



*Regions Financial Corporation*

## **Basel III Regulatory Capital Disclosures Report**

As of and for the quarter ended June 30, 2024

**Regions Financial Corporation**  
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As of and for the Quarter Ended June 30, 2024

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## Glossary

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<b>Bank</b>	Regions Bank.
<b>Basel III</b>	Basel Committee's 2010 Regulatory Capital Framework (Third Accord).
<b>Basel III Endgame</b>	New rules for capital requirements that include broad-based changes to the risk-weighting framework that were proposed by U.S. federal regulators in 2023.
<b>Basel III Rules</b>	Final capital rules adopting the Basel III capital framework approved by U.S. federal regulators in 2013.
<b>Board</b>	The Company's Board of Directors.
<b>BOLI</b>	Bank-Owned Life Insurance.
<b>CCB</b>	Capital Conservation Buffer.
<b>CECL</b>	Accounting Standards Update 2016-13, <i>Measurement of Credit Losses on Financial Instruments</i> ("Current Expected Credit Losses").
<b>CET1</b>	Common Equity Tier 1.
<b>Company</b>	Regions Financial Corporation and its subsidiaries.
<b>CSA</b>	Credit Support Annexes.
<b>ERI</b>	Eligible Retained Income.
<b>FHA</b>	Federal Housing Administration.
<b>FHC</b>	Financial Holding Company.
<b>FHLB</b>	Federal Home Loan Bank.
<b>Form 10-K</b>	Refers to the Annual Report on Form 10-K that is filed with the Securities and Exchange Commission by Regions Financial Corporation.
<b>Form 10-Q</b>	Refers to the Quarterly Report on Form 10-Q that is filed with the Securities and Exchange Commission by Regions Financial Corporation.
<b>FRB</b>	Federal Reserve Bank.
<b>GSE</b>	Government Sponsored Enterprise.
<b>ISDA</b>	International Swaps and Derivatives Association.
<b>MRA</b>	Master Repurchase Agreement.
<b>OCI</b>	Other Comprehensive Income.
<b>OTC</b>	Over the Counter (derivatives which are not centrally cleared).
<b>Regions</b>	Regions Financial Corporation and its subsidiaries.
<b>REITs</b>	Real estate investment trust.
<b>RPA</b>	Risk Participation Agreement.
<b>RWA</b>	Risk-Weighted Assets.
<b>SEC</b>	U.S. Securities and Exchange Commission.
<b>SCB</b>	Stress Capital Buffer.
<b>SPE</b>	Special Purpose Entity.
<b>SSFA</b>	Simplified Supervisory Formula Approach.
<b>U.S.</b>	United States.
<b>U.S. GAAP</b>	Generally Accepted Accounting Principles in the United States.
<b>U.S. Treasury</b>	The United States Department of Treasury.

## Forward Looking Statements

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This report may include forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, which reflect Regions' current views with respect to future events and financial performance. The words "future," "anticipates," "assumes," "intends," "plans," "seeks," "believes," "predicts," "potential," "objectives," "estimates," "expects," "targets," "projects," "outlook," "forecast," "would," "will," "may," "might," "could," "should," "can," and similar terms and expressions often signify forward-looking statements. Forward-looking statements are subject to the risk that the actual effects may differ, possibly materially, from what is reflected in those forward-looking statements due to factors and future developments that are uncertain, unpredictable and in many cases beyond our control. Forward-looking statements are not based on historical information, but rather are related to future operations, strategies, financial results or other developments. Forward-looking statements are based on management's current expectations as well as certain assumptions and estimates made by, and information available to, management at the time the statements are made. Those statements are based on general assumptions and are subject to various risks, and because they also relate to the future they are likewise subject to inherent uncertainties and other factors that may cause actual results to differ materially from the views, beliefs and projections expressed in such statements. Therefore, we caution you against relying on any of these forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, the risks identified in Part I, Item 1A. "Risk Factors" and "Forward-Looking Statements" of our 2023 Form 10-K and Regions' Quarterly Reports on Form 10-Q for the subsequent quarters as filed with the SEC and available on its website at [www.sec.gov](http://www.sec.gov) in our June 30, 2024 Form 10-Q.

You should not place undue reliance on any forward-looking statements, which speak only as of the date made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible to predict all of them. We assume no obligation and do not intend to update or revise any forward-looking statements that are made from time to time, either as a result of future developments, new information or otherwise, except as may be required by law.

## Background and Overview

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Under the Basel III Rules, Regions is designated as a standardized approach bank. The Basel III Rules also prescribe a standardized approach for risk-weightings of assets and off-balance sheet exposures to derive the capital ratios. In addition, the Basel III Rules provide for a number of deductions from and adjustments to CET1. Regions is currently not subject to the U.S. market risk capital rule, which applies only to banking institutions with significant trading activity.

This document and certain of the Company's public filings present the Regulatory Capital Disclosures in compliance with Basel III as described in Section 63 of the final rules. The Company's Annual Report on Form 10-K for the year ended December 31, 2023, and its Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 filed with the SEC contains management's discussion of the overall risk profile of the Company and related management strategies. These Regulatory Capital Disclosures should be read in conjunction with the 2023 Form 10-K, as well as the Consolidated Financial Statements for Holding Companies - FR Y-9C dated June 30, 2024. The Regulatory Capital Disclosures Matrix presented in Appendix 1 specifies where all disclosures required by the Basel III Rules are located.

### Table 1 Scope of Application

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Regions Financial Corporation is a FHC headquartered in Birmingham, Alabama. The terms "Regions," the "Company," "we," "us" and "our" as used herein mean collectively Regions Financial Corporation, a Delaware corporation, together with its subsidiaries when or where appropriate. Regions conducts its banking operations through Regions Bank, an Alabama state-chartered commercial bank that is a member of the Federal Reserve System. At June 30, 2024, Regions operated 1,262 branch outlets across the South, Midwest and Texas. Regions provides traditional commercial, retail and mortgage banking services, as well as other financial services including asset management, wealth management, securities brokerage, merger-and-acquisition advisory services and other specialty financing. At June 30, 2024, Regions had total consolidated assets of approximately \$154.1 billion, total consolidated deposits of approximately \$126.6 billion and total consolidated shareholders' equity of approximately \$17.2 billion.

The Company's accounting and reporting policies conform to U.S. GAAP. Additionally, where applicable, the policies conform to the accounting and reporting guidelines prescribed by bank regulatory authorities. See Note 1 "Summary of Significant Accounting Policies" to the consolidated financial statements included in Regions' 2023 Form 10-K. The basis of consolidation for accounting and regulatory purposes is the same.

Regions is a legal entity separate and distinct from its banking and other subsidiaries. The principal source of cash flow to Regions, including cash flow to pay dividends to its stockholders and principal and interest on any of its outstanding debt, is dividends from Regions Bank. There are statutory and regulatory limitations on the payment of dividends by Regions Bank to Regions. Under the Federal Reserve's Regulation H, Regions Bank may not, without approval of the Federal Reserve, declare or pay a dividend to Regions if the total of all dividends declared in a calendar year exceeds the total of (a) Regions Bank's net income for that year and (b) its retained net income for the preceding two calendar years, less any required transfers to additional paid-in capital or to a fund for the retirement of preferred stock.

