to do so under USERRA.

### **Qualified Military Leave**

If you have a qualified military leave covered by the Uniformed Services Employment and Reemployment Rights Act of 1994 (“USERRA”), you have certain rights. You will receive credit for military service to the extent required by Section 414(u) of the Internal Revenue Code. If you have specific questions regarding military service credit, contact the Plan Administrator or the Corporate Benefits Department.

### **Plan Sponsor and Administrator**

The Plan is sponsored by the Company, which also is the issuer of the Regions Stock. The Plan Administrator is the Benefits Management and Human Resources Committee. The Benefits Management and Human Resources Committee has delegated responsibility for deciding claims to the Benefits Administration Committee.

The Plan Administrator has the exclusive discretionary authority to construe and to interpret the Plan, to decide all questions of eligibility for benefits and to determine the amount of such benefits, and its decisions on such matters are final and conclusive.

### **Claims and Appeals**

All benefits under the Plan are paid by the Trustee at the direction of the Plan Administrator. If you or your Beneficiary are denied payments from the Plan, in whole or in part, you should submit your claim to the Plan Administrator.

### **Claims Procedure**

To claim your benefits, you must submit your written request to the Plan Administrator or the Corporate Benefits Department. The Plan Administrator may delegate responsibility for reviewing your claim to the Benefits Administration Committee. If your claim is denied, the Plan Administrator or its delegate will provide a written explanation of the denial outlining:

- The specific reasons for the denial,
- Specific references to Plan provisions on which the denial is based,
- Any additional information required to consider the claim and an explanation of why this information is needed, and
- A description of the Plan’s appeal procedures and the time limits under these procedures.

In most cases, you will get the written notice within 90 days after you file the claim. If special circumstances require more time, the Plan Administrator or its delegate may extend the time for review by an additional 90 days. If the time is extended, you will be informed promptly in writing of the reason for the delay and the date you can expect to receive the written notice.

### **Appeal Procedure**

If your claim has been denied, you may file an appeal with the Benefits Administration Committee (“BAC”) within 60 days of receiving the denial. If you do not file an appeal within 60 days of the denial of your claim, you will not have any further right to appeal the denial and you will have failed to exhaust your

administrative remedies. Your appeal must include all documentation, evidence, and information necessary to establish your right to your claim. You will have the right to see or receive, upon request and free of charge, a copy of any document, record, or other information that is relevant to your claim. The 60-day period for you to file your appeal will be extended by any time that it takes the Plan Administrator or BAC to respond to your request for documents, records, or information. Upon receipt of your appeal, the BAC will then reconsider the claim and give written notice of its final decision. The BAC will consider only evidence, documentation, and information presented in your original claim and in your appeal. This second notice will be furnished within 60 days of receiving the appeal, or within 120 days if special circumstances require more time and the BAC informs you of the delay. The notice will include the reasons for the decision, with specific reference to pertinent provisions of the Plan, a statement that you are entitled to receive, upon request and free of charge, reasonable access to and copies of, all documents, records and other information relevant to your claim, and a statement regarding your right to bring a civil action under Section 502(a) of ERISA. The decision of the BAC will be final and binding.

### **Assignment of Benefits**

Benefits under the Plan are intended for you or your Beneficiary. They cannot be assigned, attached, or garnished except to the extent required by law under a qualified domestic relations order. Generally, your account under the Plan will not be subject to the claims of your creditors in the event of your bankruptcy.

### **Qualified Domestic Relations Order**

A qualified domestic relations order (“QDRO”) is a domestic relations order (“DRO”) issued by a court that requires a qualified plan to provide for the payment of all or a portion of a participant’s benefits to an alternate payee. To be considered “qualified”, the DRO must be in a certain form and contain certain information. The Plan Administrator is responsible for determining whether a DRO is qualified. A DRO relating to the Plan should be forwarded to the Plan Administrator. **A draft of the proposed QDRO may be submitted to the Plan Administrator for comments.** Participants and beneficiaries may obtain, without charge, a copy of the procedures used by the Plan Administrator to determine whether a DRO is qualified, and a copy of a model QDRO already approved by the Plan Administrator, by submitting a written request to the Plan Administrator. If a DRO is determined to be qualified, the Plan will comply with the order.

