PUT PEOPLE FIRST | DO WHAT IS RIGHT | REACH HIGHER | FOCUS ON YOUR CUSTOMER | ENJOY LIFE

BUILT TO PERFORM, POSITIONED TO WIN

Dear Shareholders:

Regions delivered an exceptional year in 2025, marked by strong revenue growth, disciplined credit risk management, and record profitability. Our results once again placed us at the top of our peer group, reflecting both the strength of our strategy and the talent of our team. Achieving this level of performance amid continued uncertainty underscores the effectiveness of our focus on **soundness, profitability, and growth**.

2025 RESULTS

Regions ended 2025 delivering $7.5 billion in total reported revenue and hit several records in each of our business segments. Our return on average tangible common equity ratio was the highest in our peer group for the fifth consecutive year. While average and ending loans held relatively stable compared to last year, our pipelines and commitments are strengthening and excess corporate liquidity is beginning to normalize.

Our deposit strategy continued to be a key differentiator for us and is an important driver of our franchise value — a result of our robust market presence, granular and loyal customer base, best-in-class customer service, and having the lowest cost profiles among peers. These strengths were evident during fourth quarter, when ending balances grew by approximately $800 million, driven by healthy customer acquisition and retention.

John M. Turner, Jr. | Chairman, President and CEO

We maintained disciplined expense management throughout the year and produced positive operating leverage. At the same time, we reinforced our capital position, increasing common book value per share by 15 percent.

“Throughout the year, we continued to create value for our shareholders and returned $2 billion through a balanced approach of dividends and share repurchases.”

EXTRA IS OUR ORDINARY

REGIONS

FOCUSED EXECUTION DRIVES PERFORMANCE ACROSS THE BANK

Starting the year with well-defined priorities and a deep commitment to creating shared value for the customers and businesses we're privileged to serve, our three business segments finished the year in a position of strength.

Our **Consumer Bank** delivered well-rounded performance results by executing a strategy that prioritizes stronger relationships, exceptional customer experiences, and enhanced growth. The Consumer team delivered revenue of $4 billion and pretax income of $1.2 billion. We outperformed expectations by ending the year with $80 billion in deposits while maintaining industry-leading deposit costs. Our payments businesses also continued to generate impressive momentum with record credit card spend, top-ranking debit card portfolio performance, and double-digit increases in home equity and small-business loan production.

REGIONS HONORED FOR EXTRAORDINARY EXCELLENCE IN 2025

Just as important as the financial performance was the scale and depth of customer engagement. We opened 560,000 new checking accounts, completed 450 million transactions, and now serve 4.5 million households across our footprint. One of the most important ways our bankers engage with customers is by having needs-based conversations with them to ensure we're offering a personalized plan that's designed to meet their unique needs. Last year, bankers had more than 415,000 of these conversations and traveled to workplaces and schools to conduct 22,000 financial education presentations designed to help customers make better financial decisions. Our focus on helping people build financial confidence and our commitment to transforming everyday banking experiences into something extraordinary drove our customer experience scores to reach new highs, with 85.8% of respondents giving perfect ratings through Gallup's KDS360 program.

Corporate Banking also finished the year delivering impressive results that support the team's goal to deliver growth and diversify revenue streams. Confirming that our approach to combine talented bankers with industry expertise continues to be a competitive advantage for us, Corporate Banking produced revenue reaching $2.8 billion, including non-interest revenue totaling $955 million.

> *"We created shared value with our strategic focus to advance core offerings that benefit our clients while also accelerating fee-based income."*

Notably, Treasury Management produced its second consecutive record year with revenue up 6.2 percent year-over-year, and Capital Markets posted its second-best year on record with $350 million in revenue excluding valuation adjustments. To accelerate client growth and improve how we deliver products and services, Corporate Banking expanded banker coverage in key markets, enhanced our payments and cash-flow capabilities, and continued embedding AI-enabled tools.

Our **Wealth Management** team had its second consecutive record year for annual revenue — one defined by growth, stronger client relationships, and meaningful advances in both technology and talent. The team finished the year with impressive results: income before tax rose 17 percent; total revenue grew 10 percent; and client assets increased 8 percent. We continued building our capabilities by adding key hires across growth markets and delivered new services to simplify cash management workflows, modernize timber inventory processes, and streamline daily portfolio activity.

Giving our clients a quality experience is what truly differentiates this business. We believe that experience begins by spending time with clients to fully understand their goals and working with experts throughout the bank to develop a comprehensive plan. Our planning-led model and personalized guidance continue to build deeper engagement and confidence, with 91 percent of our clients rating their advisor five stars.

Throughout 2025, our three business segments made meaningful progress in how we operate, innovate, and serve. We strengthened relationships, modernized capabilities, expanded talent, and positioned Regions for sustainable long-term growth.

> *"As we look ahead to 2026, I'm confident in our direction and proud of the teams that make this progress possible. Their discipline, customer focus, and integrity continue to define who we are as a company."*

BUILT TO PERFORM IN EVERY ECONOMIC CYCLE

Regions' performance continues to reflect a culture where every associate is a risk manager. Our guiding principles **— soundness, profitability, and growth —** anchor the decisions we make about who we serve, how we lend, and how we fund the balance sheet. This discipline has allowed us to deliver consistent and sustainable results across different operating environments.

Over the past decade, we have built and matured a robust, enterprise-wide risk management framework. It starts with client selectivity, disciplined underwriting, and active portfolio concentration management so no single name or segment can materially impact outcomes. During this time, we have also strengthened our approach to capital allocation by elevating the focus on risk-adjusted returns. This includes reassessing the businesses and deepening relationships where we see long-term value creation. Combined with our proactive hedging strategy and best-in-class expense discipline, these efforts have reduced earnings volatility across rate cycles while meaningfully improving overall returns.

Regions remains committed to responsible, sound growth. That means knowing our markets, knowing our customers, and importantly, knowing what business opportunities we will not pursue. We continue to focus on relationship-based lending within our core footprint where we have deep market knowledge, can maintain strong underwriting standards, and deliver differentiated value and advice.

SOUNDNESS

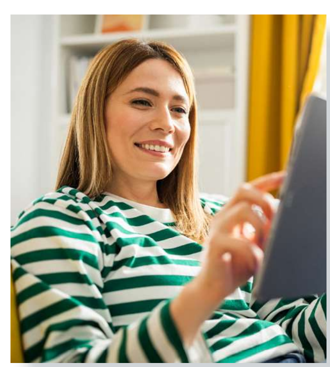
- Low-cost deposit base continues to deliver peer-leading interest-bearing costs of 1.85% in 4Q25
- Robust capital with CET1 of 10.9% as of 12/31/25, supported by strong organic capital generation
- Business services criticized loans decreased 9%, while NPL balances declined 8% quarter-over-quarter; ACL/NPLs increased to 242% as of 12/31/25

PROFITABILITY

- Best-in-class hedging program creates a mostly neutral short-term interest rate position and supports a peer leading 4Q25 NIM of 3.70%
- Regions 2025 ROATCE represents 5th consecutive year as highest in its peer group
- Expenses remain well-controlled, supports self-funding of growth initiatives

GROWTH

- Continuing to grow accounts across Consumer checking, Small Business and Wealth Management
- 2025 represents another annual record for Wealth Management and Treasury Management income; second highest year for Capital Markets income
- Significant progress in hiring and reskilling of bankers to support growth initiatives



We've also strengthened our non-financial risk capabilities in key areas. Through focused efforts, we have elevated our cybersecurity posture to ensure we remain responsive to evolving threats. Additionally, the implementation of our redesigned compliance program continued throughout 2025, safeguarding our resilience and reinforcing our commitment to protect our customers.

POSITIONED TO WIN IN A COMPETITIVE ENVIRONMENT

The role regional banks plays is significant because we're close enough to our customers to know them personally, and we're large enough to deliver the capabilities they expect from a larger financial institution. Scale for scale's sake is not what makes a great bank. What matters is disciplined execution, deep relationships, and operating in markets we understand exceptionally well. That's where regional banks — and Regions in particular — create tremendous value.

Regional banks also support the U.S. economy by driving small-to-midsize business lending and fueling local growth. There are 12 million small businesses in our footprint, and we currently bank 400,000. The opportunity is great — but so is the competition. We team together to bring the full bank to customers and help them reach their goals with a comprehensive plan. Our bankers combine the services and solutions of a larger firm with local experience and local decision-making to deliver superior service.

We're supporting this strategy with investments in talent and capabilities that give me confidence we're positioned to win in 2026 and beyond:

- **PEOPLE.** Banking is a people business. Over the past 18 months, we've invested in new talent by hiring more bankers in our priority markets where we see significant growth potential. These new hires bring experience, relationships, and local insight — and we're already seeing positive results.
- **SMALL BUSINESSES.** We're reskilling 600 bankers for small business and mass affluent segments to align talent depth with our highest-opportunity markets and building a team of dedicated small business relationship managers to meet the unique needs of small business owners.
- **CAPABILITIES.** We launched re-designed mobile app upgrades and announced award-winning Regions Embedded ERP Finance solutions to help clients better manage cash flow, optimize liquidity, reduce risks, and more clearly anticipate business needs.

Regions is investing not only in talent and capabilities, but in the technology that will materially improve operating leverage and long-term competitiveness. Our AI-driven solutions are designed to enhance banker productivity, strengthen customer retention, and create scalable efficiencies across the enterprise. We view AI as a significant value-creation opportunity — enabling deeper personalization, more proactive issue resolution, stronger fraud protection, and an overall better customer experience.

To accelerate these gains, we are prioritizing five high-impact use cases with clear financial and operational benefits: streamlined contact-center access, enhanced fraud prevention and detection, advanced code development, intelligent document processing, and automated financial-statement spreading. Together, these initiatives are expected to improve efficiency, reduce risk, and support sustainable long-term returns for shareholders.

While we know that generative AI introduces new opportunities, we understand it potentially introduces new risks as well. To mitigate these risks, we've implemented a robust risk framework, responsible use policies, and data governance standards to ensure AI is deployed safely and effectively. Our enterprise data management program gives us confidence in the quality of the data powering these models. By integrating data from modernized core systems, our cloud-based Customer DNA platform delivers richer customer insights that position Regions to compete with both traditional banks and non-bank competitors.

Our advanced core modernization program will unlock speed and flexibility few peers can match. This project is more than a technology upgrade — it's a strategic transformation aligned with our business goals that will strengthen our ability to serve customers. We're two and a half years into this multi-year journey to replace decades-old on-premise systems with cloud-based architecture. Last year, we completed the enterprise API layer that paves the way for capabilities like digital small-business account opening that is targeted to be available by late summer. Our new commercial loan platform is planned to deploy later this year and will deliver real-time processing, create operational efficiencies, and offer mobile-enabled tools that streamline how we originate and service loans. While our full deposit system conversion begins in 2027, we're accruing benefits now: faster product development, real-time processing, and seamless digital experiences.

INVESTING IN OUR CULTURE

Our culture remains a key differentiator for Regions, and we believe that investing in it is critical to delivering exceptional business performance. Last year, our strategic investments resulted in record-breaking engagement scores and a stronger culture where every associate has an opportunity to do impactful work. By prioritizing associate wellbeing, development, and engagement, we're building a stronger culture and driving sustainable performance. These investments ensure that Regions remains agile, competitive, and prepared for the future — because when our associates thrive, so does our business.

Associate engagement reached an all-time high, earning Regions the Gallup Exceptional Workplace Award for the 11th consecutive year — a recognition reserved for organizations that create thriving cultures and achieve outstanding outcomes through intentional engagement strategies. This achievement underscores our belief that when associates feel valued, empowered, and supported, exceptional performance follows.

The time and resources we dedicated to making Regions a great place to build a career made a meaningful difference in attracting and retaining key talent. Internal fill rates for open positions climbed to 36.4 percent, the highest since 2021, and reflects our focus on career growth and readiness. In Retail Banking, more than 1,500 associates advanced to new roles in their careers as turnover dropped to its lowest rate in five years.

Our tuition assistance program supports associates in pursuing learning opportunities aligned with business priorities, including AI, Change Management and Leadership, with more than 500 associates currently enrolled in undergraduate degree programs and an additional 200-plus pursuing professional certifications. Through targeted leadership programs, we strengthened capabilities for our senior leaders and reached more than 8,000 associates with learning aligned to our RegionsLEADS Cornerstones of Leadership framework. Additionally, nearly 45 percent of high-potential associates at early career levels received personalized development experiences.

Recognizing that personal health drives professional success, we expanded access to wellbeing resources to include Well, our concierge-level health platform. More than 12,000 associates engaged with Well last year, resulting in healthier habits for them and their families. These efforts complement enhanced benefits and ongoing performance management practices that emphasize coaching, feedback, and growth.

INDUSTRY RECOGNITION

- For the fifth consecutive year, Regions Bank was recognized as a **2025 Silver Status Military Friendly® and Military Spouse Friendly Employer.**
- In 2025, Regions Bank was named a **Gallup Exceptional Workplace Award Winner for Engagement** for the 11th consecutive year.
- For the fifth consecutive year, Regions Bank was named a **2025 Best Place to Work for Disability Inclusion** by the Disability Equality Index.

BRINGING THE REGIONS BRAND TO LIFE IN OUR MARKETS

Our brand "extra is our ordinary" is more than just a slogan — it's how we show up in our markets every day. We have a top five market share in approximately 70 percent of the metropolitan areas across our footprint. With more people choosing to live, work, and create wealth in these markets, we have a tremendous opportunity to leverage our powerful brand.

Regions Bank and The Greater Belleville Chamber of Commerce on Dec. 4 cut the ribbon on Southern Illinois' newest cutting-edge banking location.

BUILDING BRAND TRUST: THE IMPORTANCE OF BANK BRANCHES

I frequently talk about the importance of keeping the customer first, and our brand is really an extension of that view. Every time a customer visits their banker in one of our locations, we have an opportunity to put our brand promise, mission, and values into action. We recognize the branch is essentially the 'front door' of the bank itself. It sends a message to clients and prospects.

A modern, attractive space reinforces our commitment to delivering superior service in ways that differentiate Regions from our competitors. That's why you'll see us investing more in refining our branch network throughout this year and beyond. In some markets, those investments will take the form of visual updates and site upgrades. Elsewhere, you'll see brand-new branch-build and relocations designed to strategically introduce the Regions brand to growing populations across the vibrant cities we serve. From Miami, Orlando and Tampa, to Houston, Nashville and Atlanta — and other markets in between — we are taking a comprehensive, competitive, and data-driven approach toward offering a modernized branch network that will continue to set Regions apart for years to come.

TURNING OUR BRAND PROMISE INTO ACTION

One of our operating values is **"Putting People First"** and reflects a belief that our business can only be as healthy as the communities where we work and live. We put that value into action with our **"What a Difference a Day Makes"** program that gives associates a paid day off to volunteer their time and talent to eligible community organizations.

Our team of 20,000 associates serve as brand ambassadors in going the extra mile to make life better, with a particular focus on education and workforce development, economic and community development, and financial wellness. More than 7,200 associates volunteered over 140,100 hours — a 16 percent increase from last year — showing just how deeply our teams believe in giving back. Regions Bank contributed over $19.4 million in philanthropic giving, and the Regions Foundation awarded 66 grants totaling $6.2 million, helping nonprofits accelerate their work.

Our signature sponsorships give us another significant opportunity to create meaningful connections and amplify our presence in key markets. From college sports to local events, sponsorships delivered real impact for us last year: over 750,000 customer interactions; expanded reach through marquee relationships like the Southeastern Conference and Nashville Predators; and innovative programs such as student pitch competitions that inspire entrepreneurship. These efforts not only strengthen local relationships but also drive real business outcomes — new accounts, deeper engagement, and long-term loyalty.

DELIVERING RESPONSIBLE GROWTH IN 2026

While economic uncertainty persists, we remain cautiously optimistic for growth opportunities in the coming year. And while we may see an increase in bank mergers and acquisitions, we don't currently view them as being necessary to achieve our goals. We're committed to executing our strategic plans designed to generate consistent, sustainable long-term performance results for our shareholders.

I feel positive about our future and confident in the distinct role regional banks play in the economy across the country. Regions associates are embedded in our local communities. We have a strong brand, built on integrity and trust, and a well-earned reputation for providing outstanding service. As our communities grow, we will grow with them. Our desirable footprint combined with a solid growth strategy and a leadership team with a proven track record of execution will serve us well.

Despite intensifying competition, as well as political and geopolitical uncertainty, we will stay focused on the things we can control — namely among them, our customers and our relationship-centered banking model.

IN 2026 OUR PRIORITIES WILL REMAIN UNCHANGED

- We will drive performance by investing in priority markets, while maintaining a superior position in our core markets.
- We will enhance the customer and associate experience through service, modernization, and personalization.
- We will continue investing in bankers, products, and capabilities.
- We will innovate through technology including AI, data & analytics, and core systems transformations.

I want to acknowledge that the performance results Regions delivered in 2025 would not have been possible without the outstanding contributions made by the teammates I'm privileged to work alongside. Their dedication to serving customers, living our values, and executing with integrity is the reason we finished the year with solid results. Our progress isn't the result of technology alone or strategy alone. It's the result of commitment — day in and day out — to doing the right things for the right reasons.

With our investments in top talent, new technology, and growing markets, we're confident that Regions is built to perform and positioned to win in 2026 and beyond. On behalf of the Regions team, I thank you for the privilege to serve you.

Sincerely,

John M Turner Jr

John M. Turner, Jr.
Chairman, President and Chief Executive Officer

EXTRA IS OUR ORDINARY

REGIONS

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 001-34034

REGIONS FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**63-0589368**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
1900 Fifth Avenue North, Birmingham, Alabama	**35203**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (800) 734-4667

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $.01 par value	RF	New York Stock Exchange
Depositary Shares, each representing a 1/40th Interest in a Share of 5.700% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series C	RF PRC	New York Stock Exchange
Depositary Shares, each representing a 1/40th Interest in a Share of 4.45% Non-Cumulative Perpetual Preferred Stock, Series E	RF PRE	New York Stock Exchange
Depositary Shares, each representing a 1/40th Interest in a Share of Non-Cumulative Perpetual Preferred Stock, Series F	RF PRF	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one): Large Accelerated Filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C.7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

At June 30, 2025 (the last business day of the registrant's most recently completed second fiscal quarter), the registrant's common stock, $0.01 par value per share, held by non-affiliates had an aggregate market value of approximately $20,566,150,882 based on the closing price on the New York Stock Exchange on that date of $23.52 per share.

As of February 23, 2026, there were 863,506,691 shares of the registrant's common stock, par value $0.01 per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement for the registrant's 2026 Annual Meeting of Shareholders to be filed within 120 days of the registrant's fiscal year end are incorporated by reference into Part III of this report to the extent described therein.

REGIONS FINANCIAL CORPORATION

FORM 10-K

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Glossary of Defined Terms

Agencies - collectively, FNMA, FHLMC, and GNMA.

AI - Artificial Intelligence.

ALCO - Asset/Liability Management Committee.

AMLA - Anti-Money Laundering Act of 2020.

AOCI - Accumulated other comprehensive income.

ASU - Accounting Standards Update.

ATM - Automated teller machine.

Bank - Regions Bank.

Basel III - Basel Committee's 2010 Regulatory Capital Framework (Third Accord).

Basel III Endgame - 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.

Basel III Rules - Final capital rules adopting the Basel III capital framework approved by U.S. federal regulators in 2013.

BHC - Bank Holding Company.

BHC Act - Bank Holding Company Act of 1956, as amended.

Board - The Company's Board of Directors.

Call Report - Regions Bank's FFIEC 031 filing.

CCAR - Comprehensive Capital Analysis and Review.

CCPA - California Privacy Rights Act of 2018, as amended by the California Privacy Rights Act of 2020.

CECL - ASU 2016-13, Measurement of Credit Losses on Financial Instruments ("Current Expected Credit Losses").

CEO - Chief Executive Officer.

CET1 - Common Equity Tier 1.

CFO - Chief Financial Officer.

CFPB - Consumer Financial Protection Bureau.

CFTC - Commodity Futures Trading Commission

CHR - Compensation and Human Resources.

CISO- Chief Information Security Officer.

CME Term SOFR - Chicago Mercantile Exchange published term Secured Overnight Financing Rate.

Company - Regions Financial Corporation and its subsidiaries.

CODM - Chief Operating Decision Maker.

CPI - Consumer Price Index.

CPR - Constant (or Conditional) prepayment rate.

CRA - Community Reinvestment Act of 1977.

DBRS - Dominion Bond Rating Service Morningstar.

DeFi - Decentralized finance.

DIF - Deposit Insurance Fund.

Dodd-Frank Act - The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

DOJ - Department of Justice.

DPD - Days past due.

DUS - Fannie Mae Delegated Underwriting & Servicing.

EAD - Exposure-at-default.

ERMC - Enterprise Risk Management Committee.

EVE - Economic Value of Equity.

FASB - Financial Accounting Standards Board.

FDIA - Federal Deposit Insurance Act, as amended.

FDIC - The Federal Deposit Insurance Corporation.

Federal Reserve - The Board of Governors of the Federal Reserve System.

FFIEC - Federal Financial Institutions Examination Council.

FHA - Federal Housing Administration.

FHC - Financial Holding Company.

FHLB - Federal Home Loan Bank.

FICO - Fair Isaac Corporation.

FICO scores - Personal credit scores based on the model introduced by the Fair Isaac Corporation.

FinCEN - the Financial Crimes Enforcement Network.

FINRA - Financial Industry Regulatory Authority.

Fintechs - Financial Technology Companies.

FOMC - Federal Open Market Committee.

FTP - Funds Transfer Pricing.

GAAP - Generally Accepted Accounting Principles in the U.S.

GDP - Gross domestic product.

GLBA - Gramm-Leach-Bliley Act.

G-SIB - Globally Systemically Important Bank Holding Company.

HPI - Housing price index.

HUD - U.S. Department of Housing and Urban Development.

HCM - Human Capital Management.

IDI - Insured Depository Institution.

IPO - Initial public offering.

IRA - Individual Retirement Account.

IRE - Investor Real Estate.

IRS - Internal Revenue Service.

ISDA - International Swaps and Derivatives Association.

IS Program - Information Security Program.

LCR - Liquidity coverage ratio.

LGD - Loss given default.

LLC - Limited Liability Company.

LROC - Liquidity Risk Oversight Committee.

LTIP - Long-term incentive plan.

LTV - Loan to value.

MBS - Mortgage-backed securities.

MD&A - Management’s Discussion and Analysis of Financial Condition and Results of Operations.

MSAs - Metropolitan Statistical Areas.

MSR - Mortgage servicing right.

NAV - Net Asset Value.

NIST - National Institute of Standards and Technology.

NM - Not meaningful.

NSFR - Net stable funding ratio.

NYSE - New York Stock Exchange.

OAS - Option-adjusted spread.

OCC - Office of the Comptroller of the Currency.

OCI - Other comprehensive income.

OFAC - Office of Foreign Assets Control.

ORC - Operational Risk Committee.

PCAOB - Public Company Accounting Oversight Board.

PCD - Purchased credit deteriorated.

PD - Probability of default.

R&S - Reasonable and supportable.

REITs - Real estate investment trust.

Regions Securities - Regions Securities LLC.

RWAs - Risk-weighted assets.

S&P 500 - a stock market index that measures the stock performance of 500 large companies listed on stock exchanges in the U.S.

SBIC - Small Business Investment Company.

SCB - Stress Capital Buffer.

SEC - U.S. Securities and Exchange Commission.

SERP - Supplemental Executive Retirement Plan.

SOFR - Secured Overnight Financing Rate.

TAL - Total trading assets and liabilities.

TBA - To Be Announced.

TDR - Troubled debt restructuring.

TOROC - Technology Operations Risk Oversight Committee.

TPRM - Third-Party Risk Management.

TRACE - Trade Reporting and Compliance Engine.

TTC - Through-the-cycle.

U.S. - United States.

USA PATRIOT Act - Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001.

U.S. Treasury - The United States Department of the Treasury.

UTB - Unrecognized tax benefits.

VIE - Variable interest entity.

Visa - The Visa, U.S.A. Inc. card association or its affiliates, collectively.

wSTWF - Weighted short-term wholesale funding.

PART I

Cautionary Note Regarding Forward-Looking Statements and Risk Factor Summary

This Annual Report on Form 10-K, other periodic reports filed by Regions Financial Corporation under the Securities Exchange Act of 1934, as amended, and any other written or oral statements made by us or on our behalf to analysts, investors, the media and others, may include forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. 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. 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, expressions, and graphics 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. 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.

The following is a summary of the material risks and uncertainties we face, which are discussed more fully in "Item 1A. Risk Factors" in this Annual Report on Form 10-K:

- Our businesses have been, and may continue to be, adversely affected by conditions in the financial markets and economic conditions generally.
- Fluctuations in market interest rates, including the level and shape of the yield curve, may adversely affect our performance.
- If we experience greater credit losses in our loan portfolios than anticipated, our earnings may be materially adversely affected.
- Any future reductions in our credit ratings may increase our funding costs and place limitations on business activities.
- Changes in the soundness of other financial institutions could adversely affect us.
- We may suffer losses if the value of collateral declines in stressed market conditions.
- Ineffective liquidity management could adversely affect our financial results and condition.
- Loss of deposits or a change in deposit mix could increase our funding costs.
- We rely on the mortgage secondary market to manage various risks.
- We are at risk of a variety of systems failures or errors and cyber-attacks or other similar incidents that could adversely affect customer experience and our business and financial performance.
- We are subject to complex and evolving laws, regulations, rules, standards and contractual obligations regarding privacy and cybersecurity, which could increase the cost of doing business, compliance risks and potential liability.
- We will continually encounter technological change and must effectively anticipate, develop and implement new technology.
- The development and use of AI presents risks and challenges that may adversely impact our business.
- Industry competition, including competition from decentralized finance platforms, cryptocurrencies and blockchain technologies could disrupt our business model and adversely affect our revenues, market share or liquidity.
- Our operations are concentrated primarily in the South, Midwest and Texas, and adverse changes in the economic conditions in this region can adversely affect our financial results and condition.
- Weakness in the residential real estate markets could adversely affect our performance.
- Weakness in the commercial real estate markets could adversely affect our performance.
- Risks associated with home equity products where we are in a second lien position could adversely affect our performance.
- Weakness in commodity businesses could adversely affect our performance.
- An outbreak or escalation of hostilities between countries or within a country or region could have a material adverse effect on the U.S. economy and on our businesses.
- We are subject to a variety of operational risks, including the risk of fraud or theft by internal or external parties, which may adversely affect our business and results of operations.

- We rely on other companies to provide key components of our business infrastructure.
- We depend on the accuracy and completeness of information about clients and counterparties.
- We are exposed to risk of environmental liability when we take title to property.
- We can be negatively affected if we fail to identify and address operational risks associated with the introduction of or changes to products, services and delivery platforms.
- Enhanced regulatory and other standards for the oversight of vendors and other service providers can result in higher costs and other potential exposures.
- We are, and may in the future be, subject to claims and litigation calling into question our right to use the intellectual property underlying certain technology in our business.
- Weather-related events, pandemics and other natural or man-made disasters could cause a disruption in our operations or lead to other consequences that could adversely impact our financial results and condition. These impacts could be intensified by climate change. Heightening focus on climate change may also carry transition risks that could negatively impact our results of operations and financial condition.
- We are subject to sociopolitical risks that could adversely affect our business, reputation and the trading price of our common stock.
- Damage to our reputation could significantly harm our businesses.
- We are, and may in the future be, subject to litigation, investigations and governmental proceedings that may result in liabilities adversely affecting our financial condition, business or results of operations or in reputational harm.
- We are subject to extensive governmental regulation, which could have an adverse impact on our operations and our business model.
- We are subject to a variety of risks in connection with any sale of loans we may conduct.
- We may be subject to more stringent capital and liquidity requirements.
- Rulemaking changes and regulatory initiatives implemented by the CFPB may result in higher regulatory and compliance costs that may adversely affect our results of operations.
- We are subject to numerous laws designed to protect consumers, including the CRA and fair lending laws, and a failure to comply with these laws could lead to a wide variety of penalties and other sanctions.
- We may not be able to complete future acquisitions, may not be successful in realizing the benefits of any future acquisitions that are completed or may choose not to pursue acquisition opportunities we might find beneficial.
- Increases in FDIC insurance assessments may adversely affect our earnings.
- Unfavorable results from ongoing stress analyses may adversely affect our ability to retain customers or compete for new business opportunities.
- We are a holding company and depend on our subsidiaries for dividends, distributions and other payments.
- We may not pay dividends on shares of our capital stock.
- Anti-takeover and banking laws and certain agreements and charter provisions may adversely affect share value.
- Our amended and restated by-laws designate (i) the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our shareholders and (ii) the federal district courts of the United States as the sole and exclusive forum for any action asserting a cause of action arising under the Securities Act, which could limit our shareholders' ability to obtain a favorable judicial forum for disputes with our company or our company's directors, officers or other employees.
- We face substantial legal and operational risks in our safeguarding and other processing of personal information.
- Differences in regulation can affect our ability to compete effectively.
- Our businesses may be adversely affected if we are unable to hire and retain qualified employees.
- Our operations rely on our ability, and the ability of key external parties, to maintain appropriately staffed workforces, and on the competence, trustworthiness, health and safety of employees.
- Our reported financial results depend on management's selection of accounting methods and certain assumptions and estimates.
- If the models that we use in our business perform poorly or provide inadequate information, our business or results of operations may be adversely affected.

- Changes in our accounting policies or in accounting standards could materially affect how we report our financial results and condition.

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.

Item 1. *Business*

Regions Financial Corporation is a FHC headquartered in Birmingham, Alabama operating in the South, Midwest and Texas. In addition, Regions operates several offices delivering specialty capabilities in New York, Washington D.C., Chicago, Salt Lake City, and other locations nationwide. Regions provides financial solutions for a wide range of clients including retail and mortgage banking services, commercial banking services and wealth and investment services. Further, Regions and its subsidiaries deliver other financial services operations described below. At December 31, 2025, Regions had total consolidated assets of approximately $158.8 billion, total consolidated deposits of approximately $131.1 billion and total consolidated shareholders' equity of approximately $19.0 billion.

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' principal executive offices are located at 1900 Fifth Avenue North, Birmingham, Alabama 35203, and its telephone number at that address is (800) 734-4667.

Banking Operations

Regions conducts its banking operations through Regions Bank, an Alabama state-chartered commercial bank that is a member of the Federal Reserve System. At December 31, 2025, Regions operated 1,786 ATMs and 1,247 total branch outlets primarily across the South, Midwest and Texas.

The following table reflects the distribution of branch locations in each of the states in which Regions conducts its banking operations.

	Branches
Florida	270
Tennessee	194
Alabama	184
Georgia	117
Mississippi	97
Texas	85
Louisiana	79
Arkansas	55
Missouri	48
Illinois	40
Indiana	40
South Carolina	18
Kentucky	9
North Carolina	6
Iowa	4
Utah	1
Total	1,247

Other Financial Services Operations

In addition to its banking operations, Regions and its subsidiaries deliver specialty capabilities including merger and acquisition advisory services, capital markets solutions, home improvement lending, investment advisory services, equipment financing for commercial clients and small business customers, low income housing tax credit corporate fund syndication and asset management, financing to CRA-qualified customers, investment and insurance products, broker-dealer services to commercial clients, and others.

Business Segments

Regions operates under three reportable segments: Corporate Bank, Consumer Bank, and Wealth Management, with the remainder in Other. See "Note 22 "Business Segment Information" in Item 8. "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K for details on each of Regions reportable segments.

Supervision and Regulation

We are subject to the extensive regulatory and supervisory framework applicable to BHCs and their subsidiaries. This framework is intended primarily for the protection of depositors, the FDIC's DIF and the banking system as a whole and is not intended for the protection of shareholders or other investors.

Banking and other financial services statutes, regulations and policies are continually under review by U.S. Congress, state legislatures and federal and state regulatory agencies. In addition to laws and regulations, state and federal bank regulatory agencies may issue policy statements, interpretive letters and similar written guidance applicable to Regions and its subsidiaries. Regions cannot predict future changes in the applicable laws, regulations and regulatory agency policies, including any changes resulting from changes in the U.S. presidential administration and U.S. Congress. Yet, such changes may have a material impact on Regions' business, financial condition or results of operations. We will continue to evaluate the impact of any changes in laws and any new regulations promulgated, including changes in regulatory costs and fees, modifications to consumer products or disclosures and the requirements of the enhanced supervision provisions, among others.

The scope of the laws and regulations and the intensity of the supervision to which Regions is subject have increased in recent years, initially in response to the financial crisis, and more recently in light of other factors, including the failure of U.S. depository institutions in the first half of 2023, technological factors and market changes. Regulatory enforcement and fines have also increased across the banking and financial services sector. Regions expects that its business will remain subject to extensive regulation and supervision.

The descriptions below summarize certain significant federal and state laws to which Regions is subject. These descriptions do not summarize all possible or proposed changes in laws or regulations and are not intended to be a substitute for the related statues or regulatory provisions. Changes in applicable law or regulation, and in their interpretation and application by regulatory agencies and other governmental authorities, cannot be predicted, but may have a material effect on our business, financial condition or results of operations.

Overview

As a BHC, Regions is subject to regulation under the BHC Act and to regulation, examination and supervision by the Federal Reserve. Regions has elected to be treated as an FHC which allows it to engage in a broader range of activities than would otherwise be permissible for a BHC. The BHC Act provides for "umbrella" regulation of FHCs by the Federal Reserve and functional regulation of holding company subsidiaries by applicable regulatory agencies. The BHC Act also requires the Federal Reserve to examine any subsidiary of a BHC, other than a depository institution, engaged in activities permissible for a depository institution. The Federal Reserve is also granted the authority, in certain circumstances, to require reports of, examine and adopt rules applicable to any holding company subsidiary.

Regions Bank is an Alabama state-chartered bank and a member of the Federal Reserve System. Its operations are generally subject to supervision and examination by both the Federal Reserve and the Alabama State Banking Department. Regions Bank is also affected by the actions of the Federal Reserve as it implements monetary policy. As a Federal Reserve System member bank, Regions Bank is required to hold stock in the Federal Reserve Bank of Atlanta in an amount equal to six percent of its capital stock and surplus. Member banks with total assets in excess of $10 billion, including Regions Bank, receive a floating rate dividend tied to 10-year U.S. Treasuries, with the maximum dividend rate capped at six percent.

Regions Bank and its affiliates that provide consumer financial products and services are also subject to supervision, regulation and examination by the CFPB with respect to consumer protection laws and regulations.

Regions and certain of its subsidiaries and affiliates, including those that engage in derivatives transactions, securities underwriting, market making, brokerage, investment advisory and insurance activities, are subject to other federal and state laws and regulations, as well as supervision and examination by other federal and state regulatory agencies and other regulatory authorities, including the SEC, CFTC, FINRA and the NYSE. Regions Bank is also subject to additional state and federal laws, as well as various compliance regulations, that govern its activities, the investments it makes and the aggregate amount of loans that may be granted to one borrower.

Examinations by Regions' regulators consider not only compliance with applicable laws, regulations and supervisory policies of the agency, but also capital levels, asset quality, risk management effectiveness, the ability and performance of management and the Board, the effectiveness of internal controls, earnings, liquidity, interest rate risk management and various other factors. Following those examinations, Regions and Regions Bank are assigned supervisory ratings. This supervisory framework, including the examination reports and supervisory ratings, which are considered confidential supervisory information, could materially impact the conduct, growth and profitability of Regions' operations.

Under the Federal Reserve's Large Financial Institution Rating System, component ratings are assigned for capital planning, liquidity risk management, and governance and controls. To be considered "well managed" under this rating system, a firm must be rated "broadly meets expectations" or "conditionally meets expectations" for at least two of its three component ratings.

The federal bank regulators have broad supervisory and enforcement authority over BHCs and banks, including the power to conduct examinations and investigations, which potentially can result in the imposition of significant limitations on Regions' activities and growth. The federal bank regulators generally have broad enforcement authority and discretion to impose restrictions and limitations on the operations of a regulated entity, including the imposition of substantial monetary penalties and non-monetary requirements against a regulated entity where the relevant agency determines that the operations of the regulated entity or any of its subsidiaries fail to comply with applicable laws or regulations, are conducted in an unsafe or unsound manner or represent an unfair or deceptive act or practice.

The federal bank regulators also are empowered to require affirmative actions to correct any violation or practice; issue administrative orders that can be judicially enforced; direct increases in capital; limit dividends and distributions; restrict growth; assess civil money penalties against institutions or individuals who violate any laws, regulations, orders or written agreements with the agencies; order termination of certain activities of holding companies or their non-bank subsidiaries; remove officers and directors; order divestiture of ownership or control of a non-banking subsidiary by a holding company; or terminate deposit insurance and appoint a conservator or receiver.

Permissible Activities under the BHC Act

The BHC Act limits the activities permissible for BHCs to the business of banking, managing or controlling banks and such other activities as the Federal Reserve has determined to be so closely related to banking as to be properly incidental thereto. A BHC electing to be treated as a FHC, like Regions, may also engage in a range of activities that are (i) financial in nature or incidental to such financial activity or (ii) complementary to a financial activity and that do not pose a substantial risk to the safety and soundness of a depository institution or to the financial system generally. These activities include securities dealing, underwriting and market making, insurance underwriting and agency activities, merchant banking and insurance company portfolio investments.