Under Alabama law, Regions Bank may not pay a dividend to Regions in excess of 90% of its net earnings until the banks' surplus is equal to at least 20% of capital. Regions Bank is also required by Alabama law to seek the approval of the Alabama Superintendent of Banking prior to paying a dividend to Regions if the total of all dividends declared by Regions Bank in any calendar year will exceed the total of (a) Regions Bank's net earnings for that year, plus (b) its retained net earnings for the preceding two years, less any required transfers to surplus. The statute defines net earnings as the remainder of all earnings from current operations plus actual recoveries on loans and investments and other assets, after deducting from the total thereof all current operating expenses, actual losses, accrued dividends on preferred stock, if any, and all federal, state and local taxes. Regions Bank cannot, without approval from the Federal Reserve and the Alabama Superintendent of Banking, declare or pay a dividend to Regions unless Regions Bank is able to satisfy the criteria discussed above.

At June 30, 2024, none of the Company's subsidiaries that have a capital requirement had capital less than the minimum total capital requirement.

## Table 2 Capital Structure

Regions has issued a variety of capital instruments to meet its regulatory capital requirements. These capital instruments include common stock that qualifies as CET1, noncumulative perpetual preferred stock that qualifies as additional Tier 1 capital and subordinated debt that qualifies as Tier 2 capital. For further information on the Company's capital instruments and regulatory requirements, see Note 11 "Borrowed Funds", Note 12 "Regulatory Capital Requirements and Restrictions", and Note 14 "Shareholders' Equity and Accumulated Other Comprehensive Income (Loss)" to the consolidated financial statements in Part II, Item 8 of the 2023 Form 10-K. See also Note 6 "Shareholders' Equity and Accumulated Other Comprehensive Income" to the consolidated financial statements in Part I, Item 1 of the June 30, 2024 Form 10-Q. See also Table 14 "Long-Term Borrowings", in Part I, Item 2 of the June 30, 2024 Form 10-Q.

Federal banking agencies allowed a phase-in of the impact of CECL on regulatory capital. At December 31, 2021, the add-back to regulatory capital was calculated as the impact of initial adoption, adjusted for 25 percent of subsequent changes in the allowance. The amount is phased-in over a three-year period beginning in 2022 and will conclude in the first quarter of 2025. At June 30, 2024, the net impact of the add-back on CET1 was approximately \$102 million, or approximately 8 basis points.

In the third quarter of 2023, proposals were issued by the U.S federal banking regulators that, if adopted, would impact the Company related to long-term debt requirements and U.S. implementation of capital requirements under Basel IV rules, more recently referred to as the Basel III "Endgame". The Company is studying the proposals and evaluating their impacts.

The following table represents the amounts of CET1, Tier 1 capital and Total capital along with the related components and regulatory adjustments and deductions.

**Table 2 Capital Structure**

	June 30, 2024	
	Regions Financial Corporation	Regions Bank
	(In millions)	
<b>Common Equity Tier 1 Capital:</b>		
Common stock and surplus (net of treasury stock)	\$ 10,214	\$ 16,399
Retained earnings (including CECL add-back)	8,663	3,010
Accumulated other comprehensive income (loss), net	(3,265)	(3,266)
Regulatory adjustments and deductions made to CET1	(2,519)	(1,925)
Common Equity Tier 1 Capital	\$ 13,093	\$ 14,218
<b>Additional Tier 1 Capital:</b>		
Preferred stock	\$ 1,659	\$ —
Tier 1 Capital	\$ 14,752	\$ 14,218
<b>Tier 2 Capital:</b>		
Qualifying subordinated debt	\$ 329	\$ 497
Qualifying allowance for loan and lease losses	1,571	1,566
Total capital minority interest not included in Tier 1 capital	496	—
Total Capital	\$ 17,148	\$ 16,281

## Table 3 Capital Adequacy

Regions believes that the prudent management of capital is paramount in ensuring the Company's continued ability to provide uninterrupted high quality service to the businesses and communities it serves. Regions believes that no single tool or model can sufficiently assess capital adequacy. As such, Regions has established a multi-faceted approach which is designed to capture relevant information from across the Company and consolidate it in a way that can be reliably used to facilitate capital adequacy assessments and broader capital planning decision making. This framework is directly integrated with the Enterprise Risk Appetite Statement, as defined by the Board, and includes, but is not limited to, analysis of economic capital, regulatory capital, liquidity, and internal enterprise risk assessments. Certain of these elements are analyzed on a spot and forecasted basis and under a multiple of assumed macroeconomic conditions, including adverse scenarios of varying severity. With respect to these adverse scenarios, this "stress testing" is a critical input into Regions' internal capital adequacy assessment.

A summary of the risk-weighted assets by exposure category under the standardized approach as of June 30, 2024 are shown below.

**Table 3 Capital Adequacy**

	June 30, 2024
	Regions Financial Corporation
	(In millions)
Risk-Weighted Assets:	
Exposures to government sponsored enterprises	\$ 5,085
Exposures to depository institutions, foreign banks and credit unions	441
Exposures to public service entities	2,980
Corporate exposures	58,116
Residential mortgage exposures	15,161
Statutory multi-family mortgage exposures	684
High volatility commercial real estate exposures	669
Past due loans	1,242
Other assets	14,089
Securitization exposures	1,463
Equity exposures <sup>(1)</sup>	2,987
Other:	
Off-balance sheet commitments	20,635
Derivatives	547
Letters of credit and other	1,604
Excess allowance	(21)
<b>Total risk-weighted assets</b>	<b>\$ 125,682</b>

(1) See Table 9 for additional information regarding Regions' equity exposures.

## Table 4 Capital Ratios and Capital Conservation Buffer

### Regulatory Capital Ratios

Regions manages its capital to exceed regulatory capital requirements for well-capitalized financial institutions and to exceed minimum levels inclusive of any applicable CCB. For June 30, 2024, the Company's applicable capital requirements for regulatory and supervisory purposes is based upon the ratios determined under the standardized approach expressed in the form of a CET1 capital ratio, a Tier 1 capital ratio, a Total capital ratio, and a Leverage ratio. See Table 15 "Regulatory Capital Requirements" in Part I, Item 2 of the June 30, 2024 Form 10-Q for further details.

### Capital Conservation Buffer

The Basel III Rules impose a CCB designed to absorb losses during periods of economic stress. The CCB is on top of minimum risk-weighted asset ratios and is equal to the lowest difference between the three risk-based capital ratios less the applicable minimum required ratio. Standardized approach banking institutions with ratios that are above the minimum but whose CCB is below its SCB, face constraints on dividends, equity repurchases and compensation based on the amount of the shortfall and the institution's ERI. ERI is compiled using the greater of the most recent four quarters' net income, net of distributions and tax effects not reflected in net income or the average of the most recent four quarters' net income. See "Business Section - Regulatory Capital Requirements" in Part I, Item 1 of the 2023 Form 10-K for further details.

Regions participates in supervisory stress testing conducted by the Federal Reserve and its SCB is currently floored at 2.5 percent. See Note 6 "Shareholders' Equity and Accumulated Other Comprehensive Income" to the consolidated financial statements in Part I, Item 1 of the June 30, 2024 Form 10-Q.

A summary of the CCB calculations and disclosure requirements under the standardized approach as of June 30, 2024 is shown below.