A DRO will identify how much of your account is payable to the alternate payee, the date the court order is effective, and whether payment is made immediately or at a later date. The alternate payee may take an immediate lump sum distribution of the account balance. If payment will be made at a later date, the designated amount will be separated from your account.

### **Plan Amendment and Termination**

The Company has the right, at any time and in its sole discretion, to amend, suspend, or terminate the Plan. However, no such action can result in a forfeiture of your account balance.

For individuals who are participants covered by the Legacy Regions 401(k) Plan portion of the Plan, if the Company terminates the Plan, or if you are affected by a partial Plan termination, you will automatically become 100% vested in the entire value of your Plan account, including all Company contributions allocated to your account before January 1, 2005.

### **Federal Pension Benefit Insurance**

The Pension Benefit Guaranty Corporation (“PBGC”) does not insure the adequacy of defined contribution plan trust funds in any way. Accordingly, benefits under the Plan are not insured by the PBGC.

## **Loss of Benefits**

For individuals who are participants covered by the Legacy Regions 401(k) Plan portion of the Plan, benefits may be lost if you terminate employment with the Company before becoming fully vested in Company matching contributions allocated to your account before January 1, 2005.

Benefits may also be lost due to adverse investment experience; the imposition of income, penalty, and excise taxes on your benefits; and the application of a qualified domestic relations order.

## **Plan Qualification**

The Plan is intended to be tax-qualified, and the Company has received a determination letter from the Internal Revenue Service that the Plan complies in form with the qualification provisions of the Internal Revenue Code of 1986, as amended.

## **Your Rights Under ERISA**

As a participant in the Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act (“ERISA”). ERISA provides that all plan participants have the following rights:

### *Receive Information About the Plan and Your Benefits*

You may examine, without charge, at the Plan Administrator’s office and at other specified locations, all documents governing the Plan, including a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

You may obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.

You may receive a summary of the Plan’s annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

You have the right to receive a statement of your account balance in the Plan at least once each calendar quarter.

### *Prudent Actions by Plan Fiduciaries*

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit under the Plan or exercising your rights under ERISA.

### *Enforce Your Rights*

If your claim for a benefit under the Plan is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce these rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for

benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order you may file suit in federal court. If Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

### **Assistance With Your Questions**

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you may contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

## Administrative Information

<b>Plan Name</b>	<b>Regions Financial Corporation 401(k) Plan</b>
<b>Plan Sponsor</b>	Regions Financial Corporation c/o Corporate Benefits Department 250 Riverchase Parkway East, 5th Floor Hoover, AL 35244
<b>Plan Administrator</b>	Regions Financial Corporation Benefits Management and Human Resources Committee c/o Corporate Benefits Department 250 Riverchase Parkway East, 5th Floor Hoover, AL 35244
<b>Plan Trustee</b>	Regions Bank Attn: Regions 401(k) Plan Trustee P. O. Box 830859 Birmingham, AL 35283-0859
<b>Plan Recordkeeper</b>	Mercer HR Services, LLC
<b>Agent for Service of Legal Process</b>	Plan Trustee or Regions Financial Corporation
<b>Type of Plan</b>	Defined Contribution and Employee Stock Ownership Plan
<b>Plan Year</b>	January 1 - December 31
<b>Plan Number</b>	012
<b>Employer Identification Number</b>	63-0589368
<b>Participating Employers/Addresses</b>	Information on participating employers may be obtained upon receipt of written request

## **APPENDIX A**

### **SUMMARY OF TAX EFFECTS RELATING TO THE REGIONS FINANCIAL CORPORATION 401(k) PLAN**

The Internal Revenue Service (“IRS”) determined that the Regions Financial Corporation 401(k) Plan (the “Plan”) (prior to April 1, 2008, the AmSouth Bancorporation Thrift Plan) is a “qualified” Plan under the Internal Revenue Code as described in a Favorable Determination Letter issued on March 2, 2010. The Company will maintain IRS approval of the Plan, as amended after that date, and continue to meet the requirements for qualification. This discussion of federal income tax effects is based on the assumption that the Plan continues to meet these requirements.

