

REGIONS FINANCIAL CORP
Form 11-K
June 23, 2015
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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

☒ ANNUAL REPORT PURSUANT TO SECTION 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2014

or

☐ TRANSITION REPORT PURSUANT TO SECTION 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period From _____ to _____

Commission File Number 001-34034

Regions Financial Corporation 401(k) Plan
Regions Center
1900 Fifth Avenue North
Birmingham, Alabama 35203

(Full title of the plan and the address of the plan)

Regions Financial Corporation
Regions Center
1900 Fifth Avenue North
Birmingham, Alabama 35203

(Name of issuer of the securities held pursuant to the plan and the address of its principal executive office)

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Financial Statements and Supplemental Schedule
(Modified Cash Basis)

Regions Financial Corporation 401(k) Plan
For the Years Ended December 31, 2014 and 2013
With Report of Independent Auditors

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Regions Financial Corporation 401(k) Plan
Financial Statements and Supplemental Schedule
(Modified Cash Basis)

For the Years Ended December 31, 2014 and 2013

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Report of Independent Auditors

The Benefits Management Committee

Regions Financial Corporation 401(k) Plan

We have audited the accompanying statements of net assets available for benefits (modified cash basis) of the Regions Financial Corporation 401(k) Plan as of December 31, 2014 and 2013, and the related statements of changes in net assets available for benefits (modified cash basis) for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 2, the financial statements and supplemental schedule have been prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits (modified cash basis) of the Regions Financial Corporation 401(k) Plan at December 31, 2014 and 2013, and the changes in its net assets available for benefits (modified cash basis) for the years then ended, on the basis of accounting as described in Note 2.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule (modified cash basis) of assets (held at end of year) as of December 31, 2014, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Birmingham, Alabama

June 22, 2015

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Regions Financial Corporation 401(k) Plan
Statements of Net Assets Available for Benefits
(Modified Cash Basis)

	December 31	
	2014	2013
Assets		
Investments, at fair value	\$ 1,421,748,172	\$ 1,318,334,205
Dividends receivable	1,802,707	1,084,489
Notes receivable from participants	21,159,878	18,421,872
Net assets reflecting investments, at fair value	1,444,710,757	1,337,840,566
Adjustment from fair value to contract value for interest in collective trust relating to fully benefit responsive investment contracts	(1,647,137)	(1,157,131)
Net assets available for benefits	\$ 1,443,063,620	\$ 1,336,683,435

See accompanying notes.

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Regions Financial Corporation 401(k) Plan
 Statements of Changes in Net Assets Available for Benefits
 (Modified Cash Basis)

	Year Ended December 31	
	2014	2013
Additions		
Contributions from employer	\$51,284,846	\$46,955,475
Contributions from participants	71,053,687	66,315,425
Rollovers	9,969,958	8,121,563
Dividend and interest income	40,781,541	26,332,523
Net appreciation in fair value of investments	50,233,093	240,651,058
Total additions, net of investment gains	223,323,125	388,376,044
Deductions		
Payments to participants	116,028,770	100,176,998
Administrative expenses	914,170	866,813
Total deductions	116,942,940	101,043,811
Net increase	106,380,185	287,332,233
Net assets available for benefits:		
Beginning of year	1,336,683,435	1,049,351,202
End of year	\$1,443,063,620	\$1,336,683,435

See accompanying notes.

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Regions Financial Corporation 401(k) Plan

Notes to Financial Statements

December 31, 2014 and 2013

1. Description of the Plan

The following description of the Regions Financial Corporation 401(k) Plan (the Plan) provides only general information about the Plan's provisions. Regions Financial Corporation (the Company) is the Plan Sponsor and the Benefits Management Committee is the Plan Administrator. Participants should refer to the Plan document and the Summary Plan Description for a more complete description of the Plan's provisions, copies of which may be obtained from the Plan Sponsor.

General

The Plan is a defined contribution plan covering certain employees of the Company and affiliates. Employees are eligible to participate in the Plan the first day of the payroll period following completion of the enrollment process by the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Contributions

Each year, participants may contribute up to a total of 80 percent of eligible compensation on a pre-tax and/or Roth after-tax basis, as defined in the Plan document, subject to Internal Revenue Code limitations. Participants may also rollover amounts representing distributions from other qualified plans. All employees who are eligible to make elective deferrals and who have attained age 50 before the close of the plan year are eligible to make catch-up contributions.