	June 30, 2024	
	Regions Financial Corporation	Regions Bank
	(Dollars in millions)	
CET1	10.42 %	11.35 %
Less: minimum	4.50 %	4.50 %
	5.92 %	6.85 %
Tier 1	11.74 %	11.35 %
Less: minimum	6.00 %	6.00 %
	5.74 %	5.35 %
Total	13.64 %	13.00 %
Less: minimum	8.00 %	8.00 %
	5.64 %	5.00 %
Reportable CCB (lowest of the subtotals above)	5.64 %	5.00 %
ERI	\$ 438	\$ 640

Regions is not subject to any limitations on its capital distributions or discretionary bonus payments to executive officers because capital levels exceed the defined minimum levels, inclusive of the CCB.



## Table 5 Credit Risk: General Disclosures

Credit risk is the risk of loss arising from a borrower or counterparty failing to meet a contractual obligation. Credit risk primarily exists in the securities portfolio, the loan portfolio, and derivatives activities. Regions maintains a highly rated securities portfolio consisting primarily of agency mortgage-backed securities, in order to manage credit risk in the securities portfolio. Regions uses financial derivative instruments for management of interest rate sensitivity, as well as to offset the risks associated with customer derivatives, which include interest rate, credit and foreign exchange risks. Regions manages the credit risk of these derivative instruments in much the same way it manages credit risk of the loan portfolios by establishing credit limits for each counterparty and through collateral agreements for dealer transactions. For non-dealer transactions, the need for collateral is evaluated on an individual transaction basis and is primarily dependent on the financial strength of the counterparty. Credit risk related to derivatives is also reduced significantly by entering into legally enforceable master netting agreements.

Regions has established a risk management framework to manage risks and provide reasonable assurance of the achievement of the Company's strategic objectives. Regions' risk management framework outlines the Company's approach for managing risk that includes four components: 1) collaborative risk culture, 2) sound risk appetite, 3) sustainable risk processes and 4) responsible risk governance. Clearly defined roles and responsibilities are critical to the effective management of risk and are central to the four components of the Company's approach to risk management. Regions utilizes the Three Lines of Defense concept to clearly designate risk management activities within the Company. The Risk Management Group, led by the Company's Chief Risk Officer, ensures the consistent application of Regions' risk management approach within the structure of the Company's operating, capital and strategic plans. As part of its ongoing assessment process, the Risk Management Group makes recommendations to management and the Risk Committee of the Board regarding adjustments to controls as conditions or risk tolerances change. Management, with the assistance of the Risk Management Group, follows a formal process for identifying, measuring and documenting key risks (including credit risk) facing each business group and determining how those risks can be controlled or mitigated, as well as how the controls can be monitored to ensure they are effective. The Risk Committee receives reports from management to ensure operations are within the limits established by the Committee's Enterprise Risk Appetite Statement.

For further information on Regions' credit risk, derivative credit risk, and risk management framework, see "Quantitative and Qualitative Disclosures about Market Risk-Risk Management," and "Quantitative and Qualitative Disclosures about Market Risk-Credit Risk," as well as "Quantitative and Qualitative Disclosures about Market Risk-Interest Rate Risk" in Part II, Item 7 of the 2023 Form 10-K.

Regions has documented policies related to determining past due or delinquency status of a loan, placing loans on non-accrual status, returning loans to accrual status, and charging-off uncollectible loans. See Note 1 "Summary of Significant Accounting Policies" to the consolidated financial statements included in Regions' 2023 Form 10-K for further information.

Disclosures included in this Credit Risk: General Disclosures section report classifications consistent with the 2023 Form 10-K. Credit risk associated with loans combined with related commitments to extend credit and letters of credit, corporate and other debt securities and OTC derivatives are presented in this section since they represent Regions' major types of credit exposure.

### Loans and Related Commitments

The Company categorizes its loan portfolio into three segments, which is the level at which it develops and documents a systematic methodology to determine the allowance for credit losses. The Company's three loan portfolio segments are commercial lending, investor real estate lending and consumer lending. Regions further disaggregates its loans into various classes based on their underlying risk characteristics. The three classes within the commercial lending segment are commercial and industrial, commercial real estate mortgage-owner occupied and commercial real estate construction-owner occupied. The two classes within investor real estate lending are commercial investor real estate mortgage and commercial investor real estate construction. The five classes within the consumer lending segment are residential first mortgage, home equity, consumer credit card, other consumer - exit portfolio and other consumer loans. The following tables present certain of the Company's on - and off-balance sheet positions for which the Company is subject to credit risk exposure and are presented on a U.S. GAAP basis. These amounts do not include the effects of certain credit risk mitigation techniques (for example, netting not permitted under U.S. GAAP), equity investments or liability positions that also would be subject to credit risk capital calculations, and amounts related to items that are deducted from regulatory capital. For the tables below, the residential first mortgage and home equity lending classes have been combined into "consumer real estate" and the consumer credit card, other consumer - exit portfolio and other consumer loan classes have been combined into "other consumer". For further information on the Company's loan portfolios, see the "Portfolio Characteristics" sections of Management's Discussion and Analysis in Part II, Item 7 of the 2023 Form 10-K and in Part I, Item 2 of the June 30, 2024 Form 10-Q.

Table 5a provides the geographic distribution of loans and related commitments by the top ten states within the United States and all other. The table includes loans, contractual commitments to extend credit and letters of credit, and excludes loans held for sale.

**Table 5a**      **Loans and Related Commitments Exposure by Geography**

	June 30, 2024					
	Commercial <sup>(1)</sup>	Investor Real Estate <sup>(2)</sup>	Consumer Real Estate <sup>(2)</sup>	Other Consumer <sup>(1)</sup>	Total <sup>(4)</sup>	Percent of Total
	(Dollars in millions)					
Florida	\$ 10,847	\$ 2,222	\$ 9,126	\$ 2,268	\$ 24,463	15.0 %
Texas	13,801	2,726	1,910	1,354	19,791	12.1 %
Alabama	9,522	348	4,918	1,947	16,735	10.2 %
Tennessee	7,745	351	4,662	1,743	14,501	8.9 %
Georgia	6,670	557	3,394	918	11,539	7.1 %
Louisiana	4,040	85	1,594	666	6,385	3.9 %
North Carolina	2,430	1,003	1,477	238	5,148	3.2 %
Mississippi	2,943	169	1,082	728	4,922	3.0 %
Missouri	3,256	125	818	353	4,552	2.8 %
Illinois	2,286	279	648	387	3,600	2.2 %
Other <sup>(3)</sup>	39,395	4,207	4,133	4,053	51,788	31.6 %
	<u>\$ 102,935</u>	<u>\$ 12,072</u>	<u>\$ 33,762</u>	<u>\$ 14,655</u>	<u>\$ 163,424</u>	<u>100.0 %</u>

(1) Geography defined by location of customer.

(2) Geography defined by location of collateral.

(3) Includes commitments to make commitments of approximately \$577 million.

(4) Excludes loans held for sale.

Table 5b provides loans and related commitments by industry distribution. The table includes loans, contractual commitments to extend credit and letters of credit, and excludes loans held for sale.