The Federal Reserve has the authority to limit an FHC's ability to conduct otherwise permissible activities if the FHC or any of its depository institution subsidiaries ceases to meet applicable eligibility requirements. The Federal Reserve may also impose corrective capital and/or managerial requirements on the FHC, and if deficiencies are persistent, may require the company to divest its subsidiary banks or the company may be required to discontinue or divest investments in companies engaged in activities permissible only for a BHC electing to be treated as an FHC. Furthermore, if the Federal Reserve determines that an FHC has not maintained a CRA rating of at least "satisfactory," the FHC would not be able to commence any new financial activities or acquire a company that engages in such activities, although the FHC would still be allowed to engage in activities closely related to banking and make investments in the ordinary course of conducting banking activities.

The Federal Reserve has the power to order any BHC or its subsidiaries to terminate any activity or to terminate its ownership or control of any subsidiary when the Federal Reserve has reasonable grounds to believe that continuation of such activity or such ownership or control constitutes a serious risk to the financial soundness, safety or stability of any bank subsidiary of the BHC.

Enhanced Prudential Standards and Regulatory Tailoring Rules

As a BHC with over $100 billion in total consolidated assets, we are subject to enhanced prudential standards and capital rules (the "Tailoring Rules"). The Tailoring Rules assign each U.S. BHC with $100 billion or more in total consolidated assets, as well as its bank subsidiaries, to one of four categories based on its size and five other risk-based indicators: (1) cross-jurisdictional activity, (2) wSTWF, (3) non-bank assets, (4) off-balance sheet exposure and (5) status as a U.S. G-SIB.

Under the Tailoring Rules, Regions and Regions Bank are each subject to Category IV standards, which apply to banking organizations with at least $100 billion in total consolidated assets that do not meet any of the thresholds specified for Categories I through III. Firms subject to Category IV standards are generally subject to the same capital and liquidity requirements as firms with less than $100 billion in total consolidated assets, but are, among other things, subject to certain enhanced prudential standards and also required to monitor and report certain risk-based indicators. Accordingly, under the Tailoring Rules, Category IV firms are, among other things, (1) not subject to LCR or NSFR requirements (or, in certain cases, subject to reduced requirements), (2) eligible to opt-out of the requirement to recognize most elements of AOCI in regulatory capital, (3) not subject to company-run capital stress testing requirements, (4) subject to supervisory capital stress testing on a biennial instead of annual basis, (5) subject to requirements to develop and maintain a capital plan on an annual basis and (6) subject to certain liquidity risk management and risk committee requirements.

Regulatory Capital Requirements

Regions and Regions Bank are each required to comply with applicable capital adequacy standards established by the Federal Reserve, which are based on Basel III.

The Basel III Rules, among other things, include both risk-based requirements, which compare three measures of capital to RWAs, as well as leverage requirements, which in the case of Category IV banking organizations such as Regions, consist of the Tier 1 leverage ratio described below.

The capital rules also require firms to maintain a buffer (referred to as the SCB) consisting of solely CET1 capital, in addition to the minimum risk-based requirements. Failure to satisfy the buffer requirement in full results in graduated constraints on capital distributions, including dividends and share repurchases, and discretionary executive compensation. The extent to which capital distributions will be constrained depends on the amount of the shortfall and the institution's "eligible retained income," which is defined as the greater of (1) a banking institution's net income for the four preceding calendar quarters, net of any distributions to shareholders and associated tax effects not already reflected in net income, and (2) the average of a banking institution's net income over the preceding four quarters. As a Category IV banking organization, Regions' SCB is determined through the Federal Reserve's CCAR supervisory stress tests which include analyses using baseline and severely adverse economic and financial scenarios. Regions' SCB requirement is determined by adding the Federal Reserve's modeled capital degradation, in the supervisory severely adverse scenario, plus four quarters of planned common stock dividends. As a Category IV banking organization, the capital degradation component of the SCB is calculated every other year, in even-numbered years. During a year in which a Category IV banking organization does not undergo a supervisory stress test, it will receive an updated SCB requirement that reflects its updated planned common stock dividends. A Category IV banking organization is also able to elect to participate in the supervisory stress test in a year in which it would not normally be subject to the supervisory stress test and consequently receive an updated SCB requirement. The SCB is subject to a 2.5 percent floor.

As a Category IV bank, Regions was not required to participate in the 2025 stress test. Nonetheless, like other Category IV banking organizations, the Company did receive results from the Federal Reserve during the second quarter of 2025. From the fourth quarter of 2025 through the third quarter of 2026, the Company's SCB will remain floored at 2.5 percent. In February 2026, the Federal Reserve voted to maintain SCB requirements at current levels through the third quarter of 2027 to allow time for public feedback on proposed changes to supervisory stress testing models. As such Regions SCB will remain floored at 2.5 percent through the third quarter of 2027.

See Note 12 "Regulatory Capital Requirements and Restrictions" in Item 8. "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K for details on minimum capital ratios and those needed to be well capitalized.

Regions is also subject to rules that provide for simplified capital requirements relating to the threshold deductions for mortgage servicing assets, deferred tax assets arising from temporary differences that a banking organization could not realize through net operating loss carry backs and investments in the capital of unconsolidated financial institutions, as well as the inclusion of minority interests in regulatory capital.

As a Category IV banking organization, Regions must also develop and maintain a capital plan, and must submit the capital plan to the Federal Reserve as part of the CCAR process. The CCAR process is intended to help ensure that BHCs have robust, forward-looking capital planning processes that account for each company's unique risks and that allow for continued operations during times of economic and financial stress. In addition, the Federal Reserve's capital plan rule relating to the CCAR process provides that a BHC must receive prior approval for any dividend, stock repurchase or other capital distribution if the BHC is required to resubmit its capital plan, subject to an exception for distributions on newly issued capital instruments. Among other circumstances, a BHC may be required to resubmit its capital plan in connection with certain acquisitions or dispositions.

In 2020, the U.S. federal banking agencies published a final rule to delay the estimated impact on regulatory capital stemming from the implementation of CECL. The final rule provides banks the option to delay for two years an estimate of CECL's effect on regulatory capital, relative to the incurred loss methodology's effect on regulatory capital, followed by a three-year transition period (five-year transition option). Regions adopted the capital transition relief over the permissible five-year period which concluded in the first quarter of 2025.

In July 2023, the U.S. banking regulators issued a proposal to revise the risk-based capital standards applicable to Regions, which generally aligned with the global Basel Accord. The proposal would have introduced a new measure of RWAs, which would reflect certain standardized approaches for credit risk, operational risk and credit valuation adjustment risk, as well as a proposed measure for market risk that would have been based on both internal models and standardized supervisory models of market risk. For Category III and IV institutions, this included removing the AOCI opt-out in calculating regulatory capital. The original proposal, which was scheduled to be implemented in July 2025, was not enacted. In light of the adverse reaction to the Proposal, the Federal Reserve announced that it would publish a re-proposal of its regulations finalizing the Basel III standards. That re-proposal is expected in early 2026. The Company will continue to evaluate this proposal, as well as any potential future changes to the proposal, and the potential impacts on Regions.

In August 2023, the U.S. banking regulators proposed a rule that would require banking organizations with $100 billion or more in total assets to comply with long-term debt requirements and clean holding company requirements that currently apply only to global systemically important banking organizations. This proposal would also impose a long-term debt requirement on certain categories of IDIs, including IDIs with $100 billion or more in total assets, such as Regions Bank. If adopted, this proposal would require the Company and Regions Bank to each maintain a minimum outstanding eligible long-term debt amount of no less than the greatest of (i) 6% of RWAs, (ii) 2.5% of total leverage exposure and (iii) 3.5% of average total consolidated assets. Regions Bank would be required to issue the minimum amount of eligible long-term debt to the Company, and the Company would be required to issue the minimum amount of eligible long-term debt externally. In addition, if adopted as proposed, the clean holding company requirement would limit or prohibit the Company from entering into certain transactions that could impede its orderly resolution, including, for example, prohibiting the Company from entering into transactions that could spread losses to subsidiaries and third parties, as well as limiting the amount of the Company's liabilities that are not eligible long-term. This proposal was subject to a comment period that closed January 16, 2024. The Company will continue to evaluate this proposal and the potential impacts, if adopted as proposed.

On October 24, 2025, the Federal Reserve proposed revisions to its supervisory stress testing framework through two related proposals designed to enhance the transparency and public accountability of its annual stress test. The first proposal solicits comments on the Federal Reserve's stress test models, scenario design framework and an enhanced disclosure process under which the Federal Reserve would annually publish and invite public comment on stress test scenarios, models and material changes to those models. The second proposal solicits comments on the scenarios for the 2026 supervisory stress test. The Company will continue to evaluate this proposal, as well as any potential future changes to the proposal, and the potential impacts on Regions.

For more information, see the "Regulatory Requirements" section of Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Annual Report on Form 10-K.

Liquidity Requirements

Under the Tailoring Rules, Category IV firms with less than $50 billion in wSTWF, including Regions and Regions Bank, are not subject to an LCR or any NSFR. However, BHCs that are Category IV firms are subject to minimum quarterly liquidity buffers and liquidity stress testing requirements under the Federal Reserve's enhanced prudential standards. Additionally, as a Category IV firm, Regions is required to engage in certain practices, including, but not limited to: (i) calculating collateral positions monthly; (ii) establishing an internally determined set of liquidity risk limits; (iii) monitoring elements of intraday liquidity risk exposures; and (iv) reporting liquidity data on the FR 2052a on a monthly basis.

Resolution Planning

Category IV firms such as Regions are not required to submit 165(d) resolution plans. The FDIC separately requires IDIs with $100 billion or more in total assets, such as Regions Bank, to submit to the FDIC plans for resolution in the event of the bank's failure every three years with limited supplements filed in the off years. The requirements increase the engagement between the FDIC and covered IDIs on resolution matters, give the FDIC the authority to periodically test key capabilities and processes needed in a resolution, and introduce a new credibility standard to evaluate the full resolution plan submissions. If the FDIC finds an IDI's resolution plan to not be credible, it could subject the IDI to an enforcement action. In December 2025, the FDIC provided an update that it plans to propose changes to the final rule in 2026, including codifying the content requirement exemptions and FAQs associated with the modified approach it set out in April 2025. Regions Bank timely submitted its most recent IDI resolution plan in June 2025.

FDIA and Prompt Corrective Action

The FDIA requires the federal banking agencies to take prompt corrective action in respect of depository institutions that do not meet specified capital requirements. The FDIA establishes five capital categories ("well-capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized" and "critically undercapitalized"), and the federal banking agencies must take certain mandatory supervisory actions, and are authorized to take other discretionary actions, with respect to institutions that are undercapitalized, significantly undercapitalized or critically undercapitalized. The severity of these mandatory and discretionary supervisory actions depends upon the capital category in which the institution is placed. Subject to a narrow exception, the FDIA requires the banking regulator to appoint a receiver or conservator for an institution that is critically undercapitalized. As of December 31, 2025, both Regions and Regions Bank were well-capitalized.

An institution that is classified as well-capitalized based on its capital levels may be treated as adequately capitalized, and an institution that is adequately capitalized or undercapitalized based upon its capital levels may be treated as though it were undercapitalized or significantly undercapitalized, respectively, if the appropriate federal banking agency, after notice and opportunity for hearing, determines that an unsafe or unsound condition or an unsafe or unsound practice warrants such treatment.

An institution that is categorized as undercapitalized, significantly undercapitalized or critically undercapitalized is required to submit an acceptable capital restoration plan to its appropriate federal banking regulator. Under the FDIA, in order for the capital restoration plan to be accepted by the appropriate federal banking agency, a BHC must guarantee that a subsidiary depository institution will comply with its capital restoration plan, subject to certain limitations. The BHC must also provide appropriate assurances of performance.

The FDIA requires the various regulatory agencies to prescribe certain non-capital standards for safety and soundness relating generally to operations and management, asset quality and executive compensation and permits regulatory action against a financial institution that does not meet such standards. Regulators also must take into consideration: (i) concentrations of credit risk; (ii) interest rate risk (when the interest rate sensitivity of an institution's assets does not match the sensitivity of its liabilities or its off-balance sheet position); and (iii) risks from non-traditional activities, as well as an institution's ability to manage those risks, when determining the adequacy of an institution's capital. Regulators make this evaluation as a part of their regular examination of the institution's safety and soundness. Additionally, regulators may choose to examine other factors in order to evaluate the safety and soundness of financial institutions.

Safety and Soundness

The federal banking agencies have adopted a set of guidelines prescribing safety and soundness standards relating to such areas as internal controls and information systems, informational security, internal audit systems, loan documentation, credit underwriting, interest rate exposure, asset growth and compensation, fees and benefits. For example, the guidelines prohibit excessive compensation as an unsafe and unsound practice, and describe compensation as excessive when the amounts paid are unreasonable or disproportionate to the services performed by an executive officer, employee, director or principal shareholder.

Properly managing risks is critical to the conduct of safe and sound banking activities and has become even more important as new technologies, product innovation and the size and speed of financial transactions have changed the nature of banking markets. The agencies have identified a spectrum of risks facing banking institutions including, but not limited to, credit, market, liquidity, operational, legal, compliance and reputational risk. Some of the regulatory pronouncements have focused on operational risk, which arises from the potential that inadequate information systems, operational problems, breaches in internal controls, fraud or unforeseen catastrophes will result in unexpected losses. New products and services, TPRM and cybersecurity are critical sources of operational risk that financial institutions are expected to address in the current environment. To address safety and soundness, Regions Bank is expected to have active board and senior management oversight; adequate policies, procedures and limits; adequate risk measurement, monitoring and management information systems; and comprehensive and effective internal controls.

Payment of Dividends

Regions is a legal entity separate and distinct from its banking and other subsidiaries. The principal source of cash flow to us, including cash flow to pay dividends to our shareholders and principal and interest on any of our outstanding debt, is dividends from Regions Bank. There are statutory and regulatory limitations on the payment of dividends by Regions Bank to us, as well as by us to our shareholders.

If, in the opinion of a federal bank regulatory agency, an institution under its jurisdiction is engaged in or is about to engage in an unsafe or unsound practice, such agency may require, after notice and hearing, that such institution cease and desist from such practice. The federal bank regulatory agencies have indicated that paying dividends that deplete an institution's capital base to an inadequate level would be an unsafe and unsound banking practice. Under the FDIA, an insured institution may not pay a dividend if payment would cause it to become undercapitalized or if it already is undercapitalized. See "FDIA and Prompt Corrective Action" above. Moreover, the Federal Reserve and the FDIC have issued policy statements stating that BHCs and insured banks should generally pay dividends only out of current operating earnings.

Payment of Dividends by Regions Bank. 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 in excess of 90% of its net earnings unless its 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 the payment of dividends 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.

Payment of Dividends by Regions. Payment of dividends to our shareholders is subject to the oversight of the Federal Reserve. In particular, the dividend policies and share repurchases of a large BHC, such as Regions, are reviewed by the Federal Reserve based on capital plans submitted as part of the CCAR process and may be constrained in certain scenarios. See "Capital Requirements" above. In addition, as a Delaware corporation, Regions is subject to the limitations on dividends and share repurchases set forth in the Delaware General Corporation Law (DGCL). The DGCL allows Regions to pay dividends only out of its surplus (as defined and computed in accordance with the provisions of the DGCL) or if it has no such surplus, out of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. In addition, the DGCL does not permit Regions to repurchase shares of its capital stock where the repurchase would cause an impairment of the capital of the corporation.

Support of Subsidiary Banks

Under the Dodd-Frank Act, Regions is expected to act as a source of financial strength to, and to commit resources to support, its subsidiary bank. This support may be required at times when Regions may not be inclined to provide it.

Limits on Exposure to One Borrower and Exposure to Insiders

Alabama banking law imposes limits on the amount of credit a bank can extend to any one person (or group of related persons). For Regions Bank, this limit includes credit exposures arising from loan and equivalent exposure and investment and trading exposure.

Applicable banking laws and regulations also place restrictions on loans by FDIC-insured banks and their affiliates to their directors, executive officers and principal shareholders.

Lending Standards and Guidance

The federal banking agencies have adopted uniform regulations prescribing standards for extensions of credit that are secured by liens or interests in real estate or made for the purpose of financing permanent improvements to real estate. Under these regulations, all IDIs, such as Regions Bank, must adopt and maintain written policies establishing appropriate limits and standards for extensions of credit that are secured by liens or interests in real estate or are made for the purpose of financing permanent improvements to real estate. These policies must establish loan portfolio diversification standards, prudent underwriting standards (including loan-to-value limits) that are clear and measurable, loan administration procedures and documentation, approval and reporting requirements. The real estate lending policies must reflect consideration of the federal bank regulators' Interagency Guidelines for Real Estate Lending Policies.

The federal banking agencies have also jointly issued guidance on "Concentrations in Commercial Real Estate Lending," which defines commercial real estate loans as exposures secured by raw land, land development and construction (including 1-4 family residential construction), multi-family property, and non-farm nonresidential property where the primary or a significant source of repayment is derived from rental income associated with the property (that is, loans for which 50 percent or more of the source of repayment comes from third-party, non-affiliated, rental income) or the proceeds of the sale, refinancing, or permanent financing of the property. The guidance requires that appropriate processes be in place to identify, monitor and control risks associated with real estate lending concentrations. If a concentration is present, management must employ heightened risk management practices that address key elements, including board and management oversight and strategic planning, portfolio management, development of underwriting standards, risk assessment and monitoring through market analysis and stress testing, and maintenance of increased capital levels as needed to support the level of commercial real estate lending. The required heightened risk management practices could include enhanced strategic planning, underwriting policies, risk management, internal controls, portfolio stress testing and risk exposure limits as well as appropriately designed compensation and incentive programs. Higher allowances for credit losses and capital levels may also be required. The guidance states that the following metrics may indicate a concentration of commercial real estate loans, but that these metrics are neither limits nor a safe harbor: (1) total reported loans for construction, land development, and other land represent 100 percent or more of total risk-based capital; or (2) total reported loans secured by multi-family properties, nonfarm non-residential properties (excluding those that are owner-occupied), and loans for construction, land development, and other land represent 300 percent or more of total risk-based capital and the bank's commercial real estate loan portfolio has increased 50 percent or more during the prior 36 months.

De Novo Branching and De Novo Banks

With the approval of applicable regulators, state banks may establish de novo branches in states other than their home state as if such state was the bank's home state.

Anti-Tying Provisions

Regions Bank is prohibited from conditioning the availability of any product or service, or varying the price for any product or service, on the requirement that the customer obtain some additional product or service from the bank or any of its affiliates, other than loans, deposits and trust services.

Transactions with Affiliates

Sections 23A and 23B of the Federal Reserve Act and the Federal Reserve's Regulation W restrict transactions between a bank and its affiliates, including a parent BHC. Regions Bank is subject to these restrictions, which include quantitative and qualitative limits on the amounts and types of transactions that may take place, including extensions of credit to affiliates, investments in the stock or securities of affiliates, purchases of assets from affiliates and certain other transactions with affiliates. These restrictions also require that credit transactions with affiliates be collateralized and that transactions with affiliates be on market terms or better for the bank. Generally, a bank's covered transactions with any single affiliate are limited to 10% of the bank's capital stock and surplus and covered transactions with all affiliates are limited to 20% of the bank's capital stock and surplus.

Deposit Insurance

Regions Bank's deposits are insured by the FDIC up to the applicable limits, which is currently $250,000 per account ownership type. The FDIC imposes a risk-based deposit premium assessment system that determines assessment rates for an IDI based on an assessment rate calculator, which is based on a number of elements to measure the risk each IDI poses to the DIF. The assessment rate is applied to total average assets less tangible equity, as defined under the Dodd-Frank Act. The assessment rate schedule can change from time to time at the discretion of the FDIC, subject to certain limits. Under the current system, premiums are assessed quarterly.

The FDIC, as required under the FDIA, established a plan in September 2020 to restore the DIF reserve ratio to meet or exceed the statutory minimum of 1.35 percent within eight years. This plan did not include an increase in the deposit insurance assessment rate. Based on the FDIC's recent projections, however, the FDIC determined that the DIF reserve ratio is at risk of not reaching the statutory minimum by the statutory deadline of September 30, 2028 without increasing the deposit insurance assessment rates.

During 2022, the FDIC adopted a final rule to increase initial base deposit insurance assessment rate schedules by 2 basis points, beginning with the first quarterly assessment period of 2023. This rule, combined with other factors influenced by Regions' financial performance, increased regulatory premiums in 2023. The FDIC also concurrently maintained the Designated Reserve Ratio for the DIF at 2 percent.

In November 2023, the FDIC issued a final rule to implement a special assessment to recoup losses to the DIF associated with bank failures in the first half of 2023, which became effective on April 1, 2024. Under the rule, the assessment base for the special assessment is equal to an IDI's estimated uninsured deposits reported as of December 31, 2022, adjusted to exclude the first $5 billion of uninsured deposits. The FDIC anticipates that the total amount of the special assessment will be collected for a total of eight quarterly assessment periods. In December 2025, the FDIC issued an interim final rule that reduced the special assessment for the eighth collection quarter from 3.36 basis points to 2.97 basis points. Under the interim final rule, upon termination of the receiverships, the FDIC will either provide an offset to regular quarterly deposit insurance assessments for insured depository institutions subject to the special assessment if the amount collected exceeds losses or collect from insured depository institutions subject to the special assessment a one-time final shortfall special assessment if losses at the termination of the receiverships exceed the amount collected. The payments are deductible for income taxes. For more details on the special assessment, see the "Non-Interest Expense" section of Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Annual Report on Form 10-K.

FDIC Recordkeeping Requirements

As a part of the FDIC Part 370 recordkeeping requirements, Regions is subject to facilitate rapid and accurate payment of FDIC-insured deposits to customers when large IDIs fail. FDIC rules require IDIs with two million or more deposit accounts to maintain complete and accurate data on each depositor's ownership interest by right and capacity and to develop the capability to calculate the insured and uninsured amounts for each deposit owner by ownership right and capacity.

Acquisitions

The BHC Act requires every BHC to obtain the prior approval of the Federal Reserve before: (i) it may acquire direct or indirect ownership or control of any voting shares of any bank or savings and loan association, if after such acquisition, the BHC will directly or indirectly own or control 5% or more of the voting shares of the institution; (ii) it or any of its subsidiaries, other than a bank, may acquire all or substantially all of the assets of any bank or savings and loan association; or (iii) it may merge or consolidate with any other BHC. FHCs must obtain prior approval from the Federal Reserve before acquiring certain non-bank financial companies with assets exceeding $10 billion. FHCs seeking approval to complete an acquisition must be well-capitalized and well-managed.

The BHC Act further provides that the Federal Reserve may not approve any transaction that would result in a monopoly or would be in furtherance of any combination or conspiracy to monopolize or attempt to monopolize the business of banking in any section of the U.S., or the effect of which may be substantially to lessen competition or to tend to create a monopoly in any section of the country, or that in any other manner would be in restraint of trade, unless the anticompetitive effects of the proposed transaction are clearly outweighed by the public interest in meeting the convenience and needs of the community to be served. The Federal Reserve is also required to consider the financial and managerial resources and future prospects of the BHCs and banks impacted and the convenience and needs of the community to be served. Consideration of financial resources generally focuses on capital adequacy, and the consideration of convenience and needs of the community to be served includes the parties' performance under the CRA. The Federal Reserve must also take into account the institutions' effectiveness in combating money laundering. In addition, pursuant to the Dodd-Frank Act, the BHC Act was amended to require the Federal Reserve to, when evaluating a proposed transaction, consider the extent to which the transaction would result in greater or more concentrated risks to the stability of the U.S. banking or financial system.

During 2025, the 2024 changes adopted by the OCC and FDIC to the standards by which bank and financial institution acquisitions would be evaluated were rescinded. The Federal Reserve adopted no such changes in 2024. Concurrently, the Department of Justice adopted a more permissive posture, supporting the federal banking regulators' actions to rescind the 2024 standards. Furthermore, a Congressional Review Act resolution was signed in 2025 to prevent the OCC from re-issuing rules similar to the rescinded 2024 standards. During the current Administration, the banking agencies have been approving mergers within much shorter timeframes. We cannot predict how long the current environment will endure.

Depositor Preference

Under federal law, claims of depositors and certain claims for both administrative expenses and employee compensation against an IDI would be afforded a priority over other general unsecured claims against such an institution in the "liquidation or other resolution" of such an institution by any receiver.

Volcker Rule

The Dodd-Frank Act prohibits banks and their affiliates from engaging in proprietary trading and investing in, sponsoring and having certain relationships with private funds such as hedge funds or private equity funds that would be considered an investment company for purposes of the Volcker Rule. The compliance requirements under regulations implementing the Volcker Rule are tailored based on the size and scope of trading activities. Because TAL are maintained under $1 billion, Regions is categorized with "limited" TAL and benefits from a presumption of compliance with the Volcker Rule. Regions has put in place the compliance programs required by the Volcker Rule and has either divested or received extensions for any holdings in illiquid funds.

Consumer Protection Laws

We are subject to a number of federal and state consumer protection laws, including laws designed to protect customers and promote lending to various sectors of the economy and population. These laws include, but are not limited to, the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Truth in Lending Act, the Home Mortgage Disclosure Act, the Real Estate Settlement Procedures Act, the Truth in Savings Act, the Electronic Funds Transfer Act, the Consumer Financial Protection Act and their respective state law counterparts.

The CFPB has broad rulemaking, supervisory and enforcement powers under various federal consumer financial protection laws, including the laws referenced above, other fair lending laws and certain other statutes. The CFPB also has examination and primary enforcement authority with respect to consumer financial laws for depository institutions with $10 billion or more in assets, including the authority to prevent unfair, deceptive or abusive practices in connection with the offering of consumer financial products. The CFPB may issue regulations that impact products and services offered by Regions or Regions Bank. The regulations could reduce the fees that Regions receives, alter the way Regions provides its products and services or expose Regions to greater risk of private litigation or regulatory enforcement action.

Privacy and Cybersecurity

We are, or may in the future become, subject to a variety of complex and evolving laws, regulations, rules and standards at the federal, state and local level regarding privacy and cybersecurity. Privacy and cybersecurity are currently areas of considerable legislative and regulatory attention, with new or modified laws, regulations, rules and standards being frequently adopted and potentially subject to divergent interpretation or application in a manner that may create inconsistent or conflicting requirements for businesses. Privacy and cybersecurity laws and regulations often impose strict requirements regarding the collection, storage, handling, use, disclosure, transfer, protection and other processing of personal information, which may have adverse consequences on our business, including incurring significant compliance costs, requiring changes to our business or operations and imposing severe penalties for non-compliance.

For example, at the federal level, the federal banking regulators have adopted certain rules, including pursuant to the GLBA, that limit the ability of banks and other financial institutions to disclose non-public personal information about consumers to third parties. These limitations require disclosure of privacy policies to consumers and, in some circumstances, allow consumers to prevent disclosure of certain non-public personal information to non-affiliated third parties. In addition, consumers may also prevent disclosure among affiliated companies of certain non-public personal information that is assembled or used to determine eligibility for a product or service, such as that shown on consumer credit reports and application information. Consumers also have the option to direct banks and other financial institutions not to share certain information about transactions and experiences with affiliated companies for the purpose of marketing products or services.

Federal law also requires financial institutions to implement a written IS Program that includes administrative, technical, and physical safeguards appropriate to the size and complexity of the institution and the nature and scope of its activities. The program should be designed to ensure the security and confidentiality of customer information, protect against unanticipated threats or hazards to the security or integrity of such information, and protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to any customer. Financial institutions must also conduct ongoing oversight of third-party service providers to ensure they are maintaining appropriate security controls. Financial institutions must report on the institution's cybersecurity program annually to the board of directors or a committee of the board of directors. The federal banking regulators regularly issue guidance regarding cybersecurity intended to enhance cyber risk management standards among financial institutions. A financial institution is expected to establish multiple lines of defense against security threats and to ensure their risk management processes appropriately address the risk posed by potential threats to the institution. A financial institution's management is expected to maintain sufficient processes to effectively identify, prevent and detect a cyber-attack. A financial institution is also expected to develop appropriate processes to enable recovery of data and business operations if a critical service provider of the institution falls victim to a cyber-attack. In addition to the GLBA, we are subject to various other federal and state laws, regulations, rules and standards. The Regions IS Program is designed to reflect the regulatory requirements and guidance.

In addition, in the spring of 2022, federal banking regulators imposed a cybersecurity-related notification rule that requires banking organizations, including Regions and Regions Bank to notify their primary federal regulator as soon as possible and within 36 hours of incidents that, among other things, have materially disrupted or degraded, or are reasonably likely to materially disrupt or degrade, the banking organization's ability to deliver services to a material portion of its customer base, or ability to carry out key operations of the banking organization, the failure of which would pose a threat to the stability of the U.S. financial sector. The rule also imposes requirements on bank service providers to notify their affected banking organization customers of certain computer-security incidents. Additionally, the enactment of the Cyber Incident Reporting for Critical Infrastructure Act of 2022, once rulemaking is complete, will require, among other things, covered entities to report significant cyber incidents, including ransomware attacks, to the CISA Further, in 2023, the SEC adopted regulations requiring public companies to disclose certain information regarding material cybersecurity incidents impacting those companies, as well as descriptions about how they manage material cybersecurity risks.

State regulators have also been increasingly active in implementing privacy and cybersecurity laws, regulations, rules and standards. Several states have adopted regulations requiring certain financial institutions to implement cybersecurity programs and have provided detailed requirements with respect to these programs, including data encryption requirements. Many states have also implemented or are considering implementing, comprehensive data privacy and cybersecurity laws and regulations, such as the CCPA. In addition, laws in all 50 U.S. states generally require businesses to provide notice under certain circumstances to individuals whose personal information has been disclosed as a result of a data breach. Moreover, the United States Congress has considered, and will likely in the future consider, various proposals for more comprehensive data privacy and cybersecurity legislation, to which Regions and/or Regions Bank may be subject if passed. We expect this trend of state and federal activity to persist, and we continue to monitor such developments in the geographic areas in which our customers are located.

Community Reinvestment Act

The CRA requires Regions Bank's primary federal bank regulatory agency, the Federal Reserve, to assess the bank's record in meeting the credit needs of the communities served by the bank, including low- and moderate-income neighborhoods and persons. Institutions are assigned one of four ratings: "Outstanding," "Satisfactory," "Needs to Improve" or "Substantial Noncompliance." This assessment is considered for any bank that applies to merge or consolidate with or acquire the assets or assume the liabilities of an IDI, or to open or relocate a branch office. The CRA record of each subsidiary bank of a FHC also is assessed by the Federal Reserve in connection with reviewing any proposed acquisition or merger application. Regions Bank's most recent CRA rating from the Federal Reserve was "Satisfactory."

Compensation Practices

Our compensation practices are subject to oversight by the Federal Reserve. The federal banking regulators have provided guidance designed to ensure that incentive compensation arrangements at banking organizations take into account risk and are consistent with safe and sound practices. The guidance sets forth the following three key principles with respect to incentive compensation arrangements: (i) the arrangements should provide employees with incentives that appropriately balance risk and financial results in a manner that does not encourage employees to expose their organizations to imprudent risk; (ii) the arrangements should be compatible with effective controls and risk management; and (iii) the arrangements should be supported by strong corporate governance. The guidance provides that supervisory findings with respect to incentive compensation will be incorporated, as appropriate, into the organization's supervisory ratings, which can affect its ability to make acquisitions or perform other actions. The guidance also provides that enforcement actions may be taken against a banking organization if its incentive compensation arrangements or related risk management, control or governance processes pose a risk to the organization's safety and soundness.

Anti-Money Laundering

A continued focus of governmental policy relating to financial institutions in recent years has been combating money laundering and terrorist financing. Regions Bank is subject to the reporting and recordkeeping requirements of the BSA. The BSA requires financial institutions to, among other things, establish and maintain procedures reasonably designed to assure and monitor compliance with BSA regulatory requirements. The USA PATRIOT Act, which amended the BSA, broadened the application of anti-money laundering regulations to apply to additional types of financial institutions such as broker-dealers and insurance companies, and strengthened the ability of the U.S. government to help prevent, detect and prosecute international money laundering and the financing of terrorism. The principal provisions of Title III of the USA PATRIOT Act require that regulated financial institutions, including state member banks: (i) establish an anti-money laundering program that includes internal policies, procedures and internal controls, the designation of a chief compliance officer, as well as training and audit components; (ii) comply with regulations regarding the verification of the identity of any person seeking to open an account; (iii) take additional required precautions with non-U.S. owned accounts; and (iv) perform certain due diligence on private bank accounts and due diligence on and verification and certification of money laundering risk for their foreign correspondent banking relationships. The USA PATRIOT Act also requires federal banking regulators to evaluate the effectiveness of an applicant in combating money laundering in determining whether to approve a proposed bank acquisition. A financial institution's failure to comply with the BSA could have serious legal and reputational consequences for the institution. Regions Bank has continued to augment its anti-money laundering compliance program to comply with the BSA and its implementing regulations and will continue to revise and update its anti-money laundering policies, procedures and controls to reflect future regulatory changes. The AMLA, which amends the BSA, was enacted in January 2021. Among other things, the AMLA codifies a risk-based approach to anti-money laundering compliance for financial institutions; requires the development of standards by the U.S. Treasury for evaluating technology and internal processes for BSA compliance; and expands enforcement- and investigation-related authority, including a significant expansion in the available sanctions for certain BSA violations. Many of the statutory provisions in the AMLA will require additional rulemaking, reports and other measures, and the impact of the AMLA will depend on, among other things, implementation guidance.

As required by AMLA, in June 2021, FinCEN, which promulgates the implementing regulations of the USA PATRIOT Act, BSA, and other anti-money laundering legislation, issued the national anti-money laundering and countering the financing of terrorism priorities. The priorities include: corruption, cybercrime, terrorist financing, fraud, transnational crime, drug trafficking, human trafficking and proliferation financing. Banks are not required to implement any immediate changes related to the national priorities to their anti-money laundering compliance programs until FinCEN issues the implementing regulations related to the national priorities. Bank regulators continue to examine financial institutions for anti-money laundering compliance and Regions Bank will continue to monitor and augment, where necessary, our anti-money laundering compliance framework, including the anti-money laundering program, policies and procedures of Regions Bank to ensure that it is commensurate with our risk profile.

Office of Foreign Assets Control Regulation

The U.S. has imposed economic sanctions that affect transactions with designated foreign countries, nationals, organizations, regimes and other entities. In the United States, economic sanctions are administered by OFAC. OFAC publishes lists of specially designated targets, issues regulations and implements executive orders that restrict dealings with certain countries and territories. Territorial sanctions, which target certain countries, regions and territories, take many different forms. Generally, however, they contain one or more of the following elements: (i) restrictions on trade with or investment in a sanctioned country, including prohibitions against direct or indirect imports from and exports to a sanctioned country and prohibitions on U.S. persons engaging in financial transactions relating to, making investments in, or providing investment-related advice or assistance to, a sanctioned country; and (ii) a blocking of assets in which the government or specially designated nationals of the sanctioned country have an interest, by prohibiting transfers of property within U.S. jurisdiction (including property in the possession or control of U.S. persons). OFAC also administers sanctions lists that have various associated prohibitions, including the Specially Designated Nationals and Blocked Persons List. U.S. persons are prohibited from dealing with Specially Designated Nationals regardless of location, and all assets of Specially Designated Nationals and Blocked Persons are blocked. Blocked assets (e.g., property and bank deposits) cannot be paid out, withdrawn, set off or transferred in any manner without a general or specific license from OFAC. Failure to comply with these sanctions could have serious legal and reputational consequences.

Climate-Related Developments

Climate change and the risks it may pose to financial institutions has, in the recent past, been an area of focus by the federal and state legislative bodies and regulators, including the federal banking agencies. In the future, new regulations or guidance may be issued, or other regulatory or supervisory actions may be taken, in this area by the federal banking agencies or other regulatory agencies. In addition, many states have adopted, or are considering adopting, laws that address climate-related and other issues that might arise. These laws may increase our compliance costs and may include provisions that conflict with other state and federal regulations, or limit our ability to conduct business in certain jurisdictions. The Company will continue monitoring legislative and regulatory activity that may implicate potential new legal or regulatory obligations on our part and evaluating their potential impact to Regions.

Regulation of Broker Dealers and Investment Advisers

Our subsidiaries, Regions Securities and BlackArch Securities LLC, are registered broker-dealers with the SEC and FINRA, and Regions Investment Management, Inc. and Highland Associates, Inc. are registered investment advisers with the SEC. These subsidiaries are, as a result, subject to regulation and examination by the SEC, FINRA and other self-regulatory organizations. These regulations cover a broad range of issues, including capital requirements; sales and trading practices; use of client funds and securities; the conduct of directors, officers and employees; record-keeping and recording; supervisory procedures to prevent improper trading on material non-public information; qualification and licensing of sales personnel; and limitations on the extension of credit in securities transactions. In addition to federal registration, state securities commissions require the registration of certain broker-dealers and investment advisers.

Competition

All aspects of our business are highly competitive. Our subsidiaries compete with other financial institutions located in the states in which they operate and other adjoining states, as well as large banks in major financial centers and other financial intermediaries, such as savings and loan associations, credit unions, fintechs, finance companies, mutual funds, insurance companies, brokerage and investment banking firms, mortgage companies and financial service operations of major commercial and retail corporations. We expect competition to remain intense among financial services companies. Our success will depend, in part, on market acceptance and regulatory approval of new products and services. Further, we expect consolidation in the financial services industry to continue, which may produce larger, better-capitalized and more geographically diverse companies that are capable of offering a wide array of financial products and services at competitive prices.