The following summary is a general description of the federal income tax laws that may affect you as a result of participation in the Plan. In addition, there is a summary of the tax effects upon the Company. The Internal Revenue Code provisions that govern Plan participation are very complex, so this summary cannot attempt to describe every possible income tax situation that may arise. Furthermore, this summary does not address state or local tax laws, federal estate and gift tax laws or the tax laws of foreign countries.

**You are encouraged to seek competent tax advice regarding participation in the Plan and your personal tax situation.**

- 1. Deferrals and Contributions.** Your Pre-Tax Deferrals, catch-up contributions and Company Matching Contributions are excluded from your income for federal income tax purposes at the time they are made. Your Roth Elective Deferrals (and previous After-Tax Contributions) are taxable as ordinary income in the year the amount would be paid to you, absent a deferral election.
- 2. Compensation.** You will not pay income taxes when dividends and interest are paid, or gains are realized, on the investments purchased with any contributions, as long as they remain in the Plan. You may elect to receive a taxable distribution of Regions stock fund dividends.
- 3. Taxation of In-Service Withdrawals.** This section generally describes the tax treatment of an in-service withdrawal made pursuant to Section 6.09 of the Plan.
  - (a) The amount of an in-service withdrawal of your Company Matching Contributions, Pre-Tax Deferrals, or catch-up contributions (including earnings on such contributions and deferrals) is fully taxable.
  - (b) An in-service withdrawal of your After-Tax Contributions (including earnings on such contributions) generally is taxable except to the extent the withdrawal is allocable to your “investment” in the Plan pursuant to Section 72(e) of the Internal Revenue Code and/or represents a recovery of any pre-1987 After-Tax Contributions.
  - (c) An in-service withdrawal of Roth deferrals (and earnings) is not taxable if it is a Qualified Roth Distribution. If it is not a Qualified Roth Distribution, the earnings on the Roth deferrals will be taxable.
- 4. Taxation of Hardship Distributions.** Hardship distributions made pursuant to Section 6.09 of the Plan generally are fully taxable in the year they are received. The 10% penalty referred to below in paragraph 5 will apply to a hardship distribution unless certain special exceptions apply.
- 5. 10% Penalty Tax on Early Distributions.** Unless certain special exceptions apply, if you receive

a distribution from the Plan prior to reaching age 59½, (other than a distribution of stock fund dividends), the taxable part of the distribution will be subject to an additional 10% tax. This tax does not apply if the distribution is made as a result of termination of your employment after reaching age 55 or as a result of your death or disability or a special Qualified Reservist distribution or a Qualified Roth Distribution.

**6. Treatment of Distributions from the Plan.** Whenever you receive a distribution from the Plan, the part of your distribution that has not previously been taxed will normally be subject to income taxes. You may, however, reduce or defer the tax due on your distribution through the use of one of the following methods:

- (a) The rollover of all or a portion of the distribution to a traditional Individual Retirement Account (“IRA”) or another eligible retirement plan. This will result in no tax being due until you begin withdrawing funds from the IRA or other eligible retirement plan. The rollover of the distribution, however, **MUST** be made within strict time frames (normally, within sixty (60) days after you receive your distribution). Under certain circumstances, all or a portion of a distribution may not qualify for this rollover treatment. In addition, most distributions will be subject to mandatory federal income tax withholding at a rate of 20%. This will reduce the amount you actually receive. For this reason, if you wish to roll over all or a portion of your distribution amount, the direct transfer option described in paragraph (b) below would be the better choice.
- (b) You may request, for most distributions, that a direct transfer of all or a portion of your distribution amount be made to either an IRA or another eligible retirement plan willing to accept the transfer. A direct transfer will result in no tax being due until you withdraw funds from the IRA or other eligible retirement plan. Like the rollover, under certain circumstances, all or a portion of the amount to be distributed may not qualify for this direct transfer. If you elect to actually receive the distribution rather than a direct transfer, then in most cases 20% of the distribution amount will be withheld for federal income tax purposes.
- (c) If you qualify, a distribution may be entitled to favorable income tax treatment under the “10-year averaging” or the “capital gains” method of taxation.