**Table 5b Loans and Related Commitments Exposure by Industry**

	June 30, 2024			
	Loans Outstanding	Unfunded Commitments	Amount	Percent of Subtotal
	(Dollars in millions)			
<b>Commercial:</b>				
Administrative, support, waste and repair	\$ 1,482	\$ 775	\$ 2,257	2.2 %
Agriculture	240	125	365	0.4 %
Educational services	3,311	870	4,181	4.1 %
Energy	1,579	3,405	4,984	4.8 %
Financial services	8,023	9,286	17,309	16.8 %
Government and public sector	3,093	475	3,568	3.5 %
Healthcare	3,295	2,610	5,905	5.7 %
Information	2,531	1,328	3,859	3.7 %
Manufacturing	4,816	5,008	9,824	9.5 %
Professional, scientific and technical services	2,208	1,749	3,957	3.8 %
Real estate <sup>(1)</sup>	9,129	8,621	17,750	17.2 %
Religious, leisure, personal and non-profit services	1,559	818	2,377	2.3 %
Restaurant, accommodation and lodging	1,272	208	1,480	1.4 %
Retail trade	2,672	1,892	4,564	4.4 %
Transportation and warehousing	3,645	1,578	5,223	5.1 %
Utilities	2,360	3,486	5,846	5.7 %
Wholesale goods	4,099	3,269	7,368	7.2 %
Other <sup>(2)</sup>	59	2,059	2,118	2.2 %
<b>Total commercial</b>	<b>55,373</b>	<b>47,562</b>	<b>102,935</b>	<b>100.0 %</b>
<b>Investor real estate:</b>				
Hotel	206	3	209	1.7 %
Industrial	734	173	907	7.5 %
Land	92	33	125	1.0 %
Multi-family	3,620	1,634	5,254	43.5 %
Office	1,434	58	1,492	12.4 %
Retail	330	4	334	2.8 %
Single-family/condo	735	470	1,205	10.0 %
Data center	285	9	294	2.4 %
Other <sup>(2)</sup>	1,401	851	2,252	18.7 %
<b>Total investor real estate</b>	<b>8,837</b>	<b>3,235</b>	<b>12,072</b>	<b>100.0 %</b>
<b>Consumer:</b>				
Consumer real estate secured	25,758	8,004	33,762	
Consumer not secured by real estate	7,540	7,115	14,655	
<b>Total consumer</b>	<b>33,298</b>	<b>15,119</b>	<b>48,417</b>	
<b>Total</b>	<b>\$ 97,508</b>	<b>\$ 65,916</b>	<b>\$ 163,424</b>	
<b>Average for the quarter</b>			<b>\$ 163,157</b>	

(1) "Real Estate" includes REITs, which are unsecured commercial and industrial products that are real estate related.

(2) "Other" contains balances related to non-classifiable and invalid business industry codes offset by payments in process and fee accounts that are not available at the loan level.

Table 5c provides a distribution based on remaining maturity by loan category for the funded amount of loans. Table 5d provides a maturity distribution by loan category for contractual commitments to extend credit and letters of credit. The funded amount of loans combined with the contractual amounts of commitments to extend credit and letters of credit represents the Company's maximum exposure to credit loss in the event of default by the borrower if the borrower were to fully draw against the commitment. Regions manages this credit risk by using the same credit policies it applies to loans. Refer to Note 12 "Commitments, Contingencies and Guarantees", to the consolidated financial statements in Part I, Item 1 of the June 30, 2024 Form 10-Q for further details.

**Table 5c Loan Maturities by Exposure Type**

	June 30, 2024				Total
	Within One Year	After One But Within Five Years	After Five But Within 15 Years	After 15 Years	
	(In millions)				
Commercial	\$ 9,605	\$ 34,923	\$ 9,325	\$ 1,520	\$ 55,373
Investor real estate	3,670	5,037	130	—	8,837
Consumer real estate	151	1,754	5,942	17,911	25,758
Other consumer	1,517	886	1,942	3,195	7,540
	<u>\$ 14,943</u>	<u>\$ 42,600</u>	<u>\$ 17,339</u>	<u>\$ 22,626</u>	<u>\$ 97,508</u>
Average for the quarter					<u>\$ 97,281</u>

**Table 5d Commitments and Letters of Credit Maturities by Exposure Type**

	June 30, 2024		Total
	One Year or Less	Greater Than One Year	
	(In millions)		
Commercial	\$ 14,565	\$ 32,997	\$ 47,562
Investor real estate	980	2,255	3,235
Consumer real estate	1,509	6,495	8,004
Other consumer	6,696	419	7,115
	<u>\$ 23,750</u>	<u>\$ 42,166</u>	<u>\$ 65,916</u>
Average for the quarter			<u>\$ 65,876</u>

Table 5e provides geographic detail on past due and nonperforming loans, excluding loans held for sale. The geographic distribution is consistent with the methodology utilized in Table 5a. The table also excludes unfunded commitments and letters of credit because Regions' obligation to provide additional funding is reduced as a result of the performing status of these loans.

**Table 5e Past Due and Nonperforming Loans by Geography**

	June 30, 2024				
	Accruing Loans <sup>(1)</sup>		Non-accrual Loans		
	30-89 Days Past Due	90 or More Days Past Due	Less Than 90 Days Past Due	90 or More Days Past Due	Total Non-accrual
	(In millions)				
Florida	\$ 65	\$ 46	\$ 34	\$ 35	\$ 69
Texas	26	8	65	12	77
Alabama	40	23	6	10	16
Tennessee	31	17	41	5	46
Georgia	27	18	99	57	156
Louisiana	22	13	11	23	34
North Carolina	6	2	18	1	19
Mississippi	18	15	2	3	5
Missouri	5	4	4	5	9
Illinois	12	7	2	110	112
Other	98	53	184	120	304
	<u>\$ 350</u>	<u>\$ 206</u>	<u>\$ 466</u>	<u>\$ 381</u>	<u>\$ 847</u>

(1) Includes loans that are 100% guaranteed by FHA and all guaranteed loans sold to Ginnie Mae where Regions has the right but not the obligation to repurchase. Total 30-89 days past due guaranteed loans included above were \$50 million. Total 90 days or more past due guaranteed loans included above were \$40 million.

Table 5f provides industry distribution of the past due and nonperforming loans for each class of loans, excluding loans held for sale. Unfunded commitments and letters of credit are also excluded as discussed above. Refer to Note 4 "Loans and the Allowance for Credit Losses" , to the consolidated financial statements in Part I, Item 1 of the June 30, 2024 10-Q for further details.