In addition, technology has lowered barriers to entry and made it possible for non-banks to offer traditional bank or bank-like products and services and therefore compete with financial institutions like us. In particular, the activity of fintechs has grown significantly over recent years and is expected to continue to grow. A number of fintechs have applied for, and in some cases been granted, bank or industrial loan charters, while other fintechs have partnered with existing banks to allow them to offer deposit products to their customers. In addition to fintechs, traditional technology companies have begun to make efforts toward providing financial services directly to their customers. Many of our non-bank competitors are not subject to the same extensive regulations we are and, therefore, may have greater flexibility in competing for business. As digital capabilities have become a competitive necessity, Regions provides an array of digital products and services to our customers. The continued move toward digital banking and financial services, combined with customer expectations regarding digital offerings, will require us to invest greater resources in technological improvements. Customers for banking services and other financial services offered by our subsidiaries are generally influenced by convenience, quality of service, price of service, personal contacts, the quality of the technology that supports the customer experience and availability of products. Although our position varies in different markets, we believe that our affiliates effectively compete with other financial services companies in their relevant market areas.

Moreover, DeFi platforms, cryptocurrencies and related blockchain-enabled financial products and services have intensified competition for traditional financial institutions, as customers gain access to alternative platforms that facilitate payments, lending, trading, custody, settlement and other financial services. Nevertheless, we believe that we can effectively adapt our products, technologies and strategic partnerships to evolving customer preferences.

Human Capital

One pillar of our strategic priorities at Regions is the commitment to “Build the Best Team”. We believe one of the biggest differentiators of our performance is the people we employ. The need to attract, retain and develop the right talent to accomplish our strategic plan is central to our success. As of December 31, 2025, Regions and its subsidiaries had 19,969 full-time equivalent employees supporting our consumer and commercial banking, wealth management and mortgage product and services primarily across the Southeast, Midwest and Texas.

A strong and impactful human capital program begins at the top. Our Board oversees our corporate strategy and sets the tone for our culture, values and high ethical standards, and through its committees, holds management accountable. The primary committee responsible for the oversight of human capital is the CHR Committee. The CHR Committee strategically meets with subject matter experts regarding talent management and acquisition, succession planning, associate conduct, associate learning and development, and associate retention. Additionally, on a quarterly basis the CHR Committee reviews the HCM Dashboard which includes a mixture of trending and point-in-time metrics designed to provide information about, and analysis of, our workforce, including its stability (retention, turnover, etc.); talent acquisition; and associate conduct and engagement.

In order to build the best team, it is necessary for us to fill talent needs with qualified and engaged associates. Key to our success is our internal talent management program which strives to optimally deploy existing talent across Regions by focusing on where our associates excel and helping them find the best roles that maximize their talents, abilities and interests. For those roles which we fill externally, we continually build talent pipelines with an eye toward not only current needs, but also future demands of our business. Regions uses innovative tools and structured processes to achieve our goals including applications and resources designed to reach broader audiences. Our recruiting technology is agile, user friendly and allows us to offer to candidates a robust understanding of our needs, requirements and a view of our culture to support the building of an engaged workforce.

We also consider it critical to our success to invest in the professional development of all of our associates. We emphasize our commitment to professional development through opportunities such as technical, skills-based, management, and leadership training programs; formal talent and performance management processes; and sustainable career paths. We also aim to prepare our workforce for a rapidly changing environment and understand that reskilling and upskilling are crucial to staying competitive, meeting the needs of the modern workforce, and retaining associates. We have established a customized learning experience platform that provides the tools to measure, build, and communicate skills inside the Company. This tool provides the ability to inventory the skills our associates have, allowing us to target our development efforts on specific areas where elevated skills are needed. Regions also offers leader development programs created to help people managers understand how to evaluate performance by leveraging the power of a strengths-based and engagement-focused workforce and culture. Our partnership with Guild, an education, skilling and mobility solution provider has allowed us to transition our tuition reimbursement program for associates to a best-in-class tuition assistance program that targets adult learners and provides coaching support and access to a curated catalog from Guild's Learning Marketplace. Through the Guild program, associates can now pursue a degree or other educational opportunities while building their career at the same time. By removing barriers and expanding access to education, we are continuing our commitment to Build the Best Team.

Understanding that automation, cognitive technologies and the open talent economy are reshaping the future of work, Regions makes available to technology associates courses on-demand that offer intensive learning in application development, information technology operations, security and technology architecture. This solution also offers professional development for data and business professionals. In addition, almost all associates may access a full suite of courses regardless of whether the application is needed in their current role.

We aim to offer competitive and fair compensation to our associates. Base salaries are established considering market competitive rates for specific roles; additionally, on an individual basis base salaries reflect the experience and performance levels of our associates. We assess the competitiveness of our ranges on an annual basis by benchmarking our rates against those paid by our peers. In addition to base salaries, we promote a robust pay-for-performance philosophy and incentivize a large majority of our associate population with incentive compensation designed to drive strategies, behaviors and business goals within our unique lines of business. Long-term stock-based incentive compensation is also key to the attraction and retention of key talent and is offered thoughtfully to our executive and leadership ranks. We believe tying the interests of our leaders to those of our shareholders creates a strong link to company performance.

As the success of our business is fundamentally connected to the well-being of our associates, we aim to offer a competitive and comprehensive benefits program to support associates throughout all life stages. Our benefits include comprehensive health, life, and disability coverage that are funded in whole or in part by the Company as well as a 401(k) plan with a dollar-for-dollar company match on employee contributions up to 5 percent of pay and a base contribution of 2 percent of pay for all associates who do not participate in our grandfathered pension program. We also offer our associates programs and tools to support their total well-being including a range of flexible work arrangements, generous time-off policies, physical, mental and financial wellness benefits as well as other programs and practices that support associates and their families throughout the full spectrum of their careers and lives.

Available Information

We maintain a website at ir.regions.com. We make available on our website, free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q, Form DEF 14A, and current reports on Form 8-K, including exhibits, and amendments to those reports that are filed with or furnished to the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934. These documents are made available on our website as soon as reasonably practicable after they are electronically filed with or furnished to the SEC. The SEC also maintains an internet site (http://www.sec.gov) that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC, including Regions. Also available on our website are our (i) Corporate Governance Principles, (ii) Code of Business Conduct and Ethics, (iii) Code of Ethics for Senior Financial Officers, (iv) Fair Disclosure Policy, (v) the charters of our Audit Committee, CHR Committee, Nominating and Corporate Governance Committee, Risk Committee, Technology Committee, and Executive Committee, and (vi) a number of voluntary disclosures, reports and other documents. Information included on our website is not incorporated into, or otherwise made a part of, this Annual Report on Form 10-K, and references to our website are intended to be inactive textual references only.

Item 1A. Risk Factors

An investment in the Company involves risks, some of which, including market, credit, technology, strategic, operational, reputational, legal, regulatory and compliance, liquidity, talent management, estimate and assumption and other external risks, could be substantial and is inherent in our business. These risks also include the possibility that the value of the investment could decrease considerably, and dividends or other distributions concerning the investment could be reduced or eliminated. Discussed below are risk factors that could adversely affect our financial results and condition, as well as the value of, and return on investment in the Company.

Market Risks

Our businesses have been, and may continue to be, adversely affected by conditions in the financial markets and economic conditions generally.

We provide 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. All of our businesses are materially affected by conditions in the financial markets and economic conditions generally or specifically in the South, Midwest and Texas, the principal markets in which we conduct business. A worsening of business and economic conditions generally or specifically in the principal markets in which we conduct business could have adverse effects on our business, including the following:

- A decrease in the demand for, or the availability of, loans and other products and services offered by us, including as a result of changing interest rate and spread conditions;
- A decrease in the value of our investment securities or other fixed-rate assets as a result of changing interest rate or spread conditions;
- A decrease in the value of our loans held for sale or other assets secured by consumer or commercial real estate;
- An impairment of certain intangible assets, such as goodwill;
- A decrease in interest income from variable rate loans, due to declines in interest rates;
- A decrease in the supply of deposits or the need to price interest-bearing deposits higher due to competitive forces or market rate fluctuations, which could result in substantial increase in cost to retain and service deposits;
- A change in the pricing or spread environment could adversely impact the yields received on newly originated loans or securities.

In the event of severely adverse business and economic conditions generally or specifically in the principal markets in which we conduct business, there can be no assurance that the federal government and the Federal Reserve would intervene or make adjustments to trade, fiscal or monetary policy, including tariffs, that would cause business and economic conditions to improve. If business and economic conditions worsen or volatility increases, our business, financial condition and results of operations could be materially adversely affected.

Volatility and uncertainty related to inflation and the effects of inflation, which has led to increased costs for businesses and consumers and potentially contribute to poor business economic conditions, has and may continue to enhance or contribute to some of the risks of our business. For example, higher inflation, or volatility and uncertainty related to inflation, has and may continue to reduce demand for our products, adversely affect the creditworthiness of the Company's borrowers, lower values for our investment securities and other fixed-rate assets, or otherwise adversely affect our businesses, financial conditions and results of operations.

Fluctuations in market interest rates, including the level and shape of the yield curve, may adversely affect our performance.

Our profitability depends to a large extent on our net interest income, which is the difference between the interest income received on interest-earning assets (primarily loans, leases, investment securities and cash balances held at the Federal Reserve Bank) and the interest expense incurred in connection with interest-bearing liabilities (primarily deposits and borrowings). The level of net interest income is mostly a function of the average balance of interest-earning assets, the average balance of interest-bearing liabilities and the spread between the yield on such assets and the cost of such liabilities. These factors are influenced by both the pricing and mix of interest-earning assets and interest-bearing liabilities which, in turn, are impacted by external factors such as the local economy, competition and demand for loans and deposits, the monetary policy of the FOMC and interest rates markets.

The cost of our deposits and short-term wholesale borrowings is heavily impacted by market-based liquidity conditions and interest rates, factors which are influenced directly and indirectly by a mixture of effects including the FOMC's monetary policy, and economic and financial conditions. Moreover, the market's expectation of the future course of FOMC policy and economic factors interact to influence the path for market interest rates, relative interest rate relationships and the shape of the yield curve. Yields generated by our loans and securities and the costs of deposits and wholesale borrowings are driven by both short-term and longer-term interest rates to different degrees, thus impacting net interest income. If the yields on our interest-bearing liabilities increase at a faster pace than the yields on our interest-earning assets, our net interest income may decline. Our net interest income could be similarly affected if the yields on our interest-earning assets decline at a faster pace than the yields on our interest-bearing liabilities. Finally, interest rate volatility and levels directly impact the value of certain fixed-rate assets and liabilities, which may impact unrealized gains or unrealized losses in our portfolios.

The monetary policy tightening cycle observed from 2022 through mid-2024 led to increased volatility in fixed income markets. After the benchmark Federal funds interest rates reached a peak range between 5.25 percent and 5.50 percent in 2023 and into 2024, the FOMC reduced the Federal funds rate in 2024 and 2025 ending with a range of 3.50 percent and 3.75 percent. While it is anticipated that the FOMC will continue its rate easing cycle, the range of potential rate paths over the coming year is wide and will ultimately be driven by the path of inflation, labor market performance and economic growth.

Estimates for net interest income exposure to interest rate changes have been reduced recently. While a persistently elevated rate environment would continue to support net interest income, elevated rates also increase the cost of funding and the potential for higher levels of competition for deposits. Additionally, elevated interest rates would increase debt service requirements for some of our borrowers and may adversely affect those borrowers' ability to pay as contractually obligated, ultimately resulting in additional delinquencies or charge-offs. Conversely, should interest rates move lower, net interest income is well supported by a mostly neutral interest rate risk position aided by the Company's interest rate hedging program. In this environment, deposit and funding costs will move lower; however, net interest income may be adversely impacted if those costs cannot move lower as fast as expected.

To the extent that the yield curve steepens, net interest income would benefit, primarily from the additional yield provided to fixed rate asset reinvestment and production, without a commensurate offset from increasing funding costs. Conversely, a flatter yield curve would reduce net interest income, all else equal.

Sustained higher interest rates and continued Federal Reserve asset reductions may adversely affect market stability, market liquidity and the Company's financial performance and condition. We cannot predict the nature or timing of future changes in monetary policies or the precise effects such changes may have on our activities and financial results.

For a more detailed discussion of these risks and our management strategies for these risks, see the "Executive Overview," "Net Interest Income, Margin and Interest Rate Risk," "Net Interest Income and Margin," "Market Risk-Interest Rate Risk" and "Securities" sections of Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Annual Report on Form 10-K.

Credit Risks

If we experience greater credit losses in our loan portfolios than anticipated, our earnings may be materially adversely affected.

As a lender, we are exposed to the risk that our customers will be unable to repay their loans and leases according to their terms and that any collateral securing the payment of their loans and leases may not be sufficient to assure repayment. Customers or counterparties may become delinquent, file for protection under bankruptcy laws or default on their loans or leases, which could result in a higher level of nonperforming assets, net charge-offs, and provisions for credit losses. Credit losses are inherent in the business of making loans and could have a material adverse effect on our operating results.

We make various assumptions and judgments about the collectability of our loan portfolio and provide an allowance based on a number of factors. Our management periodically determines the allowance for credit losses based on available information, including the quality of the loan portfolio, the value of the underlying collateral and the level of non-accrual loans, taking into account relevant information about past events, current conditions and R&S forecasts of future economic conditions that affect the collectability of our loan portfolio. If, as a result of general economic conditions, there is a decrease in asset quality or growth in the loan portfolio and management determines that additional increases in the allowance for credit losses are necessary, we may incur additional expenses which will reduce our net income and could materially affect our financial condition.

Although our management will establish an allowance for credit losses it believes is appropriate to absorb expected credit losses over the life of loans in our loan portfolio, this allowance may not be adequate. For example, if economic conditions in those markets were to significantly deteriorate unexpectedly, additional credit losses not incorporated in the existing allowance for credit losses may occur. Losses in excess of the existing allowance for credit losses will reduce our net income and could adversely affect our business, results of operations or financial condition, perhaps materially.

In addition, bank regulatory agencies will periodically review our allowance for credit losses and the value attributed to non-accrual loans and to real estate acquired through foreclosure. Such regulatory agencies may require us to adjust our determination of the value for these items. These adjustments could materially adversely affect our business, results of operations or financial condition.

Any future reductions in our credit ratings may increase our funding costs and place limitations on business activities.

The major ratings agencies regularly evaluate us, and their ratings are based on a number of factors, including our financial strength and conditions affecting the financial services industry generally. In general, ratings agencies base their ratings on many quantitative and qualitative factors, including capital adequacy, liquidity, asset quality, business mix and level and quality of earnings, and we may not be able to maintain our current credit ratings. The ratings assigned to Regions and Regions Bank remain subject to change at any time, and it is possible that any ratings agency could take action to downgrade Regions, Regions Bank or both in the future. Additionally, ratings agencies may also make substantial changes to their ratings policies and practices, which may affect our credit ratings. In the future, changes to existing ratings guidelines and new ratings guidelines may, among other things, adversely affect the ratings of our securities or other securities in which we have an economic interest.

Our credit ratings can have negative consequences that can impact our ability to access the debt and capital markets, as well as reduce our profitability through increased costs on future debt issuances. If we were to be downgraded below investment grade, we may not be able to reliably access the short-term unsecured funding markets, and certain customers could be prohibited from placing deposits with Regions Bank, which could cause us to hold more cash and liquid investments to meet our ongoing liquidity needs. Such actions could reduce our profitability as these liquid investments earn a lower return than other assets, such as loans. See the "Liquidity" section within "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Annual Report on Form 10-K for our liquidity policy.

Additionally, if we were to be downgraded to below investment grade, certain counterparty contracts may be required to be renegotiated or require posting of additional collateral. Refer to Note 20 "Derivative Financial Instruments and Hedging Activities" to the consolidated financial statements of this Annual Report on Form 10-K for the fair value of contracts subject to contingent credit features and the collateral postings associated with such contracts. Although the exact amount of additional collateral is unknown, it is reasonable to conclude that we may be required to post additional collateral related to existing contracts with contingent credit features.

Changes in the soundness of other financial institutions could adversely affect us.

Adverse developments affecting the overall strength and soundness of other financial institutions, the financial services industry as a whole and the general economic climate and the U.S. Treasury market has had and may in the future have a negative impact on perceptions about the strength and soundness of our business even if we are not subject to the same adverse developments. In addition, adverse developments with respect to third parties with whom we have important relationships could also negatively impact perceptions about us. These perceptions about us could cause our business to be negatively affected and exacerbate the other risks that we face.

Regions may be impacted by actual or perceived soundness of other financial institutions, including as a result of the financial or operational failure of a major financial institution, or concerns about the creditworthiness of such a financial institution or its ability to fulfill its obligations, which can cause substantial and cascading disruption within the financial markets and increased expenses, including FDIC insurance premiums, and could affect our ability to attract and retain depositors and to borrow or raise capital. The failure of other banks and financial institutions and the measures taken by governments, businesses and other organizations in response to these events, including increased regulatory scrutiny, could adversely impact Regions' business, financial condition and results of operations.

Regions' ability to engage in routine funding transactions could be adversely affected by the actions and commercial soundness of other financial institutions. Financial services institutions are interrelated as a result of trading, clearing, counterparty and other relationships. Regions has exposure to many different industries and counterparties and routinely executes transactions with counterparties in the financial industry, including brokers and dealers, central counterparties, commercial banks, investment banks, mutual and hedge funds and other institutional investors and clients. As a result, defaults by, or even rumors or questions about, one or more financial services institutions or the financial services industry generally, in the past have led to market-wide liquidity problems and could lead to losses or defaults by Regions or by other institutions. Many of these transactions expose Regions to credit risk in the event of default of Regions' counterparty or client. In addition, Regions' credit risk may be exacerbated when the collateral held by Regions cannot be liquidated or is liquidated at prices not sufficient to recover the full amount of Regions' exposure. Any such losses could materially and adversely affect Regions' results of operations and financial condition.

We may suffer losses if the value of collateral declines in stressed market conditions.

During periods of market stress or illiquidity, our credit risk may be further increased when we fail to realize the fair value of the collateral we hold; collateral is liquidated at prices that are not sufficient to recover the full amount owed to us; or counterparties are unable to post collateral, whether for operational or other reasons. Furthermore, disputes with counterparties concerning the valuation of collateral may increase in times of significant market stress, volatility or illiquidity, and we could suffer losses during these periods if we are unable to realize the fair value of collateral or to manage declines in the value of collateral.

Liquidity Risks

Ineffective liquidity management could adversely affect our financial results and condition.

Effective liquidity management is essential for the operation of our business. We require sufficient liquidity to meet customer loan requests, customer deposit maturities/withdrawals, payments on our debt obligations as they come due and other cash commitments under both normal operating conditions and unpredictable circumstances causing industry or general financial market stress. A substantial majority of our assets are loans, which cannot necessarily be called or sold on timeframes short enough to meet these liquidity requirements.

In addition, our access to funding sources in amounts adequate to finance our activities on terms that are acceptable to us could be impaired by factors that affect us specifically or the financial services industry or economy generally. Factors that could detrimentally impact our access to liquidity sources include increases in funding costs, a downturn or disruption in financial markets, or unforeseen outflows of cash or collateral (due, for example, to deposit outflows or draws upon loan commitments). Although we have historically been able to meet the liquidity needs of customers as necessary, the ability to do so is not assured, especially if there are large simultaneous withdrawals from deposits or draws upon loan commitments. A failure to maintain adequate liquidity could materially and adversely affect our business, results of operations and financial condition.

Loss of deposits or a change in deposit mix could increase our funding costs.

Deposits are a low cost and stable source of funding. Regions competes with banks and other financial institutions for deposits and as a result, Regions could lose deposits in the future, clients may shift their deposits into higher cost products or Regions may need to raise interest rates to avoid deposit attrition. Funding costs may also increase if deposits lost are replaced with wholesale funding. Higher funding costs reduce Regions' net interest margin, net interest income and net income. Any of a variety of single or combined factors could contribute to adverse movement in deposits or deposit costs, including but not limited to economic uncertainty, rapid movements in market interest rates or the Federal Reserve's monetary policy, entrance of competitors, disruptive technology, and/or diminishment of confidence in Regions or banks broadly.

We rely on the mortgage secondary market to manage various risks.

In 2025, we sold 50.0 percent of the mortgage loans we originated to the Agencies. We rely on the Agencies to purchase loans that meet their conforming loan requirements in order to reduce our credit risk and provide funding for additional loans we desire to originate. We cannot provide assurance that the Agencies will not materially limit their purchases of conforming loans due to capital constraints, a change in the criteria for conforming loans or other factors. Additionally, various proposals have been made to reform the U.S. residential mortgage finance market, including the role of the Agencies. The exact effects of any such reforms, if implemented, are not yet known, but they may limit our ability to sell conforming loans to the Agencies. If we are unable to continue to sell conforming loans to the Agencies, our ability to fund, and thus originate, additional mortgage loans may be adversely affected, which would adversely affect our results of operations.

Technology Risks

We are at risk of a variety of systems failures or errors and cyber-attacks or other similar incidents that could adversely affect customer experience and our business and financial performance.

Failure or errors in or breach of our systems or networks, or those of our third-party service providers (or providers to such third-party service providers), including as a result of cybersecurity or other similar incidents, could disrupt our businesses or impact our customers. Examples of incidents include, among other things, denial of service attacks, ransomware, malware, worms, software bugs, hacking, social engineering, phishing attacks, credential stuffing, account takeovers, insider threats, theft, malfeasance or improper access by employees or service providers, human error, fraud or other similar disruptions. These incidents could result in the loss, unauthorized disclosure, misuse or misappropriation of confidential, personal, proprietary or other information, damage to our reputation, increases to our costs and cause customer and financial losses. As a large financial institution, we depend on our ability to process, record and monitor a large number of customer transactions on a continuous basis and otherwise collect, transmit, store and process a significant amount of personal information in connection therewith. As public, regulatory and customers' expectations have increased regarding operational resilience and cybersecurity, our systems, networks and infrastructure must continue to be safeguarded and monitored for potential failures and disruptions, as well as cybersecurity or other similar incidents. Our systems and facilities may stop operating properly or become disabled or damaged as a result of a number of factors, including events that are wholly or partially beyond our control. For example, there could be electrical or telecommunications outages; pandemics; events arising from local or larger scale political or social matters, including terrorist acts and civil unrest; and, as described below, cyber-attacks or other similar incidents. Although we have business continuity plans and other safeguards in place, our business operations may be adversely affected by significant and widespread disruption to our physical infrastructure or operating systems or networks, or those of our third-party service providers, that support our businesses and customers.

Cybersecurity risks for large financial institutions, such as us, have increased significantly in recent years in part because of the proliferation of technology-based products and services, the increased pace of technological innovation, and the increased sophistication and activities of organized crime, hackers, terrorists, nation-states, nation state-supported actors, activists and other external parties. This increase is expected to continue and further intensify. The techniques used by cyber criminals change frequently, may not be recognized until launched (or may evade detection for considerable time), can be initiated from a variety of sources, including terrorist organizations and hostile foreign governments, and may see their frequency increased, and effectiveness enhanced, by the use of AI. These criminals may attempt to fraudulently induce employees, customers or other users of our systems and networks to disclose sensitive information (including confidential, personal, proprietary and other information) in order to gain access to data or our systems and networks. Third parties with whom we or our customers do business also present operational and cybersecurity risks to us, including cybersecurity or other similar incidents or failures or disruptions of their own systems and networks. While we have successfully defended similar attacks, we could become the subject of a successful similar style attack through a supply chain compromise. As noted above, our operations rely on the secure collection, transmission, storage and other processing of confidential, personal, proprietary and other information in our operating systems and networks. In addition, to access our products and services, our customers may use personal computers, smartphones, tablets and other mobile devices that are beyond our control environment. Additionally, cybersecurity and other similar incidents or terrorist activities could disrupt our or our customers' or other third parties' business operations. Although these past events have not resulted in a breach of our client data or account information, such attacks have adversely affected the performance of Regions Bank's website, www.regions.com, and, in some instances, prevented customers from accessing Regions Bank's secure websites for consumer and commercial applications. In all cases, the attacks primarily resulted in inconvenience; however, future cyber-attacks or other similar incidents could be more disruptive and damaging, and we may not be able to anticipate or prevent all such attacks. The U.S. government has raised concerns about increases in cyber-attacks and other similar incidents generally as a result of various political and military conflicts around the world.

Although we believe that we have appropriate information security procedures and controls designed to prevent or limit the effects of a cybersecurity or other similar incident, our technologies, systems, networks and our customers' devices may be the target of cybersecurity or other similar incidents that could result in the unauthorized release, accessing, gathering, monitoring, loss, destruction, modification, acquisition, transfer, use or other processing of us or our customers' confidential, personal, proprietary and other information. We also have insurance coverage, that is reviewed annually, that may, subject to policy terms and conditions, cover certain losses associated with cybersecurity and other similar incidents, but our insurer may deny coverage as to any future claim or our insurance coverage may be insufficient to cover all losses from any such attack, breach or incident, including any related damage to our reputation. In addition, given the proliferation of cyber-events in our industry, the cost of cyber insurance is expected to continue to increase and may not be available at all or on acceptable terms.

As cyber threats continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our layers of defense or to investigate and remediate any information security vulnerabilities. We may also be required to incur significant costs in connection with any regulatory investigation or civil litigation, fines, damages or injunctions resulting from a cybersecurity or other similar incident that impacts us. In addition, our third-party service providers may be unable to identify vulnerabilities in their systems and networks or, once identified, be unable to promptly provide required patches or other remedial measures. Further, even if provided, such patches or remedial measures may not fully address any vulnerability or may be difficult for us to implement. While we perform cybersecurity diligence on our key service providers, because we do not control our service providers and our ability to monitor their cybersecurity is limited, we cannot ensure the cybersecurity measures they take will be sufficient to protect any information we share them. Due to applicable laws and regulations or contractual obligations, we may be held responsible for cybersecurity or other similar incidents attributed to our service providers as they relate to the information we share with them.

Disruptions or failures in the physical infrastructure or operating systems or networks that support our businesses and customers, or cybersecurity or other similar incidents of the networks, systems or devices that our customers use to access our products and services, could result in customer attrition, violation of applicable privacy and cybersecurity laws and regulations, notifications obligations, regulatory fines, civil litigation, damages, injunctions, penalties or intervention, reputational damage, reimbursement or other compensation costs, remediation costs, additional cybersecurity protection costs, increased insurance premiums and/or additional compliance costs, any of which could materially adversely affect our business, results of operations or financial condition. We could also be adversely affected if we lose access to information or services from a third-party service provider as a result of a cybersecurity or similar incident or system, network or operational failure or disruption affecting the third-party service provider. For a more detailed discussion of these risks and specific occurrences, see the "Information Security Risk" section of Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Annual Report on Form 10-K.

We are subject to complex and evolving laws, regulations, rules, standards and contractual obligations regarding privacy and cybersecurity, which could increase the cost of doing business, compliance risks and potential liability.

We are subject to complex and evolving laws, regulations, rules, standards and contractual obligations relating to the privacy and cybersecurity of the personal information of clients, employees or others, and any failure to comply with these laws, regulations, rules, standards and contractual obligations could expose us to liability and/or reputational damage. As new privacy and cybersecurity-related laws, regulations, rules and standards are implemented, the time and resources needed for us to comply with such laws, regulations, rules and standards as well as our potential liability for non-compliance and reporting obligations in the case of cybersecurity or other similar incidents, may significantly increase. In addition, our businesses are increasingly subject to laws, regulations, rules and standards relating to privacy, cybersecurity, surveillance, encryption and data use in the jurisdictions in which we operate. Compliance with these laws, regulations, rules and standards may require us to change our policies, procedures and technology for information security and segregation of data, which could, among other things, make us more vulnerable to operational failures and to monetary penalties for breach of such laws, regulations, rules and standards.

At the federal level, we are subject to the GLBA which requires financial institutions to, among other things, periodically disclose their privacy policies and practices relating to sharing personal information and, in some cases, enables retail customers to opt out of the sharing of certain non-public personal information with unaffiliated third parties. We are also subject to the rules and regulations promulgated under the authority of the Federal Trade Commission, which regulates unfair or deceptive acts or practices, including with respect to privacy and cybersecurity. Moreover, the United States Congress has considered, and will likely in the future consider, various proposals for more comprehensive privacy and cybersecurity legislation, to which we may be subject if passed. Additionally, the federal banking regulators, as well as the SEC and related self-regulatory organizations, regularly issue guidance regarding cybersecurity that is intended to enhance cyber risk management among financial institutions.

Privacy and cybersecurity are also areas of increasing state legislative focus and we are, or may in the future become, subject to various state laws and regulations regarding privacy and cybersecurity, such as the CCPA. For example, while we have taken steps to comply with applicable portions of the CCPA, we cannot ensure that such steps completely eliminate the risk of liability under the CCPA. Other states where we do business, or may in the future do business, or from which we otherwise collect, or may in the future otherwise collect, personal information of residents have implemented, or are considering implementing, comprehensive privacy and cybersecurity laws and regulations sharing similarities with the CCPA. Similar laws already exist in a number of other states, and such legislation continues to expand across the country. In addition, laws in all 50 U.S. states generally require businesses to provide notice under certain circumstances to individuals whose personal information has been disclosed as a result of a data breach. Certain state laws and regulations may be more stringent, broader in scope or offer greater individual rights, with respect to personal information than federal or other state laws and regulations, and such laws and regulations may differ from each other, which may complicate compliance efforts and increase compliance costs. Aspects of the CCPA and other federal and state laws and regulations relating to privacy and cybersecurity, as well as their enforcement, remain unclear, and we may be required to modify our practices in an effort to comply with them.

Further, while we strive to publish and prominently display privacy policies that are accurate, comprehensive and compliant with applicable laws, regulations, rules and industry standards, we cannot ensure that our privacy policies and other statements regarding our practices will be sufficient to protect us from claims, proceedings, liability or adverse publicity relating to privacy or cybersecurity. Although we endeavor to comply with our privacy policies, we may at times or in the future fail to do so or be alleged to have failed to do so. The publication of our privacy policies and other documentation that provide promises and assurances about privacy and cybersecurity can subject us to potential federal or state action if they are found to be deceptive, unfair, or misrepresents our actual practices. Additional risks could arise in connection with any failure, or perceived failure, to timely or sufficiently update or expand our privacy notices and policies to be fully compliant with quickly evolving state privacy requirements, and any failure to sufficiently respond to, or respond in a sufficiently timely manner to, consumer rights and other requests exercised under such state privacy laws, in each case to the extent they are applicable to us. Additional risks may also arise in connection with a failure or perceived failure by us, our service providers or other third parties with which we do business to provide adequate disclosure or transparency to our customers about the personal information collected from them and its use, to receive, document or honor the privacy preferences expressed by our customers, to protect personal information from unauthorized disclosure or to maintain proper training on privacy practices for all employees or third parties who have access to personal information in our possession or control.

Any failure or perceived failure by us to comply with our privacy policies, or applicable privacy and cybersecurity laws, regulations, rules, standards or contractual obligations, or any compromise of security that results in unauthorized access to, or unauthorized loss, destruction, use, modification, acquisition, disclosure, release or transfer of personal information, may result in requirements to modify or cease certain operations or practices, the expenditure of substantial costs, time and other resources, proceedings or actions against us, legal liability, governmental investigations, enforcement actions, claims, fines, judgments, awards, penalties, sanctions and costly litigation (including class actions). Any of the foregoing could harm our reputation, distract our management and technical personnel, increase our costs of doing business, adversely affect the demand for our products and services and ultimately result in the imposition of liability, any of which could have a material adverse effect on our business, financial condition and results of operations. For further discussion of the privacy and cybersecurity laws, regulations, rules and standards we are, or may in the future become, subject to, see the "Supervision and Regulation-Privacy and Cybersecurity" section of Item 1. "Business" of this Annual Report on Form 10-K.

We will continually encounter technological change and must effectively anticipate, develop and implement new technology.

The financial services industry is undergoing rapid technological change with frequent introductions of new technology-driven products and services. We have invested in technology to automate functions previously performed manually, to facilitate the ability of clients to engage in financial transactions and otherwise to enhance the client experience with respect to our products and services. We expect to make additional investments in innovation and technology to address technological disruption in the industry and improve client offerings and service. These changes allow us to better serve our clients and to reduce costs.

Despite our investments in technology, our continued success depends, in part, upon our ability to address clients' needs by using technology to provide products and services that satisfy client demands, including demands for faster and more secure payment services, to create efficiencies in our operations and to integrate those offerings with legacy platforms or to update those legacy platforms. A failure to maintain or enhance our competitive position with respect to technology, whether because of a failure to anticipate client expectations, a failure in the performance of technological developments or an untimely roll out of developments, may cause us to lose market share or incur additional expense.

The development and use of AI presents risks and challenges that may adversely impact our business.

We and our third-party vendors, clients or counterparties develop, deploy and incorporate AI technology in certain business processes, services and products. Our current and increasing development, deployment and use of AI presents a number of risks and challenges to our business. The legal and regulatory environment relating to AI is uncertain and rapidly evolving, both in the U.S. and internationally, and includes regulatory schemes targeted specifically at AI as well as new and existing provisions in intellectual property, privacy, cybersecurity, consumer protection, employment and other laws applicable to the use of AI and changes in interpretation of the foregoing. These evolving laws and regulations could require changes in our implementation of AI technology and increase our compliance costs and the risk of non-compliance. AI models, particularly generative AI models, may, and often do, produce output or take action that is incorrect, that result in the release of personal, confidential or proprietary information, that reflect or introduce discrimination, errors or biases included in the data on which they are trained or prompts or algorithms on which they rely, that infringe on the intellectual property rights of others or that is otherwise harmful. In addition, the complexity of many AI models makes it challenging to understand why they are generating particular outputs. This limited transparency increases the challenges associated with assessing the proper operation of AI models, understanding and monitoring the capabilities of the AI models, reducing erroneous output, eliminating bias and complying with applicable laws and regulations, including those that require documentation or explanation of the basis on which decisions are made. Additionally, if we do not have sufficient rights to use AI models, the data on which they are trained or prompts or algorithms on which they rely or the output thereof, we could also incur liability through the violation of applicable laws and regulations, third-party intellectual property, privacy or other rights or contracts to which we are a party.

Further, we currently rely, and expect to continue to rely, on AI models developed by third parties, and are and would be dependent in part on the manner in which those third parties develop, train and deploy their models, which involves risks arising from any discrimination, errors or bias in the models and the data on which they are trained or prompts or algorithms on which they rely, as well as the risk of inadvertent disclosure or incorporation of our personal, confidential or proprietary information into publicly available training sets. Any of these risks may impact our ability to realize the benefit of such information or adequately maintain, protect and enforce our intellectual property rights, and could result in regulatory compliance failures and otherwise harm our competitive position and business. The use of AI by companies has resulted in, and may in the future result in, systems failures or errors and cyber-attacks or other similar incidents. We may not be able to sufficiently mitigate, remediate or detect any of the foregoing limitations or risks given our and other market participants' evolving experience with using AI, the pace of technological change, and rapid adoption of AI by our third-party vendors, clients, counterparties or competitors. Any of these risks could expose us to liability or adverse legal or regulatory consequences and harm our reputation and the public perception of our business or the effectiveness of our security measures.

We are also exposed to risks arising from the use of AI technologies by bad actors to commit fraud and misappropriate funds and to facilitate cyber-attacks and other similar incidents. Generative AI, if used to perpetrate fraud or launch cyberattacks or other similar incidents, could create panic at a particular financial institution or securities exchange, which could pose a threat to financial stability.

Moreover, inappropriate or controversial data practices by AI developers and users, or other factors adversely affecting public opinion of AI, could also impair the acceptance of AI. If the AI technology that we incorporate into our business processes, services or products are, or are perceived to be, deficient, inaccurate or controversial, we could suffer operational inefficiencies, competitive harm, legal liability, brand or reputational harm or other adverse impacts on our business, results of operations and financial condition. Additionally, our competitors and other third parties may incorporate AI into their business processes, services and products more quickly or more successfully than us, which could impair our ability to compete effectively and adversely affect our business, results of operations and financial condition.

Strategic Risks

Industry competition, including competition from decentralized finance platforms, cryptocurrencies and blockchain technologies, could disrupt our business model and adversely affect our revenues, market share or liquidity.

Our profitability depends on our ability to compete successfully. We operate in a highly competitive industry that could become even more competitive as a result of legislative, regulatory, market and technological changes, as well as continued industry consolidation. This consolidation may produce larger and more geographically diverse companies that are capable of offering a wider array of financial products and services at more competitive prices. For example, there have been a number of completed mergers of financial institutions within our market areas, and there may in the future be additional consolidation. These and future mergers will, if completed, allow the merged financial institutions to benefit from cost savings and shared resources.

In our market areas, we face competition from other commercial banks, savings and loan associations, credit unions, internet banks, fintechs, finance companies, mutual funds, insurance companies, brokerage and investment banking firms, mortgage companies and other financial intermediaries that offer similar services. Many of our non-bank competitors are not subject to the same extensive regulations we are and, therefore, may have greater flexibility in competing for business.