The Company matches dollar for dollar on the participants' pre-tax contributions and Roth after-tax contributions, up to 4 percent of total eligible compensation. The matching contribution can be increased to a greater percentage applicable to a plan year at the discretion of the Board of Directors pursuant to a Plan amendment. One year of service is required to be eligible for the Company match.

The Company also contributes an additional employer contribution of 2 percent of eligible compensation for participants who have one year of service, are employed at the end of the year, have 1,000 hours of service in the plan year, and are not eligible to accrue benefits in the Regions Financial Corporation Retirement Plan.

Upon enrollment, a participant may direct participant contributions and the additional 2 percent employer contribution in 1 percent increments to any of the Plan's fund options. Participants direct their elective contributions into various investment options offered by the Plan and can change their investment options on a daily basis.

Company matching contributions are initially invested in the Regions Stock Fund and can be redirected by the participants at any time at their discretion. As of January 1, 2015, Company matching contributions are no longer invested in the Regions Stock Fund, but rather are invested in accordance with a participant's instructions.

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Regions Financial Corporation 401(k) Plan
Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Participant Accounts

Each participant account is credited with the participant's contributions and allocations of (a) the Company's contributions and (b) Plan earnings or losses, and is charged with certain record-keeping expenses. Allocations of earnings and losses are based on participants' account balances, as defined in the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account less record-keeping expenses (if any) which are charged per participant account. The Plan has an employee stock ownership plan component that allows participants to elect to receive a cash distribution of all of the dividends payable on the shares of Regions Financial Corporation stock allocated to the participants' stock accounts as of the record date. There are no non-participant directed investments within the Plan.

Eligibility and Vesting

All employees other than seasonal or leased employees are eligible to participate in the Plan. Participants are immediately vested in their contributions, the Company contributions and the earnings thereon.

Participant Loans

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of 50 percent of eligible employee contributions or \$50,000 reduced by the highest outstanding loan balance during the prior twelve-month period. Eligible participant contributions are pre-tax participant contributions, regular after-tax participant contributions, rollover contributions, grandfathered qualified non-elective contributions and Roth elective deferrals. All loans must be repaid within 5 years. A participant may not have more than one loan outstanding at any point in time. Participants with a tax levy or garnishment against their wages are not eligible for a Plan loan. The loans are secured by the balance in the participant's account and bear a fixed interest rate of 1 percent above the prime rate, as quoted in The Wall Street Journal. Principal and interest are paid ratably through regular payroll deductions. Upon termination of employment, a participant has up to 60 days from date of termination to repay the outstanding loan amount. If the loan is not repaid after 60 days, it will automatically be treated as a distribution to the participant.

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Regions Financial Corporation 401(k) Plan
Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Payment of Benefits

Upon termination of service, death, disability or retirement, a participant (or his/her beneficiaries) may receive a lump sum amount equal to the vested value of his or her account, or an annual withdrawal. If a participant's vested account balance is \$1,000 or less, it will be paid in the form of a lump sum only. There were no benefit payments requested, approved and processed for payment but not yet disbursed as of December 31, 2014 and 2013, respectively.

In-service withdrawals are available in certain limited circumstances, as defined by the Plan document. Hardship withdrawals are allowed for participants incurring an immediate and heavy financial need, as defined by the Plan document. Hardship withdrawals are strictly regulated by the Internal Revenue Service (IRS) and a participant must exhaust all available loan options and available distributions prior to requesting a hardship withdrawal.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA and the Plan document. In the event of plan termination, non-vested participants become 100 percent vested in their accounts.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Plan have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. The modified cash basis of accounting is an acceptable alternative method of reporting under regulations issued by the Department of Labor. Income on securities is recorded on the accrual basis and investments are recorded at fair value as stated below. All other transactions are recorded on the cash basis.

Payment of Benefits

Benefits are recorded when paid.

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Regions Financial Corporation 401(k) Plan
Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Notes Receivable from Participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2014 or 2013. If a participant ceases to make loan repayments and the Plan administrator deems the participant loan to be a distribution, the participant's loan balance is reduced and a benefit payment is recorded.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). See Note 4, Fair Value of Financial Instruments, for further discussion and disclosures related to fair value measurements. The shares of mutual funds and common stock in the Regions Stock Fund are valued at quoted market prices in an active market on the last business day of the plan year. The Regions Stock Fund may also hold cash or other short-term securities, although these are expected to be a small percentage of the fund. The Company has implemented a dividend pass through election for its participants.