**Table 5f Past Due and Nonperforming Loans by Industry**

	June 30, 2024				
	Past due loans				
	Accruing Loans		Non-accrual Loans		
	30-89 Days Past Due	90 or More Days Past Due	Less Than 90 Days Past Due	90 or More Days Past Due	Total Non- accrual
	(In millions)				
<b>Commercial:</b>					
Administrative, support, waste and repair	\$ 3	\$ 1	\$ 50	\$ 8	\$ 58
Agriculture	1	—	1	—	1
Educational services	1	—	—	—	—
Energy	—	—	—	—	—
Financial services	1	—	11	3	14
Government and public sector	—	—	—	—	—
Healthcare	5	1	11	4	15
Information	—	1	4	54	58
Manufacturing	3	—	90	7	97
Professional, scientific and technical services	3	1	53	3	56
Real estate	6	1	5	9	14
Religious, leisure, personal and non-profit services	3	—	4	7	11
Restaurant, accommodation and lodging	4	—	7	7	14
Retail trade	3	1	7	6	13
Transportation and warehousing	25	1	44	55	99
Utilities	—	—	16	—	16
Wholesale goods	2	—	5	4	9
Other	—	—	—	—	—
<b>Total commercial</b>	<b>60</b>	<b>7</b>	<b>308</b>	<b>167</b>	<b>475</b>
<b>Investor real estate:</b>					
Hotel	—	—	—	—	—
Industrial	—	—	—	—	—
Land	—	—	—	—	—
Multi-family	10	—	—	—	—
Office	—	—	78	159	237
Retail	—	—	—	—	—
Single family/condo	—	—	—	—	—
Data center	—	—	—	—	—
Other	—	23	55	25	80
<b>Total investor real estate</b>	<b>10</b>	<b>23</b>	<b>133</b>	<b>184</b>	<b>317</b>
<b>Consumer:</b>					
Consumer real estate secured <sup>(1)</sup>	195	137	25	30	55
Consumer not secured by real estate	85	39	—	—	—
<b>Total consumer</b>	<b>280</b>	<b>176</b>	<b>25</b>	<b>30</b>	<b>55</b>
<b>Total</b>	<b>\$ 350</b>	<b>\$ 206</b>	<b>\$ 466</b>	<b>\$ 381</b>	<b>\$ 847</b>

(1) Includes loans that are 100% guaranteed by FHA and all guaranteed loans sold to Ginnie Mae where Regions has the right but not the obligation to repurchase. Total 30-89 days past due guaranteed loans included above were \$50 million. Total 90 days or more past due guaranteed loans included above were \$40 million.

The allowance for credit losses represents management's estimate of the allowance for loan losses and the reserve for unfunded credit commitments to cover expected credit losses over the contractual life of loans. Management's measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. For periods beyond which Regions makes or obtains such reasonable and supportable forecasts, Regions reverts to historical credit loss information. Changes in the factors used by management to determine the appropriateness of the allowance or the availability of new information could cause the allowance to be increased or decreased in future periods. In addition, bank regulatory agencies, as part of their examination process, may require changes in the level of the allowance based on their judgments and estimates. Actual losses could vary from management's estimates.

Regions determines its allowance in accordance with applicable accounting literature as well as regulatory guidance related to receivables and contingencies. See Table 10 "Allowance Allocation" in Part I Item 2 of the June 30, 2024 Form 10-Q for more information on the allowance allocation by segment. Additional discussion of the methodology used to calculate the allowance is included in Note 1 "Basis of Presentation" and Note 4 "Loans and the Allowance for Credit Losses" to the consolidated financial statements in Part I, Item 1 of the June 30, 2024 Form 10-Q for further details.

The total gross and net charge-offs for the six months ended June 30, 2024 were \$264 million and \$222 million, respectively. Refer to Note 4 "Loans and the Allowance for Credit Losses" to the consolidated financial statements in Part I, Item 1 and Table 9 "Allowance for Credit Losses" in Part I, Item 2 of the June 30, 2024 Form 10-Q for a rollforward of the allowance for credit losses and more information on total gross and net charge-offs.

### Corporate and Other Debt Securities

The Company's investment securities portfolio primarily includes U.S. Treasury and agencies, agency mortgage-backed securities, and corporate and other debt obligations. Obligations of state and political subdivisions (municipal securities) and equities are minimal. The most important feature management relies on when assessing credit risk for U.S. Treasury and agencies and agency mortgage-backed securities is the guarantee of the federal government or its agencies. Geography is one of the factors the Company considers in managing its investment in corporate and other debt obligations. Table 5g reflects the Company's corporate and other debt obligations' geographic distribution consistent with the methodology utilized in Table 5a. Table 5h reflects the Company's corporate and other debt obligations' distribution by the industry of the issuer, which is another factor considered in assessing risk. Table 5i illustrates the maturity distribution of the corporate and other debt obligations.

**Table 5g Corporate and Other Debt Securities by Geography**

	June 30, 2024	
	Amount	Percent of Total
	(Dollars in millions)	
New York	\$ 132	14.3 %
Texas	87	9.5 %
California	86	9.3 %
Delaware	62	6.7 %
Georgia	54	5.9 %
Illinois	38	4.1 %
New Jersey	36	3.9 %
Washington	35	3.8 %
Connecticut	31	3.4 %
Virginia	30	3.3 %
Other	329	35.8 %
	<u>\$ 920</u>	<u>100.0 %</u>
Average for the quarter	<u>\$ 968</u>	

**Table 5h Corporate and Other Debt Securities by Issuer Industry**

	June 30, 2024	
	Amount	Percent of Total
	(Dollars in millions)	
Utilities	\$ 241	26.2 %
Financial	194	21.1 %
Consumer, Non-cyclical	171	18.6 %
Communications	138	15.0 %
Technology	74	8.0 %
Consumer, Cyclical	47	5.2 %
Industrial	36	3.9 %
Energy	12	1.3 %
Basic Materials	2	0.2 %
Other	5	0.5 %
	<u>\$ 920</u>	<u>100.0 %</u>

**Table 5i Corporate and Other Debt Securities by Maturity**

	June 30, 2024	
	Amount	Percent of Total
	(Dollars in millions)	
One year or less	\$ 208	22.6 %
Over one year through five years	674	73.3 %
Over five years	38	4.1 %
	<u>\$ 920</u>	<u>100.0 %</u>



## OTC Derivatives

Tables 5j, 5k, and 5l present information related to credit exposure for OTC derivatives. OTC derivatives include bilateral trades, which are transactions directly between trading parties. Transactions cleared through central counterparties are not included due to the lower level of associated credit risk. The values in the tables represent current credit exposure, which is the fair value of derivatives in a net asset position, after giving effect to counterparty netting. This basis is similar to the calculation used for risk-based capital calculation purposes. Derivatives used to meet the needs of bank customers are shown by counterparty type and by geography in tables 5j and 5k, respectively. The geographic distribution is consistent with the methodology utilized in Table 5a. Table 5l presents maturity information. Derivatives used by Regions to hedge its own interest rate, commodity, credit and foreign exchange risk are shown in a single line in all three tables. Counterparties for these transactions are financial entity dealers; accordingly, counterparty and geographic breakout is not considered meaningful for disclosure.

**Table 5j OTC Derivative Exposures by Counterparty**

	June 30, 2024	
	Exposure	Percent of Total
	(Dollars in millions)	
Customer derivatives:		
Corporate	\$ 73	31.5 %
Consumer	—	— %
Banks	—	— %
Public	1	0.4 %
Non-bank financial institutions	—	— %
Total customer	74	31.9 %
Dealer hedges (non-customer)	158	68.1 %
Net current credit exposure	232	100.0 %
Collateral held	(178)	
Unsecured net current credit exposure	\$ 54	

**Table 5k OTC Derivative Exposures by Geography**

	June 30, 2024	
	Exposure	Percent of Total
	(Dollars in millions)	
Customer derivatives:		
California	\$ 22	9.5 %
Texas	15	6.5 %
Florida	5	2.1 %
Delaware	4	1.7 %
Colorado	4	1.7 %
Louisiana	4	1.7 %
Alabama	3	1.3 %
Mississippi	3	1.3 %
Missouri	3	1.3 %
Georgia	2	0.9 %
Other	9	3.9 %
Total customer	74	31.9 %
Dealer hedges (non-customer)	158	68.1 %
Net current credit exposure	232	100.0 %
Collateral held	(178)	
Unsecured net current credit exposure	\$ 54	

**Table 5l OTC Derivative Exposures by Maturity**

	June 30, 2024			
	One Year or Less	Over One Through Five Years	Over Five Years	Total
	(In millions)			
OTC derivatives	\$ 96	\$ 237	\$ 73	\$ 406
Counterparty netting <sup>(1)</sup>				(174)
Net current credit exposure				232
Collateral held				(178)
Unsecured net current credit exposure				\$ 54
Average for the quarter				\$ 51

(1) Represents netting of derivative assets and liabilities with the same counterparty subject to master netting agreements.