In addition, technology has lowered barriers to entry and made it possible for non-banks to offer products and services, such as loans and payment services, that traditionally were banking products, and made it possible for technology companies to compete with financial institutions in providing electronic, internet-based, and mobile phone–based financial solutions. Competition with non-banks, including technology companies, to provide financial products and services is intensifying. In particular, the activity of fintechs has grown significantly over recent years and is expected to continue to grow. Fintechs have and may continue to offer bank or bank-like products. For example, a number of fintechs have applied for, and in some cases been granted, bank or industrial loan charters. In addition, other fintechs have partnered with existing banks to allow them to offer deposit products to their customers. Regulatory changes, such as the revisions to the FDIC's rules on brokered deposits intended to reflect recent technological changes and innovations, may also make it easier for fintechs to partner with banks and offer deposit products. In addition to fintechs, traditional technology companies have begun to make efforts toward providing financial services directly to their customers and are expected to continue to explore new ways to do so. Many of these companies, including our competitors, have fewer regulatory constraints, and some have lower cost structures, in part due to lack of physical locations. Regions provides an array of digital products and services to our customers and we expect a bank's digital offerings are a competitive necessity. The move toward digital banking and financial services, and customer expectations regarding digital offerings, will require us to invest greater resources in technological improvements and may put us at a disadvantage to banks and non-banks with greater resources to spend on technology.

The rapid emergence and increasing adoption of DeFi platforms, cryptocurrencies and related blockchain-enabled financial products and services could disrupt traditional banking services and accelerate competitive pressures on our business. As customers and counterparties gain access to alternative platforms that facilitate payments, lending, trading, custody, settlement and other financial services outside of, or with reduced reliance on, traditional financial institutions, we may experience reduced demand for certain of our products and services, lower volumes and compression of pricing and fee incomes. If we do not effectively develop, acquire, partner with or otherwise adapt our products to respond to evolving customer preferences and competitive dynamics, then we may lose customers to existing or new competitors, including non-bank competitors, resulting in reduced market share and lower revenues.

Continued growth in the acceptance of DeFi platforms, cryptocurrencies and blockchain technologies could also reduce traditional banking deposits and income streams and increase volatility in our deposit base, which could adversely affect our liquidity position, funding costs and overall financial condition. The evolving regulatory and supervisory environment applicable to DeFi platforms, cryptocurrencies and blockchain technologies may increase our compliance costs, constrain our ability to pursue strategic initiatives or engage in certain activities and heighten our exposure to reputational and operational risks. Developments in the regulatory landscape, such as the enactment and implementation of the Guiding and Establishing National Innovation for U.S. Stablecoins Act of 2025 (GENIUS Act) and potential enactment of the Digital Asset Market Clarity Act of 2025 (CLARITY Act) or similar market structure legislation, may also affect our clients' needs and expectations for products and services. In addition, adverse events involving DeFi platforms and cryptocurrencies, including security breaches, fraud, market manipulation, insolvencies or other failures, could negatively impact customer confidence in financial institutions generally or in us, even if we are not directly involved, and thereby adversely affect our business and results of operations.

Our ability to compete successfully depends on a number of additional factors, including customer convenience, quality of service, personal contacts, the quality of the technology that supports the customer experience and pricing and range of products. If we are unable to successfully compete for new customers and to retain our current customers, our business, financial condition or results of operations may be adversely affected, perhaps materially. In particular, if we experience an outflow of deposits as a result of our customers seeking investments with higher yields or greater financial stability, we may be forced to rely more heavily on borrowings and other sources of funding to operate our business and meet withdrawal demands, thereby adversely affecting our net interest margin and financial performance. In addition, we may not be able to effectively implement new technology-driven products and services or be successful in marketing these products and services to our customers. As a result, our ability to effectively compete to retain or acquire new business may be impaired, and our business, financial condition or results of operations, may be adversely affected.

Our operations are concentrated primarily in the South, Midwest and Texas, and adverse changes in the economic conditions in this region can adversely affect our financial results and condition.

Our operations are concentrated primarily in the South, Midwest and Texas. As a result, local economic conditions in these areas significantly affect the demand for the loans and other products we offer to our customers (including real estate, commercial and construction loans), the ability of borrowers to repay these loans and the value of the collateral securing these loans. Any declines in real estate values in these areas may adversely affect borrowers and the value of the collateral securing many of our loans, which could adversely affect our currently performing loans, leading to future delinquencies or defaults and increases in our provision for credit losses. Adverse changes in the economic conditions in these regions could materially adversely affect our business, results of operations or financial condition.

Our geographic footprint includes markets that are experiencing significant population growth and economic development, which makes these areas attractive to both existing and new financial institutions. As a result, we could face increased competition from other financial institutions seeking to expand in these markets. If we are unable to compete effectively, our ability to grow loans and deposits, maintain customer relationships, and achieve desired profitability could be adversely affected.

Weakness in the residential real estate markets could adversely affect our performance.

As of December 31, 2025, consumer residential real estate loans represented approximately 26.5 percent of our total loan portfolio. A general decline in home values would adversely affect the value of collateral securing the residential real estate that we hold, as well as the volume of loan originations and the amount we realize on the sale of real estate loans. Additionally, if insurance obtained by our borrowers is insufficient to cover any losses sustained to the collateral, the decreases in the value of collateral securing our loans as a result of natural disasters or other related events could adversely impact our financial condition and results of operations. If insurance coverage is unavailable to our borrowers due to the reluctance of insurance companies to renew policies covering the collateral or due to other factors, the resulting increase in cost of home ownership could affect the ability of borrowers to repay loans. These factors could result in higher delinquencies and greater charge-offs in future periods, which could materially adversely affect our business, financial condition or results of operations.

Weakness in the commercial real estate markets could adversely affect our performance.

As of December 31, 2025, approximately 9.5 percent of our loan portfolio consisted of investor real estate loans. Commercial real estate loans generally carry large balances and may involve a greater degree of financial and credit risk than other loans. The increased financial and credit risk associated with these types of loans are a result of several factors, including the concentration of principal in a limited number of loans and borrowers, the types of business and collateral, the size of loan balances, the effects of nationwide and regional economic conditions on income-producing properties and businesses and the increased difficulty of evaluating and monitoring these types of loans. Declines in real estate markets or sustained economic downturns increase the risk of credit losses or charge-offs related to our loans or foreclosures on certain real estate properties.

The investor real estate loans we make are secured by income-producing properties such as office buildings, retail centers, mixed-use buildings and multi-tenanted light industrial properties. At December 31, 2025, office properties constituted 1.1 percent of our total loan portfolio. The office property segment is undergoing a structural shift given the rise of a remote work environment resulting in heightened vacancies and potentially reduced leasing needs. It is anticipated that this heightened risk environment for the office segment may take several years to resolve. A reduction in the need for office space could result in a reduction in demand for these categories of commercial office and/or in our customers' ability to repay their loans, which, in turn, may have an adverse effect on our business and results of operation.

Furthermore, additional softening in the real estate market in our primary market areas (in particular the South, Midwest, and Texas) could result in an increase in the number of borrowers who default on their loans and a reduction in the value of the collateral securing their loans, which in turn could have an adverse effect on our profitability and asset quality. If we are required to liquidate the collateral securing a loan to satisfy the debt during a period of reduced real estate values, our earnings and shareholders' equity could be adversely affected. Unexpected decreases in investor real estate prices coupled with slow economic growth and elevated levels of unemployment could drive losses beyond those which are provided for in our allowance for loan losses. We also may incur losses on investor real estate loans due to declines in occupancy rates and rental rates, which may decrease property values and may decrease the likelihood that a borrower may find permanent financing alternatives. Any of these events could increase our costs, require management's time and attention, and have an adverse effect on our business and results of operations.

Additionally, if insurance obtained by our borrowers is insufficient to cover any losses sustained to the collateral, the decreases in the value of collateral securing our loans as a result of natural disasters or other related events could adversely impact our financial condition and results of operations. If insurance coverage is unavailable to our borrowers due to the reluctance of insurance companies to renew policies covering the collateral or due to other factors, the resulting increase in cost of investor real estate ownership could affect the ability of borrowers to repay loans. The combination of these factors could result in deterioration in the fundamentals underlying the commercial real estate market and the deterioration in value of some of our loans, as well as the ability of our borrowers to repay the amounts due under their loans.

Risks associated with home equity products where we are in a second lien position could adversely affect our performance.

Home equity products, particularly those in a second lien position, may carry a higher risk of non-collection than other loans. Home equity lending includes both home equity loans and lines of credit. At December 31, 2025, the Company's home equity portfolio included approximately $3.2 billion of home equity lines of credit and $2.3 billion of closed-end home equity loans (primarily originated as amortizing loans). Real estate market values at the time of origination directly affect the amount of credit extended, and, in addition, past and future changes in these values impact the depth of potential losses. Second lien position lending carries higher credit risk because any decrease in real estate pricing may result in the value of the collateral being insufficient to cover the second lien after the first lien position has been satisfied. As of December 31, 2025, approximately $2.4 billion of our home equity lines and loans were in a second lien position.

Weakness in commodity businesses could adversely affect our performance.

Many of our borrowers operate in industries that are directly or indirectly impacted by changes in commodity prices. This includes agriculture, livestock, metals, timber, textiles and energy businesses (including oil, gas and petrochemical), as well as businesses indirectly impacted by commodities prices such as businesses that transport commodities or manufacture equipment used in production of commodities. Changes in commodity prices depend on local, regional and global events or conditions that affect supply and demand for the relevant commodity. These industries have been, and may in the future be, subject to significant volatility. For example, oil prices have been volatile, both rising and falling, in recent years. Such volatility is expected to continue in the foreseeable future due to an unpredictable geopolitical and economic environment, including as a direct or indirect consequence of changing tariff regimes. As a consequence of oil and gas price volatility, our energy-related portfolio may be subject to additional pressure on credit quality metrics including past due, criticized, and non-performing loans, as well as net charge-offs. In addition, legislative changes such as the elimination of certain tax incentives and the transition to a less carbon dependent economy in response to climate change and other factors could have significant impacts on this portfolio.

An outbreak or escalation of hostilities between countries or within a country or region could have a material adverse effect on the U.S. economy and on our businesses.

Aggressive actions by hostile governments or groups, including armed conflict or intensified cyber-attacks, could expand in unpredictable ways by drawing in other countries or escalating into full-scale war with potentially catastrophic consequences, particularly if one or more of the combatants possess nuclear weapons. Depending on the scope of the conflict, the hostilities could result in worldwide economic disruption, heightened volatility in financial markets, severe declines in asset values, disruption of global trade and supply chains and diminished consumer, business and investor confidence.

Instability in geopolitical matters could have a material adverse effect on our results of operations and financial condition. The macroeconomic environment in the United States is susceptible to global events and volatility in financial markets.. Current and emerging sources of geopolitical risk include, among others, ongoing armed conflicts and military tensions (such as Russia's invasion of Ukraine and various conflicts in the Middle East), heightened strategic competition between the United States and China and evolving tensions related to relations between China and Taiwan. Political and military developments in Venezuela and broader instability in other parts of Latin America may contribute to economic uncertainty and pressures on regional markets and supply chains. Additionally, shifting geopolitical priorities among major powers have amplified concerns about economic fragmentation, trade disruptions and the weaponization of economic policy tools such as sanctions, tariffs and export controls.

These dynamics can lead to higher and more volatile commodity and energy prices, strained global supply chains, increased inflationary pressures and weaker economic growth both globally and in the United States. Financial markets may experience abrupt swings in asset valuations, higher risk premiums and periods of reduced liquidity. Geopolitical events can also spur elevated cyber threats, including state-sponsored and opportunistic cyber-attacks aimed at critical infrastructures and financial systems. Such attacks could disrupt our operations, compromise sensitive data, increase compliance and remediation costs and harm customer relationships.

Any of these developments, either alone or together, may dampen consumer and business confidence, increase delinquency rates, amplify credit risk across our loan portfolios, disrupt funding markets or necessitate additional capital or liquidity reserves. As a result, instability in geopolitical matters and the global macroeconomic environment could have significant adverse effects on the U.S. economy, our business and our long-term strategic plans.

Operational Risks

We are subject to a variety of operational risks, including the risk of fraud or theft by internal or external parties, which may adversely affect our business and results of operations.

We are exposed to many types of operational risks, including business resilience, process, third party, information technology, human resource, model and fraud risks, each of which may be amplified by continued remote work. Our fraud risks include fraud committed by external parties against the Company or its customers and fraud committed internally by our associates. Certain fraud risks, including identity theft and account takeover, may increase as a result of customers' account or personal information being obtained through breaches of retailers' or other third parties' networks. Examples of external fraud we face include fraudulent checks, stolen checks and other check-related fraud. We have established processes and procedures intended to identify, measure, monitor, mitigate, report and analyze these risks; however, there are inherent limitations to our risk management strategies as there may exist, or develop in the future, risks that we have not appropriately anticipated, monitored or identified. If our risk management framework proves ineffective, we could suffer unexpected losses, we may have to expend resources detecting and correcting the failure in our systems and we may be subject to potential claims from third parties and government agencies. We may also suffer severe reputational damage. Any of these consequences could adversely affect our business, financial condition or results of operations. In particular, the unauthorized disclosure, misappropriation, mishandling or misuse of personal, non-public, confidential or proprietary information of customers could result in significant regulatory consequences, reputational damage and financial loss.

We rely on other companies to provide key components of our business infrastructure.

Third parties provide key components of our business operations such as data processing, recording and monitoring transactions, online banking interfaces and services, internet connections and network access. While we have selected these third-party vendors carefully, performing upfront due diligence and ongoing monitoring activities, we do not control their actions. Any issues that arise with respect to these third parties, including those resulting from disruptions in services provided by a vendor (including as a result of a cyber-attack, other information security event or a natural disaster), financial or operational difficulties for the vendor, issues at third-party vendors to the vendors, failure of a vendor to handle current or higher volumes, failure of a vendor to provide services for any reason, poor performance of services, failure to comply with applicable laws and regulations or fraud or misconduct on the part of employees of any of our vendors, could trigger regulatory notification obligations on us, adversely affect our ability to deliver products and services to our customers, our reputation and our ability to conduct our business. In certain situations, replacing these third-party vendors could also create significant delay and expense. Accordingly, use of such third parties creates an unavoidable, inherent risk to our business operations. Many of our vendors have also been impacted by market volatility and other factors that increase their risks of business disruption or that may otherwise affect their ability to perform under the terms of any agreements with us or provide essential services.

We depend on the accuracy and completeness of information about clients and counterparties.

In deciding whether to extend credit or enter into other transactions with clients and counterparties, we may rely on information furnished by or on behalf of clients and counterparties, including financial statements and other financial information. We also may rely on representations of clients and counterparties as to the accuracy and completeness of that information and, with respect to financial statements, on reports of independent auditors if made available. If this information is inaccurate, we may be subject to regulatory action, reputational harm or other adverse effects with respect to the operation of our business, our financial condition and our results of operations.

We are exposed to risk of environmental liability when we take title to property.

In the course of our business, we may foreclose on and take title to real estate. As a result, we could be subject to environmental liabilities with respect to these properties. We may be held liable to a governmental entity or to third parties for property damage, personal injury, investigation and clean-up costs incurred by these parties in connection with environmental contamination or may be required to investigate or clean up hazardous or toxic substances or chemical releases at a property. The costs associated with investigation or remediation activities could be substantial. In addition, if we are the owner or former owner of a contaminated site, we may be subject to common law claims by third parties based on damages and costs resulting from environmental contamination emanating from the property. If we become subject to significant environmental liabilities, our business, financial condition or results of operations could be adversely affected.

We can be negatively affected if we fail to identify and address operational risks associated with the introduction of or changes to products, services and delivery platforms.

When we launch a new product or service, introduce a new platform for the delivery or distribution of products or services (including mobile connectivity, electronic trading and cloud computing), acquire or invest in a business or make changes to an existing product, service or delivery platform, we may not fully identify or understand new operational risks that may arise from those changes, or may fail to implement adequate controls to mitigate the risks associated with those changes. Any significant failure in this regard could diminish our ability to operate one or more of our business or result in potential liability to clients, counterparties and customers, and result in increased operating expenses. We could also experience higher litigation costs, including regulatory fines, penalties and other sanctions, reputational damage, impairment of our liquidity, regulatory intervention or weaker competitive standing. Any of the foregoing consequences could materially and adversely affect our businesses and results of operations.

Enhanced regulatory and other standards for the oversight of vendors and other service providers can result in higher costs and other potential exposures.

We must comply with enhanced regulatory and other standards associated with doing business with vendors and other service providers, including standards relating to the outsourcing of functions as well as the performance of significant banking and other functions by subsidiaries. We incur significant costs and expenses in connection with our initiatives to address the risks associated with oversight of our external service providers. Our failure to appropriately assess and manage these relationships, especially those involving significant banking functions, shared services or other critical activities, could materially adversely affect us. Specifically, any such failure could result in: potential harm to clients and customers, and any liability associated with that harm; regulatory fines, penalties or other sanctions; lower revenues, and the opportunity cost from lost revenues; increased operational costs, or harm to our reputation.

We are, and may in the future be, subject to claims and litigation calling into question our right to use the intellectual property underlying certain technology in our business.

Our business is dependent on proprietary technology and other intellectual property that we or our vendors own or license from third parties. If another person or entity were deemed to own intellectual property rights infringed by our activities, we could be responsible for damages and fees to continue to engage in these types of activities and/or could be prevented from using technology important to our business for a period of time or permanently. In such a circumstance, there may be no alternative technology for us to use or an appropriate alternative technology could be expensive to obtain. Protections offered by those from whom we license technology against these risks may be inadequate to cover fully any losses.

Over time, there have been instances where technology used by us and other financial institutions has been alleged to have infringed patents held by others. For example, the United Services Automobile Association (USAA) has pursued patent infringement claims against several financial institutions, including Regions. Defending these types of claims, even those without merit, have caused and could continue to cause us to incur expenses, and adverse rulings in these matters could impact our financial condition.

Weather-related events, pandemics and other natural or man-made disasters could cause a disruption in our operations or lead to other consequences that could adversely impact our financial results and condition. These impacts could be intensified by climate change. Heightening focus on climate change may also carry transition risks that could negatively impact our results of operations and financial condition.

Weather-related events, health crises, the occurrence or worsening of disease outbreaks or pandemics, or other catastrophic events, other natural or man-made disasters, climate change, as well as economic, market and industry changes, or government actions or other responses in connection with such events, pose shorter- and longer-term risks to our business and/or that of our customers, vendors and suppliers and are expected to increase over time.

A significant portion of our operations is located in the areas bordering the Gulf region and the Atlantic Ocean, regions that are susceptible to hurricanes, or in areas of the Southeastern U.S. that are susceptible to tornadoes and other severe weather events. In particular, in recent years, a number of severe hurricanes have impacted areas in our footprint. Many areas in the Southeastern U.S. have also experienced severe droughts and floods in recent years. Any of these, or any other severe weather event, could cause disruption to our operations and could have a material adverse effect on our overall business, results of operations or financial condition. In some cases, we have taken preemptive measures in an effort to mitigate certain of these adverse effects, such as maintaining insurance that includes coverage for resultant losses and expenses where possible, though these measures cannot fully mitigate all future risks. We cannot be sure that such insurance will continue to be available to us on commercially reasonable terms, or at all, or that our insurers will not deny coverage as to any future claim. In addition, such measures cannot predict the nature, timing or level of severe weather events or prevent the disruption that a catastrophic earthquake, fire, hurricane, tornado or other severe weather or other event could cause to the markets that we serve and any resulting adverse impact on our customers, such as hindering our borrowers' ability to timely repay their loans and diminishing the value of any collateral held by us. Man-made disasters and other events connected with the Gulf region or Atlantic Ocean, such as oil spills, could have similar effects.

Climate change could intensify the severity of and increase the frequency of adverse effects of weather-related events impacting us and our customers. Namely, climate change may intensify the severity of and increase the frequency of earthquakes, fires, hurricanes, tornadoes, droughts, floods and other weather-related events, which could cause even greater disruption to our business and operations. Longer-term changes, such as increasing average temperatures and rising sea levels, may damage, destroy or otherwise impact the value or productivity of our properties and other assets, reduce the availability of or increase the cost of insurance, and/or lead to prolonged disruptions in our operations.

Our and our stakeholders' concerns around climate change may expose us to risks, including risks associated with any transition to a lower-carbon economy. Such risks may result from changes in policies, laws and regulations, technologies, or market preferences. These changes could materially and negatively impact our business, results of operations, financial condition and our reputation, in addition to having a similar impact on our customers, vendors and suppliers. Many of our stakeholders, including regulators in different jurisdictions in which we operate, have differing views, perspectives, and expectations that could continue to evolve and diverge; ongoing legislative or regulatory uncertainties and changes regarding climate risk management and practices, including inconsistent (and sometimes conflicting) perspectives or requirements, may result in higher regulatory, compliance, credit and reputational risks and costs. Due to the divergent views of stakeholders, we are at an increased risk that any action, or lack thereof, by us concerning our response to climate change will be perceived negatively by some stakeholders, which could adversely impact our reputation and business. In addition, any transition to a lower-carbon economy could indirectly subject us to specific risks through our borrowers' exposure to changes in commodity prices. For more information see the "We are subject to sociopolitical risks that could adversely affect our business, reputation and the trading price of our common stock" and "Weakness in commodity businesses could adversely affect our performance" risk factors above.

Reputational Risks

We are subject to sociopolitical risks that could adversely affect our business, reputation and the trading price of our common stock.

We are subject to a variety of risks, including reputational risk, associated with sociopolitical issues. Regions' approach to such issues is about operating responsibly and creating shared value to benefit our customers, shareholders, communities, and workforce. These and our other stakeholders, including federal and state regulators, policy makers, and agencies, often have differing, and sometimes conflicting, priorities and expectations regarding these issues that nevertheless must be considered simultaneously. For example, certain federal and state laws, regulations, and directives related to these issues may include provisions that are in conflict, real or perceived, with laws, regulations, and directives in other jurisdictions, which may result in compliance challenges and uncertainty and increased costs to our business.

These conflicting views also increase the risk that any action or lack thereof by us on such matters will be perceived negatively by some stakeholders. Failing to comply with expectations and standards, or taking action in conflict with one or multiple of those stakeholders' expectations, could also lead to loss of business, impacts on our talent management strategy, adverse publicity, an adverse impact on our reputation, customer complaints or public protests. Negative publicity may be driven by adverse news coverage in traditional media and may also be spread more broadly through the use of social media platforms. If our relationships with our customers, vendors and suppliers were to become the subject of such negative publicity, our ability to attract and retain customers and employees, compete effectively and grow our business may be negatively impacted.

Damage to our reputation could significantly harm our businesses.

Our ability to attract and retain customers and highly-skilled management and employees is impacted by our reputation. A negative public opinion of us and our business can result from any number of activities, including our lending practices, corporate governance and regulatory compliance, acquisitions and actions taken by community organizations in response to these activities. Furthermore, negative publicity regarding us as an employer could have an adverse impact on our reputation, especially with respect to matters of pay equity and workplace harassment.

Significant harm to our reputation, or the reputation of any company, could also arise as a result of regulatory or governmental actions, litigation and the activities of our customers, other participants in the financial services industry or our contractual counterparties, such as our service providers and vendors.

In addition, a cybersecurity event affecting us or our customers' data could have a negative impact on our reputation and customer confidence in us and our cybersecurity practices. Damage to our reputation could also adversely affect our credit ratings and access to the capital markets.

Additionally, the widespread use of social media platforms by virtually every segment of society facilitates the rapid dissemination of information or misinformation, which magnifies the potential harm to our reputation.

Legal, Regulatory and Compliance Risks

We are, and may in the future be, subject to litigation, investigations and governmental proceedings that may result in liabilities adversely affecting our financial condition, business or results of operations or in reputational harm.

We and our subsidiaries are, and may in the future be, named as defendants in various class actions and other litigation, and may be the subject of subpoenas, reviews, requests for information, investigations, and formal and informal proceedings by government and self-regulatory agencies regarding our and their businesses and activities (including subpoenas, requests for information and investigations related to the activities of our customers). Any such matters may result in material adverse consequences to our operations, financial condition, or ability to conduct our business, including adverse judgments, settlements, fines, penalties (including civil money penalties under applicable banking laws), injunctions, restitution, orders, restrictions on our business activities, restrictions on mergers and acquisitions, limits to the fees we are able to charge, or other relief. Our involvement in any such matters, even if the matters are ultimately determined in our favor, could also cause significant harm to our reputation and divert management's attention from the operation of our business. Further, any settlement, consent order or adverse judgment in connection with any formal or informal proceeding or investigation by government or self-regulatory agencies may result in additional litigation, investigations or proceedings as other litigants and government or self-regulatory agencies (including the inquiries mentioned above) begin independent reviews of the same businesses or activities. In general, the amounts paid by financial institutions in settlement of proceedings or investigations, including those relating to anti-money laundering matters or consumer protection, have increased substantially and may remain elevated. Regulators and other governmental authorities may also be more likely to pursue enforcement actions, or seek admissions of wrongdoing, in connection with the resolution of an inquiry or investigation to the extent a firm has previously been subject to other governmental investigations or enforcement actions. In some cases, governmental authorities have required criminal pleas or other extraordinary terms as part of such settlements, which could have significant collateral consequences for a financial institution, including loss of customers, restrictions on the ability to access the capital markets and the inability to operate certain businesses or offer certain products for a period of time. In addition, enforcement matters could impact our supervisory and CRA ratings, which may in turn restrict or limit our activities.

Additional information relating to our litigation, investigations and other proceedings is discussed in Note 23 "Commitments, Contingencies and Guarantees" to the consolidated financial statements of this Annual Report on Form 10-K.

We are subject to extensive governmental regulation, which could have an adverse impact on our operations and our business model.

We are subject to extensive state and federal regulation, supervision, and examination governing almost all aspects of our operations, which limits the businesses in which we may permissibly engage. The laws and regulations governing our business are intended primarily for the protection of our depositors, our customers, the FDIC's DIF, and the banking financial system, not our shareholders or other creditors. These laws and regulations govern a variety of matters, including certain debt obligations, changes in control, maintenance of adequate capital, consumer protection, and general business operations and financial condition (including permissible types, amounts and terms of loans and investments, the amount of reserves against deposits, restrictions on dividends and repurchases of our capital securities, establishment of branch offices, and the maximum interest rate that may be charged by law). Further, we must obtain approval from our regulators before engaging in many activities, and our regulators have the ability to compel us to, or restrict us from, taking certain actions entirely. There can be no assurance that any regulatory approvals we may require or otherwise seek will be obtained in a timely manner or at all.

Regulations affecting banks and other financial institutions face continuous review, frequently change, and the ultimate effect of such changes cannot be predicted. Regulations, laws and guidance may be modified or repealed at any time, and new legislation may be enacted that will affect us, including those resulting from any changes to control of branches of the U.S government, as well as changes in leadership of most federal administrative agencies. The current U.S. administration has implemented significant changes in federal priorities and has taken steps to change the operations, structure, and policy focus of various federal agencies, as well as regulatory priorities, policy approaches and interpretations of existing laws by those federal agencies. For example, recent executive actions and proposed legislation has changed agency mandates, modified or reduced federal program funding, altered regulatory frameworks, or adjusted the size and composition of the federal workforce. Moreover, leadership transitions at key federal agencies have impacted or may impact rulemaking, supervision, enforcement, and examination priorities across the financial regulatory landscape. These developments in the federal government subject financial institutions like us to changes in regulation, supervision, and enforcement that are difficult to predict and uncertain for a period of time and may create the possibility of significant impacts on business activity in the U.S. and globally, including impacts relating to the trade policies (including tariffs) of the U.S. or other countries. Some of the regulations finalized in the prior administration that are applicable to financial institutions were modified, rescinded, or withdrawn or are subject to reevaluation, creating further uncertainty.

Moreover, political and policy goals of elected and appointed officials may change over time, which could impact the rulemaking, supervision, examination, and enforcement priorities of the federal banking agencies. It is possible the expected changes in law, regulation and policy do not occur or are reversed subsequently, or the regulatory measures that are ultimately enacted deliver significant competitive advantages to financial services that are structured differently or serve different markets than us.

Any changes in any federal and state law, as well as regulations and governmental policies, income tax laws and accounting principles, could affect us in substantial and unpredictable ways, including ways that may adversely affect our business, financial condition or results of operations. Failure to appropriately comply with any such laws, regulations or principles could result in sanctions by regulatory agencies, civil money penalties or damage to our reputation, all of which could adversely affect our business, financial condition or results of operations. Our regulatory capital position is discussed in greater detail in Note 12 "Regulatory Capital Requirements and Restrictions" in Item 8. “Financial Statements and Supplementary Data".

We are subject to a variety of risks in connection with any sale of loans we may conduct.

In connection with our sale of one or more loan portfolios, we may make certain representations and warranties to the purchaser concerning the loans sold and the procedures under which those loans have been originated and serviced. If any of these representations and warranties are incorrect, we may be required to indemnify the purchaser for any related losses, or we may be required to repurchase part or all of the affected loans. We may also be required to repurchase loans as a result of borrower fraud or in the event of early payment default by the borrower on a loan we have sold. If we are required to make any indemnity payments or repurchases and do not have a remedy available to us against a solvent counterparty, we may not be able to recover our losses resulting from these indemnity payments and repurchases. Consequently, our results of operations may be adversely affected.

In addition, we must report as held for sale any loans that we have undertaken to sell, whether or not a purchase agreement for the loans has been executed. We may, therefore, be unable to ultimately complete a sale for part or all of the loans we classify as held for sale. Management must exercise its judgment in determining when loans must be reclassified from held for investment status to held for sale status under applicable accounting guidelines. Any failure to accurately report loans as held for sale could result in regulatory investigations and monetary penalties. Any of these actions could adversely affect our financial condition and results of operations. Reclassifying loans from held for investment to held for sale also requires that the affected loans be marked to the lower of cost or fair value. As a result, any loans classified as held for sale may be adversely affected by changes in interest rates and by changes in the borrower’s creditworthiness. We may be required to reduce the value of any loans we mark held for sale, which could adversely affect our results of operations.

We may be subject to more stringent capital and liquidity requirements.

Regions and Regions Bank are each subject to capital adequacy and liquidity guidelines and other regulatory requirements specifying minimum amounts and types of capital that must be maintained. From time to time, the regulators implement changes to these regulatory capital adequacy and liquidity guidelines. If we fail to meet these minimum capital adequacy and liquidity guidelines and other regulatory requirements, we or our subsidiaries may be restricted in the types of activities we may conduct and may be prohibited from taking certain capital actions, such as paying dividends and repurchasing or redeeming capital securities.

Regions and Regions Bank are each required to comply with applicable capital adequacy standards established by the Federal Reserve, which are based on Basel III. Proposed changes to applicable capital, liquidity and similar requirements, such as the Basel III endgame proposal and the long-term debt proposal, could result in increased expenses or cost of funding, which could negatively affect our financial results or our ability to pay dividends and engage in share repurchases.

For more information concerning our legal and regulatory obligations with respect to Basel III Rules and long-term debt requirements, please see the “Supervision and Regulation-Regulatory Capital Requirements” discussion within Item 1. “Business,” and for more information concerning our compliance with capital requirements, see Note 12 "Regulatory Capital Requirements and Restrictions" in Item 8. “Financial Statements and Supplementary Data".

Rulemaking changes and regulatory initiatives implemented by the CFPB may result in higher regulatory and compliance costs that may adversely affect our results of operations.

In the prior administration, the CFPB has finalized a number of significant rules and introduced new regulatory initiatives, including, without limitation, by way of its enforcement authority and through public statements, that could have a significant impact on our business and the financial services industry more generally. Some of these have been delayed or rescinded and it is unclear the extent to which they might, in a different political environment, reappear. We may be required to add additional compliance personnel or incur other significant compliance-related expenses. Our business, results of operations or competitive position may be adversely affected as a result.

We are subject to numerous laws designed to protect consumers, including the CRA and fair lending laws, and a failure to comply with these laws could lead to a wide variety of penalties and other sanctions.

The CRA, the Equal Credit Opportunity Act, the Fair Housing Act, and other fair lending laws and regulations (collectively, fair lending laws) impose community investment and nondiscriminatory lending requirements on financial institutions. The CFPB, the DOJ and other federal and state agencies are responsible for enforcing these federal laws and regulations and comparable state provisions. Due to legal challenges, the federal banking agencies are enjoined from enforcing and are reconsidering the 2023 CRA regulations; the federal banking agencies are continuing to apply the 1995 CRA regulations. Federal, state or local consumer lending laws may restrict our ability to originate certain mortgage loans or increase our risk of liability with respect to such loans. A successful regulatory challenge to an institution's performance under the fair lending laws could result in a wide variety of sanctions, including damages and civil money penalties, injunctive relief, restrictions on mergers and acquisitions, restrictions on expansion, and restrictions on entering new business lines. Private parties may also have the ability to challenge an institution's performance under fair lending laws in private class action litigation. Such actions could have a material adverse effect on our business, financial condition, and results of operations.

We may not be able to complete future acquisitions, may not be successful in realizing the benefits of any future acquisitions that are completed or may choose not to pursue acquisition opportunities we might find beneficial.

We may, from time to time, evaluate and engage in the acquisition or divestiture of businesses (including their assets or liabilities, such as loans or deposits). We must generally satisfy a number of meaningful conditions prior to completing any such transaction, including in certain cases, federal and state bank regulatory approvals.

The process for obtaining required regulatory approvals, particularly for large financial institutions, like Regions, can be difficult, time-consuming and unpredictable. We may fail to pursue, evaluate or complete strategic and competitively significant business opportunities as a result of our inability, or our perceived inability, to obtain required regulatory approvals in a timely manner or at all.

Assuming we are able to successfully complete one or more transactions, we may not be able to successfully integrate and realize the expected synergies from any completed transaction in a timely manner or at all. In particular, we may be held responsible by federal and state regulators for regulatory and compliance failures at an acquired business prior to the date of the acquisition, and these failures by the acquired company may have negative consequences for us, including the imposition of formal or informal enforcement actions. Completion and integration of any transaction may also divert management attention from other matters, result in additional costs and expenses, or adversely affect our relationships with our customers and employees, any of which may adversely affect our business or results of operations. Future acquisitions may also result in dilution of our current shareholders’ ownership interests or may require we incur additional indebtedness or use a substantial amount of our available cash and other liquid assets. As a result, our financial condition may be affected, and we may become more susceptible to economic conditions and competitive pressures.

Increases in FDIC insurance assessments may adversely affect our earnings.

Our deposits are insured by the FDIC up to legal limits and, accordingly, we are subject to FDIC deposit insurance assessments. We generally cannot control the amount of assessments we will be required to pay for FDIC insurance. In 2022, the FDIC adopted a final rule to increase initial base deposit insurance assessment rate schedules by 2 basis points, which began with the first quarterly assessment period of 2023. The final rule requires the revised rates to remain in effect until the DIF reserve ratio meets or exceeds 1.35 percent. In November 2023, the FDIC issued a final rule to implement a special assessment to recoup losses to the DIF associated with bank failures in the first half of 2023. Under the rule, the assessment base for the special assessment is based on an IDI's estimated uninsured deposits reported as of December 31, 2022, adjusted to exclude the first $5 billion of uninsured deposits. The total amount of the special assessment is being paid over an eight-quarter collection period that began with the invoice for the first quarter of 2024 (received in June 2024). In December 2025, the FDIC adopted an interim final rule that no longer forecasts an additional ninth or tenth quarter assessment beyond the initial eight-quarter collection period. The assessment is subject to change depending on any adjustments to the loss estimate, mergers or failures, or amendments to reported estimated of uninsured deposits. The FDIC may require us to pay higher FDIC assessments than we currently do or may charge additional special assessments or future prepayments if, for example, there are financial institution failures in the future. Any increase in deposit assessments or special assessments may adversely affect our business, financial condition or results of operations. See the "Supervision and Regulation-Deposit Insurance" discussion within Item 1. "Business" and the "Non-Interest Expense" discussion within Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Annual Report on Form 10-K for additional information related to the FDIC's deposit insurance assessments applicable to Regions Bank.

Unfavorable results from ongoing stress analyses may adversely affect our ability to retain customers or compete for new business opportunities.

The Federal Reserve conducts supervisory stress testing of us to evaluate our ability to absorb losses in baseline and severely adverse economic and stressed financial scenarios generated by the Federal Reserve. The Federal Reserve also has implemented the SCB framework which created a firm-specific risk-sensitive buffer that is informed by the results of supervisory stress testing and is applied to regulatory minimum capital levels to help determine effective minimum ratio requirements. Firm-specific SCB requirements, as well as a summary of the results of certain aspects of the Federal Reserve's supervisory stress testing and firm-specific results are released publicly.

Although the theoretical stress tests are not meant to assess our current condition or outlook, our customers may misinterpret and negatively react to the results of these stress tests despite the strength of our financial condition. Any potential misinterpretations and adverse reactions could limit our ability to attract and retain customers or to effectively compete for new business opportunities. The inability to attract and retain customers or effectively compete for new business may have a material and adverse effect on our business, financial condition or results of operations.

Our regulators may also require us to raise additional capital or take other actions, or may impose restrictions on capital distributions, based on the results of the supervisory stress tests, such as requiring revisions or resubmission of our annual capital plan, which could adversely affect our ability to pay dividends and repurchase capital securities. In addition, we may not be able to raise additional capital if required to do so, or may not be able to do so on terms that we believe are advantageous to Regions or its current shareholders. Any such capital raises, if required, may also be dilutive to our existing shareholders. As discussed in the "Supervision and Regulation" section of Item 1. of this Annual Report on Form 10-K, the Company's results of the 2024 stress test from the Federal Reserve reflect that the Company exceeded all minimum capital levels. The Company's SCB will remain floored at 2.5 percent from the fourth quarter of 2025 through the third quarter of 2026. Despite exceeding these minimum capital levels, we may experience unfavorable results from stress test analyses in the future.