The Company's Benefits Management Committee is responsible for determining the Plan's valuation policies and analyzing information provided by the investment custodians and issuers that is used to determine the fair value of the Plan's investments. The Benefits Management Committee is comprised of nine voting members and four non-voting members appointed by the Compensation Committee and reports to the Compensation Committee of the Company's Board of Directors.

The Plan's collective investment trust funds include the Pioneer Large Cap Core Equity Trust, the Pioneer US Balanced Trust, multiple T. Rowe Price Retirement Active Trusts, the EB US Small-Mid Cap Growth Equity Fund, the Morley Stable Value Fund and the Regions Stable Principal Fund (the Morley Stable Value Fund replaced the Regions Stable Principal Fund in the third quarter of 2014). The fair value of the investments in these collective trust funds is estimated using their net asset value (NAV) per unit.

The Morley Stable Value Fund and Regions Stable Principal Fund distribute income in the form of units, and provide a constant unit redemption value. The Morley Stable Value Fund and Regions Stable Principal Fund invest in fully benefit-responsive investment contracts and are presented at fair value based on its NAV; however, since the investee contracts are fully benefit-responsive, an adjustment is reflected in the statements of net assets available for benefits to present the Morley Stable Value Fund and Regions Stable Principal Fund at contract value. Contract value is the relevant measurement attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The contract value represents contributions plus earnings, less participant withdrawals and administrative expenses.

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Regions Financial Corporation 401(k) Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Use of Estimates

The preparation of the financial statements in conformity with the basis of accounting described above requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes and supplemental schedule. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market volatility and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Legal Contingencies

The Plan is subject to litigation and claims arising during the ordinary course of business and Plan activities. The Plan evaluates these contingencies based on information currently available, including advice of counsel and assessment of available insurance coverage. Although it is not possible to predict the ultimate resolution with respect to these litigation contingencies, management is currently of the opinion that the outcome of pending and threatened litigation would not have a material effect on the Plan's statement of net assets available for benefits or its changes in net assets available for benefits. In pending litigation, the costs of defense are paid by the Company and therefore are not expected to impact the Plan's net assets.

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Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Administrative Expenses

The Plan's administrative expenses are paid by either the Plan or the Company, as provided by the Plan's provisions. Other than record-keeping fees, the Company pays all legal, accounting and other services on behalf of participants. Record-keeping fees are generally paid by participants. Expenses relating to purchases, sales or transfers of the Plan's investments, if any, are charged to the particular investment fund to which the expenses relate. Fees incurred by the Plan for the investment management services are included in net appreciation in fair value of the investment, as they are paid through revenue sharing, rather than a direct payment. The Company pays directly any other fees related to the Plan's operations.

Recent Accounting Pronouncement

In May 2015, the FASB issued new accounting guidance regarding investment disclosures for an entity measuring investments using net asset value (NAV) per share practical expedient. The guidance removes the requirement to categorize investments measured using the NAV practical expedient in the fair value hierarchy table. However, an entity will be required to disclose the fair value of investments measured using the NAV practical expedient so that users of the financial statement can reconcile amounts reported in the fair value hierarchy table to amounts reported on the balance sheet. The new guidance will be applied retrospectively and is effective beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption is permitted. Management is in the process of reviewing the potential impact of this guidance upon adoption.

3. Investments

During 2014 and 2013, the Plan's investments (including investments purchased, sold, and held during the year) appreciated (depreciated) in fair value as follows:

	Year Ended December 31	
	2014	2013
Regions Stock Fund	\$24,142,596	\$100,572,530
Collective Investment Trust Funds	27,732,502	42,873,464
Mutual Funds	(1,642,005)	97,205,064
Total	\$50,233,093	\$240,651,058

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Notes to Financial Statements (continued)

3. Investments (continued)

Individual investments that represent 5 percent or more of the Plan's net assets available for benefits are as follows:

	December 31 2014	2013
Regions Stock Fund	\$380,339,699	\$360,585,356
Morley Stable Value Fund (at contract value) ^(a)	189,759,076	—
Pioneer US Balanced Trust Fund	130,154,200	126,296,901
T. Rowe Price Institutional Large Cap Fund	117,879,343	110,980,722
EB US Small-Mid Cap Growth Equity Fund	75,566,908	81,810,992
Vanguard Windsor II Fund	75,219,597	—
Regions Stable Principal Fund (at contract value) ^(b)	—	192,855,180

(a) The fair value of the Plan's investment in the Morley Stable Value Fund was \$191,406,213 and \$0 at December 31, 2014 and 2013, respectively.