## Table 6 Counterparty Credit Risk-Related Exposures

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Counterparty credit risk is the risk that a counterparty to a financial contract or transaction could be unable or unwilling to fulfill its contractual obligation which could potentially lead to financial losses for the Company. This risk is inherent to activities in OTC derivatives, margin loans, and repo-style transactions. At present, Regions does not engage in margin loans with any of its financial institution counterparties. At June 30, 2024, Regions had no repo-style transactions outstanding with financial institution counterparties. To aid in mitigating this risk, Regions utilizes various netting agreements including, but not limited to ISDA/CSAs and MRAs. These agreements provide the framework governing activities across a full range of OTC products and repo-style transactions, contractually binding both parties to apply close-out netting across all outstanding transactions covered by an agreement if either party defaults or other predetermined events occur.

Standard ISDA/CSAs and MRAs are required for all OTC derivative and repo-style transactions with financial institution counterparties. In addition to netting, these agreements provide for the exchange of collateral to further mitigate exposure. Regions has infrastructure in place to calculate net positions and manage collateral exchanges with financial counterparties on a daily basis. Eligible collateral types are documented in each master agreement or supporting annex within, and are managed under established credit policies. This collateral is and has primarily been cash, though certain fixed income securities may be exchanged as well on occasion. In the event of a material adverse change in the Bank's own credit rating, financial counterparties may require additional collateral (independent amount) to maintain the trading relationship resulting in additional exposure. At June 30, 2024, the additional collateral required to be posted for a three-notch downgrade of Regions Financial Corporation or Regions Bank would be approximately \$133 million.

To reduce derivative counterparty credit exposure to individual counterparties, Regions centrally clears eligible transactions. OTC transactions are not centrally cleared and are therefore the only derivatives included in Table 6a below. All exposures, including exposures related to centrally cleared transactions, are managed through internally established limits set by the Company's Counterparty Risk Management group. All OTC derivative financial institution counterparties must be reviewed and approved by Counterparty Risk Management. The approval of all counterparties and the subsequent setting of limits is based on in-depth analysis of each counterparty's creditworthiness and assessment of the credit exposure associated with a counterparty. Internal risk rating tools along with additional quantitative and qualitative assessments of the creditworthiness of a counterparty are utilized to assign a risk rating. Utilizing the internal risk rating along with an assessment of the risks associated with the specific type of exposure are then evaluated to set limits in accordance with Regions' risk tolerance.

Regions also enters into transactions possessing counterparty credit risk with corporate, institutional and real estate customers. These transactions are primarily designed to hedge the customers' exposures to interest rate, commodity price or foreign exchange rate movements. These transactions are usually not cleared through a clearinghouse; rather, Regions retains the credit exposure of the clients for the life of the trade. The credit risk in these transactions is usually underwritten in conjunction with a loan transaction for the customer, and, when the loan is collateralized, the derivative shares in the collateral which can be real estate, working capital assets, securities, contracts or other assets. The credit approval process for these transactions includes independent credit officers familiar with the underlying credit risk, working in conjunction with a Capital Markets credit officer experienced in derivatives and the underlying documentation.

Regions enters into credit derivatives, primarily RPAs, for hedging activities and for customer and other risk management purposes. Regions enters into RPAs to share interest rate derivative contracts with other counterparties or to take on credit exposure with other counterparties for revenue generation purposes.

The following table is presented on a U.S. GAAP basis and summarizes the netting and collateral positions of the Company's OTC derivatives transactions by exposure type. As defined, the gross current credit exposure is the greater of the positive fair value of the derivative or zero (asset derivatives). The collateral is comprised of \$178 million of cash.

**Table 6a OTC Derivative Credit Exposures**

	June 30, 2024	
	(In millions)	
Interest rate swaps	\$	233
Commodities		87
Options		50
Foreign exchange		27
Forward agreements		9
Credit derivatives		—
OTC derivatives - gross current credit exposure		406
Counterparty netting <sup>(1)</sup>		(174)
Net current credit exposure		232
Collateral held		(178)
Unsecured net current credit exposure	\$	54

(1) Represents netting of derivative assets and liabilities with the same counterparty subject to master netting agreements.

The following table summarizes the notional amounts of outstanding credit derivatives.

**Table 6b Credit Derivatives**

	June 30, 2024	
	Purchased	Sold
	(In millions)	
Swap participations notional amounts	\$ 1,715	\$ 3,460

For a further discussion of the Company's credit derivatives, see Note 9 "Derivative Financial Instruments and Hedging Activities", to the consolidated financial statements in Part I, Item 1 of the June 30, 2024 Form 10-Q and Schedule HC-L, Derivatives and Off-Balance-Sheet Items, in the Company's Consolidated Financial Statements for Holding Companies - FR Y-9C dated June 30, 2024.

## Table 7 Credit Risk Mitigation

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Credit risk mitigation techniques are primarily utilized in the loan portfolio and derivative transactions. Regions' objective regarding credit risk mitigation related to the loan portfolio is to maintain a credit portfolio that provides for stable credit costs with acceptable volatility through an economic cycle. Regions has a diversified loan portfolio in terms of product type, collateral and geography which helps to mitigate credit risk. Regions' objective regarding credit risk mitigation related to derivative transactions is to enter into master netting agreements and collateral agreements with counterparties.

The amount and type of collateral supporting a loan impacts the level of credit risk related to that loan. During the underwriting process, the collateral is assessed as part of the overall credit evaluation of the loan. In support of loan collateral values, Regions obtains updated valuations for large commercial and investor real estate non-performing loans on at least an annual basis. Regions considers the impact of declines in valuations in the loss given default estimates within the allowance calculation.

As a matter of business practice, Regions may require some form of credit support as a mitigating factor, such as a guarantee. Guarantees are legally binding and entered into simultaneously with the primary loan agreements. Evaluation of guarantors' ability and willingness to pay is considered as part of the risk rating process, which provides the basis for the allowance for the commercial and investor real estate portfolios.

The "Critical Accounting Estimates and Related Policies - Allowance for Credit Losses", "Risk Management" and "Credit Risk" sections of the Management's Discussion and Analysis disclosures in Part II, Item 7 of the 2023 Form 10-K contain more information on credit risk management and mitigation.

In connection with derivative activities, credit risk is mitigated by entering into legally enforceable master netting agreements. When there is more than one transaction with a counterparty and there is a legally enforceable master netting agreement in place, the exposure represents the net of the gain and loss positions with and collateral received from and/or posted to that counterparty. The majority of interest rate derivatives traded by Regions are subject to mandatory clearing. The counterparty risk for cleared trades effectively moves from the executing broker to the clearinghouse allowing Regions to benefit from the risk mitigation controls in place at the respective clearinghouse.