We are a holding company and depend on our subsidiaries for dividends, distributions and other payments.

We are a legal entity separate and distinct from our banking and other subsidiaries. Our principal source of cash flow, including cash flow to pay dividends to our shareholders and principal and interest on our outstanding debt, is dividends from Regions Bank. There are statutory and regulatory limitations on the payment of dividends by Regions Bank to us, as well as by us to our shareholders. Regulations of both the Federal Reserve and the State of Alabama affect the ability of Regions Bank to pay dividends and other distributions to us and to make loans to the holding company. If Regions Bank is unable to make dividend payments to us and sufficient cash or liquidity is not otherwise available, we may not be able to make dividend payments to our common and preferred shareholders or principal and interest payments on our outstanding debt. See the "Shareholders' Equity" section of Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Annual Report on Form 10-K. In addition, our right to participate in a distribution of assets upon a subsidiary's liquidation or reorganization is subject to the prior claims of creditors of that subsidiary, except to the extent that any of our claims as a creditor of such subsidiary may be recognized. As a result, shares of our capital stock are effectively subordinated to all existing and future liabilities and obligations of our subsidiaries. At December 31, 2025, our subsidiaries' total deposits and borrowings were approximately $133.4 billion.

We may not pay dividends on shares of our capital stock.

Holders of shares of our capital stock are only entitled to receive such dividends as our Board may declare out of funds legally available for such payments. Although we have historically declared cash dividends on our common stock, we are not required to do so and may reduce or eliminate our common stock dividend in the future. This could adversely affect the market price of our common stock. Furthermore, the terms of our outstanding preferred stock prohibit us from declaring or paying any dividends on any junior series of our capital stock, including our common stock, or from repurchasing, redeeming or acquiring such junior stock, unless we have declared and paid full dividends on our outstanding preferred stock for the most recently completed dividend period.

We are also subject to statutory and regulatory limitations on our ability to pay dividends on our capital stock. For example, it is the policy of the Federal Reserve that BHCs should generally pay dividends on common stock only out of earnings, and only if prospective earnings retention is consistent with the organization's expected future needs, asset quality and financial condition. Additionally, we are subject to the Federal Reserve's SCB requirement whereby supervisory stress testing informs a buffer above regulatory minimum capital levels that must be maintained to avoid restrictions on capital distributions. Lastly, if we are unable to satisfy the capital requirements applicable to us for any reason, we may be limited in our ability to declare and pay dividends on our capital stock.

Anti-takeover and banking laws and certain agreements and charter provisions may adversely affect share value.

Certain provisions of state and federal law and our certificate of incorporation may make it more difficult for someone to acquire control of us without our Board's approval. Under federal law, subject to certain exemptions, a person, entity or group must notify the federal banking agencies before acquiring control of a BHC. Acquisition of 10% or more of any class of voting stock of a BHC or state member bank, including shares of our common stock, creates a rebuttable presumption that the acquirer "controls" the BHC or state member bank. Also, as noted under the "Supervision and Regulation" section of Item 1. of this Annual Report on Form 10-K, a BHC must obtain the prior approval of the Federal Reserve before, among other things, acquiring direct or indirect ownership or control of more than 5 percent of the voting shares of any bank, including Regions Bank. One factor the federal banking agencies must consider in certain acquisitions is the systemic impact of the transaction. This may make it more difficult for large institutions to acquire other large institutions and may otherwise delay the regulatory approval process, possibly by requiring public hearings. Similarly, under Alabama state law, a person or group of persons must receive approval from the Superintendent of Banks before acquiring "control" of an Alabama bank or any entity having control of an Alabama bank. For the purposes of determining whether approval is required, "control" is defined as the power, directly or indirectly, to vote the lesser of (i) 25% or more of any class of voting securities of an Alabama bank (or any entity having control of an Alabama bank) or (ii) 10% or more of any class of voting securities of an Alabama bank (or any entity having control of an Alabama bank) if no other person will own, control or hold the power to vote a majority of that class of voting securities following the acquisition of such voting securities. Furthermore, there also are provisions in our certificate of incorporation that may be used to delay or block a takeover attempt. For example, holders of our preferred stock have certain voting rights that could adversely affect share value. If and when dividends on the preferred stock have not been declared and paid for at least six quarterly dividend periods or their equivalent (whether or not consecutive), the authorized number of directors then constituting our Board will automatically be increased by two, and the preferred shareholders will be entitled to elect the two additional directors. Also, the affirmative vote or consent of the holders of at least two-thirds of all of the then-outstanding shares of the preferred stock is required to consummate a binding share-exchange or reclassification involving the preferred stock, or a merger or consolidation of Regions with or into another entity, unless certain requirements are met. These statutory provisions and provisions in our certificate of incorporation, including the rights of the holders of our preferred stock, could result in Regions being less attractive to a potential acquirer and thus adversely affect our share value.

Our amended and restated by-laws designate (i) the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our shareholders and (ii) the federal district courts of the United States as the sole and exclusive forum for any action asserting a cause of action arising under the Securities Act, which could limit our shareholders' ability to obtain a favorable judicial forum for disputes with our company or our company's directors, officers or other employees.

Our amended and restated by-laws (our "by-laws") contain two forum selection provisions. First, our by-laws provide that, except for claims made under the Securities Act of 1933 (which are the subject of the forum selection provision described in the following sentence), unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for (i) derivative actions brought on behalf of the Company, (ii) certain actions asserting a claim of breach of a fiduciary duty, (iii) actions asserting a claim against the Company or a director, officer or other employee of the Company arising pursuant to any provision of Delaware law, our certificate of incorporation, or our by-laws or (iv) any actions asserting a claim against the Company or any director, officer or other employee of the Company governed by the internal affairs doctrine, shall be the Court of Chancery of the State of Delaware or the federal district court for the District of Delaware if the Court of Chancery of the State of Delaware has no jurisdiction. In addition, our by-laws provide that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for any action asserting a cause of action arising under the Securities Act of 1933, as amended (the "Securities Act"), or any rule or regulation promulgated thereunder, shall be the federal district courts of the United States. Our by-laws further provide that our shareholders are deemed to have received notice of and consented to both of these forum selection provisions.

The forum selection provisions of our by-laws may discourage claims or limit shareholders' ability to submit claims in a judicial forum that they find favorable, and may result in additional costs for a stockholder seeking to bring a claim. Additionally, with respect to our forum selection provision relating to claims made under the Securities Act, we note that, while Section 27 of the Exchange Act creates exclusive federal jurisdiction over claims brought to enforce a duty or liability created by the Exchange Act, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act. As noted above, our by-laws provide that, unless we consent in writing to the selection of an alternative forum, U.S. federal district courts will be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. While we believe the risk of a court declining to enforce our forum selection provisions is low, if a court were to determine either forum selection provision to be illegal, invalid or unenforceable in a particular action, we may incur additional costs in conjunction with our efforts to resolve the dispute in an alternative jurisdiction or multiple jurisdictions, which could have a negative impact on our results of operations and financial condition and result in a diversion of the time and resources of our management and Board.

We face substantial legal and operational risks in our safeguarding and other processing of personal information.

Our businesses are subject to complex and evolving laws and regulations governing the privacy and protection of personal information of individuals. Individuals whose personal information may be protected by law can include our customers (and in some cases our customers' customers), prospective customers, job applicants, employees, and the employees of our vendors, service providers and other third parties. Complying with the laws, rules and regulations applicable to our disclosure, collection, use, sharing and storage of personal information can increase operating costs, impact the development of new products or services, and reduce operational efficiency. Any mishandling or misuse of personal information by us or a third party affiliated with us could expose us to litigation or regulatory fines, penalties or other sanctions.

Additional risks could arise from our or third parties' failure to provide adequate disclosure or transparency to our customers about the personal information collected from them and the use of such information; to receive, document and honor the privacy preferences expressed by our customers; to protect personal information from unauthorized disclosure; or to maintain proper training on privacy practices for all employees or third parties who have access to personal information. Concerns regarding the effectiveness of our measures to safeguard personal information, or even the perception that those measures are inadequate, could cause us to lose existing or potential clients and customers, and thereby reduce our revenues. Furthermore, any failure or perceived failure by us to comply with applicable privacy or data protection laws, rules and regulations may subject us to inquiries, examinations and investigations that could result in requirements to modify or cease certain operations or practices, significant liabilities or regulatory fines, penalties or other sanctions. Any of these could damage our reputation and otherwise adversely affect our businesses.

In recent years, well-publicized incidents involving the inappropriate collection, use, sharing, storage or other processing of personal information have led to expanded governmental scrutiny of practices relating to the safeguarding and other processing of personal information by companies. That scrutiny has in some cases resulted in, and could in the future lead to, the adoption of stricter laws, rules and regulations relating to the collection, use, sharing, storage and other processing of personal information. We will likely be subject to new and evolving data privacy laws in the U.S. and abroad, which could result in additional costs of compliance, litigation, regulatory fines and enforcement actions. These types of laws, rules and regulations could prohibit or significantly restrict financial services firms such as us from sharing information among affiliates or with third parties such as vendors or service providers, and thereby increase compliance costs, or could restrict our use of personal information when developing or offering products or services to customers. These restrictions could also inhibit our development or marketing of certain products or services, or increase the costs of offering them to customers. For more information concerning our legal and regulatory obligations with respect to privacy and cybersecurity, please see the "Privacy and Cybersecurity" discussion within Item 1. "Business" and the "Technology Risks" discussion within in Item 1. "Risk Factors."

Differences in regulation can affect our ability to compete effectively.

The content and application of laws and regulations affecting financial services firms sometimes vary according to factors such as the size of the firm, the jurisdiction in which it is organized or operates and other criteria. Fintechs and other non-traditional competitors may not be subject to banking regulation, or may be supervised by a national or state regulatory agency that does not have the same regulatory priorities or supervisory requirements as our regulators. These differences in regulation can impair our ability to compete effectively with competitors that are less regulated that do not have similar compliance costs.

Talent Management Risks

Our businesses may be adversely affected if we are unable to hire and retain qualified employees.

Our success depends, in part, on our executive officers and other key personnel. The market for qualified individuals is highly competitive, and we may not be able to attract and retain qualified personnel or candidates to replace or succeed members of our senior management team or other key personnel. As a large financial and banking institution, we may be subject to limitations on compensation practices, which may or may not affect our competitors, by the Federal Reserve, the FDIC or other regulators. Further, changes in and enforcement of immigration and work permit laws and visa regulations have made it difficult for employees to work in, or transfer among, jurisdictions where we operate. These limitations could further affect our ability to attract and retain our executive officers and other key personnel, in particular as we are more often competing for personnel with fintechs, technology companies and other less regulated entities who may not have the same limitations on compensation as we do.

Our operations rely on our ability, and the ability of key external parties, to maintain appropriately staffed workforces, and on the competence, trustworthiness, health and safety of employees.

Our ability to operate our businesses efficiently and profitably, to offer products and services that meet the expectations of our clients and customers, and to maintain an effective risk management framework is highly dependent on our ability to staff our operations appropriately and on the competence, integrity, health and safety of our employees. We are similarly dependent on the workforces of other parties on which our operations rely, including vendors and other service providers. Our businesses could be materially and adversely affected by the ineffective implementation of business decisions; any failure to institute controls that appropriately address risks associated with business activities; or appropriately train employees with respect to those risks and controls; staffing shortages, particularly in tight labor markets. In addition, our business could be adversely impacted by a significant operational breakdown or failure, theft, fraud or other unlawful conduct or other negative outcomes caused by human error or misconduct by an employee of us or of another party on which our operations depend. Our operations could also be impaired if the measures taken by us or by governmental authorities to help ensure the health and safety of our employees are ineffective, or if any external party on which we rely fails to take appropriate and effective actions to protect the health and safety of its employees.

Estimates and Assumptions Risks

Our reported financial results depend on management's selection of accounting methods and certain assumptions and estimates.

Our accounting policies and assumptions are fundamental to our reported financial condition and results of operations. Our management must exercise judgment in selecting and applying many of these accounting policies and methods so they comply with GAAP and reflect management's judgment of the most appropriate manner to report our financial condition and results. In some cases, management must select the accounting policy or method to apply from two or more alternatives, any of which may be reasonable under the circumstances, yet may result in us reporting materially different results than would have been reported under a different alternative.

Certain accounting policies are critical to presenting our reported financial condition and results of operations. They require management to make difficult, subjective or complex judgments about matters that are uncertain. Materially different amounts could be reported under different conditions or using different assumptions or estimates. The Company's critical accounting estimates include: the allowance; fair value measurements; goodwill; residential MSRs; and income taxes. Because of the uncertainty of estimates involved in these matters, we may be required to do one or more of the following: significantly increase the allowance for credit losses and/or sustain credit losses that are significantly higher than the allowance provided; recognize significant losses on assets carried at fair value; recognize significant impairment on our goodwill, or deferred tax asset balances; significantly increase our accrued income taxes; or significantly decrease the value of our residential MSRs. Any of these actions could adversely affect our reported financial condition and results of operations.

If the models that we use in our business perform poorly or provide inadequate information, our business or results of operations may be adversely affected.

We utilize quantitative models and machine learning models to assist in measuring risks and estimating or predicting certain financial values. Models may be used in processes such as determining the pricing of various products, grading loans and extending credit, measuring interest rate and other market risks, forecasting financial performance, predicting losses, improving customer services, maintaining adherence to laws and regulations, assessing capital adequacy, calculating regulatory capital levels, preventing fraud, strengthening customer authentication processes, generating marketing analytics, prospecting leads and estimating the value of financial instruments and balance sheet items. Poorly designed, implemented or managed models present the risk that our business decisions that consider information based on such models will be adversely affected due to the inadequacy or inaccuracy of that information, which may lead to losses, damage our reputation and adversely affect our reported financial condition and results of operations. Also, information we provide to the public or to our regulators based on poorly designed, implemented or managed models could be inaccurate or misleading. Some of the decisions that our regulators make, including those related to capital distributions to our shareholders, could be affected adversely due to the perception that the quality of the models used to generate the relevant information is insufficient.

Changes in our accounting policies or in accounting standards could materially affect how we report our financial results and condition.

From time to time, the FASB and SEC change the financial accounting and reporting standards that govern the preparation of our financial statements. These changes can be difficult to predict and can materially impact how we record and report our financial condition and results of operations.

Item 1B. *Unresolved Staff Comments*

None.

Item 1C. *Cybersecurity*

Risk Identification and Assessment. Regions devotes significant financial and non-financial resources to identify and mitigate threats to the confidentiality, availability and integrity of its information systems. As more fully described below, the Regions IS Program's controls and risk management practices are designed to prevent and detect cybersecurity threats in order to reduce the likelihood that they materially affect Regions' business strategy, operations, or financial condition.

Regions regularly tests and assesses its environment so it can update and maintain its systems and controls to mitigate the risks from cyber threats and vulnerabilities. These include risk assessments and penetration testing as well as testing against security controls. Layered security controls are designed and maintained to complement each other and enhance risk mitigation efforts. Regions is aiming to continue to develop and enhance controls, processes and technology to respond to evolving disruptive technology and to protect its systems from attacks or unauthorized access. In addition, Regions' TPRM function establishes the risk-based framework that governs all associates, subsidiaries, and affiliates who are engaged in the sourcing, planning, risk assessment, due diligence, contracting, ongoing monitoring, and governance of vendor engagements, including those that present cybersecurity risks for Regions. The TPRM framework includes the initial inherent-risk assessment conducted at onboarding and the applicable due diligence risk assessments, based on the engagement's risk profile. Upon completion of the applicable due diligence, the contract is constructed and negotiated, with efforts made to ensure appropriate terms are in place to further mitigate the risks presented. Thereafter, each engagement is reassessed on the established cadence associated with the inherent-risk tier, and performance scorecards are completed to denote material changes in the engagement.

Risk Management and Strategy. As a company that deals with large volumes of sensitive customer information and financial transactions, Regions treats cybersecurity risk as a key operational risk, and the oversight of cybersecurity risk is integrated into Regions' enterprise-wide risk management framework. As part of this framework, Regions utilizes the "Three Lines of Defense" concept to clearly designate risk management activities within the Company, and this concept is applicable to cybersecurity risk (see the "Risk Management" section of Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Annual Report on Form 10-K). To manage cybersecurity risk, the Company has designed and implemented an IS Program that is led by our CISO. The IS Program includes information security policies, procedures, and controls designed to prevent, detect, limit and respond to cyber-attacks or other similar incidents which might impact Regions' technologies, systems, and networks. Regions' IS Program is designed and implemented to substantially align with standards promulgated by the NIST. Regions' Information Security Policy establishes technical, administrative, and physical control directives that are implemented to protect informational assets from reasonably foreseeable risks and threats. The IS Program is supplemented by cybersecurity operations that protect the integrity and availability of information systems. As discussed above, Regions' TPRM function also conducts due diligence and ongoing oversight of the Company's third-party vendors. The Company maintains a Cyber Incident Response Plan, which is part of broader business continuity planning and the Crisis Management Program, to help the Company respond to a possible data breach.

The Company engages with external experts and advisors, as needed, to review, enhance, and support our IS Program. For example, third parties may be used to assist in the event of a breach or to mitigate certain threats to Regions' environment. Internally, the Company provides associates with cybersecurity training and education at least annually. To bolster these practices, Regions maintains cybersecurity insurance, which is reviewed annually, to cover potential financial losses from cyber events. In addition, Regions participates in information sharing organizations to gather and share information with peer banks and other financial institutions to better prepare and protect its information systems from attack.

Governance. Regions' system of internal controls also incorporates an organization-wide protocol for the reporting and escalation of cybersecurity matters, including to management and the Board. The Board also receives updates on the Company's enterprise services, which includes resilience, information technology, and cybersecurity. The Board considers both business and technical resilience, cybersecurity and technological innovation, and privacy considerations, along with related risk considerations and mitigation efforts, within the Company's strategic plan. The Board is actively engaged in the oversight of Regions' continuous efforts to reinforce and enhance its operational resilience and receives education on the cybersecurity landscape. The Board oversees the management of cybersecurity and related risks primarily through its Risk Committee, which is supported at the management level by the ERMC, ORC, and TOROC which fall under the Risk Committee's purview. The Board's Risk Committee annually reviews and approves Regions' Information Security Policy; reviews information and regular reports on the topic from members of management on at least a quarterly basis; and recommends actions and other steps to be taken, as it deems appropriate. Additionally, the Board's Audit Committee periodically receives reports on the IS Program prepared by the CISO and members of our Risk Management and Internal Audit functions. The Board's Technology Committee is charged with oversight of the overall role of technology in executing Regions' business strategy and coordinates with the Risk Committee on risk assessment and management associated with technology-related strategic investments, major technology vendor relationships, and risks associated with information technology and security activities. The Board annually reviews the IS Program and, through its various committees, is briefed at least quarterly on cybersecurity matters. In addition, our management follows a risk-based escalation process to notify the Audit Committee and Risk Committee outside of the regular reporting cycle when they identify an emerging or risk or material issue.

Our CISO, who has close to two decades of experience in the cybersecurity field, including leadership roles at multiple financial services organizations, has primary responsibility for our IS Program. The CISO is assisted by members of our Risk Management and Internal Audit functions who provide regular reports on the prevention, detection, mitigation, and remediation of cybersecurity incidents. Such members have relevant industry experience, having served in similar roles at other companies, as well as the education and certifications necessary to perform their responsibilities effectively.

Cybersecurity Incidents. We have not experienced any material losses relating to cybersecurity threats or incidents for the year ended December 31, 2025. We are not aware of any risks from cybersecurity threats, including as a result of any previous cybersecurity incidents that have materially affected or are reasonably likely to materially affect the Company, including our business strategy, results of operations or financial condition. Despite our efforts, we cannot eliminate all risks from cybersecurity threats, or provide assurances that we have not experienced an undetected cybersecurity incident. For more information about these risks, see the "Technology Risks" discussion within in Item 1. "Risk Factors".

Item 2. *Properties*

Regions' corporate headquarters occupy the main banking facility of Regions Bank, located at 1900 Fifth Avenue North, Birmingham, Alabama 35203. Our office space is used by all of our segments.

At December 31, 2025, Regions Bank, Regions' banking subsidiary, operated 1,247 banking offices. At December 31, 2025, there were no significant encumbrances on the offices, equipment and other operational facilities owned by Regions and its subsidiaries.

See Item 1. "Business" of this Annual Report on Form 10-K for a list of the states in which Regions Bank's branches are located.

Item 3. *Legal Proceedings*

The information presented in the Legal Contingencies section of Note 23 "Commitments, Contingencies and Guarantees" of the Notes to Consolidated Financial Statements, which is included in Item 8. of this Annual Report on Form 10-K, is incorporated herein by reference.

Item 4. *Mine Safety Disclosures.*

Not applicable.

Information About Our Executive Officers

Information concerning the Executive Officers of Regions as of **February 24, 2026**, is set forth below.

Executive Officer	Age	Principal Occupations	Executive Officer Since
John M. Turner, Jr.	64	Chairman, President and Chief Executive Officer of registrant and Regions Bank. Previously served as Head of Corporate Banking Group of registrant and Regions Bank and as South Region President of Regions Bank. Prior to joining Regions, served as President of Whitney National Bank and Whitney Holding Corporation.	2011
David J. Turner, Jr.	62	Senior Executive Vice President and Chief Financial Officer of registrant and Regions Bank.	2010
Kate R. Danella	47	Senior Executive Vice President and Head of Consumer Banking Group of registrant and Regions Bank. Previously served as Chief Strategy and Client Experience Officer; Head of Strategic Planning & Consumer Bank Products and Origination Partnerships; and as Head of Strategic Planning and Corporate Development of registrant and Regions Bank. Previously served as Head of Private Wealth Management of Regions Bank. Prior to joining Regions, served as Vice President of Capital Group Companies.	2018

David R. Keenan	58	Senior Executive Vice President and Chief Administrative and Human Resources Officer of registrant and Regions Bank. Previously served as Chief Human Resources Officer of registrant and Regions Bank.	2010
C. Dandridge Massey	55	Senior Executive Vice President and Chief Enterprise Operations and Technology Officer of registrant and Regions Bank. Previously served as Head of Digital and Contact Center Banking and Head of Enterprise Technology Strategic Services at Truist Bank.	2022
Tara A. Plimpton	57	Senior Executive Vice President, Chief Legal Officer and Corporate Secretary of registrant and Regions Bank. Previously served as General Counsel of registrant and Regions Bank. Prior to joining Regions, served as Vice President and General Counsel of GE Global Operations and as General Counsel of GE Energy Connections.	2020
William D. Ritter	55	Senior Executive Vice President and Head of Wealth Management Group of registrant and Regions Bank. Director of Highland Associates, Inc.	2010
Brian R. Willman	53	Senior Executive Vice President and Head of Corporate Banking Group of registrant and Regions Bank. Previously served as Head of Commercial Banking of registrant and Regions Bank.	2024
Russell Zusi	51	Senior Executive Vice President and Chief Risk Officer of registrant and Regions Bank. Prior to joining Regions, served as Co-head of Global Compliance and Operational Risk and Global Technology and Operations Chief Risk Officer, and previously as Credit Review Executive, of Bank of America Corp.	2024

PART II

Item 5. *Market For Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*

Regions common stock, par value $.01 per share, is listed for trading on the NYSE under the symbol RF. Information relating to compensation plans under which Regions' equity securities are authorized for issuance is presented in Part III, Item 12. As of February 23, 2026, there were 32,056 holders of record of Regions common stock (including participants in the Broadridge Direct Stock Purchase and Dividend Reinvestment Plan for Regions Financial Corporation).

The Board presently intends to continue the policy of paying quarterly cash dividends. The amount of any future dividends will depend on economic and market conditions, our financial condition and operating results, and other factors, including contractual restrictions and applicable government regulations and policies. Restrictions on the ability of Regions Bank to transfer funds to Regions at December 31, 2025, are set forth in Note 12 "Regulatory Capital Requirements and Restrictions" to the consolidated financial statements, which are included in Item 8. of this Annual Report on Form 10-K. A discussion of certain limitations on the ability of Regions Bank to pay dividends to Regions and the ability of Regions to pay dividends on its common stock is set forth in Item 1. "Business" under the heading "Supervision and Regulation—Payment of Dividends" of this Annual Report on Form 10-K.

Issuer Purchases of Equity Securities

On April 20, 2022, the Board authorized the repurchase of up to $2.5 billion of the Company's common stock, permitting purchases from the second quarter of 2022 through the fourth quarter of 2024, which was subsequently extended through the fourth quarter of 2025. On December 10, 2025, the Board authorized the repurchase of up to $3.0 billion of the Company's common stock for the period beginning January 1, 2026 and extending through December 31, 2027. This authorization supersedes the prior share repurchase program, which expired on December 31, 2025.

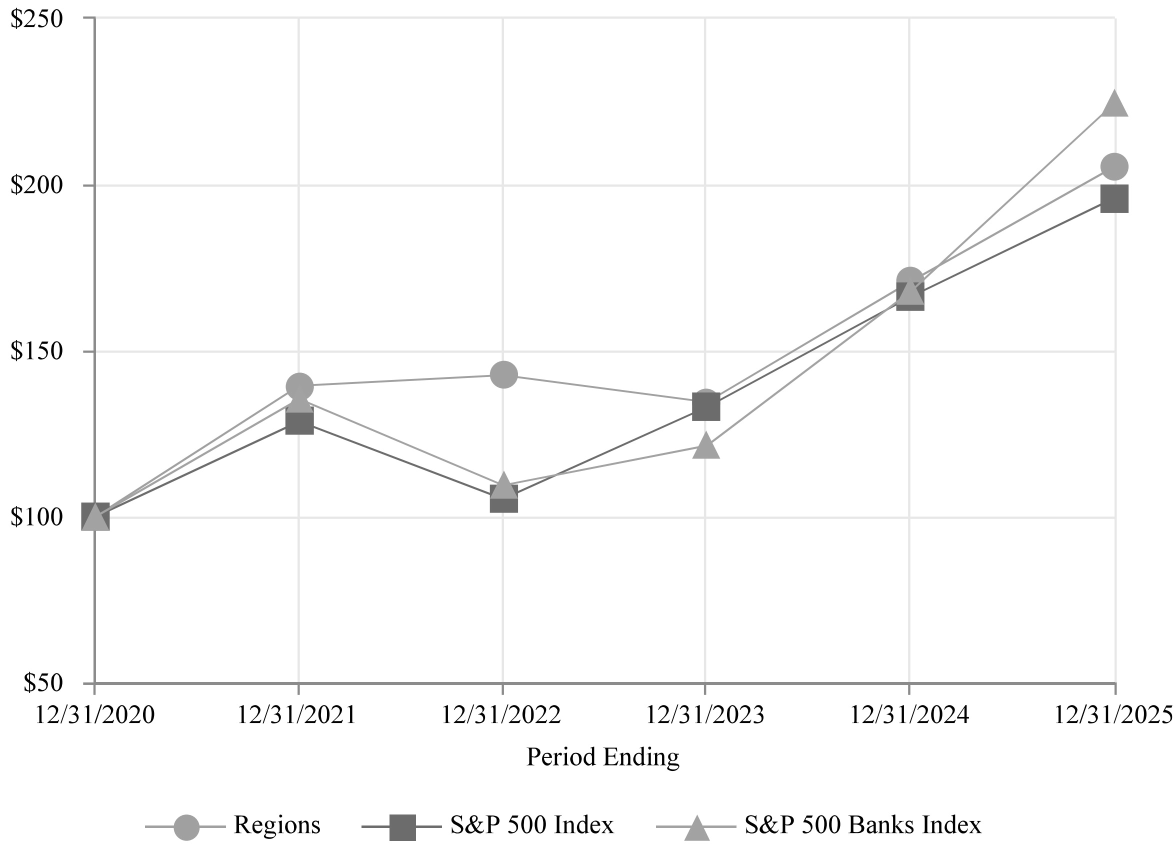
The following table presents information regarding issuer purchases of equity securities during the fourth quarter of 2025. All of these shares were immediately retired upon repurchase and therefore were not included in treasury stock.

Period	Total Number of Shares Purchased	Average Price Paid per Share[(1)]	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under Publicly Announced Plans or Programs
October 1-31, 2025	7,339,278	$ 24.22	7,339,278	$ 1,080,476,188
November 1-30, 2025	7,125,137	$ 24.49	7,125,137	$ 905,877,347
December 1-31, 2025	2,740,125	$ 26.52	2,740,125	$ 833,162,182
Total Fourth Quarter	17,204,540	$ 24.70	17,204,540	$ 833,162,182

(1) Average price paid does not reflect the 1 percent excise tax charged on public company share repurchases.

COMMON STOCK PERFORMANCE GRAPH

The graph below compares the yearly percentage change in the cumulative total return of Regions common stock against the cumulative total return of the S&P 500 Index and the S&P 500 Banks Index for the past five years. This presentation assumes that the value of the investment in Regions' common stock and in each index was $100 and that all dividends were reinvested. In accordance with the rules of the SEC, this section, captioned "Common Stock Performance Graph," is not incorporated by reference into any of our future filings made under the Securities Exchange Act of 1934 (Exchange Act) or the Securities Act of 1933 (Securities Act). The Common Stock Performance Graph, including its accompanying table and footnotes, is not deemed to be soliciting material or to be filed under the Exchange Act or the Securities Act.



	Cumulative Total Return					
	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025
Regions	$ 100.00	$ 139.39	$ 142.62	$ 134.49	$ 170.84	$ 205.44
S&P 500 Index	100.00	128.68	105.36	133.03	166.28	195.98
S&P 500 Banks Index	100.00	135.44	109.43	121.42	167.82	224.54

Item 6. ***[Reserved]***

Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

EXECUTIVE OVERVIEW

Management believes the following sections provide an overview of several of the most relevant matters necessary for an understanding of the financial aspects of Regions' business, particularly regarding its 2025 results. Cross references to more detailed information regarding each topic within MD&A and the consolidated financial statements are included. The following information should be read in conjunction with the entire MD&A and accompanying consolidated financial statements and related notes, as well as the other sections of this Annual Report on Form 10-K.

Economic Environment in Regions' Banking Markets

After what is expected to be full-year 2025 growth of 2.2 percent, Regions' baseline forecast anticipates real GDP growth of 2.7 percent for 2026. The economic environment faces challenges such as lingering trade policy uncertainty, a weaker pace of hiring, and persistent inflation pressures; however, the economy is supported by ample liquidity in the household and corporate sectors, elevated profit margins, expansionary fiscal policy, accommodative financial conditions, and accelerating trend productivity growth.

The pace of nonfarm job growth slowing has been a function of diminished hiring as opposed to a rising pace of layoffs. Lingering policy uncertainty, uncertainty around the economic outlook, and a drive for greater efficiency are likely weighing on hiring while a significant outflow of foreign born labor has left a gap in the supply of labor which is weighing on hiring. A slower pace of labor force growth will largely offset the slowing pace of job growth, leaving the unemployment rate little changed; the unemployment rate averaged 4.3 percent in 2025, which we expect will be the average for 2026 as well.

Though growth in aggregate labor earnings is slowing, it continues to outpace inflation. Growth in consumer spending has slowed partially reflecting payback for purchases of consumer durable goods that were pulled forward in 2025 as consumers looked to avoid tariff-related price increases. After slowing mid-year, growth in spending on discretionary services firmed up in the fall, but a significant decline in equity prices would likely lead to a pronounced pullback in such spending. Additionally, flagging consumer sentiment and uncertainty about the path of the labor market may weigh on spending growth. That said, overall household financial conditions remain healthy, with elevated household net worth and still-low monthly debt service burdens. Moreover, changes in the tax code will lead to a significant boost to after-tax household income in the first quarter of 2026 that is expected to support spending amongst lower-to-middle income households.

More favorable tax treatment seems to have bolstered business investment spending over recent months and the momentum is expected to carry forward in 2026. Corporate profit margins remain notably elevated, particularly relative to the years immediately prior to 2020, which has enabled firms to absorb some portion of the higher tariffs already put in place. However, there is some remaining uncertainty around how the costs of higher tariffs will impact longer-term decisions on capital spending, hiring, and pricing.

While increased emphasis on the downside risks to the labor market led the FOMC to cut the Federal funds rate three times in 2025, most recently by twenty-five basis points at their December 2025 meeting, the extent of further cuts in 2026 remains unclear. Several Committee members remain focused on the upside risks to inflation. While this does not rule out additional Federal funds rate cuts, it likely limits the scope for further cuts barring a more pronounced deterioration in labor market conditions.

Patterns of economic activity within the Regions footprint are expected to be broadly similar to those seen for the U.S. as a whole. As was the case nationally, the pace of job growth within the footprint slowed over the course of 2025, in part reflecting a slowing pace of net in-migration from the rest of the U.S. and abroad. Still, growth in nonfarm employment has continued to run ahead of the national average. Some of the metro areas which had seen the largest cumulative increases over the prior few years have begun to see house prices decline, but underlying demand, in part reflecting persistently above-average population growth, will help stem the extent of any such declines. Also, given the extent to which house prices have risen over recent years in these markets, the declines in house prices do not threaten to push large numbers of owners into negative equity positions.

The economic environment, as described above, impacted Regions' forecast utilized in calculating the allowance as of December 31, 2025. See the "Allowance" section for further information.

2025 Results

Regions reported net income available to common shareholders of $2.1 billion or $2.30 per diluted share in 2025 compared to net income available to common shareholders of $1.8 billion or $1.93 per diluted share in 2024.

Net interest income (taxable-equivalent basis) totaled $5.0 billion in 2025 compared to $4.9 billion in 2024. The net interest margin (taxable-equivalent basis) was 3.61 percent in 2025, reflecting a 7 basis point increase from 2024. The increases in net interest income and net interest margin were primarily driven by lower funding costs and hedge performance improvements as short-term interest rates declined. Net interest income and margin also benefitted from securities reinvestment activities, executed through multiple, distinct debt securities repositioning transactions. See Table 2 "Volume and Yield/Rate Variances" for further details.

The provision for credit losses totaled $470 million in 2025 compared to $487 million in 2024. In 2025, net charge-offs exceeded the provision for credit losses by $43 million compared to 2024 when the provision for credit losses exceeded net charge-offs by $29 million. Refer to the "Allowance" section of Management's Discussion and Analysis for further detail.

Non-interest income increased year-over-year, totaling $2.5 billion in 2025 compared to $2.3 billion 2024. The improvement was primarily driven by a decline in securities losses associated with less repositioning activity in 2025 compared to 2024. Additionally, most categories of non-interest income increased including investment management and trust fee income, investment services income, other miscellaneous income, and service charges on deposit accounts. See Table 3 "Non-Interest Income" for further details.

Non-interest expense was $4.3 billion in 2025 and $4.2 billion in 2024. The slight increase was driven by an increase in salaries and benefits, other miscellaneous expenses, and professional, legal and regulatory expenses. The increases were partially offset by declines in FDIC insurance assessments and operational losses. See Table 4 "Non-Interest Expense" for further details.

Regions' effective tax rate was 21.4 percent in 2025 compared to 19.6 percent in 2024. See the "Income Taxes" section for further details.

For more information, refer to the following additional sections within this Form 10-K:

- "Operating Results" section of MD&A
- “Net Interest Income and Net Interest Margin” discussion within the “Operating Results” section of MD&A
- “Interest Rate Risk” discussion within the “Risk Management” section of MD&A

Capital

Capital Actions

As a Category IV bank, Regions was not required to participate in the 2025 stress test. Nonetheless, like other Category IV banking organizations, the Company did receive results from the Federal Reserve during the second quarter of 2025. From the fourth quarter of 2025 through the third quarter of 2026, the Company's SCB will remain floored at 2.5 percent. In February 2026, the Federal Reserve voted to maintain SCB requirements at current levels through the third quarter of 2027 to allow time for public feedback on proposed changes to supervisory stress testing models. As such, Regions' SCB will remain floored at 2.5 percent through the third quarter of 2027. See Note 14 "Shareholders' Equity and Accumulated Other Comprehensive Income (Loss)" to the consolidated financial statements for further details regarding CCAR results.

On April 20, 2022, the Board authorized the repurchase of up to $2.5 billion of the Company's common stock, permitting purchases from the second quarter of 2022 through the fourth quarter of 2024, which was subsequently extended through the fourth quarter of 2025. As of December 31, 2025, Regions repurchased approximately 78 million shares of common stock under this program, which reduced shareholders' equity by $1.7 billion. On December 10, 2025, the Board authorized the repurchase of up to $3.0 billion of the Company's common stock for the period beginning January 1, 2026 and extending through December 31, 2027. This authorization supersedes the prior share repurchase program, which expired on December 31, 2025.

For more information, refer to the following additional sections within this Form 10-K:

- "Shareholders' Equity" discussion in MD&A
- "Regulatory Requirements" section of MD&A
- Note 14 "Shareholders' Equity and Accumulated Other Comprehensive Income (Loss)" to the consolidated financial statements

Regulatory Capital

Regions and Regions Bank are required to comply with regulatory capital requirements established by Federal and State banking agencies. Under the Basel III Rules, Regions is designated as a standardized approach bank. The Basel III Rules maintain the minimum guidelines for Regions to be considered well-capitalized for Tier 1 capital and Total capital at 6.0% and 10.0%, respectively. At December 31, 2025, Regions’ Tier 1 capital and Total capital ratios were 11.99% and 13.89%, respectively.