WHENEVER YOU RECEIVE A DISTRIBUTION, THE PLAN ADMINISTRATOR WILL DELIVER TO YOU A MORE DETAILED EXPLANATION OF THESE OPTIONS. HOWEVER, THE RULES THAT DETERMINE WHETHER YOU QUALIFY FOR FAVORABLE TAX TREATMENT ARE VERY COMPLEX. YOU SHOULD CONSULT WITH QUALIFIED TAX COUNSEL BEFORE MAKING A CHOICE.

- 7. Dividends.** With respect to Company stock that is held in your account, you may elect in accordance with applicable Plan provisions either to receive dividends in cash or to have dividends reinvested in Company stock. If you elect to receive dividends in cash, such dividends will be taxable to you as ordinary income. They are not eligible for the lower dividend tax rate. Such dividends are not subject to withholding or the 10% penalty unless they are part of a Roth distribution that is not a Qualified Roth Distribution. They are not eligible to be rolled over.
- 8. Sale of Stock.** If you sell Company stock that you have received from the Plan, you will generally have a capital gain or a capital loss, depending on the difference between the sales price and your tax basis in the stock. If you receive a distribution that includes the transfer to you of Company stock, your tax basis in the stock received is generally the cost or other basis of the stock to your account.



- 9. Information and IRS Reporting.** The Plan Administrator will send you, with each distribution, a statement that shows the taxable amount of the distribution and the basis of any Company stock that you receive. You also will receive, early in the year after the year in which you receive the distribution, a Form 1099-R that reports the amount of your distributions to you and to the IRS.
- 10. Required Distributions.** On or before your required beginning date, you must either receive a total lump sum payment or a required minimum distribution. Your required beginning date is April 1 of the calendar year after the later of the calendar year in which you attain age 70½ or the calendar year in which you retire. However, if you are a 5% or more owner of the Company, your required beginning date is April 1 of the calendar year after the calendar year in which you attain age 70½ even if you are still employed. No rollover can be used to prolong the deferral of receipt (and taxation). Although the Plan intends to distribute to a participant the required distribution, it is the responsibility of the participant to initiate this distribution. The Internal Revenue Code imposes upon you a 50% excise tax on the amount(s) not distributed in accordance with these distribution requirements.
- 11. Tax Effect on the Company.** The Company receives a deduction for Pre-Tax Deferrals, Company contributions and dividends paid on Company stock in the Stock Fund for the year with respect to which the contributions were made, subject to certain limitations contained in the Internal Revenue Code.

## **APPENDIX B**

### **SUPPLEMENTAL REQUIRED INFORMATION**

In certain cases, required information is provided in another area of this booklet. In those cases, reference will be made to that fact in place of a statement in this APPENDIX.

#### **ITEM (1) PLAN INFORMATION**

##### *A. General Plan Information*

The Regions Financial Corporation 401(k) Plan is the title of the Plan, and Regions Financial Corporation is the registrant whose securities are to be offered pursuant to the Plan.