See the "Market Risk-Interest Rate Risk" section of the Management's Discussion and Analysis disclosures in Part II, Item 7 of the 2023 Form 10-K and the "Market Rate-Interest Rate Risk" section in Part I, Item 2 of the June 30, 2024 10-Q for a discussion of derivatives' credit risk.

The Basel III Rules allow eligible financial collateral, eligible guarantees, and eligible credit derivatives to be recognized in the calculation of risk-weighted assets. The Company's use of credit risk mitigants related to Regions' major types of credit exposure in the calculation of risk-weighted assets is presented in Tables 7a and 7b below. When financial collateral is obtained that qualifies as eligible collateral under the Basel III Rules, the eligible collateral can be substituted for the collateralized portion of the credit exposure in the risk-weighted asset calculation. The impact of any applicable collateral haircuts on the exposure amount secured by eligible collateral is immaterial. As illustrated below, the eligible financial collateral consists of cash and agency securities; the associated risk-weighted asset amounts are immaterial. Similarly, when an eligible guarantee is received, the risk weight applicable to the eligible guarantor would apply to the exposure covered by the guarantee.

**Table 7a**      **Eligible Financial Collateral**

		June 30, 2024
	Collateral Type	Exposure Amount Secured by Eligible Collateral
		(In millions)
Loans	Cash on deposit at bank	\$ 120
OTC derivatives	Cash on deposit at bank	178
Letters of credit	Cash on deposit at bank	165
Unfunded commitments	Cash on deposit at bank	23

**Table 7b**      **Eligible Guarantees**

		June 30, 2024	
	Guarantor	Exposure Amount	Risk Weighted Assets
		(In millions)	
Securities	U.S. government, agencies and GSEs	\$ 32,087	\$ 5,146
Loans	U.S. government and agencies	910	182
Unfunded commitments	U.S. government and agencies	8	2

## Table 8      Securitization

Under the Basel III Capital Rule, a securitization is defined as:

- All or a portion of the credit risk of one or more underlying exposures is transferred to one or more third parties other than through the use of credit derivatives or guarantees;
- The credit risk associated with the underlying exposures has been separated into at least two tranches reflecting different levels of seniority;
- Performance of the securitization exposures depends upon the performance of the underlying exposures;
- All or substantially all of the underlying exposures are financial exposures (such as loans, commitments, credit derivatives, guarantees, receivables, asset-backed securities, mortgage-backed securities, other debt securities, or equity securities);
- The underlying exposures are not owned by an operating company or a small business investment company; and
- The underlying exposures are not owned by a firm, an investment in which qualifies as a community development investment.

Regions has not engaged in the securitization of its own assets ("originated securitizations") in several years. The remaining estimated fair value of originated securitization exposures is immaterial and is included in securities available for sale. Regions does however invest in products that meet the definition of a securitization. These securitization exposures consist of loans to SPEs secured by financial exposures and purchased tranches of non-agency securitizations (commercial mortgage-backed securities) included in the securities available for sale portfolio. Currently, Regions does not own any resecuritization exposures or synthetic securitization exposures.

Securitization exposures can give rise to multiple types of risk including, but not limited to, credit risk, seller risk and market risk. Credit risk arises from the performance of the underlying asset pool (i.e. payment rates, dilution, write-offs/losses). Seller risk represents the portion of the unsecured credit exposure in a transaction with the seller. This exposure principally arises from recourse for losses, lack of cash control, or potential declines in the amount of securitized assets between settlement periods.

Regions' due diligence process is designed to provide an understanding of the features that may materially affect the performance of a securitization exposure. These procedures include analyzing and monitoring the quality of the positions, including information regarding performance of the underlying credit exposures and relevant market data and the structural and other enhancement features that may affect the credit quality of a securitization. Regions evaluates, reviews and updates the ongoing performance of each securitization exposure at least quarterly.

The Company uses the SSFA under the Basel III Standardized Approach to assign risk weights to securitization exposures. This approach is based on a formula that starts with a baseline derived from the capital requirements that apply to all exposures underlying the securitization and then assigns risk weights based on the subordination level and the level of delinquencies of an exposure. The agencies designed the SSFA to apply relatively higher capital requirements to the more risky junior tranches of a securitization that are the first to absorb losses, and relatively lower requirements to the most senior exposures.

The tables below illustrate Regions' securitization exposures, related capital requirements and risk-weighted asset impact. The available for sale securitization exposure amounts for purposes of risk-weighting are the carrying values of the securities less any unrealized gains on the exposure plus any unrealized losses on the exposure recognized in OCI.

**Table 8a      Securitizations by Exposure Type**

	June 30, 2024		
	Balance Sheet Exposure	Off-balance Sheet Exposure	Total Exposure
	(In millions)		
Loans	\$ 2,999	\$ 2,558	\$ 5,557
Commercial non-agency mortgage-backed securities	93	—	93
<b>Total securitization exposure</b>	<b>\$ 3,092</b>	<b>\$ 2,558</b>	<b>\$ 5,650</b>

**Table 8b**      **Securitized by Capital Treatment and Risk Weight**

	June 30, 2024				Capital Impact
	Exposure	SSFA Risk Weighted Assets	Gross-Up Risk Weighted Assets	1250% Risk Weighted Assets	
	(In millions)				
20% risk weighting	\$ 5,465	\$ 1,096	\$ —	\$ —	\$ 88
76% - 190% risk weighting	179	305	—	—	24
509% - 971% risk weighting	3	24	—	—	2
1250% risk weighting	3	—	—	38	3
	<u>\$ 5,650</u>	<u>\$ 1,425</u>	<u>\$ —</u>	<u>\$ 38</u>	<u>\$ 117</u>

The capital impact of risk-weighted assets is calculated by multiplying each risk-weighted asset amount in the table above by the minimum total risk-based capital ratio of 8%.

**Table 9**      **Equity Exposures Not Subject to the Market Risk Rule**

Regions has total equity exposures ("equities") of approximately \$4.9 billion, with \$2.2 billion in individual equities and \$2.7 billion in equity funds at June 30, 2024. The majority of the individual equity investments are related to tax-advantaged affordable housing investments and common stock of the FRB and FHLB. Approximately half of the equity funds are related to the Company's separate account BOLI.

The Company applies the Simple Risk-Weight Approach for its individual equity securities. Under this approach, the risk weight for each equity exposure is calculated by multiplying the carrying value of the equity exposure by the applicable regulatory prescribed risk weight. The Company applies the Simple Modified Look-Through Approach for equity exposures to investment funds. Under this approach, the carrying value of this exposure is multiplied by the highest risk weight that applies to any exposure the fund is permitted to hold under its prospectus or related documents. For the separate account BOLI investment, the Company uses both the Full and the Alternative Modified Look-Through Approaches. Under the Full Look-Through Approach, the carrying value (cash surrender value) of the exposure is risk-weighted for its proportional share of each exposure held by the investment fund. This approach is used to provide a more precise risk-weight calculation for certain funds that provide a wider range of investment alternatives. Under the Alternative Modified Look-Through Approach, the carrying value of the exposure is assigned on a pro rata basis to different risk weight categories based on the information in the fund's prospectus or related documents. Investment guidelines specify objectives and constraints for separate account BOLI investment funds, including permitted and non-permitted investments, concentration and diversification requirements, credit quality requirements and duration parameters. In compliance with these guidelines, the underlying investment exposures consist of high quality, investment grade securities that are generally similar to those in the Barclays U.S. Aggregate Index.