The Basel III Rules also officially defined CET1. Regions' CET1 ratio at December 31, 2025 was estimated to be 10.89%.

For more information, refer to the following additional sections within this Form 10-K:

- “Supervision and Regulation” discussion within Item 1. Business

- "Regulatory Requirements" section of MD&A
- Note 12 "Regulatory Capital Requirements and Restrictions" to the consolidated financial statements

Loan Portfolio and Credit

During 2025, total loans decreased by $1.1 billion or 1.1 percent compared to 2024. The decrease was driven by a decline in the commercial portfolio of $947 million and the consumer portfolio of $539 million, partially offset by an increase in commercial investor real estate mortgage loans of $605 million. The decline in commercial loans, specifically commercial and industrial loans, was due to strategic runoff in leveraged lending, continued portfolio resolutions, and loans refinancing off the balance sheet through the debt capital markets. The decline in consumer loans was primarily related to a decrease in Regions' home improvement financing portfolio balances. The increase in commercial investor real estate mortgage loans was a result of increases in fundings and new term loans. Refer to the "Portfolio Characteristics" section for further discussion.

Net charge-offs totaled $513 million, or 0.53 percent of average loans, in 2025, compared to $458 million, or 0.47 percent in 2024, driven by an increase in commercial and industrial and commercial investor real estate mortgage net charge-offs from resolutions within previously identified portfolios of interest with established reserves. The allowance was 1.76 percent of total loans, net of unearned income at December 31, 2025, a decrease from 1.79 percent at December 31, 2024. The coverage ratio of allowance to non-performing loans excluding loans held for sale was 242 percent at December 31, 2025, compared to 186 percent at December 31, 2024.

For more information, refer to the following additional sections within this Form 10-K:

- “Allowance” discussion within the “Critical Accounting Policies and Estimates” section of MD&A
- “Provision for Credit Losses” discussion within the “Operating Results” section of MD&A
- “Loans,” "Portfolio Characteristics", “Allowance,” and “Non-performing Assets” discussions within the “Balance Sheet Analysis” section of MD&A
- Note 4 "Loans" to the consolidated financial statements
- Note 5 "Allowance for Credit Losses" to the consolidated financial statements

Liquidity

At the end of 2025, Regions Bank had $7.8 billion in cash on deposit with the Federal Reserve Bank and the loan-to-deposit ratio was 73 percent. Cash and cash equivalents at the parent company totaled $726 million. Cash at the Federal Reserve was stable compared to December 31, 2024.

At December 31, 2025, the Company’s borrowing capacity with the Federal Reserve was $22.8 billion based on available collateral. Borrowing availability with the FHLB was $11.1 billion based on available collateral at the same date. Regions also maintains a shelf registration statement with the SEC that can be utilized by the Company to issue various debt and/or equity securities. Additionally, Regions' Board has authorized Regions Bank to issue up to $10 billion in aggregate principal amount of bank notes outstanding at any one time.

Regions is required to conduct liquidity stress testing and measure its available sources of liquidity against minimums as established by Regions' internal liquidity policy. Regions was fully compliant with those requirements as of year-end.

For more information, refer to the following additional sections within this Form 10-K:

- “Supervision and Regulation” discussion within Item 1. Business
- “Borrowed Funds” discussion within the “Balance Sheet Analysis” section of MD&A
- “Regulatory Requirements” section of MD&A
- “Liquidity” discussion within the “Risk Management” section of MD&A
- Note 11 "Borrowed Funds" to the consolidated financial statements

GENERAL

The following discussion and financial information is presented to aid in understanding Regions’ financial position and results of operations. The emphasis of this discussion will be on operations for the years 2025 and 2024; in addition, financial information for prior years will also be presented when appropriate.

Regions’ profitability, like that of many other financial institutions, is dependent on its ability to generate revenue from net interest income as well as non-interest income sources. Net interest income is primarily the difference between the interest income Regions receives on interest-earning assets, such as loans, leases, investment securities and cash balances held at the Federal Reserve Bank, and the interest expense Regions pays on interest-bearing liabilities, principally deposits and borrowings. Regions’ net interest income is impacted by the size and mix of its balance sheet components and the interest rate spread between interest earned on its assets and interest paid on its liabilities. Non-interest income includes fees from service charges on deposit accounts, card and ATM fees, mortgage servicing and secondary marketing, investment management and trust activities, capital markets and other customer services which Regions provides. Results of operations are also affected by the provision for credit losses and non-interest expenses such as salaries and employee benefits, equipment and software expenses, occupancy, professional, legal and regulatory expenses, FDIC insurance assessments, and other operating expenses, as well as income taxes.

Economic conditions, competition, new legislation and related rules impacting regulation of the financial services industry and the monetary and fiscal policies of the Federal government significantly affect most, if not all, financial institutions, including Regions. Lending and deposit activities and fee income generation are influenced by levels of business spending and investment, consumer income, consumer spending and savings, capital market activities, and competition among financial institutions, as well as customer preferences, interest rate conditions and prevailing market rates on competing products in Regions' market areas.

Regions' business strategy is focused on providing a competitive mix of products and services, delivering quality customer service, and continuing to develop and optimize distribution channels that include a branch distribution network with offices in convenient locations, as well as electronic and mobile banking.

Business Segments

Regions provides traditional commercial, retail and mortgage banking services, as well as other financial services in the fields of asset management, wealth management, securities brokerage, and other specialty financing. Regions carries out its strategies and derives its profitability from three reportable segments: Corporate Bank, Consumer Bank, and Wealth Management, with the remainder in Other.

See Note 22 "Business Segment Information" to the consolidated financial statements for further information on Regions' business segments.

CRITICAL ACCOUNTING ESTIMATES AND RELATED POLICIES

In preparing financial information, management is required to make significant estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses for the periods shown. The accounting principles followed by Regions and the methods of applying these principles conform with GAAP, regulatory guidance, where applicable, and general banking practices. Estimates and assumptions most significant to Regions are related primarily to the allowance, fair value measurements, goodwill, residential MSRs, and income taxes, and are summarized in the following discussion and in the notes to the consolidated financial statements.

Allowance

The allowance consists of two components: the allowance for loan losses and the reserve for unfunded credit commitments. Unfunded credit commitments include items such as letters of credit, financial guarantees and binding unfunded loan commitments. Regions determines its allowance in accordance with GAAP and applicable regulatory guidance.

See Note 1 "Summary of Significant Accounting Policies" and Note 5 "Allowance for Credit Losses" to the consolidated financial statements for information about areas of judgment and methodologies used in establishing the allowance.

The allowance is sensitive to a number of internal factors, such as changes in the mix and level of loan balances outstanding, portfolio performance and assigned risk ratings. The allowance is also sensitive to external factors such as the general health of the economy, as evidenced by changes in interest rates, inflation, GDP, unemployment rates, changes in real estate demand and values, volatility in commodity prices, bankruptcy filings, and the effects of weather and natural disasters such as floods and hurricanes.

Management considers these variables and all other available information when establishing the final level of the allowance. These variables and others have the ability to result in actual loan losses that differ from the originally estimated amounts.

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 allowance based on their judgments and estimates. Volatility in certain credit metrics is to be expected. Additionally, changes in circumstances related to individually large credits, commodity prices, or certain macroeconomic forecast assumptions may result in volatility. The scenarios discussed below, or other scenarios, have the ability to result in actual credit losses that differ, perhaps materially, from the originally estimated amounts. This analysis is not intended to estimate changes in the overall allowance, which would also be influenced by the judgment management applies to the modeled loss estimates to reflect uncertainty and imprecision based on then-current circumstances and conditions.

It is difficult to estimate how potential changes in any one economic factor might affect the overall allowance because a wide variety of factors and inputs are considered in the allowance estimate. Changes in the factors and inputs may not occur at the same rate and may not be consistent across all product types. Additionally, changes in factors and inputs may be directionally inconsistent, such that improvement in one factor may offset deterioration in others. However, to consider the impact of a hypothetical alternate economic forecast, Regions estimated the allowance using a scenario that was one standard deviation unfavorable to the expected scenario for each macroeconomic variable. This unfavorable scenario resulted in an allowance approximately 15 percent higher than the allowance using the expected scenario.

Similar to the scenario above, it is difficult to estimate how potential changes in credit risk factors might affect the overall allowance because of the wide variety of credit risk factors that are considered in estimating the allowance. Changes in risk ratings may not occur at the same rate and may not be consistent across product or industry types. Regions conducted a separate sensitivity analysis considering deteriorating conditions for commercial and investor real estate portfolio factors by stressing key portfolio drivers relative to the baseline portfolio conditions. Regions stressed risk ratings by one downgrade for commercial and investor real estate loans. This scenario resulted in an allowance approximately 20 percent higher for the commercial and investor real estate portfolios.

Fair Value Measurements

A portion of the Company's assets and liabilities is carried at fair value, with changes in fair value recorded either in earnings or accumulated other comprehensive income (loss). The most significant of these include debt securities available for sale, mortgage loans held for sale, residential MSRs, and derivative assets and liabilities. From time to time, the estimation of fair value also affects other loans held for sale, which are recorded at the lower of cost or fair value. The determination of fair value also impacts certain other assets that are periodically evaluated for impairment using fair value estimates, including goodwill.

Fair value is generally defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) as opposed to the price that would be paid to acquire the asset or received to assume the liability (an entry price), in an orderly transaction between market participants at the measurement date under current market conditions. While management uses judgment when determining the price at which willing market participants would transact when there has been a significant decrease in the volume or level of activity for the asset or liability in relation to "normal" market activity, management's objective is to determine the point within the range of fair value estimates that is most representative of a sale to a third-party investor under current market conditions. The value to the Company if the asset or liability were held to maturity is not included in the fair value estimates.

A fair value measure should reflect the assumptions that market participants would use in pricing the asset or liability, including the assumptions about the risk inherent in a particular valuation technique, the effect of a restriction on the sale or use of an asset and the risk of nonperformance. Fair value is measured based on a variety of inputs the Company utilizes. Fair value may be based on quoted market prices for identical assets or liabilities traded in active markets (Level 1 valuations). If market prices are not available, quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market are used (Level 2 valuations). Where observable market data is not available, the valuation is generated from model-based techniques that use significant assumptions not observable in the market, but observable based on Company-specific data (Level 3 valuations). These unobservable assumptions reflect the Company's own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques typically include option pricing models, discounted cash flow models and similar techniques, but may also include the use of market prices of assets or liabilities that are not directly comparable to the subject asset or liability.

See Note 1 "Summary of Significant Accounting Policies" to the consolidated financial statements for a detailed discussion of determining fair value, including pricing validation processes.

Goodwill

Goodwill consists of the excess of cost over the fair value of net assets of acquired businesses and totaled $5.7 billion at both December 31, 2025 and December 31, 2024. Goodwill is allocated to each of Regions' reportable segments (each a reporting unit: Corporate Bank, Consumer Bank, and Wealth Management). Goodwill is tested for impairment on an annual basis as of October 1 or more often if events and circumstances indicate impairment may exist (refer to Note 1 "Summary of Significant Accounting Policies" to the consolidated financial statements for further discussion).

The Company completed its annual goodwill impairment test as of October 1, 2025, by performing a qualitative assessment of goodwill at the reporting unit level to determine whether any indicators of impairment existed. In performing the qualitative assessment, the Company evaluated events and circumstances since the last impairment analysis, recent operating performance including reporting unit performance, changes in market capitalization, regulatory actions and assessments, changes in the business climate, company-specific factors, and trends in the banking industry. After assessing the totality of the events and circumstances, the Company determined that it is more likely than not that the fair value of the Corporate Bank, Consumer Bank, and Wealth Management reporting units exceed their respective carrying values. Therefore, a quantitative impairment test was not required. Refer to Note 9 "Goodwill and Other Intangible Assets" to the consolidated financial statements for additional discussion of goodwill.

Specific factors as of the date of filing the consolidated financial statements that could negatively impact the assumptions used in assessing goodwill for impairment include: a protracted decline in the Company's market capitalization; adverse business trends resulting from litigation and/or regulatory actions; higher loan losses; forecasts of high unemployment levels; future increased minimum regulatory capital requirements above current thresholds (refer to Note 12 "Regulatory Capital Requirements and Restrictions" in Item 8. "Financial Statements and Supplementary Data" for a discussion of current minimum regulatory requirements); future federal rules and regulations (e.g., such as those resulting from the Dodd-Frank Act); and/or significant volatility in interest rates.

Residential Mortgage Servicing Rights

Regions has elected to measure and report its residential MSRs using the fair value method. Although sales of residential MSRs do occur, residential MSRs do not trade in an active market with readily observable market prices and the exact terms and conditions of sales may not be readily available, and are therefore Level 3 valuations in the fair value hierarchy previously discussed in the "Fair Value Measurements" section. Specific characteristics of the underlying loans greatly impact the estimated value of the related residential MSRs. As a result, Regions stratifies its portfolios on the basis of certain risk characteristics, including loan type and contractual note rate, as applicable. Regions values its residential MSRs using discounted cash flow modeling techniques. These techniques require management to make estimates regarding future net servicing cash flows, taking into consideration historical and forecasted mortgage loan prepayment rates, discount rates, escrow balances and servicing costs. Changes in interest rates, prepayment speeds or other factors impact the fair value of residential MSRs which impacts earnings.

Refer to Note 6 "Servicing of Financial Assets" to the consolidated financial statements for additional information including quantitative disclosures reflecting the effect that changes in management's assumptions would have on the fair value of residential MSRs.

Income Taxes

Accrued income taxes are reported as a component of either other assets or other liabilities, as appropriate, in the consolidated balance sheets and reflect management's estimate of income taxes to be received or paid. The Company is subject to income tax in the U.S. and multiple state and local jurisdictions. The tax laws and regulations in each jurisdiction are complex and may be subject to different interpretations by the Company and the relevant government taxing authorities. Therefore, the Company is required to exercise judgment in determining tax accruals and evaluating the Company's tax positions, including evaluating UTBs.

Deferred income taxes represent the amount of future income taxes to be paid or received and are accounted for using the asset and liability method with the net balance reported in other assets or other liabilities, as appropriate, in the consolidated balance sheets. The Company determines the realization of deferred tax assets by considering all positive and negative evidence available, including the impact of recent operating results, future reversals of taxable temporary differences, future taxable income exclusive of reversing temporary differences and carryforwards and tax planning strategies. In projecting future taxable income, the Company utilizes forecasted pre-tax earnings, adjusts for the estimated temporary differences and incorporates assumptions, including the amounts of income allocable to taxing jurisdictions. Determining whether deferred tax assets are realizable is subjective and requires the use of significant judgment. A valuation allowance is provided when it is more-likely-than-not that some portion of the deferred tax asset will not be realized. The Company currently maintains a valuation allowance for certain state carryforwards.

The Company's estimate of accrued income taxes, deferred income taxes and income tax expense can also change in any period as a result of new legislative or judicial guidance impacting tax positions, as well as changes in income tax rates and changes in operating activities. Any changes, if they occur, can be significant to the Company's consolidated financial position, results of operations or cash flows.

See Note 1 "Summary of Significant Accounting Policies" and Note 19 "Income Taxes" to the consolidated financial statements for further details and discussion.

OPERATING RESULTS

NET INTEREST INCOME AND NET INTEREST MARGIN

Table 1 "Consolidated Average Daily Balances and Yield/Rate Analysis" presents a detail of net interest income (on a taxable-equivalent basis), the net interest margin, and the net interest spread.

Table 1—Consolidated Average Daily Balances and Yield/Rate Analysis

	Year Ended December 31								
	2025			2024			2023		
	Average Balance	Income/ Expense	Yield/ Rate(1)	Average Balance	Income/ Expense	Yield/ Rate(1)	Average Balance	Income/ Expense	Yield/ Rate(1)
	(Dollars in millions; yields on taxable-equivalent basis)								
Assets									
Earning assets:									
Federal funds sold and securities purchased under agreements to resell	$ 1	$ —	4.30 %	$ 1	$ —	5.25 %	$ —	$ —	— %
Debt securities (2)(3)	32,966	1,145	3.47	31,989	925	2.89	31,467	749	2.38
Loans held for sale	562	35	6.28	610	39	6.30	575	40	6.89
Loans, net of unearned income (4)(5)	96,124	5,512	5.69	97,036	5,782	5.93	98,239	5,784	5.86
Interest-bearing deposits in other banks	8,294	364	4.39	6,398	344	5.37	6,185	321	5.19
Other earning assets	1,481	66	4.49	1,438	68	4.75	1,389	54	3.87
Total earning assets	139,428	7,122	5.07	137,472	7,158	5.18	137,855	6,948	5.02
Unrealized gains/(losses) on securities available for sale, net (2)	(1,173)			(2,614)			(3,392)		
Allowance for loan losses	(1,607)			(1,616)			(1,498)		
Cash and due from banks	2,949			2,727			2,271		
Other non-earning assets	18,421			17,912			17,781		
	$158,018			$153,881			$153,017		
Liabilities and Shareholders' Equity									
Interest-bearing liabilities:									
Savings	$ 12,099	15	0.12	$ 12,332	15	0.12	$ 14,165	16	0.12
Interest-bearing checking	24,672	341	1.38	24,090	395	1.64	23,319	282	1.21
Money market	37,813	878	2.32	34,586	930	2.69	32,364	615	1.90
Time deposits	15,159	532	3.51	15,471	631	4.08	10,545	342	3.24
Total interest-bearing deposits (6)	89,743	1,766	1.97	86,479	1,971	2.28	80,393	1,255	1.56
Federal funds purchased and securities sold under agreements to repurchase	55	3	4.27	15	—	4.74	13	1	5.41
Other short-term borrowings	312	14	4.47	723	40	5.24	1,776	95	5.26
Long-term borrowings	5,424	299	5.46	4,352	279	6.34	3,437	226	6.51
Total interest-bearing liabilities	95,534	2,082	2.18	91,569	2,290	2.50	85,619	1,577	1.84
Non-interest-bearing deposits(6)	39,403	—	—	40,136	—	—	46,150	—	—
Total funding sources	134,937	2,082	1.54	131,705	2,290	1.73	131,769	1,577	1.19
Net interest spread (2)			2.90			2.68			3.18
Other liabilities	4,502			4,653			4,708		
Shareholders' equity	18,541			17,484			16,522		
Noncontrolling interest	38			39			18		
	$158,018			$153,881			$153,017		
Net interest income/margin on a taxable-equivalent basis (7)		$ 5,040	3.61 %		$ 4,868	3.54 %		$ 5,371	3.90 %

(1) Amounts have been calculated using whole dollar values and the prevailing interest accrual methodology.
(2) Debt securities are included on an amortized cost basis with yield and net interest margin calculated accordingly.
(3) Interest income on debt securities includes hedging income of $20 million and $7 million and hedging expense of $1 million for the years ended December 31, 2025, 2024, and 2023, respectively.
(4) Loans, net of unearned income include non-accrual loans for all periods presented.
(5) Interest income on loans, net of unearned income, includes hedging expense of $242 million, $420 million and $236 million for the years ended December 31, 2025, 2024, and 2023, respectively. Interest income on loans, net of unearned income, also includes net loan fees of $122 million, $142 million and $130 million for the years ended December 31, 2025, 2024 and 2023, respectively.
(6) Total deposit costs may be calculated by dividing total interest expense on deposits by the sum of interest-bearing deposits and non-interest-bearing deposits and equaled 1.37%, 1.56% and 0.99% for the years ended December 31, 2025, 2024, and 2023, respectively.
(7) The computation of taxable-equivalent net interest income is based on the statutory federal income tax rate of 21%, adjusted for applicable state income taxes net of the related federal tax benefit.

Table 2 "Volume and Yield/Rate Variances" provides additional information with which to analyze the changes in net interest income.

Table 2— Volume and Yield/Rate Variances

	2025 Compared to 2024			2024 Compared to 2023		
	Change Due to			Change Due to		
	Volume	Yield/ Rate	Net	Volume	Yield/ Rate	Net
	(Taxable-equivalent basis—in millions)					
Interest income on:						
Debt securities	$ 29	$ 191	$ 220	$ 13	$ 163	$ 176
Loans held for sale	(4)	—	(4)	2	(3)	(1)
Loans, including fees	(51)	(219)	(270)	(71)	69	(2)
Interest-bearing deposits in other banks	90	(70)	20	11	12	23
Other earning assets	2	(4)	(2)	2	12	14
Total earning assets	66	(102)	(36)	(43)	253	210
Interest expense on:						
Savings	—	—	—	(1)	—	(1)
Interest-bearing checking	9	(63)	(54)	10	103	113
Money market	82	(134)	(52)	45	270	315
Time deposits	(12)	(87)	(99)	186	103	289
Total interest-bearing deposits	79	(284)	(205)	240	476	716
Federal funds purchased and securities sold under agreements to repurchase	3	—	3	—	(1)	(1)
Short-term borrowings	(21)	(5)	(26)	(55)	—	(55)
Long-term borrowings	62	(42)	20	59	(6)	53
Total interest-bearing liabilities	123	(331)	(208)	244	469	713
Increase (decrease) in net interest income	$ (57)	$ 229	$ 172	$ (287)	$ (216)	$ (503)

Notes:

- The change in interest not due solely to volume or yield/rate has been allocated to the volume column and yield/rate column in proportion to the relationship of the absolute dollar amounts of the change in each.
- The computation of taxable-equivalent net interest income is based on the statutory federal income tax rate of 21%, adjusted for applicable state income taxes net of the related federal tax benefit.

Net interest income is Regions’ principal source of income and is one of the most important elements of Regions’ ability to meet its overall performance goals. Annual changes in net interest income are due to changes in the interest rate environment, product pricing, balance sheet mix, and balance sheet growth.

Over recent years, changes in the interest rate environment and the impact on product pricing and mix has been the primary contributor to changes in net interest income. Long-term and short-term rates were lower for most of 2025 compared to 2024 due to the Federal funds rate being cut several times late in 2024 and again in late 2025. In 2025 specifically, the FOMC decreased the Federal funds rate by 25 basis points at the September, October and December meetings, for a total decrease of 75 basis points. See the "Executive Overview" for a discussion of recent FOMC activity.

Net interest income (taxable-equivalent basis) increased by $172 million in 2025 compared to 2024, and net interest margin increased by 7 basis points to 3.61 percent in 2025. The increases in net interest income and net interest margin were driven primarily by lower funding costs, which includes deposits and wholesale borrowings. Funding costs declined to 1.54 percent compared to 1.73 percent in 2024, driven by deposit cost reductions in a declining rate environment and deposit balance growth, creating a more optimal funding mix. Also contributing to the more optimal funding mix in 2025 was deposit remixing, as certain time deposits matured and were replaced with lower cost product types, money market in particular. Deposit costs decreased to 1.37 percent for 2025 compared to 1.56 percent for 2024.

Also benefiting net interest income and net interest margin in 2025 were the Company's continued securities reinvestment activities, executed through multiple, distinct debt securities repositioning transactions. As a result, the debt securities yield increased to 3.47 percent in 2025 from 2.89 percent in 2024. See Table 5 for more information.

Partially offsetting the decrease in funding costs were lower loan balances and lower loan yields. The Company's loan yields are primarily influenced by short-term interest rates such as 30-day term SOFR, which averaged 4.28 percent in 2025 compared to 5.19 percent in 2024. While floating-rate loan yields declined, the decline was mitigated by the Company's use of financial derivative instruments as hedges in order to provide interest income benefits in periods of lower interest rates. In addition, loan yields were also supported in 2025 from legacy fixed rate asset maturities and their replacement in the current elevated interest rate environment.

Balance sheet growth, combined with the mix of earning assets and interest-bearing liabilities, are key drivers of changes to the interest rate spread. The interest rate spread increased by 22 basis points to 2.90 percent in 2025. Average earning assets in 2025 totaled $139.4 billion, an increase of $2.0 billion as compared to the prior year, primarily due to an increase in interest-bearing deposits in other banks and debt securities, partially offset by a decline in loans, net of unearned income. The net effect of the change in earning asset mix had a relatively neutral impact on spread. The mix of funding sources, both interest-bearing and non-interest bearing liabilities, can also affect the interest spread. In 2025 and 2024, the Company's total deposit balances grew while the mix remained relatively stable, with non-interest-bearing deposits comprising approximately 30 percent of deposits throughout the years. The changes to funding mix had a favorable impact on the interest rate spread. See the "Loans", "Debt Securities", and "Deposits" sections for further details.

See also the "Market Risk-Interest Rate Risk" section in Management's Discussion and Analysis for additional information.

PROVISION FOR CREDIT LOSSES

The provision for credit losses is used to maintain the allowance for loan losses and the reserve for unfunded credit losses at a level that management determines is appropriate to absorb expected credit losses over the contractual life of the loan and credit commitment portfolio at the balance sheet date. In 2025, net charge-offs exceeded the provision for credit losses by $43 million compared to 2024 when the provision for credit losses exceeded net charge-offs by $29 million.

For further discussion and analysis of the total allowance for credit losses, see the "Allowance for Credit Losses" and “Risk Management” sections found later in this report. See also Note 5 "Allowance for Credit Losses" to the consolidated financial statements.

NON-INTEREST INCOME

Table 3—Non-Interest Income

	Year Ended December 31			Change 2025 vs. 2024	
	2025	2024	2023	Amount	Percent
			(Dollars in millions)		
Service charges on deposit accounts	$ 635	$ 612	$ 592	$ 23	3.8 %
Card and ATM fees	487	467	504	20	4.3 %
Investment management and trust fee income	362	338	313	24	7.1 %
Capital markets income	347	348	222	(1)	(0.3)%
Mortgage income	158	146	109	12	8.2 %
Investment services fee income	182	157	138	25	15.9 %
Commercial credit fee income	114	111	105	3	2.7 %
Bank-owned life insurance	95	102	78	(7)	(6.9)%
Market valuation adjustments on employee benefit assets	20	25	15	(5)	(20.0)%
Securities gains (losses), net	(53)	(208)	(5)	155	74.5 %
Other miscellaneous income	188	167	185	21	12.6 %
	$ 2,535	$ 2,265	$ 2,256	$ 270	11.9 %

Service Charges on Deposit Accounts

Service charges on deposit accounts include overdraft fees, treasury management fees and other customer transaction-related service charges. Service charges increased modestly in 2025 compared to 2024, driven primarily by an increase in fees from treasury management services and overdraft fees.

The Company continues to monitor and evaluate the potential impact of proposals to lower the maximum interchange fee that a large debit card issuer can receive for a debit card transaction, which remain subject to ongoing litigation.

Capital Markets Income

Capital markets income primarily relates to capital raising activities that include real estate placement, securities underwriting and placement, loan syndication, as well as foreign exchange, derivatives, merger and acquisition and other advisory services. Capital markets income was flat from 2024 to 2025 primarily due to increases in syndication revenue and commercial swap income being offset by declines in M&A fees and real estate revenue due to economic uncertainty early in 2025 affecting timing and volume of transactions.

Mortgage Income

Mortgage income is generated through the origination and servicing of residential mortgage loans for long-term investors and sales of residential mortgage loans in the secondary market. The increase in mortgage income in 2025 compared to 2024 was due primarily to favorable mortgage servicing rights valuation adjustments, partially offset by negative pipeline valuation adjustments.

Investment Services Fee Income

Investment services fee income represents income earned from investment advisory services. Investment services fee income increased in 2025 compared to 2024 due primarily to strong advisor production.

Market Value Adjustments on Employee Benefit Assets

Market value adjustments on employee benefit assets are the reflection of market value variations related to assets held for certain employee benefits. The adjustments are offset in salaries and benefits and other non-interest expense.

Securities Gains (Losses), Net

Net securities gains (losses) primarily result from the Company's asset/liability and capital management processes. In both 2025 and 2024, the Company executed debt securities repositionings by selling debt securities and reinvesting the proceeds at higher current market yields. See Table 5 "Debt Securities" for more information.

Other Miscellaneous Income

Other miscellaneous income includes net revenue from affordable housing, income from SBIC investments, valuation adjustments to equity investments, commercial loan and leasing related income, fees from safe deposit boxes, check fees, and other miscellaneous income including unusual gains. Net revenue from affordable housing includes actual gains and losses resulting from the sale of affordable housing investments, cash distributions from the investments and any related impairment charges. Other miscellaneous income increased in 2025 compared to 2024 primarily due to increases in commercial leasing income and improvements in valuation adjustments on certain equity investments.

NON-INTEREST EXPENSE

Table 4—Non-Interest Expense

	Year Ended December 31			Change 2025 vs. 2024	
	2025	2024	2023	Amount	Percent
	(Dollars in millions)				
Salaries and employee benefits	$ 2,616	$ 2,529	$ 2,416	$ 87	3.4 %
Equipment and software expense	421	406	412	15	3.7 %
Net occupancy expense	288	278	289	10	3.6 %
Outside services	166	162	163	4	2.5 %
Marketing	113	110	110	3	2.7 %
Professional, legal and regulatory expenses	111	94	85	17	18.1 %
Credit/checkcard expenses	64	59	60	5	8.5 %
FDIC insurance assessments	58	109	228	(51)	(46.8)%
Operational losses	53	95	212	(42)	(44.2)%
Visa class B shares expense	27	32	28	(5)	(15.6)%
Early extinguishment of debt	—	—	(4)	—	NM
Branch consolidation, property and equipment charges	(5)	3	7	(8)	(266.7)%
Other miscellaneous expenses	401	365	410	36	9.9 %
	$ 4,313	$ 4,242	$ 4,416	$ 71	1.7 %

NM - Not Meaningful

Salaries and Employee Benefits

Salaries and employee benefits consist of salaries, incentive compensation, long-term incentives, payroll taxes, and other employee benefits such as 401(k), pension, and medical, life and disability insurance, as well as, expenses from liabilities held for employee benefit purposes. Salaries and employee benefits increased in 2025 compared to 2024 primarily due to higher base salaries from annual merit increases, higher production-based incentives, and increases in other benefits expense driven by higher medical expenses due to inflation. Partially offsetting these increases were lower severance costs in 2025 as compared to 2024. Full-time equivalent headcount increased slightly to 19,969 at December 31, 2025 from 19,644 at December 31, 2024.

Professional, Legal and Regulatory expenses

Professional, legal, and regulatory expenses consist of amounts related to legal, consulting, other professional fees and regulatory charges. Professional, legal, and regulatory expenses increased in 2025 compared to 2024 primarily due to an increase in professional fees associated with core systems modernization.

FDIC Insurance Assessments

FDIC insurance assessments decreased in 2025 compared to 2024 primarily resulting from updates to the special assessment which was initially recorded in 2023 due to bank failures. In 2025, the Company reduced the special assessment accrual by $17 million based upon revised loss estimates related to the failures compared to an increase in the special assessment of $16 million in 2024. Also contributing to the decrease was a reduction of the base assessment primarily due to higher unsecured debt, lower concentration risk, and improved credit metrics.

Operational Losses

Operational losses include losses related to fraud, execution, delivery and process management, and damage to physical assets. Operational losses decreased in 2025 compared to 2024 primarily due to a reduction in check fraud during 2025 as a result of effective countermeasures.

Visa Class B Shares Expense

Visa class B shares expense is associated with previously sold shares. The Visa class B shares have restrictions tied to finalization of certain covered litigation. Visa class B shares expense was lower in 2025 primarily due to a share redemption in 2024 and lower escrow funding expense during 2025 for the Company's proportionate share related to the ongoing covered litigation.

Branch Consolidation, Property and Equipment Charges

Branch consolidation, property and equipment charges include valuation adjustments related to owned branches when the decision to close them is made. Accelerated depreciation and lease write-off charges are recorded for leased branches through and at the actual branch close date. Branch consolidation, property and equipment charges also include costs related to occupancy optimization initiatives. Branch consolidation, property and equipment charges in 2025 included a gain recognized on the disposition of a property in the third quarter of 2025.

Other Miscellaneous Expenses

Other miscellaneous expenses include expenses related to communications, postage, supplies, certain credit-related costs, foreclosed property expenses, mortgage repurchase costs, and other costs (benefits) related to employee benefit plans. Other miscellaneous expenses increased in 2025 compared to 2024 primarily due to a contingent reserve release in the second quarter of 2024 related to a prior acquisition, which did not repeat.

INCOME TAXES

The Company’s income tax expense for the year ended December 31, 2025 was $587 million compared to $461 million in 2024, resulting in effective tax rates of 21.4 percent and 19.6 percent, respectively. The increase in the effective tax rate in 2025 compared to 2024 is primarily driven by an increase in state income tax reserves.

The effective tax rate is affected by many factors including, but not limited to, the level of pre-tax income, the mix of income between various tax jurisdictions with differing tax rates, enacted tax legislation, net tax benefits related to affordable housing investments, bank-owned life insurance income, tax-exempt interest and nondeductible expenses. In addition, the effective tax rate is affected by items that may occur in any given period but are not consistent from period-to-period, such as the termination of certain leveraged leases, share-based payments, valuation allowance changes and changes to UTBs. Accordingly, the comparability of the effective tax rate between periods may be impacted.

At December 31, 2025, the Company reported a net deferred tax asset of $244 million compared to $775 million at December 31, 2024. The decrease in the net deferred tax position primarily reflects the deferred tax effects associated with decreases in unrealized losses on securities available for sale and derivative instruments recognized during the period.

See Note 1 "Summary of Significant Accounting Policies" and Note 19 "Income Taxes" to the consolidated financial statements for additional information about income taxes.

BALANCE SHEET ANALYSIS

The following sections provide expanded discussion of significant changes in certain line items in asset, liability, and shareholders' equity categories.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents increased approximately $195 million from December 31, 2024 to December 31, 2025 primarily due to an increase in deposits, partially offset by a decline in borrowed funds, a decrease in loans, securities purchases, and the redemption of Series D preferred stock. See the "Debt Securities", "Loans" "Deposits", "Borrowed Funds", and "Liquidity" sections for more information.

DEBT SECURITIES

The following table details the carrying values of debt securities, including both held to maturity and available for sale, as of December 31:

Table 5—Debt Securities

	2025	2024
	(In millions)	
U.S. Treasury securities	$ 2,276	$ 2,003
Federal agency securities	543	444
Obligations of states and political subdivisions	2	2
Mortgage-backed securities:		
Residential agency	23,624	22,865
Commercial agency	6,198	4,597
Commercial non-agency	82	82
Corporate and other debt securities	441	658
	$ 33,166	$ 30,651

Debt securities, which comprise approximately 24 percent of earning assets, are an important tool used to manage interest rate sensitivity and provide a primary source of liquidity for the Company, as much of the portfolio is highly liquid. Regions' investment policy emphasizes credit quality and liquidity, and as such Regions maintains a highly-rated debt securities portfolio consisting primarily of agency MBS. Debt securities backed by the U.S. Government and government sponsored agencies, both on a direct and indirect basis, represented approximately 99 percent of the investment portfolio at December 31, 2025. Additionally, some of the debt securities portfolio is eligible to be used as collateral for funding of various types of borrowings. See the "Liquidity" section for more information on these arrangements. Also see the "Market Risk-Interest Rate Risk" section for more information. See also Note 3 "Debt Securities" to the consolidated financial statements for additional information.

Debt securities held to maturity constituted approximately 17 percent of the debt securities portfolio and debt securities available for sale constituted approximately 83 percent at December 31, 2025. In the first half of 2025, the Company reclassified debt securities with an amortized cost, excluding items recognized in OCI, of $2.0 billion from available for sale into held to maturity to reduce the volatility in AOCI in preparation for potential, upcoming changes to regulatory guidance as discussed in the "Regulatory Requirements" section.

Debt securities increased $2.5 billion from December 31, 2024 to December 31, 2025 due to the addition of approximately $1.0 billion of residential agency MBS debt securities in the second quarter of 2025, lower market interest rates and tighter spreads resulting in lower unrealized holding losses, and AOCI amortization. Of note, the Company executed debt securities repositionings in the first and third quarters of 2025 involving the sale of shorter-duration commercial and residential agency MBS and replacement with residential agency MBS with favorable prepayment profiles. In total, the Company sold approximately $1.0 billion of debt securities available for sale and realized approximately $50 million in pre-tax losses. The intent was to maintain the debt securities portfolio duration that would otherwise shorten naturally while efficiently deploying capital. Proceeds from the sales were reinvested at higher market yields.

The average life of the debt securities portfolio at December 31, 2025 was estimated to be 5.9 years, with a duration of approximately 3.9 years, inclusive of fair value hedges (see Table 26). These metrics compare with an estimated average life of 6.1 years and a duration of approximately 4.5 years for the portfolio at December 31, 2024.

Table 6 "Relative Contractual Maturities" details the contractual maturities of debt securities, including held to maturity and available for sale, and the related weighted-average yields.

Table 6— Relative Contractual Maturities

	Debt Securities Maturing as of December 31, 2025				
	Within One Year	After One But Within Five Years	After Five But Within Ten Years	After Ten Years	Total
	(Dollars in millions)				
U.S. Treasury securities	$ 135	$ 1,639	$ 497	$ 5	$ 2,276
Federal agency securities	—	—	482	61	543
Obligations of states and political subdivisions	—	—	—	2	2
Mortgage-backed securities:					
Residential agency	1	59	1,674	21,890	23,624
Commercial agency	317	2,475	3,255	151	6,198
Commercial non-agency	—	—	—	82	82
Corporate and other debt securities	156	269	15	1	441
	$ 609	$ 4,442	$ 5,923	$ 22,192	$ 33,166
Weighted-average yield (1)	2.41 %	3.24 %	3.32 %	3.66 %	3.52 %

(1) The weighted-average yields are calculated on the basis of the yield to maturity based on the carrying value of each debt security. The yields presented in Table 1 are calculated based on the amortized cost of each debt security and yields earned throughout each year. Yields are calculated based on whole dollar amounts.