The Plan is an “employee pension benefit plan” under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). It is a defined contribution profit sharing plan using a thrift plan formula for contributions and includes a cash or deferred arrangement under Internal Revenue Code Section 401(k). Beginning on April 1, 1996, the portion of the Plan pursuant to which matching contributions were made was considered a stock bonus plan. Effective December 17, 2001, an ESOP component was added to the Plan. All assets invested in the Stock Fund and all elective deferrals and after-tax contributions made on or after December 17, 2001, regardless of how invested, constitute an ESOP. Effective April 1, 2005, the Plan was amended to allow eligible participants to make catch-up contributions to the Plan. Effective April 1, 2008, the Regions Financial Corporation 401(k) Plan (the “Legacy Regions Plan” maintained by Regions Financial Corporation prior to the merger of Regions and AmSouth Bancorporation on November 4, 2006) was merged into the Plan, with the Plan being renamed as the Regions Financial Corporation 401(k) Plan. The assets of the Legacy Regions Plan that were invested in the Regions Stock Fund and were merged into the Plan were an ESOP. From April 1, 2009 through December 31, 2009 no Company Matching Contributions were made to the Plan. Effective January 1, 2010, Company Matching Contributions were reinstated. Effective January 1, 2011, the Plan was amended to allow Roth 401(k) deferrals. Effective January 1, 2012 discretionary matching contributions were added, as well as a 2% Additional Employer Contribution for eligible Participants.

The Plan is entirely voluntary on the part of Regions Financial Corporation and its participating affiliates; there are no legal obligations to continue the Plan. Although it is intended that the Plan be continued indefinitely, changes may be made or the Plan may be terminated at any time.

If the Plan is partially or completely terminated, either voluntarily or involuntarily, you (or your beneficiaries) will continue to be completely vested in the balance of your account. The Plan can be terminated upon complete suspension of contributions to the Plan. You will not forfeit any part of your account if the Plan terminates.

With the exception of Part 3 of Title I of ERISA relating to Funding, the Plan is subject to all of the principal protective provisions of Title I of ERISA, including the Reporting and Disclosure, Participation and Vesting, Fiduciary Responsibility and Administration and Enforcement standards. The Plan is not subject to Title IV of ERISA relating to Plan Termination Insurance and is not insured by the Pension Benefit Guaranty Corporation.

The Plan Administrator is:

Benefits Management and Human Resources Committee  
c/o Corporate Benefits Department

250 Riverchase Parkway East, 5th Floor  
Hoover, Alabama 35244  
Telephone 877-562-8383, option 1

Additional information about the Plan and the Plan Administrator may be obtained at the address and telephone number shown above.

The Plan Administrator performs numerous functions, including keeping all necessary records, interpreting the Plan, dealing with participants regarding their Plan accounts, preparing summary annual reports and making required filings with governmental agencies.

Benefits are provided by means of a trust fund containing your contributions/deferrals and employer contributions. Records are kept on a Plan Year basis, which is January 1 through the following December 31. Funds necessary to provide benefits are held and invested by the Trustee. The Trustee for the Plan is Regions Trust.

#### *B. Securities to Be Offered*

The securities offered consist of interests in the Plan and the shares of Regions Common Stock, par value \$.01 per share that are offered through the Regions Stock Fund investment option. There is no limit on the maximum number of shares offered; the total number of shares offered depends on the number of participants who elect to invest in the Regions Stock Fund. For offer under the Plan, the Company has registered under the Securities Act of 1933 an indeterminate number of interest in the Plan and a minimum of twenty million shares of Regions Common Stock.

If you invest your funds in the Regions Stock Fund, the purchase price of the stock will be the closing price of the stock on the date of purchase.

#### *C. Employees Who May Participate in the Plan*

Current eligibility requirements are addressed in the body of this booklet.

#### *D. Purchase of Securities Pursuant to the Plan and Payment for Securities Offered*

Information regarding when and the manner in which an employee may participate in the Plan, when and the manner in which employees are to pay for securities, the amount each employee is required or permitted to contribute, employer contributions, and other similar matters, is addressed in the body of this booklet.

Annually, the IRS sets a maximum amount of pre-tax deferrals. The annual amount for 2015 and 2016 is \$18,000. This amount will be adjusted each year by the IRS. The catch-up contribution limit is \$6,000 for 2015 and 2016.