(b) The fair value of the Plan's investment in the Regions Stable Principal Fund was \$0 and \$194,012,311 at December 31, 2014 and 2013, respectively.

4. Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1—Unadjusted quoted prices in active markets that are accessible to the reporting entity at the measurement date for identical assets and liabilities.

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Regions Financial Corporation 401(k) Plan

Notes to Financial Statements (continued)

4. Fair Value of Financial Instruments (continued)

Level 2—Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- quoted prices for similar assets and liabilities in active markets

- quoted prices for identical or similar assets or liabilities in markets that are not active

- observable inputs other than quoted prices that are used in the valuation of the asset or liabilities (e.g., interest rate and yield curve quotes at commonly quoted intervals)

- inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3—Unobservable inputs for the asset or liability (i.e., supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level input that is significant to the fair value measure in its entirety.

Following is a description of the valuation methodologies used for major categories of assets measured at fair value by the Plan.

Stock Fund and Mutual Funds: The Plan uses quoted market prices of identical assets on active exchanges, or Level 1 measurements.

Collective Investment Trust Funds: The fair value of the collective investment trust funds is determined by the NAV per unit based on the fair value of the underlying assets less their liabilities divided by the number of units outstanding. These are considered Level 2 measurements.

The following table presents investments measured at fair value on a recurring basis as of December 31, 2014:

	Level 1	Level 2	Level 3	Fair Value
Collective investment trust funds ^(a)	\$—	\$562,165,269	\$—	\$562,165,269
Regions stock fund	380,339,699	—	—	380,339,699
Mutual funds ^(b)	479,243,204	—	—	479,243,204
Total investments at fair value	\$859,582,903	\$562,165,269	\$—	\$1,421,748,172

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Regions Financial Corporation 401(k) Plan

Notes to Financial Statements (continued)

4. Fair Value of Financial Instruments (continued)

The following table presents investments measured at fair value on a recurring basis as of December 31, 2013:

	Level 1	Level 2	Level 3	Fair Value
Collective investment trust funds ^(a)	\$—	\$529,638,531	\$—	\$529,638,531
Regions stock fund	360,585,356	—	—	360,585,356
Mutual funds ^(b)	428,110,318	—	—	428,110,318
Total investments at fair value	\$788,695,674	\$529,638,531	\$—	\$1,318,334,205

(a) This category includes various investments measured at fair value using NAV as a practical expedient. This category also includes the Morley Stable Value Fund and Regions Stable Principal Fund as of December 31, 2014 and 2013, respectively. These funds are designed to deliver safety and stability by preserving principal and accumulating earnings. These funds are primarily invested in synthetic investment contracts. The fair value of these funds have been estimated based on the fair value of the underlying investment contracts in the respective fund, and differs from the contract value. As previously discussed in Note 2, contract value is the relevant measurement attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan.

(b) This category includes mutual fund investment alternatives to meet the needs of the participants and allows for diversification based on risk and target distribution dates. Investment alternatives include equity, bond and blended fund options that invest in both domestic and international investments and are valued at Level 1 measurements. As of December 31, 2014, mutual funds consisted of the following: bond funds (14%), stock funds (54%), index funds (13%), equity funds (17%) and asset allocation funds (3%).

Assets in all levels could result in volatile and material price fluctuations.

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Regions Financial Corporation 401(k) Plan

Notes to Financial Statements (continued)

4. Fair Value of Financial Instruments (continued)

The following table summarizes the Plan's investments with a reported fair value using NAV per unit at December 31:

	2014	2013	Unfunded Commitment	Redemption Period	Redemption Notice Period
Regions Stable Principal Fund ^(a)	\$—	\$194,012,311	\$—	Daily	N/A
Morley Stable Value Fund ^(b)	191,406,213	—	—	Daily	N/A
Pioneer Large Cap Core Equity Trust ^(c)	38,456,995	36,268,620	—	Daily	N/A
Pioneer US Balanced Trust ^(d)	130,154,200	126,296,901	—	Daily	N/A
T. Rowe Price Retirement 2005 Active Trust ^(e)	658,545	726,686	—	Daily	90 days
T. Rowe Price Retirement 2010 Active Trust ^(e)	3,933,413	3,160,808	—	Daily	90 days
T. Rowe Price Retirement 2015 Active Trust ^(e)	10,759,223	9,720,952	—	Daily	90 days
T. Rowe Price Retirement 2020 Active Trust ^(e)	19,029,103	13,369,642	—	Daily	90 days
T. Rowe Price Retirement 2025 Active Trust ^(e)	18,433,139	13,045,618	—	Daily	90 days
T. Rowe Price Retirement 2030 Active Trust ^(e)	18,367,301	13,782,052	—	Daily	90 days
T. Rowe Price Retirement 2035 Active Trust ^(e)	14,812,763	10,348,342	—	Daily	90 days
T. Rowe Price Retirement 2040 Active Trust ^(e)	16,129,477	10,601,648	—	Daily	90 days
T. Rowe Price Retirement 2045 Active Trust ^(e)	10,640,668	7,020,422	—	Daily	90 days
T. Rowe Price Retirement 2050 Active Trust ^(e)	7,289,834	4,837,754	—	Daily	90 days
T. Rowe Price Retirement 2055 Active Trust ^(e)	4,192,255	2,532,804	—	Daily	90 days
T. Rowe Price Retirement Balanced Active Trust ^(e)	2,335,232	2,102,979	—	Daily	90 days
EB US Small-Mid Cap Growth Equity Fund ^(f)	75,566,908	81,810,992	—	Daily	N/A

The primary objective of the Regions Stable Principal Fund is to provide preservation of capital. To achieve this, the Regions Stable Principal Fund will seek a reasonably stable level of income and a high level of liquidity for (a) participant withdrawals. Regions Stable Principal Fund consists of a diversified portfolio of fixed income securities with a high average credit quality. These securities are wrapped by stable value investment contracts issued by insurance companies which provide a stable return regardless of stock and bond market fluctuations.

The primary objective of the Morley Stable Value Fund is to provide preservation of capital, relatively stable returns consistent with its comparatively low risk profile, and liquidity for benefit-responsive payments. The Fund seeks to achieve this objective by investing primarily in a variety of high quality stable value investment contracts, (b) as well as cash and cash equivalents. It is intended that the Fund's stable value investment contracts will maintain a minimum weighted average credit quality rating of A or better. The underlying fixed income securities must be rated investment grade and meet issuer diversification guidelines.

The investment objective of the Pioneer Large Cap Core Equity Trust is to seek the creation of income and (c) appreciation of capital through investment principally in publicly-traded equity securities of companies, including common and preferred stocks and securities convertible into common and preferred stocks.

The investment objective of the Pioneer US Balanced Trust is to seek capital growth and income. The Advisor (d) allocates the Fund's assets between equity and debt securities based on its assessment of current business, economic and market conditions. Normally, equity and debt securities each represent 35% to 65% of the Fund's assets.

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Regions Financial Corporation 401(k) Plan

Notes to Financial Statements (continued)

4. Fair Value of Financial Instruments (continued)

The investment objective of each T. Rowe Price Retirement Active Trust is to invest over time primarily in a diversified portfolio of underlying trusts that represent various asset classes and sectors. For all T. Rowe Price Retirement Active Trusts other than the T. Rowe Price Retirement Balanced Active Trust, formerly the Retirement Income Active Trust, the allocation to equity based underlying trusts is expected to become increasingly (e)conservative over time, with substantial exposure to equity-based underlying trusts (approximately 55%) remaining at the end of its target year and the most conservative allocation (approximately 20%) projected to occur 30 years after the target date is reached. The T. Rowe Price Retirement Balanced Active Trust's investment allocation will remain generally static, with approximately 40% of its assets invested in equity-based underlying trusts and approximately 60% invested in the fixed income-based underlying trusts.

(f) The EB US Small-Mid Cap Growth Equity Fund seeks to exceed the return of the Russell 2500 Growth Index over a complete market cycle through investing in common stocks and other equity securities that may include securities convertible into stock, preferred stock, rights, warrants, ETFs, 144A private placement securities and equity-linked securities.

5. Related-Party Transactions

Regions Bank (an affiliate of the Company) dba Regions Trust serves as directed trustee of the Plan. Participants can direct how their contributions are invested within the Plan. During the years ended December 31, 2014 and 2013, a substantial amount of the investment transactions were with the Regions Stable Principal Fund (an affiliate of the Company and was replaced by the Morley Stable Value Fund in the third quarter of 2014) and the Regions Stock Fund (an affiliate of the Company). These transactions qualify as party-in-interest transactions; however, they are exempt from the prohibited transactions rules under ERISA. During 2014 and 2013, the Plan received \$8,071,818 and \$8,625,826, respectively, in common stock dividends from the Company and dividends from the Regions Stable Principal Fund.