LOANS HELD FOR SALE

The following table presents Regions' loans held for sale by type as of December 31:

Table 7—Loans Held for Sale

	2025	2024
	(In millions)	
Commercial	$ 245	$ 372
Residential first mortgage	266	222
	$ 511	$ 594

Commercial loans held for sale include commercial mortgage loans originated for sale to third parties and commercial loans originally recorded as held for investment when management has the intent to sell. Levels of commercial loans held for sale fluctuate based on timing of sale to third parties. The levels of residential first mortgage loans held for sale that are part of the Company's mortgage originations fluctuate depending on the timing of origination and sale to third parties.

LOANS

GENERAL

Loans, net of unearned income, represented 69 percent of interest-earning assets as of December 31, 2025 compared to 70 percent as of December 31, 2024. The following table illustrates a year-over-year comparison of loans, net of unearned income, by portfolio segment and class as of December 31:

Table 8—Loan Portfolio

	2025	2024
	(In millions, net of unearned income)	
Commercial and industrial	$ 48,790	$ 49,671
Commercial real estate mortgage—owner-occupied	4,845	4,841
Commercial real estate construction—owner-occupied	263	333
Total commercial	53,898	54,845
Commercial investor real estate mortgage	7,172	6,567
Commercial investor real estate construction	1,934	2,143
Total investor real estate	9,106	8,710
Residential first mortgage	19,765	20,094
Home equity lines	3,232	3,150
Home equity loans	2,324	2,390
Consumer credit card	1,519	1,445
Other consumer[1]	5,793	6,093
Total consumer	32,633	33,172
	$ 95,637	$ 96,727

(1) Starting in 2025, other consumer loans also includes exit portfolios, which were previously presented separately. The portfolio consists primarily of indirect auto loans, and presentation of prior periods has been conformed accordingly.

The following table details the contractual maturities for loans as of December 31, 2025. In instances of contractual deferral, the new contractual maturity is used to determine maturity as outlined in the allowance section of Note 1 "Summary of Significant Accounting Policies" to the consolidated financial statements.

Table 9— Loan Maturities

	Loans Maturing as of December 31, 2025				
	Within One Year	After One But Within Five Years	After Five But Within 15 Years	After 15 Years	Total
			(In millions)		
Commercial and industrial	$ 8,123	$ 32,630	$ 6,938	$ 1,099	$ 48,790
Commercial real estate mortgage—owner-occupied	339	1,985	2,301	220	4,845
Commercial real estate construction—owner-occupied	7	117	125	14	263
Total commercial	8,469	34,732	9,364	1,333	53,898
Commercial investor real estate mortgage	3,612	3,442	118	—	7,172
Commercial investor real estate construction	458	1,475	1	—	1,934
Total investor real estate	4,070	4,917	119	—	9,106
Residential first mortgage	13	298	2,143	17,311	19,765
Home equity lines	167	1,122	1,925	18	3,232
Home equity loans	4	204	1,286	830	2,324
Consumer credit card	1,519	—	—	—	1,519
Other consumer	190	742	2,043	2,818	5,793
Total consumer	1,893	2,366	7,397	20,977	32,633
	$ 14,432	$ 42,015	$ 16,880	$ 22,310	$ 95,637

The following table shows the distribution of those loans with maturities greater than one year between predetermined and variable interest rate loans as of December 31, 2025.

Table 10- Loan Distribution by Rate Type

	Predetermined Rate	Variable Rate (1)
	(In millions)	
Commercial and industrial	$ 13,264	$ 27,403
Commercial real estate mortgage—owner-occupied	2,542	1,964
Commercial real estate construction—owner-occupied	153	103
Total commercial	15,959	29,470
Commercial investor real estate mortgage	195	3,365
Commercial investor real estate construction	5	1,471
Total investor real estate	200	4,836
Residential first mortgage	15,813	3,939
Home equity lines	—	3,065
Home equity loans	2,320	—
Other consumer	5,370	233
Total consumer	23,503	7,237
	$ 39,662	$ 41,543

(1) The lending reported in variable rate disclosure is based upon the rate in the underlying lending contracts. For some lending arrangements, Regions enters into hedges in the form of interest rate swap and floor agreements to manage overall cash flow changes related to interest rate risk exposure on variable rate loans. The agreements effectively modify the Company's exposure to interest rate risk by utilizing receive fixed/pay variable interest rate swaps and interest rate floors. The impact of hedging is not considered within this disclosure.

PORTFOLIO CHARACTERISTICS

Loans, net of unearned income, decreased $1.1 billion from year-end 2024 due to a decline in commercial loans and declines across several consumer loan classes as discussed below. These declines were partially offset by an increase in investor real estate loans. Regions manages loan growth with a focus on risk management and risk-adjusted return on capital.

The following sections describe the composition of the portfolio segments and classes disclosed in Table 8, explain changes in balances from year-end 2024 and highlight the related risk characteristics. Regions believes that its loan portfolio is well diversified by product, client, and geography throughout its footprint. However, the loan portfolio may be exposed to certain concentrations of credit risk which exist in relation to individual borrowers or groups of borrowers, certain types of collateral, certain types of industries, and certain loan products. See Note 4 "Loans" and Note 5 "Allowance for Credit Losses" to the consolidated financial statements for additional discussion.

Commercial

Over half of the Company's total loans are included in the commercial portfolio segment. These balances are spread across numerous industries, as noted in Table 11. The Company manages the related risks to this portfolio by setting certain lending limits for each significant industry.

The commercial portfolio segment includes commercial and industrial loans for use in customers' normal business operations to finance working capital needs, equipment purchases, expansion projects and acquisitions. Regions' commercial and industrial loans generally mature within a five-year period with applicable amortization based on the underlying collateral or financing purpose. Typical loan structures consist of revolving and non-revolving lines of credit, amortizing term loans, guidance facilities, and single-pay loans, further tailored to meet the specific needs of the customer. These loans frequently have a covenant package combination inclusive of applicable debt service coverage, leverage, and liquidity measurements.

Underwriting of commercial and industrial loans includes the assessment of the financial performance and profile, management experience and capability, industry position and outlook, the applicability of the transactional structure, as well as the repayment enhancement provided by collateral, guarantees, and ownership or sponsorship. Any forward view of operating performance is tested against applicable stressors that may include revenue decline, margin compression, and interest rate hikes.

Commercial and industrial loans decreased $881 million since year-end 2024 due to strategic runoff in leveraged lending, continued portfolio resolutions, and loans refinancing off the balance sheet through the debt capital markets. Throughout 2025, the decline in commercial and industrial loans was broad-based as shown in Table 11.

The commercial portfolio also includes owner-occupied commercial real estate mortgage loans to operating businesses, which are loans for long-term financing on real estate assets, and are repaid by cash generated by business operations. Owner-occupied commercial real estate construction loans are made to commercial businesses for the development of land or construction of a building where the repayment is derived from revenues generated from the business of the borrower. These owner-occupied real estate and real estate construction loans generally mature within a 10 year period and with amortization periods reflecting the longer life of the underlying collateral. Typical structure is an amortizing term loan, though construction loans are short-term, monitored, non-revolving draw facilities. These loans frequently have a covenant package combination consistent with the underwriting of commercial loans, inclusive of applicable debt service coverage, leverage, and liquidity measurements.

Underwriting for owner-occupied real estate and real estate construction loans is consistent with the underwriting of commercial loans, with particular attention to the enhancement provided by the underlying real estate collateral.

Real estate appraisals, for both commercial and IRE loans, are performed in accordance with regulatory guidelines. In some cases, reports from automated valuation services are used or internal evaluations are performed. An appraisal is ordered and reviewed prior to loan closing, and a new appraisal or evaluation is generally ordered when market conditions indicate a potential decline in the value of the collateral, or when the loan is either modified, renewed, or deteriorates to a certain level of credit weaknesses.

Investor Real Estate

Loans for real estate development are repaid through cash flows related to the operation, sale or refinance of the property. This portfolio segment includes extensions of credit to real estate developers or investors where repayment is dependent on the sale of real estate or income generated from the real estate collateral. A portion of Regions' IRE portfolio segment consists of loans secured by residential product types (land, single-family and condominium loans) within Regions' markets. Additionally, this category includes loans made to finance income-producing properties such as apartment buildings, office and industrial buildings, and retail shopping centers. Total IRE loans increased $396 million in comparison to year-end 2024 balances due to increases in fundings to previously approved projects and new term loans for apartments, data centers and industrial properties.

IRE loans generally mature within a three-to-seven-year period and consist of full, partial, and non-recourse guarantee structures. Typical term loan structures include annually testing operating covenants that require loan rebalancing based on minimum debt service coverage, debt yield, and/or LTV tests. Construction and land development loans generally mature in 12 to 24 months for acquisition and development, to 42 to 60 months for construction and contain full or partial recourse guarantee structures with 12 to 24 month extension options or roll-to-permanent financing options that often result in term loans.

Underwriting on IRE properties is based on the economic viability of the project with significant consideration given to the creditworthiness and experience of the sponsor, who is responsible for managing the property. The Company generally requires that the owner, who provides the capital to purchase the property, infuse their equity prior to any advances. Re-margining requirements (e.g., required equity infusions upon a decline in value or cash flow of the collateral) are often included in the loan agreement along with required guarantees of the sponsor.

The following tables provide detail of Regions' commercial and IRE lending balances in selected industries as of December 31:

Table 11—Commercial and Investor Real Estate Industry Exposure

	2025				2024 (3)			
	Loans	Unfunded Commitments	Total Exposure	Percent of Balance	Loans	Unfunded Commitments	Total Exposure	Percent of Balance
	(In millions)							
Commercial:								
Administrative, support, waste and repair	$ 1,150	$ 790	$ 1,940	1.8 %	$ 1,306	$ 751	$ 2,057	2.0 %
Agriculture	190	119	309	0.4 %	211	142	353	0.3 %
Educational services	3,055	649	3,704	3.5 %	3,229	875	4,104	4.0 %
Energy	1,389	4,129	5,518	5.2 %	1,322	3,484	4,806	4.7 %
Financial services	8,499	9,811	18,310	17.3 %	8,463	9,308	17,771	17.4 %
Government and public sector	3,427	500	3,927	3.7 %	3,121	437	3,558	3.5 %
Healthcare	3,077	2,664	5,741	5.4 %	3,338	2,480	5,818	5.7 %
Information	1,857	1,275	3,132	3.0 %	2,186	1,115	3,301	3.2 %
Manufacturing	4,897	5,328	10,225	9.7 %	5,037	5,138	10,175	9.9 %
Professional, scientific and technical services	1,730	1,742	3,472	3.3 %	1,970	1,736	3,706	3.6 %
Real estate (1)	8,883	9,393	18,276	17.3 %	8,857	9,110	17,967	17.6 %
Religious, leisure, personal and non-profit services	1,703	1,068	2,771	2.6 %	1,579	852	2,431	2.4 %
Restaurant, accommodation and lodging	1,235	351	1,586	1.5 %	1,285	216	1,501	1.5 %
Retail trade	2,237	2,216	4,453	4.2 %	2,604	1,908	4,512	4.4 %
Transportation and warehousing	3,497	1,813	5,310	5.0 %	3,655	1,645	5,300	5.2 %
Utilities	2,290	3,800	6,090	5.8 %	2,329	3,223	5,552	5.4 %
Wholesale goods	4,529	3,551	8,080	7.6 %	4,232	3,371	7,603	7.4 %
Other (2)	253	2,608	2,861	2.7 %	121	1,677	1,798	1.8 %
Total commercial	$ 53,898	$ 51,807	$ 105,705	100.0 %	$ 54,845	$ 47,468	$ 102,313	100.0 %
Investor real estate:								
Hotel	$ 151	$ 8	$ 159	1.3 %	$ 188	$ 18	$ 206	1.8 %
Industrial	910	183	1,093	8.9 %	808	160	968	8.5 %
Land	114	13	127	1.0 %	74	49	123	1.1 %
Multi-family	4,103	1,435	5,538	45.3 %	3,834	1,417	5,251	46.2 %
Office	1,091	63	1,154	9.4 %	1,325	34	1,359	12.0 %
Retail	289	66	355	2.9 %	314	2	316	2.8 %
Single-family/condo	617	506	1,123	9.2 %	668	467	1,135	10.0 %
Data center	421	312	733	6.0 %	215	32	247	2.2 %
Self storage	41	3	44	0.4 %	16	1	17	0.1 %
Other (2)	1,369	521	1,890	15.6 %	1,268	482	1,750	15.3 %
Total investor real estate	$ 9,106	$ 3,110	$ 12,216	100.0 %	$ 8,710	$ 2,662	$ 11,372	100.0 %

(1) "Real estate" includes REITs, which are unsecured commercial and industrial products that are real estate related. This portfolio is well diversified, generally has low leverage with strong access to liquidity, and the REITs included in this portfolio are primarily investment or near investment grade.

(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.

(3) As customers' businesses evolve (e.g. up or down the vertical manufacturing chain), Regions may need to change the assigned business industry code used to define the customer relationship. When these changes occur, Regions does not recast the customer history for prior periods into the new classification because the business industry code used in the prior period was deemed appropriate. As a result, year over year changes may be impacted.

The Company's total non-owner-occupied commercial real estate lending consists of both unsecured commercial and industrial loans that are real estate related (including REITs) and investor real estate loans and are considered to be well diversified across property types. The following tables provide detail of these loans as of December 31:

Table 12— Unsecured Commercial Real Estate and Investor Real Estate Exposure

	2025		2024	
	Loan Balance	Percent of Total (1)	Loan Balance	Percent of Total (1)
	(In millions)			
Residential homebuilders	$ 1,066	6.8 %	$ 1,081	7.1 %
Apartments	4,682	29.7 %	4,371	28.6 %
Industrial	2,347	14.9 %	2,287	15.0 %
Data center	502	3.2 %	332	2.2 %
Diversified	1,856	11.8 %	1,740	11.4 %
Business offices	1,020	6.4 %	1,473	9.6 %
Residential land	70	0.4 %	55	0.4 %
Retail	1,188	7.5 %	1,458	9.5 %
Healthcare	1,268	8.0 %	1,129	7.4 %
Hotel	737	4.7 %	785	5.1 %
Commercial land	44	0.3 %	19	0.1 %
Self Storage	310	2.0 %	296	1.9 %
Other	679	4.3 %	260	1.7 %
Total (2)	$ 15,769	100.0 %	$ 15,286	100.0 %

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(1) Amounts calculated based on whole dollar values.

(2) Owner-occupied commercial real estate is not included as the principal source of repayment is individual businesses, which more closely aligns with the commercial portfolio credit performance.

Portfolios that are experiencing higher risk due to conditions such as inflationary pressures, higher interest rates, and adverse underlying market fundamentals (identified as portfolios of interest) include business offices and trucking (included within transportation and warehousing) at December 31, 2025 within Table 11 above. Recent and potential future interest rate cuts should ease pressure on borrowers across the entire loan portfolio.

The business offices portfolio remains a portfolio of interest due to low occupancy rates and reductions in net effective rents. The office portfolio totaled $1.0 billion and represented 1.1 percent of total loans at December 31, 2025. The office portfolio included non-performing loans of $117 million and had associated charge-offs of $54 million during the year ended December 31, 2025. Approximately 95 percent of the office portfolio was secured, with approximately 64 percent of secured balances located in the South region of the U.S, of which 81 percent were Class A properties. Approximately 59 percent of the office portfolio will mature in the next 12 months. Additionally, the IRE office portfolio had a weighted-average LTV of approximately 65 percent at December 31, 2025, based upon appraisal at origination or most recent received, and a stressed weighted-average LTV of approximately 85 percent as of January 7, 2026, based upon GreenStreet's Commercial Property Price Index. While the office portfolio remains stressed, well-located, highly amenitized properties are observing improvements to property fundamentals. No new loan originations are being contemplated in this portfolio.

The trucking portfolio remains a portfolio of interest as trucking companies have been working through one of the most prolonged downturns in the U.S. domestic freight market. The industry has experienced modest improvement in 2025; however, trade uncertainty continues to mute demand. The trucking portfolio totaled $1.2 billion and represented 1.3 percent of total loans at December 31, 2025. The trucking portfolio included non-performing loans of $78 million and had associated charge-offs of $91 million during the year ended December 31, 2025. New originations in the sector have been curtailed and those that occur are secured or targeted towards larger companies.

Residential First Mortgage

Residential first mortgage loans represent loans to consumers to finance a residence. These loans are typically financed over a 15 to 30 year term and, in most cases, are extended to borrowers to finance their primary residence. Total residential first mortgage loans decreased $329 million in comparison to year-end 2024 balances as payoffs and paydowns outpaced production.

Home Equity Lines

Home equity lines are secured by a first or second mortgage on the borrower's residence and allow customers to borrow against the equity in their homes. Substantially all of this portfolio was originated through Regions' branch network.

Since December 2016, home equity lines of credit are originated with a 10-year draw period and a 20-year repayment term. During the 10-year draw period customers do not have an interest-only payment option, except on a very limited basis. From May 2009 to December 2016, home equity lines of credit had a 10-year draw period and a 10-year repayment term. Prior to May 2009, the predominant structure was a 20-year draw period with a balloon payment upon maturity, which means there are no principal payments required until the balloon payment is due for interest-only lines of credit.

The following table presents information regarding the future principal payment reset dates for the Company's home equity lines of credit as of December 31, 2025. The balances presented are based on maturity date for lines with a balloon payment and draw period expiration date for lines that convert to a repayment period.

Table 13—Home Equity Lines of Credit - Future Principal Payment Resets

	First Lien	% of Total	Second Lien	% of Total	Total
			(Dollars in millions)		
2026	$ 86	2.66 %	$ 91	2.80 %	$ 177
2027	221	6.85 %	189	5.84 %	410
2028	219	6.78 %	143	4.41 %	362
2029	97	2.99 %	65	2.02 %	162
2030	97	3.00 %	72	2.23 %	169
2031-2035	623	19.26 %	1,212	37.50 %	1,835
2036-2040	2	0.08 %	4	0.12 %	6
Thereafter	9	0.28 %	6	0.20 %	15
Revolving Loans Converted to Amortizing	56	1.73 %	40	1.25 %	96
Total	$ 1,410	43.63 %	$ 1,822	56.37 %	$ 3,232

Home Equity Loans

Home equity loans are also secured by a first or second mortgage on the borrower's residence, are primarily originated as amortizing loans, and allow customers to borrow against the equity in their homes. Substantially all of this portfolio was originated through Regions' branch network.

Consumer Credit Quality Data

The Company calculates an estimate of the current value of property secured as collateral for both residential first mortgage and home equity lending products ("current LTV"). The estimate is based on home price indices compiled by a third party that is updated typically every three months. The third party data indicates trends for MSAs. Regions uses the third party valuation trends from the MSAs in the Company's footprint in its estimate. The trend data is applied to the loan portfolios taking into account the age of the most recent valuation and geographic area.

The following table presents current LTV data for components of the residential first mortgage, home equity lines and home equity loans classes of the consumer portfolio segment. Current LTV data for some loans in the portfolio is not available due to mergers and systems integrations. The amounts in the table represent the entire loan balance. For purposes of the table below, if the loan balance exceeds the current estimated collateral the entire balance is included in the "Above 100%" category, regardless of the amount of collateral available to partially offset the shortfall.

Table 14—Estimated Current Loan to Value Ranges

	December 31, 2025					December 31, 2024				
		Home Equity Lines of Credit		Home Equity Loans			Home Equity Lines of Credit		Home Equity Loans	
	Residential First Mortgage	1st Lien	2nd Lien	1st Lien	2nd Lien	Residential First Mortgage	1st Lien	2nd Lien	1st Lien	2nd Lien
		(In millions)					(In millions)			
Estimated current LTV:										
Above 100%	$ 114	$ 1	$ —	$ 1	$ 1	$ 63	$ 2	$ —	$ 1	$ —
Above 80% - 100%	1,985	2	11	10	17	1,799	2	3	9	11
80% and below	17,327	1,396	1,799	1,739	555	17,898	1,430	1,687	1,883	484
Data not available	339	11	12	1	—	334	14	12	2	—
	$ 19,765	$ 1,410	$ 1,822	$ 1,751	$ 573	$ 20,094	$ 1,448	$ 1,702	$ 1,895	$ 495

Consumer Credit Card

Consumer credit card lending represents primarily open-ended variable interest rate consumer credit card loans.

Other Consumer

Other consumer loans primarily include indirect and direct consumer loans, overdrafts and other revolving loans. Other consumer loans decreased $300 million from year-end 2024 driven by a decline in consumer home improvement lending production.

Regions considers factors such as periodic updates of FICO scores, accrual status, DPD status, unemployment rates, home prices, and geography as credit quality indicators for the consumer loan portfolio. FICO scores are obtained at origination and refreshed FICO scores are obtained by the Company quarterly for most consumer loans. For more information on credit quality indicators refer to Note 5 "Allowance for Credit Losses".

ALLOWANCE

The allowance represents management's best estimate of expected losses over the life of the loan and credit commitment portfolios and consists of two components: the allowance for loan losses and the reserve for unfunded credit commitments. Unfunded credit commitments includes items such as letters of credit, financial guarantees and binding unfunded loan commitments. The allowance totaled $1.7 billion at December 31, 2025, 2024, and 2023.

Regions' allowance estimation process utilizes loss forecasting models for pooled loans, specific reserves for significant individually evaluated non-performing loans, and qualitative adjustments for items not captured by the models including specific adjustments and general imprecision. Key inputs to Regions' loss forecasting models include, but are not limited to, loan risk ratings (commercial and investor real estate loans), maturity date, days past due and FICO scores (consumer loans), collateral values securing loans, and Regions' internally prepared baseline economic forecast. Changes in any of these factors, assumptions, or the availability of new information, could require the allowance to be adjusted in future periods, perhaps materially. Outputs from the loss forecasting models, in combination with Regions' qualitative framework and other analyses, inform management in its estimation of Regions' expected credit losses to ensure the overall allowance estimate is appropriate from both a bottom-up and top-down perspective. Actual losses could vary, perhaps materially, from management's estimates. See Note 1 "Summary of Significant Accounting Policies" for more information.

Management reviews the allowance on a quarterly basis using updated information, including changes to economic conditions, the loan portfolio and credit information. Therefore, management believes the quarter-over-quarter change in the allowance is a more relevant review. The following table provides an analysis of the changes in the allowance for the three months ended December 31, 2025:

Table 15—Quarter-to-Date Allowance Analysis

	Three Months Ended December 31, 2025
	(In millions)
Balance at beginning of period	$ 1,713
Economic/ Qualitative changes	10
Specific reserve changes	(16)
Portfolio changes	(21)
Balance at end of period	$ 1,686

<u>*Economic forecast and qualitative adjustments*</u>

Regions' internally-developed December baseline forecast anticipates real GDP growth of 2.1 percent for 2025 and 2.3 percent in 2026. Inflation as measured by CPI is expected to hover around 3.0 percent in 2026, above the FOMC's 2.0 percent target rate. During the fourth quarter, the FOMC cut the Federal funds rate by 50 basis points. Additional incoming labor market and inflation data will determine the extent of cuts in 2026. Regions' December 2025 baseline forecast remained stable compared to the September 2025 baseline forecast, which resulted in minimal impact to the allowance. The risks to the baseline forecast are weighted to the downside. Current prevailing economic uncertainty and the potential for further disruption could influence future levels of the allowance. See the Economic Environment in Regions' Banking Markets discussion in the "Executive Overview" section for additional information.

Table 16 below reflects a range of macroeconomic factors utilized in the baseline economic forecast over the two-year R&S forecast period as of December 31, 2025. The unemployment rate is the most significant macroeconomic factor among the allowance models and was expected to remain relatively consistent over the forecast period.

Table 16—Macroeconomic Factors in the Forecast

	Pre-R&S Period	Baseline R&S Forecast							
		December 31, 2025							
	4Q2025	1Q2026	2Q2026	3Q2026	4Q2026	1Q2027	2Q2027	3Q2027	4Q2027
Unemployment rate	4.5 %	4.5 %	4.5 %	4.4 %	4.4 %	4.3 %	4.3 %	4.2 %	4.2 %
Real GDP, annualized % change	0.3 %	2.9 %	2.0 %	2.2 %	2.0 %	2.1 %	1.9 %	2.1 %	2.0 %
HPI, year-over-year % change	0.5 %	(0.1)%	(0.3)%	(0.6)%	(0.2)%	0.8 %	1.7 %	2.4 %	2.7 %
CPI, year-over-year % change	3.2 %	3.0 %	3.3 %	3.1 %	2.7 %	2.6 %	2.5 %	2.5 %	2.4 %

While it is the intent of Regions' quantitative allowance methodologies to reflect all risk factors, including incremental risk in portfolios identified as under stress, any estimate involves assumptions and uncertainties resulting in some level of imprecision. Regions' qualitative framework has a general imprecision component which is meant to acknowledge that model and forecast errors are inherent in any modeling estimate. In the fourth quarter of 2025, the general imprecision component remained flat as model and economic imprecision risk remained consistent compared to the third quarter.

The qualitative framework also has specific adjustment components which are reserves meant to capture specific issues or events that management believes are not adequately captured in the model outcomes. Specific qualitative adjustments for the fourth quarter of 2025 increased slightly compared to third quarter of 2025 levels due to identified risks not captured in the modeled calculations.

Portfolio, credit metrics, and specific reserves

In the fourth quarter of 2025, overall asset quality continued to improve. Commercial and investor real estate criticized balances decreased approximately $340 million from $3.7 billion in the third quarter to $3.3 billion in the fourth quarter of 2025. The decrease was due primarily to upgrades and significant payoffs during the quarter, which were fairly widespread across numerous industry portfolios. Non-performing loans, excluding held for sale, decreased approximately $60 million from $758 million in the third quarter to $698 million in the fourth quarter of 2025. See Table 20 for more details regarding non-performing assets. While the ratio of net charge-offs to average loans increased 4 basis points for the fourth quarter of 2025 compared to the third quarter of 2025, the majority of business services charge-offs related to previously identified portfolios of interest for which specific reserves had already been established. The combination of credit quality improvements and specific reserve releases due to charge-offs resulted in a decrease in the allowance during the fourth quarter.

Overall allowance

Based upon the factors discussed above, the December 31, 2025 allowance decreased $27 million compared to the third quarter of 2025. Allowance decreases resulting from overall credit quality improvement in the portfolio, including declines in criticized and non-performing loans, and continued resolutions of loans within previously identified portfolios of interest, were partially offset by an allowance increase resulting from changes in the economic forecast and qualitative adjustments.

The following table provides an analysis of the drivers of the changes in the allowance for the year ended December 31, 2025:

Table 17—Year-to-Date Allowance Analysis

	Year Ended December 31, 2025
	(In millions)
Balance at beginning of year	$ 1,729
Economic/ Qualitative changes	61
Specific reserve changes	(42)
Portfolio changes	(62)
Balance at end of year	$ 1,686

The increase in the allowance related to economic and qualitative changes was driven by deterioration in the economic forecast combined with a net increase in qualitative adjustments. The baseline forecast deteriorated during 2025 as the result of a slight increase in the unemployment rate due to labor supply and continued uncertainty, and decreased GDP growth. While there was reduced risk in certain investor real estate portfolios which favorably impacted qualitative adjustments, this favorability was overshadowed by general uncertainty increasing during the year as a result of tariff and trade policy changes and the residual effects from the temporary government shutdown during the fourth quarter.

The reduction in the allowance related to specific reserve and portfolio changes was driven primarily by broad-based improvements in credit quality and a decrease in loan balances during 2025. Commercial and investor real estate criticized balances decreased approximately $1.4 billion year-over-year, and non-performing loans, excluding held for sale, decreased $230 million year-over-year. These decreases related in part to charge-offs of loans within identified portfolios of interest that were previously reserved for, which resulted in specific reserve releases. As a result, the December 31, 2025 allowance decreased $43 million from year-end 2024.

See Table 18 "Allowance Roll-forward" and Table 20 "Non-Performing Assets" for further information regarding charge-offs and non-performing loans, as well as Note 5 "Allowance for Credit Losses" to the consolidated financial statements for further information on criticized loans.

Details regarding the allowance and net charge-offs activity are summarized as follows:

Table 18—Allowance Roll-forward

	Twelve Months Ended December 31		
	2025	2024	2023
	(Dollars in millions)		
Allowance for loan losses as of January 1	$ 1,613	$ 1,576	$ 1,464
Cumulative effect from change in accounting guidance [1]	—	—	(38)
Allowance for loan losses, January 1 (as adjusted for change in accounting guidance) [1]	1,613	1,576	1,426
Loans charged-off:			
Commercial and industrial	276	257	195
Commercial real estate mortgage—owner-occupied	4	4	2
Commercial investor real estate mortgage	62	42	—
Residential first mortgage	2	2	1
Home equity lines	1	3	3
Home equity loans	1	—	1
Consumer credit card	67	63	52
Other consumer	192	190	236
	605	561	490
Recoveries of loans previously charged-off:			
Commercial and industrial	42	57	50
Commercial real estate mortgage—owner-occupied	1	2	2
Commercial real estate construction—owner-occupied	1	1	—
Commercial investor real estate mortgage	3	3	—
Residential first mortgage	2	3	1
Home equity lines	4	6	7
Home equity loans	1	—	1
Consumer credit card	9	8	8
Other consumer	29	23	24
	92	103	93
Net charge-offs (recoveries):			
Commercial and industrial	234	200	145
Commercial real estate mortgage—owner-occupied	3	2	—
Commercial real estate construction—owner-occupied	(1)	(1)	—
Commercial investor real estate mortgage	59	39	—
Residential first mortgage	—	(1)	—
Home equity lines	(3)	(3)	(4)
Consumer credit card	58	55	44
Other consumer	163	167	212
	513	458	397
Provision for loan losses	456	495	547
Ending allowance for loan losses	1,556	1,613	1,576
Beginning reserve for unfunded credit commitments	116	124	118
Provision for (benefit from) unfunded credit losses	14	(8)	6
Ending reserve for unfunded credit commitments	130	116	124
Ending allowance for credit losses	$ 1,686	$ 1,729	$ 1,700
Loans, net of unearned income, outstanding at end of period	$ 95,637	$ 96,727	$ 98,379
Average loans, net of unearned income, outstanding for the period	$ 96,124	$ 97,036	$ 98,239

	Twelve Months Ended December 31		
	2025	2024	2023
Net loan charge-offs (recoveries) as a % of average loans, annualized (2):			
Commercial and industrial	0.48 %	0.40 %	0.28 %
Commercial real estate mortgage—owner-occupied	0.05 %	0.04 %	— %
Commercial real estate construction—owner-occupied	(0.25)%	(0.18)%	(0.09)%
Total commercial	0.43 %	0.37 %	0.26 %
Commercial investor real estate mortgage	0.86 %	0.60 %	— %
Commercial investor real estate construction	— %	— %	(0.01)%
Total investor real estate	0.65 %	0.45 %	(0.01)%
Residential first mortgage	— %	(0.01)%	— %
Home equity lines	(0.08)%	(0.08)%	(0.10)%
Home equity loans	(0.01)%	(0.02)%	(0.02)%
Consumer credit card	4.11 %	4.04 %	3.58 %
Other consumer	2.75 %	2.69 %	3.32 %
Total consumer	0.67 %	0.65 %	0.77 %
Total	0.53 %	0.47 %	0.40 %
Ratios (2):			
Allowance for credit losses at end of period to loans, net of unearned income	1.76 %	1.79 %	1.73 %
Allowance for credit losses at end of period to non-performing loans, excluding loans held for sale	242 %	186 %	211 %

(1) See Note 1 to the consolidated financial statements for additional information.
(2) Amounts have been calculated using whole dollar values.

Net charge-offs increased $55 million year-over-year, primarily driven by increases in commercial and industrial and commercial investor real estate mortgage net charge-offs, many of which related to resolutions within previously identified portfolios of interest that had been reserved for in prior periods. Economic trends such as interest rates, unemployment, volatility in commodity prices, collateral valuations and inflationary pressure will impact the future levels of net charge-offs and may result in volatility of certain credit metrics for 2026 and beyond.

The following table summarizes the allocation of the allowance by portfolio segment and class as of December 31:

Table 19—Allowance Allocation

	2025			2024		
	Loan Balance	Allowance Allocation	Allowance to Loans %(1)	Loan Balance	Allowance Allocation	Allowance to Loans %(1)
	(Dollars in millions)					
Commercial and industrial	$ 48,790	$ 743	1.52 %	$ 49,671	$ 717	1.44 %
Commercial real estate mortgage—owner-occupied	4,845	101	2.09 %	4,841	108	2.22 %
Commercial real estate construction—owner-occupied	263	6	2.29 %	333	9	2.75 %
Total commercial	53,898	850	1.58 %	54,845	834	1.52 %
Commercial investor real estate mortgage	7,172	107	1.49 %	6,567	216	3.29 %
Commercial investor real estate construction	1,934	28	1.44 %	2,143	31	1.47 %
Total investor real estate	9,106	135	1.48 %	8,710	247	2.84 %
Residential first mortgage	19,765	112	0.57 %	20,094	106	0.53 %
Home equity lines	3,232	100	3.09 %	3,150	86	2.73 %
Home equity loans	2,324	30	1.27 %	2,390	27	1.12 %
Consumer credit card	1,519	129	8.50 %	1,445	122	8.44 %
Other consumer	5,793	330	5.70 %	6,093	307	5.05 %
Total consumer	32,633	701	2.15 %	33,172	648	1.95 %
Total	$ 95,637	$ 1,686	1.76 %	$ 96,727	$ 1,729	1.79 %

(1) Amounts have been calculated using whole dollar values.

NON-PERFORMING ASSETS

The following table presents non-performing assets as of December 31:

Table 20—Non-Performing Assets

	2025	2024
	(Dollars in millions)	
Non-performing loans:		
Commercial and industrial	$ 474	$ 408
Commercial real estate mortgage—owner-occupied	45	37
Commercial real estate construction—owner-occupied	2	5
Total commercial	521	450
Commercial investor real estate mortgage	121	423
Total investor real estate	121	423
Residential first mortgage	25	23
Home equity lines	24	26
Home equity loans	7	6
Total consumer	56	55
Total non-performing loans, excluding loans held for sale	698	928
Total non-performing loans(1)	698	928
Foreclosed properties	17	14
Total non-performing assets(1)	$ 715	$ 942
Accruing loans 90+ days past due:		
Commercial and industrial	$ 6	$ 7
Commercial real estate mortgage—owner-occupied	—	1
Total commercial	6	8
Residential first mortgage(2)	105	88
Home equity lines	15	16
Home equity loans	8	7
Consumer credit card	22	20
Other consumer	24	27
Total consumer	174	158
Total accruing loans 90+ days past due	$ 180	$ 166
Non-performing loans(1) to loans and non-performing loans held for sale	0.73 %	0.96 %
Non-performing loans, excluding loans held for sale(1) to loans	0.73 %	0.96 %
Non-performing assets(1) to loans, foreclosed properties and non-performing loans held for sale	0.75 %	0.97 %

(1) Excludes accruing loans 90+ days past due. There were no non-performing loans held for sale at both December 31, 2025 and 2024.

(2) Excludes residential first mortgage loans that are 100% guaranteed by the FHA and all guaranteed loans sold to Ginnie Mae where Regions has the right but not the obligation to repurchase; however, includes Ginnie Mae repurchased loans with partial guarantees. Total 90+ days or more past due guaranteed loans excluded were $79 million at December 31, 2025 and $55 million at December 31, 2024.

Non-performing loans (excluding loans held for sale) at December 31, 2025 decreased $230 million as compared to year-end 2024 levels primarily due to reductions in the business offices, healthcare, apartments and transportation and warehousing portfolios, which were partially offset by an increase in the manufacturing portfolio. The same economic trends that impact net charge-offs, as discussed above, will impact the future level of non-performing loans. Circumstances related to individually large credits could also result in volatility.

The following table provide an analysis of non-accrual loans (excluding loans held for sale) by portfolio segment:

Table 21— Analysis of Non-Accrual Loans

	Non-Accrual Loans, Excluding Loans Held for Sale for the Twelve Months Ended							
	2025				2024			
	Commercial	Investor Real Estate	Consumer(1)	Total	Commercial	Investor Real Estate	Consumer(1)	Total
	(In millions)							
Balance at beginning of year	$ 450	$ 423	$ 55	$ 928	$ 515	$ 233	$ 57	$ 805
Additions	584	89	—	673	637	330	—	967
Net payments/other activity	(190)	(246)	1	(435)	(374)	(97)	(2)	(473)
Return to accrual	(28)	—	—	(28)	(44)	—	—	(44)
Charge-offs on non-accrual loans(2)	(270)	(62)	—	(332)	(251)	(42)	—	(293)
Transfers to held for sale(3)	(22)	(17)	—	(39)	(9)	(1)	—	(10)
Net loan sales	(3)	(66)	—	(69)	(24)	—	—	(24)
Balance at end of year	$ 521	$ 121	$ 56	$ 698	$ 450	$ 423	$ 55	$ 928

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(1) All net activity within the consumer portfolio segment other than sales and transfers to held for sale (including related charge-offs) is included as a single net number within the net payments/other activity line.
(2) Includes charge-offs on loans on non-accrual status and charge-offs taken upon sale and transfer of non-accrual loans to held for sale.
(3) Transfers to held for sale are shown net of charge-offs recorded upon transfer.