Participants will be provided with quarterly statements showing their balances in each account as of the end of the prior quarter, the amount of their contributions and deferrals and Company matching contributions posted to the account during the prior quarter, and the amount of the earnings/ loss in each account for the prior quarter. Participants may obtain information regarding their accounts at any time by calling the Retirement Plan Information Line at 1-800-370-9442 or online at [401k.regions.com](http://401k.regions.com).

The Plan Administrator may purchase shares needed for the Regions Stock Fund on the open market or from Regions' supply, if any, of authorized but unissued shares or treasury shares. If shares are purchased from Regions, the purchase price will be the closing price on the New York Stock Exchange on the date of consummation of the sale, and no fees or other commissions will be charged to the participant.

#### *E. Resale Restrictions*

The Plan itself does not restrict a participant's ability to sell any shares of Regions stock acquired under the Plan. Resales of such stock by certain executive officers of Regions may be made only in compliance with the applicable provisions of Rule 144 under the Securities Act of 1933 or pursuant to a separate registration for the sale of such shares.

#### *F. Tax Effects of Plan Participation*

Tax effects of Plan participation are addressed in APPENDIX A of this booklet.

#### *G. Investment of Funds*

The performance of Plan investment options will be made available through the Voice Response Unit, the website on the Internet and the periodic publication of performance results to Plan participants.

#### *H. Withdrawal From the Plan and Assignment or Interest*

Information regarding withdrawals from the Plan is addressed in the body of this booklet and Appendix A.

The Plan does not allow you to assign, pledge or sell any of the benefits to which you may be entitled, except pursuant to a qualified domestic relations order or a judgment, order or settlement agreement in favor of the Plan.

#### *I. Forfeitures and Penalties*

Certain information regarding forfeitures and penalties is addressed in the body of this booklet.

#### *J. Charges and Deductions and Liens*

Under the Plan, no person has or may create a lien on any funds, securities or other property held under the Plan. Nevertheless, some courts have held that creditors in a bankruptcy have rights against qualified plan funds. Legal advice should be sought by anyone contemplating bankruptcy.

### **ITEM (2) REGISTRATION INFORMATION AND EMPLOYEE PLAN ANNUAL INFORMATION**

The following documents are incorporated in and made a part of this prospectus by reference.

- (a) Regions' annual report for the most recent fiscal year ended December 31, and the Plan's annual report for the most recent fiscal year ended December 31, both filed pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act");
- (b) All other reports of Regions filed pursuant to Section 13(a) or 15(d) of the Exchange Act since the end of the fiscal year covered by Regions' annual report referred to in (a) above;
- (c) The description of Regions common stock contained in Regions' Registration Statement filed by the Company under Section 12 of the Exchange Act, including any amendments or reports filed for the purpose of updating such description; and
- (d) All documents subsequently filed by Regions pursuant to Section 13(a), 13(c), 14, and 15(d) of the Exchange Act prior to the filing of a post-effective amendment, which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold.

Plan participants may obtain a copy of (1) any or all of the documents listed above (excluding exhibits, unless such exhibits are specifically incorporated by reference into the information incorporated herein), and (2) all reports, proxy statements and other communications distributed to Regions security holders generally, without charge, upon written or oral request to:

Regions Financial Corporation  
Law Department  
1900 Fifth Avenue North, 22<sup>nd</sup> Floor  
Birmingham, Alabama 35203  
Telephone 205-264-7408

**Administrative Information:**

Plan Sponsor:	Regions Financial Corporation c/o Corporate Benefits Department
Plan Administrator:	Regions Financial Corporation Benefits Management and Human Resources Committee c/o Corporate Benefits Department
Plan Trustee:	Regions Bank Attn: Regions Financial Corporation 401(k) Plan Trustee P .O. Box 830859 Birmingham, Alabama 35283-0859
Agent for Service of Legal Process:	Plan Trustee or Regions Financial Corporation Law Department 1900 5 <sup>th</sup> Avenue North, Floor 22 Birmingham, Alabama 35203
Type of Plan:	Defined Contribution, Employee Stock Ownership Plan
Plan Year:	January 1 – December 31
Plan Number:	012
Employer Identification Number:	63-0589368