6. Tax Status

The Plan received a determination letter from the IRS dated March 2, 2010, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the IRS, the Plan was amended and restated. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualified status. The Plan Administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and therefore believes that the Plan, as amended and restated, is qualified and the related trust is tax-exempt. As of the financial statement issuance date, the Plan has applied for but not yet received a new determination letter.

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Regions Financial Corporation 401(k) Plan

Notes to Financial Statements (continued)

6. Tax Status (continued)

Accounting principles generally accepted in the United States require plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2014, there were no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2011.

7. Subsequent Event

Effective January 1, 2015, the Company amended the Plan document to eliminate the requirement that matching contributions be automatically invested in the common stock of the Company. Matching contributions are initially paid in cash and then invested in the funds elected by the participant.

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Supplemental Schedule

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Regions Financial Corporation 401(k) Plan
 EIN #63-0589368 Plan #012
 Schedule H, Line 4i - Schedule of Assets
 (Held at End of Year)
 (Modified Cash Basis)
 December 31, 2014

(a)	(b)	(c)	(d)	(e)	
	Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment including Maturity Date, Rate of Interest Collateral, Par or Maturity Value	Cost	Current Value	
*	Regions Financial Corporation				
	Stock Fund	Common stock fund	**	\$ 380,339,699	
	Morley				
	Stable Value Fund	Collective investment trust	**	189,759,076	***
	Pioneer				
	Pioneer Bond Fund	Mutual funds	**	20,034,333	
	Pioneer Large Cap Core Equity Trust	Collective investment trust	**	38,456,995	
	Pioneer US Balanced Trust	Collective investment trust	**	130,154,200	
	Vanguard				
	Windsor II Fund	Mutual funds	**	75,219,597	
	Institutional Index Fund	Mutual funds	**	61,607,687	
	Dodge & Cox				
	International Stock Fund	Mutual funds	**	67,580,169	
	Income Fund	Mutual funds	**	44,736,817	
	T. Rowe Price				
	Institutional Large Cap Fund	Mutual funds	**	117,879,343	
	Retirement 2005 Active Trust	Collective investment trust	**	658,545	
	Retirement 2010 Active Trust	Collective investment trust	**	3,933,413	
	Retirement 2015 Active Trust	Collective investment trust	**	10,759,223	
	Retirement 2020 Active Trust	Collective investment trust	**	19,029,103	
	Retirement 2025 Active Trust	Collective investment trust	**	18,433,139	
	Retirement 2030 Active Trust	Collective investment trust	**	18,367,301	
	Retirement 2035 Active Trust	Collective investment trust	**	14,812,763	
	Retirement 2040 Active Trust	Collective investment trust	**	16,129,477	
	Retirement 2045 Active Trust	Collective investment trust	**	10,640,668	
	Retirement 2050 Active Trust	Collective investment trust	**	7,289,834	
	Retirement 2055 Active Trust	Collective investment trust	**	4,192,255	
		Collective investment trust	**	2,335,232	

Retirement Balanced Active Trust		
CRM		
Small Cap Fund	Mutual funds	** 54,208,335
PIMCO		
All Asset Fund	Mutual funds	** 12,990,058
The Bank of New York Mellon		
EB US Small-Mid Cap Growth Equity Fund	Collective investment trust	** 75,566,908
Vance		
Eaton Vance Small Mid Cap Fund	Mutual funds	** 24,986,865
* Loans to participants	Interest rate ranges from 3.92% to 8.25% with various maturities	** 21,159,878
Total		\$1,441,260,913
* Represents a party-in-interest		
** Cost has not been presented, as this information is not required.		
*** Investment shown at contract value, with corresponding fair value totaling \$191,406,213.		

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustee has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

REGIONS FINANCIAL CORPORATION
401(k) PLAN

REGIONS BANK, TRUSTEE

Date: June 23, 2015 By: /s/ Barbara H. Watson
Barbara H. Watson
Vice President

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EXHIBIT INDEX

EXHIBIT NO	EXHIBIT
23	Consent of Independent Registered Public Accounting Firm