The majority of nonpublic equity securities are investments in low income housing partnerships, common stock of the FRB and common stock of the FHLB of Atlanta. Regions is required to maintain certain levels of FRB and FHLB stock. Shares in the FRB and FHLB are accounted for at amortized cost, which approximates fair value. Under regulatory reporting rules, these equities are reported in other assets because they do not have readily determinable fair values. Investments in low income housing partnerships are accounted for under the proportional amortization method. See Note 2 "Variable Interest Entities" to the consolidated financial statements included in Part II, Item 8 of the 2023 Form 10-K.

The majority of public equity securities are money market funds, pension assets and mutual fund investments made in connection with employee deferred compensation plans. Public equity securities are recorded as other earning assets in the Form 10-Q and as equity securities with readily determinable fair values in the FR Y-9C. They are carried at fair value with unrealized net gains or losses reported in earnings.



Table 9a summarizes the balance sheet carrying value and fair value of the Company's equities not subject to the market risk rule.

**Table 9a Equities Not Subject to the Market Risk Rule**

	June 30, 2024			
	Nonpublic	Public	Separate Account BOLI	Total
	(In millions)			
Balance sheet carrying value	\$ 2,359	\$ 1,202	\$ 1,515	\$ 5,076
Latent revaluation gains (losses)	—	—	(176)	(176)
Fair value	<u>\$ 2,359</u>	<u>\$ 1,202</u>	<u>\$ 1,339</u>	<u>\$ 4,900</u>

Table 9b summarizes the capital impact of equities which is calculated by multiplying each risk-weighted asset amount in the table below by the minimum total risk-based capital ratio of 8%.

**Table 9b Equities Risk Weights and Capital Impact**

	June 30, 2024		
	Exposure	Risk Weighted Assets	Capital Impact of RWA Total
	(In millions)		
Simple risk-weight approach:			
0%	\$ 476	\$ —	\$ —
20%	140	28	2
100%	1,843	1,843	147
Simple modified look-through approach	1,102	483	39
Full and alternative modified look-through approaches	1,515	633	51
	<u>\$ 5,076</u>	<u>\$ 2,987</u>	<u>\$ 239</u>

Table 9c summarizes information related to the realized gains or losses on equities. Latent revaluation gains/losses are unrealized gains/losses on nonpublic equities recorded at cost which are not recognized in the Company's balance sheet or income statement.

**Table 9c Realized and Latent Revaluation Gains (Losses) on Equities**

	June 30, 2024
	(In millions)
Quarter to date realized gains from sales and liquidations	\$ 2
Latent revaluation gains (losses)	(176)

## **Table 10 Interest Rate Risk for Non-Trading Activities**

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Regions' primary market risk is interest rate risk. This includes uncertainty with respect to absolute interest rate levels as well as relative interest rate levels, which are impacted by both the shape and the slope of the various yield curves that affect the financial products and services that the Company offers. As its primary tool to analyze this risk, Regions measures the change in its net interest income in various interest rate scenarios compared to a base case scenario. Net interest income sensitivity to market rate movements is a useful short-term indicator of Regions' interest rate risk.

Financial simulation models are Regions' primary tools used to measure interest rate exposure. Using a wide range of sophisticated simulation techniques provides management with extensive information on the potential impact to net interest income caused by changes in interest rates. Models are structured to simulate cash flows and accrual characteristics of Regions' balance sheet. Assumptions are made about the direction and magnitude of interest rate movements, the slope of the yield curve, and the changing composition of the balance sheet that results from both strategic plans and from customer behavior. Among the assumptions are expectations of balance sheet growth and composition, the pricing and maturity characteristics of existing business and the characteristics of future business. Interest rate-related risks are expressly considered, such as pricing spreads, the pricing of deposit accounts, prepayments and other option risks. Regions considers these factors, as well as the degree of certainty or uncertainty surrounding their future behavior.

For further information on interest rate risk, interest rate sensitivity analyses, and the reported level of interest rate risk carried by Regions' balance sheet, see "Market Risk-Interest Rate Risk" and "Market Rate-Prepayment Risk" in Part II, Item 7 of the 2023 Form 10-K and "Market Rate-Interest Rate Risk" in Part I, Item 2 of the June 30, 2024 Form 10-Q.

## Appendix 1 Basel III Regulatory Capital Disclosure Matrix

Table Number	Disclosure Requirement	Description	Disclosures Report	June 30, 2024 Form 10-Q	2023 Form 10-K
(Disclosure starts on page numbers)					
1	Scope of application	Name of the top corporate entity	5	49	11
		Descriptions of differences in basis for consolidating entities	5	—	—
		Restrictions on transfers of funds or total capital within the group	5	80	16
		Aggregate amount of surplus capital of insurance subsidiaries	NA	—	—
		Aggregate amount of total capital that is less than minimum capital	5	—	—
2	Capital structure	Terms and conditions of capital instruments	6	63	78, 137
		Capital components	6	63	49, 137
3	Capital adequacy	Capital adequacy assessment process	7	—	—
		Risk-weighted assets by exposure type	7	—	—
		Market risk-weighted assets	NA	NA	NA
		Risk-weighted assets	7	—	NA
4	Capital ratios and capital conservation buffer	Capital ratios	8	64	137
		Calculation of CCB	8	—	—
		Calculation of ERI	8	NA	NA
5	Credit risk: general disclosures	Policies and practices	9	74	86, 98
		Credit risk exposures:			
		Loans and related commitments	10	18, 53	63, 120
		Past due and nonperforming loans by industry	14	—	—
		Allowance disaggregated on the basis of impairment methodology	—	18	120
		Charge-offs during the period	15	18	—
		Reconciliation of changes in allowance	—	18	69, 120
		Debt securities	15	15	117
OTC derivatives	17	—	—		
6	Counterparty credit risk-related exposures	Policies and practices	19	—	87
		Counterparty risk exposure	19	—	—
		Credit derivatives purchased and sold	20	37	152
7	Credit risk mitigation	Policies and processes	21	68	86
		Exposures covered by eligible financial collateral	22	—	—
		Exposures covered by guarantees/credit derivatives and related risk-weighted assets	22	—	—

8	Securitization	Policies and practices	23	—	—
		Loans to SPEs and affiliated entities	24	NA	NA
		Accounting policies for securitization activities	NA	NA	NA
		Exposures securitized by the bank and resecuritizations	NA	NA	NA
		Securitization exposures	23	—	—
9	Equities not subject to the market risk rule	Policies and practices	24	—	98, 117
		Amortized cost and fair value by type/nature and public versus nonpublic	25	—	—
		Realized and unrealized gains (losses)	25	—	—
		Capital requirements	25	—	—
10	Interest rate risk for non-trading activities	Nature, assumptions and frequency of measurement	26	68	81
		Earnings sensitivity to rate movements	26	70	82
NA	Disclosure is not applicable to Regions				