DEPOSITS

Regions competes with other banking and financial services companies for a share of the deposit market. Regions' ability to compete in the deposit market depends heavily on the pricing of its deposits and how effectively the Company meets customers' needs. Regions employs various means to meet those needs and enhance competitiveness, such as providing a high level of customer service, competitive pricing and convenient branch locations for its customers. Regions also serves customers through providing centralized, high-quality banking services through the Company's digital channels and contact center.

Deposits are Regions’ primary source of funds, providing funding for over 90 percent of average earning assets at both December 31, 2025 and 2024. The following table summarizes deposits by category and by segment as of December 31:

Table 22—Deposits by Category and by Segment

	2025	2024
	(In millions)	
Non-interest-bearing deposits	$ 39,530	$ 39,138
Interest-bearing checking	25,677	25,079
Savings	11,914	12,022
Money market—domestic	40,119	35,644
Time deposits	13,888	15,720
	$ 131,128	$ 127,603
Consumer Bank segment	$ 80,193	$ 78,637
Corporate Bank segment	40,449	38,361
Wealth Management segment	8,344	7,736
Other[(1)]	2,142	2,869
	$ 131,128	$ 127,603

(1) Other deposits represent non-customer balances primarily consisting of wholesale funding (for example, selected deposits and brokered time deposits). Other deposits include brokered deposits totaling $1.3 billion at December 31, 2025 and $2.2 billion at December 31, 2024.

Total deposits at December 31, 2025 increased approximately $3.5 billion compared to year-end 2024 levels driven primarily by significant growth in money market accounts and, to a lesser degree, interest-bearing checking and non-interest-bearing deposits partially offset by a decline in time deposits. The increase in deposits reflects customer growth and preference for liquidity due to uncertainty in the economic environment. The mix of non-interest-bearing deposits, representing approximately 30 percent of total deposits at December 31, 2025, remained relatively stable in comparison to December 31, 2024.

The decline in interest rates during 2025 drove a decrease in deposit costs to 137 basis points for 2025, compared to 156 basis points for 2024. The rate paid on interest-bearing deposits decreased to 197 basis points for 2025 compared to 228 basis points for 2024.

Regions' deposits are granular and diversified including insured and collateralized deposits, with consumer deposits making up more than 60 percent of the total deposit base at both December 31, 2025 and 2024. Furthermore, corporate deposits include those that are operational in nature (where the primary use is certain operational services such as clearing, custody, payments or other cash management activities). A significant amount of the Company's deposit base is insured by the FDIC or collateralized, with approximately $11.4 billion in deposits collateralized in public funds or in trusts at December 31, 2025. The amount of estimated uninsured deposits totaled $52.3 billion at December 31, 2025, therefore approximately 60 percent of total deposits were insured by the FDIC. The granularity of the Company's deposits was also evidenced by an average deposit account balance of approximately $19 thousand at December 31, 2025. The estimates of uninsured deposits and average account size were based on methodologies used in the Company's Call Report, which is prepared on an unconsolidated bank basis.

See the "Liquidity" and "Market Risk-Interest Rate Risk" sections for further discussion on liquidity and interest rates.

Time deposit accounts with balances of $250,000 or more totaled $2.6 billion and $2.8 billion at December 31, 2025 and 2024, respectively.

The following table shows scheduled maturities of estimated uninsured time deposits as of December 31, 2025:

Table 23—Maturity of Uninsured Time Deposits

	2025
	(In millions)
Uninsured time deposits, maturing in:	
3 months or less	$ 643
Over 3 through 6 months	576
Over 6 through 12 months	245
Over 12 months	50
	$ 1,514

BORROWED FUNDS

Total short-term borrowings increased from $500 million at December 31, 2024 to $750 million at December 31, 2025 due to the use of FHLB advances. The levels of these borrowings can fluctuate depending on the Company's funding needs and the sources utilized. Short-term secured borrowings, such as securities sold under agreements to repurchase and FHLB advances, are a portion of Regions' funding strategy. See the "Liquidity" section for further detail of Regions' borrowing capacity with the FHLB.

Total long-term borrowings decreased approximately $1.9 billion to $4.1 billion at December 31, 2025 due to a decline in FHLB advances, the maturity of the Company's 2.25% senior notes, and the maturity of the Company's 6.75% subordinated notes.

See Note 11 "Borrowed Funds" to the consolidated financial statements for further discussion of both short-term and long-term borrowings.

RATINGS

Table 24 "Credit Ratings" reflects the debt ratings information of Regions Financial Corporation and Regions Bank by S&P, Moody’s, Fitch and DBRS.

Table 24—Credit Ratings

	As of December 31, 2025			
	S&P	Moody’s	Fitch	DBRS (1)
Regions Financial Corporation				
Senior unsecured debt	BBB+	Baa1	A-	A
Subordinated debt	BBB	Baa1	BBB+	WR
Regions Bank				
Short-term	A-2	P-1	F1	R-1M
Long-term bank deposits	N/A	A1	A	AH
Senior unsecured debt	A-	Baa1	A-	AH
Subordinated debt	BBB+	Baa1	BBB+	A
Outlook	Stable	Stable	Stable	Positive

(1) As of March 31, 2024, DBRS withdrew their rating on Regions Financial Corporation's subordinated debt.

On September 8, 2025, DBRS affirmed the Company's senior unsecured debt rating and revised its outlook to positive from stable citing Regions' strong deposit franchise and market share in the Southeastern region.

In general, ratings agencies base their ratings on many quantitative and qualitative factors, including capital adequacy, liquidity, asset quality, business mix, probability of government support, and level and quality of earnings. Any downgrade in credit ratings by one or more ratings agencies may impact Regions in several ways, including, but not limited to, Regions’ access to the capital markets or short-term funding, borrowing cost and capacity, collateral requirements, and acceptability of its letters of credit, thereby potentially adversely impacting Regions’ financial condition and liquidity. See “Risk Factors” for more information.

A security rating is not a recommendation to buy, sell or hold securities, and the ratings are subject to revision or withdrawal at any time by the assigning rating agency. Each rating should be evaluated independently of any other rating. Additional information on the credit rating ranking within the overall classification system is located on the website of each credit rating agency.

SHAREHOLDERS' AND TOTAL EQUITY

Shareholders’ equity was $19.0 billion at December 31, 2025 as compared to $17.9 billion at December 31, 2024. During 2025, net income increased shareholders' equity by $2.2 billion, dividends on common stock reduced shareholders' equity by $916 million, and dividends on preferred stock reduced shareholders' equity by $91 million. Changes in OCI increased shareholders' equity by $1.4 billion, primarily due to available for sale securities and derivative instruments as a result of changes in market interest rates during 2025. During the second quarter of 2025, the Company redeemed all of the outstanding shares of its Series D preferred stock, which decreased shareholders' equity by $350 million. Common stock repurchased during 2025 decreased shareholders' equity by $1.1 billion. These shares were immediately retired upon repurchase and therefore were not included in treasury stock.

Total equity included noncontrolling interest of $60 million and $31 million at December 31, 2025 and December 31, 2024, respectively. The noncontrolling interest represents the unowned portion of a low income housing tax credit fund syndication, an unconsolidated VIE of which Regions held a significant interest at December 31, 2025 and 2024.

Subsequent to December 31, 2025, the Company purchased 4.1 million shares for approximately $119 million through February 23, 2026. These shares were immediately retired upon repurchase and therefore were not included in treasury stock.

See Note 14 "Shareholders' Equity and Accumulated Other Comprehensive Income (Loss)" section for additional information.

REGULATORY REQUIREMENTS

Regions and Regions Bank are required to comply with regulatory capital requirements established by Federal and State banking agencies. These regulatory capital requirements involve quantitative measures of the Company's assets, liabilities and selected off-balance sheet items, and also qualitative judgments by the regulators. Failure to meet minimum capital requirements can subject the Company to a series of increasingly restrictive regulatory actions. Under the Basel III Rules, Regions is designated as a standardized approach bank. Regions is a "Category IV" institution under the Federal Reserve's Tailoring Rules.

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 concluded in the first quarter of 2025. At December 31, 2024, the net impact of the addback on CET1 was approximately $102 million or approximately 8 basis points.

Regions participates in supervisory stress testing conducted by the Federal Reserve and its SCB is currently floored at 2.5 percent. See Note 14 "Shareholders' Equity and Accumulated Other Comprehensive Income (Loss)" to the consolidated financial statements for further details regarding CCAR results.

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. Additional discussion of the Basel III Rules, their applicability to Regions, recent proposals and final rules issued by the federal banking agencies and recent laws enacted that impact regulatory requirements is included in the "Supervision and Regulation" subsection of the "Business" section.

Additional discussion and a tabular presentation of the applicable holding company and bank regulatory capital requirements is included in Note 12 "Regulatory Capital Requirements and Restrictions" in Item 8. “Financial Statements and Supplementary Data".

Regions maintains a robust liquidity management framework designed to effectively manage liquidity risk in accordance with sound risk management principles and regulatory expectations. See the “Supervision and Regulation—Liquidity Requirements” subsection of the “Business” section, the "Risk Factors" section and the "Liquidity" section for more information.

RISK MANAGEMENT

Regions is exposed to various risks as part of the normal course of operations. The exposure to risk requires sound risk management practices that comprise an integrated and comprehensive set of programs and processes that apply to the entire Company. Accordingly, Regions has established a risk management framework to manage risks and provide reasonable assurance of the achievement of the Company’s strategic objectives.

The primary risk exposures identified and managed through the Company’s risk management framework are market risk, liquidity risk, credit risk, operational risk, legal risk, compliance risk, reputational risk and strategic risk.

- Market risk is the risk to the Company’s financial condition resulting from adverse movements in market rates or prices, such as interest rates, foreign exchange rates or equity prices.
- Liquidity risk is the potential that the Company will be unable to meet its obligations as they come due because of an inability to liquidate assets or obtain adequate funding (referred to as "funding liquidity risk") or the potential that the Company cannot easily unwind or offset specific exposures without significantly lowering market prices because of inadequate market depth or market disruptions (referred to as "market liquidity risk").
- Credit risk is the risk that arises from the potential that a borrower or counterparty will fail to perform on an obligation.
- Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events.
- Legal risk is defined as the risk associated with the failure to meet Regions' legal obligations from legislative, regulatory, or contractual perspectives.
- Compliance risk is the risk to current or anticipated earnings or capital arising from violations of laws, rules, or regulations, or from non-conformance with prescribed practices, internal policies and procedures, or ethical standards.
- Reputational risk is the potential that negative publicity regarding the Company’s business practices, whether true or not, will cause a decline in the customer base, costly litigation, or revenue reductions.

- Strategic risk is the risk to current or projected financial condition and resilience from adverse business decisions, poor implementation of business decisions, or lack of responsiveness to changes in the banking industry and operating environment.

Several of these primary risk exposures are expanded upon further within the remaining sections of Management's Discussion and Analysis.

Regions' risk management framework outlines the Company's approach for managing risk that includes the following four components:

- *Collaborative Risk Culture* **-** A strong, collaborative risk culture is fundamental to the Company's core values and operating principles. It ensures focus on risk in all activities and encourages the necessary mindset and behavior to enable effective risk management and promote sound risk-taking within the bounds of the Company's risk appetite. The Company's risk culture requires that risks be promptly identified, escalated, and challenged; thereby, benefiting the overall performance of the Company. Sustaining a collaborative risk culture is critical to the Company's success and is a clear expectation of executive management and the Board.
- *Sound Risk Appetite* **-** The Company's risk appetite statements define the types and levels of risk the Company is willing to take to achieve its objectives.
- *Sustainable Risk Processes* **-** Effective risk management requires sustainable processes and tools to effectively identify, measure, mitigate, monitor, and report risk.
- *Responsible Risk Governance* **-** Governance serves as the foundation for comprehensive management of risks facing the Company. It outlines clear responsibility and accountability for managing, monitoring, escalating, and reporting both existing and emerging risks.

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.

- 1st Line of Defense activities include the proactive identification, management (including mitigation and risk acceptance), and ownership of risks.
- 2nd Line of Defense activities provide for objective oversight of the Company's risk-taking activities and assessment of the Company's aggregate risk levels.
- 3rd Line of Defense activities provide for independent reviews and assessments of risk management practices across the Company.

The Board provides the highest level of risk management governance. The principal risk management functions of the Board are to oversee processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance with laws and regulations. The Board has designated an Audit Committee of outside directors to focus on oversight of management's establishment and maintenance of appropriate disclosure controls and procedures over financial reporting. See the "Financial Disclosures and Internal Controls" section of Management's Discussion and Analysis for additional information. The Board has also designated a Risk Committee of outside directors to focus on Regions' overall risk profile. The Risk Committee annually approves an Enterprise Risk Appetite Statement that reflects core business principles and strategic vision by including quantitative limits and qualitative statements that are organized by risk type. This statement is designed to be a high-level document that sets the tone for the Board's risk appetite, which is the maximum amount of risk the Company is willing to accept in pursuit of its business objectives. By establishing boundaries around risk taking and business decisions, and by incorporating the needs and goals of its shareholders, regulators, customers and other stakeholders, the Company's risk appetite is aligned with its strategic priorities and goals.

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. The primary activities of the Risk Management Group include:

- Interpreting internal and external signals that point to possible risk issues for the Company;
- Identifying risks and determining which Company areas and/or products will be affected;
- Ensuring there are mechanisms in place to specifically determine how risks will affect the Company as a whole and the individual area and or product;
- Assisting business groups in analyzing trends and ensuring Company areas have appropriate risk identification and mitigation processes in place; and
- Reviewing the limits, parameters, policies, and procedures in place to ensure the continued appropriateness of risk controls.

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 these controls as conditions or risk tolerances change. In addition, the Internal Audit division provides an independent assessment of the Company's internal control structure and related systems and processes.

Management, with the assistance of the Risk Management Group, follows a formal process for identifying, measuring and documenting key risks 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 Enterprise Risk Appetite Statement.

Some of the more significant processes used by management to manage and control risks are described in the remainder of this report. External factors beyond management's control may result in losses despite the Risk Management Group's efforts.

EFFECTS OF INFLATION

The majority of assets and liabilities of a financial institution are monetary in nature; therefore, a financial institution differs greatly from most commercial and industrial companies, which have significant investments in fixed assets or inventories that are greatly impacted by inflation. While the implications differ for a bank, inflation does have influence on the growth of total assets and deposits in the banking industry and the resulting level of profitability and capitalization. Inflation also affects the level of market interest rates, and therefore, the pricing of financial instruments.

Management believes the most significant potential impact of inflation on financial results is a direct result of Regions' ability to manage the impact of changes in interest rates. The Company's interest rate risk positioning was mostly neutral as of December 31, 2025, and therefore, net interest income increases or declines only modestly from higher or lower interest rates. Hedging activity has reduced the exposure to net interest income late in the rising interest rate cycle as intended. Refer to Table 25 "Interest Rate Sensitivity" for additional details on Regions' interest rate sensitivity.

Additionally, inflation has the potential to impact credit risk. Periods of inflation could influence asset prices and business input costs which could affect the ability of borrowers to repay loans. The Company has sound credit risk management practices to maintain a credit portfolio through the economic cycle. Refer to the "Credit Risk" section for further details on Regions' credit risk management process.

EFFECTS OF DEFLATION

A period of deflation would affect all industries, including financial institutions. Deflation potentially could lead to lower profits, higher unemployment, lower production and deterioration in overall economic conditions. In addition, deflation could depress economic activity and impair bank earnings through reduced balance sheet growth and less favorable product pricing, as well as impairment in the ability of borrowers to repay loans.

Management believes the most significant potential impact of deflation on financial results relates to Regions' ability to maintain a sufficient amount of capital to cushion against future market and credit related losses. However, the Company can utilize certain risk management tools to help it maintain its balance sheet strength even if a deflationary scenario were to develop.

MARKET RISK—INTEREST RATE RISK

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.

In addition to net interest income simulations, Regions also utilizes an EVE analysis as a measurement tool to estimate risk exposure over a longer-term horizon. EVE measures the extent to which the economic value of assets, liabilities and derivative instruments may change in response to fluctuations in interest rates. Importantly, EVE values only the current balance sheet, excluding the growth assumptions used in net interest income sensitivity analyses. Additionally, the results are highly dependent on assumptions for products with embedded prepay optionality and indeterminate maturities. The uncertainty surrounding important assumptions used in EVE analysis may limit its efficacy.

Sensitivity Measurement—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 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.

The primary objective of asset/liability management at Regions is to coordinate balance sheet composition with interest rate risk management to sustain reasonable and stable net interest income throughout various interest rate cycles. In computing interest rate sensitivity, Regions compares a set of alternative interest rate scenarios to the results of a base case scenario derived using “market forward rates.” The set of alternative interest rate scenarios includes instantaneous parallel rate shifts of various magnitudes. In addition to parallel rate shifts, multiple curve steepening and flattening scenarios are contemplated. Regions includes simulations of gradual interest rate movements phased in over a six-month period that may more realistically mimic the speed of potential interest rate changes.

Exposure to Interest Rate Movements—Regions' balance sheet is naturally asset sensitive, with net interest income increasing with higher interest rates, and decreasing with lower interest rates. This is the result of approximately half of the loan portfolio floating contractually with market rate indices, and funding from a large, mostly stable retail deposit portfolio. Importantly, the stability and rate sensitivity of Regions' deposit portfolio has been proven over multiple interest rate cycles. With this natural balance sheet profile, the ability to utilize discretionary asset duration strategies within the investment portfolio and through derivatives is critical in mitigating the Bank’s naturally asset sensitive position.

As of December 31, 2025, Regions evidenced a mostly balanced, or "neutral" asset/liability position, with asset and liability duration of approximately 2.7 years, using historically-informed approximations. Typically when the debt securities portfolio is recorded on the balance sheet at an unrealized loss, higher deposit values more than offset this loss. The additional value of deposits is realized in the form of lower-cost funding when compared with wholesale sources. While a balance sheet analysis, particularly EVE analysis, does contemplate the economic value of deposits, the estimated fair value of deposits is equal to their carrying value for certain financial statement footnote disclosures, consistent with industry practices. See Note 21 "Fair Value Measurements" to the consolidated financial statements for additional information.

Recently, pay-fixed fair value hedges and debt securities transfers from available for sale to held to maturity classification have been used to reduce AOCI volatility associated with unrealized securities gains and losses. Inclusive of these activities, the total debt securities portfolio duration is 3.9 years, the available for sale securities portfolio duration is 3.5 years, and the held to maturity securities portfolio duration is 5.9 years. As pay-fixed fair value hedges are further utilized to manage AOCI volatility, receive-fixed cash flow hedges may be entered into as an offset to preserve the interest rate sensitivity of Regions' entire balance sheet.

As of December 31, 2025, Regions' net interest income profile was mostly neutral to both gradual and instantaneous parallel yield curve shifts as compared to the base case for the 12-month measurement horizon ending December 2026. The estimated exposure associated with the rising and falling rate scenarios in Table 25 below reflects the combined impacts of movements in short-term and long-term interest rates. An increase or reduction in short-term interest rates (such as the Federal Funds rate, the interest rate on reserve balances, and SOFR) will drive the yield on assets and liabilities contractually tied to such rates higher or lower. In either scenario, it is expected that changes in funding costs and balance sheet hedging income will offset the change in asset yields, resulting in little change to net interest income.

Net interest income remains exposed to intermediate and long-term yield curve tenors, though exposure has been partially reduced by receive-fixed swaps added in the fourth quarter of 2025 designed to hedge a portion of the company’s 2026 fixed-rate asset turnover. In the current higher interest rate environment, open exposure to fixed-rate asset turnover represents a tailwind to net interest income growth. Elevated, or increasing intermediate and long-term interest rates (such as intermediate to longer-term U.S. Treasuries, swaps and mortgage rates) will drive yields higher on certain fixed-rate, newly originated or renewed loans, and increase prospective yields on certain investment portfolio purchases. The opposite is true in an environment where intermediate and long-term interest rates fall. Additionally, shifts in the long end of the yield curve will impact securities prepayments and alter the amount of discount accretion and premium amortization in any given period.

The interest rate sensitivity analysis presented below in Table 25 is informed by a variety of assumptions and estimates regarding the progression of the balance sheet in both the baseline scenario as well as the scenarios of instantaneous and gradual shifts in the yield curve. Though there are many assumptions which affect the estimates for net interest income, those pertaining to deposit pricing, deposit mix and overall balance sheet composition are particularly impactful. Given the uncertainties associated with monetary policy on industry liquidity levels and the cost of that liquidity, management evaluates the impacts from these key assumptions through sensitivity analysis. Sensitivity calculations are hypothetical and should not be considered predictive of future results.

The Company’s baseline balance sheet assumptions include management's best estimate for balance sheet changes in the coming 12 months. A reduction in deposit balances of $1 billion when compared to the base case estimate would reduce net interest income by $16 million over 12 months in the parallel, instantaneous +100 basis point scenario in Table 25. Conversely, if an additional $1 billion are added, a positive benefit of $16 million would be expected over 12 months in the parallel, instantaneous +100 basis point scenario in Table 25.

In rising rate scenarios only, management assumes that the mix of deposits will change versus the base case as informed by analyses of prior rate cycles. Currently, however, much of the anticipated mix shift has already occurred or is expected to occur within the baseline scenario, mitigating the amount of additional remixing in higher rate scenarios. The magnitude of the remixing shift is rate dependent and equates to an approximate $1.2 billion shift from non-interest bearing deposits into time deposits over 12 months in the parallel, instantaneous +100 basis point scenario in Table 25. Furthermore, over the 12 month horizon, an increase of $1 billion in deposit remixing would decrease net interest income by approximately $21 million, and a decrease of $1 billion in deposit remixing would increase net interest income by $21 million in the parallel, instantaneous +100 basis point scenario.

The interest-bearing deposit beta is calibrated using the experience from prior rate cycles and is dynamic across both interest rate level and time. The parallel, instantaneous +100 basis point and -100 basis point shock scenarios in Table 25 both incorporate an incremental beta between 35 and 40 percent when compared to the base case scenario. Incremental deposit pricing outperformance or underperformance of 5 percent in a parallel, instantaneous 100 basis point shock would increase or decrease net interest income by approximately $46 million.

The table below summarizes Regions' positioning over the next 12 months in various parallel yield curve shifts (i.e., all yield curve tenors move by the same magnitude). The scenarios are inclusive of all interest rate hedging activities. More information regarding hedges is disclosed in Table 26 and its accompanying description.

Table 25—Interest Rate Sensitivity

	Estimated Annual Change in Net Interest Income December 31, 2025(1)(2)
	(In millions)
Gradual Change in Interest Rates	
+ 200 basis points	$ 78
+ 100 basis points	39
- 100 basis points	(40)
- 200 basis points	(66)
Instantaneous Change in Interest Rates	
+ 200 basis points	$ 5
+ 100 basis points	11
- 100 basis points	(18)
- 200 basis points	(13)

(1) Disclosed interest rate sensitivity levels represent the 12-month forward looking net interest income changes as compared to market forward rate cases and include expected balance sheet growth and remixing.
(2) Active hedges, including forward starting hedges, are included in the sensitivity analysis to the extent that they fall within the measurement horizon.

While not depicted in the table above, interest rate movements may also have an impact on the value of Regions' securities portfolio, which can directly impact the carrying value of shareholders' equity.

Derivatives—Regions uses financial derivative instruments for management of interest rate sensitivity. ALCO, which consists of members of Regions' senior management team, in its oversight role for the management of interest rate sensitivity, approves the use of derivatives in balance sheet hedging strategies. Derivatives are also used to offset the risks associated with customer derivatives, which include interest rate, credit, and foreign exchange risks. The most common derivatives Regions employs are forward rate contracts, forward sale commitments, futures contracts, interest rate swaps, interest rate options (caps, floors and collars), and contracts with a combination of these instruments.

Forward rate contracts are commitments to buy or sell financial instruments at a future date at a specified price or yield. Futures contracts subject Regions to market risk associated with changes in interest rates. Because futures contracts are cash settled daily, there is minimal credit risk associated with futures. Interest rate swaps are contractual agreements typically entered into to exchange fixed for variable (or vice versa) streams of interest payments. The notional principal is not exchanged but is used as a reference for the size of interest settlements. Interest rate options are contracts that allow the buyer to purchase or sell a financial instrument at a predetermined price and time. Forward sale commitments are contractual obligations to sell market instruments at a future date for an already agreed-upon price. Foreign currency contracts involve the exchange of one currency for another on a specified date and at a specified rate. These contracts are executed on behalf of the Company's customers and are used by customers to manage fluctuations in foreign exchange rates. The Company is subject to the credit risk that another party will fail to perform.

Regions has made use of interest rate swaps and options in balance sheet hedging strategies to effectively convert a portion of its fixed-rate funding position to a variable-rate position, to effectively convert a portion of its fixed-rate debt securities available for sale portfolio to a variable-rate position, and to effectively convert a portion of its floating-rate loan portfolios to fixed-rate. Regions also uses derivatives to economically manage interest rate and pricing risk associated with its mortgage origination business. In the period of time that elapses between the origination and sale of mortgage loans, changes in interest rates have the potential to cause a decline in the value of the loans in this held-for-sale portfolio. Futures contracts and forward sale commitments are used to protect the value of the loan pipeline and loans held for sale from changes in interest rates and pricing.

The following table presents additional information about hedging interest rate derivatives used by Regions to manage interest rate risk:

Table 26—Hedging Derivatives by Interest Rate Risk Management Strategy

	December 31, 2025			
		Weighted-Average		
	Notional Amount	Maturity (Years)	Receive Rate	Pay Rate
	(Dollars in millions)			
Derivatives in cash flow hedging relationships:				
Receive fixed/pay variable swaps - floating-rate loans[(1)(2)(3)]	$ 39,918	3.4	3.2 %	3.7 %
Interest rate options[(4)]	2,000	2.5		
Derivatives in fair value hedging relationships:				
Receive variable/pay fixed swaps - debt securities available for sale[(1)(2)(3)]	5,667	6.4	3.8 %	3.7 %
Receive fixed/pay variable swaps - borrowings[(3)]	2,400	5.4	2.9 %	3.7 %
Total derivatives designated as hedging instruments	$ 49,985			

(1) Floating rates represent the most recent fixing for active derivatives and the first forward fixing for future starting derivatives.
(2) Includes forward starting notional with maturity relative to current quarter-end. For more information on notional by year, see Table 27.
(3) All floating rates are SOFR based and may include SOFR conversion spread.
(4) Interest rate options have an average cap strike of 6.22% and a floor of 1.86%.

In the fourth quarter of 2025, the Company added $3.5 billion in forward-starting receive-fixed swaps with a receive rate of 3.4 percent, which will become active throughout 2026 with 5-year maturities, to partially hedge 2026 expected fixed-rate loan turnover. A portion of these hedges were terminated subsequent to December 31, 2025, consistent with the timing of the fixed-rate loan production the swaps were intended to hedge. Additionally, subsequent to December 31, 2025, the Company continued the execution of this strategy and added $1.25 billion in forward-starting receive-fixed swaps with a receive rate of 3.5 percent, which will become active in the third and fourth quarters of 2026 with 5-year maturities. Separately, the Company added a $250 million forward-starting receive-fixed swap with a receive rate of 3.8 percent, which becomes active in the first quarter of 2029 with a 3-year maturity.

In the fourth quarter of 2025, the Company also added approximately $550 million in forward-starting pay-fixed interest rate swaps with an average pay rate of 3.9 percent, start dates ranging from 2029 to 2031 and maturities of 3 to 5 years, to reduce AOCI volatility associated with reinvestment of available for sale debt securities.

The following table presents the average asset hedge notional amounts that are active during each of the remaining quarterly and annual periods.

Table 27—Schedule of Notional for Asset Hedging Derivatives

	Average Active Notional Amount [(1)]										
	Quarter Ended	Years Ended									
	12/31/2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	(In millions)										
Asset Hedging Relationships:											
Receive fixed/pay variable swaps	$ 22,168	$ 24,575	$ 24,415	$ 22,371	$ 17,459	$ 16,773	$ 9,359	$ 3,935	$ 364	$ 217	$ —
Receive variable/pay fixed swaps	4,315	4,401	4,436	4,093	4,028	4,569	4,677	2,906	1,343	828	86
Net receive fixed/pay variable swaps	$ 17,853	$ 20,174	$ 19,979	$ 18,278	$ 13,431	$ 12,204	$ 4,682	$ 1,029	$ (979)	$ (611)	$ (86)
Interest rate options	$ 2,000	$ 2,000	$ 2,000	$ 999	$ 1	$ —	$ —	$ —	$ —	$ —	$ —

(1) Active hedges, including forward-starting hedges, are included in the sensitivity levels disclosed in Table 25 to the extent that they fall within the measurement horizon.

Regions manages the credit risk of these instruments in much the same way as 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 is also reduced significantly 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. Most hedging interest rate swap 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 “Credit Risk” section for more information on the management of credit risk.

Regions also uses derivatives to meet the needs of its customers. Interest rate swaps, interest rate options and foreign exchange forwards are the most common derivatives sold to customers. Other derivative instruments with similar characteristics are used to hedge market risk and minimize volatility associated with this portfolio. Instruments used to service customers are held in the trading account, with changes in value recorded in the consolidated statements of income.

The primary objective of Regions’ hedging strategies is to mitigate the impact of interest rate changes, from an economic perspective, on net interest income and other financing income and the net present value of its balance sheet. The overall effectiveness of these hedging strategies is subject to market conditions, the quality of Regions’ execution, the accuracy of its valuation assumptions, counterparty credit risk and changes in interest rates.

See Note 20 "Derivative Financial Instruments and Hedging Activities" to the consolidated financial statements for a tabular summary of Regions’ year-end derivatives positions and further discussion.

Regions accounts for residential MSRs at fair market value with any changes to fair value being recorded within mortgage income. Regions also accounts for non-DUS agency commercial MSRs at fair market value with changes to fair value recorded within capital markets income. Regions enters into derivative transactions to economically mitigate the impact of market value fluctuations related to MSRs at fair market value. Derivative instruments entered into in the future could be materially different from the current risk profile of Regions’ current portfolio.

LIQUIDITY

Liquidity is an important factor in the financial condition of Regions and affects Regions’ ability to meet the needs of the Company and its customers. Regions’ goal in liquidity management is to maintain diverse liquidity sources and reserves sufficient to satisfy the cash flow requirements of depositors and borrowers, under normal and stressed conditions. Accordingly, Regions maintains a variety of liquidity sources to fund its obligations, as further described below. See also Note 23 "Commitments, Contingencies and Guarantees" to the consolidated financial statements for additional discussion of the Company’s funding requirements. Furthermore, Regions performs specific procedures, including scenario analyses and stress testing to evaluate and maintain appropriate levels of available liquidity in alignment with liquidity risk.

Regions' operation of its business provides a generally balanced liquidity base which is comprised of customer assets, consisting principally of loans, and funding provided by customer deposits and borrowed funds. Maturities in the loan portfolio provide a steady flow of funds, and are supplemented by Regions' deposit base.

Cash reserves, liquid assets and secured borrowing capabilities aid in the management of liquidity in normal and stressed conditions, and/or meeting the need of contingent events such as obligations related to potential litigation. As part of its normal management practice, Regions maintains collateral and operational readiness to utilize secured funding sources such as the FHLB and the Federal Reserve Bank on a same-day basis (subject to any practical constraints affecting these market participants). While the securities portfolio is a primary source of liquidity, the secured borrowing capabilities, in addition to cash reserves on hand, assist in alleviating the Company's need to sell securities for funding purposes. Liquidity needs can also be met by borrowing funds in national money markets, though Regions does maintain limits on short-term unsecured funding due to the volatility that can affect such markets.

The following table summarizes the Company's available sources of liquidity as of December 31, 2025:

Table 28—Liquidity Sources

	Availability as of December 31, 2025
	(In billions)
Cash at the Federal Reserve Bank[(1)]	$ 7.6
Unencumbered investment securities[(2)]	26.3
FHLB borrowing availability	11.1
Federal Reserve Bank borrowing availability through the discount window	22.8
Total liquidity sources	$ 67.8

(1) Includes small in transit items that may not yet be reflected in the Federal Reserve Bank master account closing balance.
(2) Unencumbered investment securities comprise securities that are eligible as collateral for secured transactions through market channels or are eligible to be pledged to the FHLB, the Federal Reserve discount window, or the Standing Repo Facility.

The balance with the Federal Reserve Bank is the primary component of the balance sheet line item “interest-bearing deposits in other banks.” At December 31, 2025, Regions had approximately $7.6 billion in cash on deposit with the Federal Reserve Bank and other depository institutions. Refer to the "Cash and Cash Equivalents" section for more information.

The securities portfolio also serves as a primary source and storehouse of liquidity. Proceeds from maturities and principal and interest payments of securities provide a continual flow of funds available for cash needs (see Note 3 "Debt Securities" to the consolidated financial statements). Furthermore, the highly liquid nature of the available for sale securities portfolio (for example, the agency guaranteed MBS portfolio) can be readily used as a source of cash through various secured borrowing arrangements. Regions' securities portfolio consists of residential and commercial agency MBS, U.S. Treasury securities, federal agency securities, and corporate and other debt. In evaluating the liquidity within the securities portfolio, unencumbered investment securities are primarily comprised of U.S Treasury securities and residential and commercial agency MBS. Unencumbered investment securities also includes certain corporate bonds considered to be highly liquid and other securities.

Regions’ financing arrangement with the FHLB adds additional flexibility in managing the Company's liquidity position. As of December 31, 2025, Regions had $750 million in short-term FHLB borrowings and $1.0 billion in long-term FHLB borrowings as shown in Note 11 "Borrowed Funds" to the consolidated financial statements. Regions had borrowing capacity from the FHLB as shown in Table 28. FHLB borrowing capacity was determined based on eligible securities and loan amounts, as of December 31, 2025, that were pledged as collateral for future borrowing capacity. Additionally, investment in FHLB stock is required in relation to the level of outstanding borrowings. The FHLB has been and is expected to continue to be a reliable and economical source of funding.

Regions has additional borrowing availability with the Federal Reserve Bank through the discount window as shown in Table 28. Federal Reserve Bank borrowing capacity is determined based on eligible loan amounts that were pledged as collateral for future borrowing capacity. Also through the Federal Reserve Bank, Regions is an eligible Standing Repo Facility counterparty, which supplements Regions' available channels for monetizing unencumbered securities.

Regions maintains a shelf registration statement with the SEC that can be utilized by Regions to issue various debt and/or equity securities. Additionally, Regions' Board has authorized Regions Bank to issue up to $10 billion in aggregate principal amount of bank notes outstanding at any one time. Refer to Note 11 "Borrowed Funds" to the consolidated financial statements for additional information.

Regions may, from time to time, consider opportunistically retiring outstanding issued securities, including subordinated debt in privately negotiated or open market transactions for cash or common shares. Regulatory approval would be required for retirement of some instruments. See Note 14 "Shareholders' Equity and Accumulated Other Comprehensive Income (Loss)" to the consolidated financial statements for additional information.

Regions' maintains a liquidity management framework which establishes sustainable processes and tools to effectively identify, measure, mitigate, monitor, and report liquidity risks beginning with Regions’ Liquidity Management Policy and the Liquidity Risk Appetite Statements approved by the Board. Processes within the liquidity management framework include, but are not limited to, liquidity risk governance, cash management, liquidity stress testing, liquidity risk limits, contingency funding plans, and collateral management. While the framework is designed to comply with liquidity regulations, the processes are further tailored to be commensurate with Regions’ operating model and risk profile. The Company's liquidity policy requires the holding company to maintain cash sufficient to cover the greater of (1) 18 months of debt service and other cash needs or (2) a minimum cash balance of $500 million. Cash and cash equivalents at the holding company exceeded minimums and totaled $726 million at December 31, 2025. Overall liquidity risk limits are established by the Board through its Risk Appetite Statement and Liquidity Policy. The Company's Board, LROC and ALCO regularly review compliance with the established limits.

MARKET RISK—PREPAYMENT RISK

Regions, like most financial institutions, is subject to changing prepayment speeds on mortgage-related assets under different interest rate environments. Prepayment risk is a significant risk to earnings and specifically to net interest income. For example, mortgage loans and other financial assets may be prepaid by a borrower, so that the borrower may refinance its obligations at lower rates. As loans and other financial assets prepay in a falling rate environment, Regions must reinvest these funds in lower-yielding assets. Prepayments of assets carrying higher rates reduce Regions’ interest income and overall asset yields. Conversely, in a rising rate environment, these assets will prepay at a slower rate, resulting in opportunity cost by not having the cash flow to reinvest at higher rates. Prepayment risk can also impact the value of securities and the carrying value of equity. Regions’ greatest exposures to prepayment risks primarily rest in its MBS portfolio, the mortgage fixed-rate loan portfolio and the residential MSR, all of which tend to be sensitive to interest rate movements. Each of these assets is also exposed to prepayment risk due to factors which are not necessarily the result of interest rates, but rather due to changes in policies or programs related, either directly or indirectly, to the U.S. Government's governance over certain lending and financing within the mortgage market. Such policies can work to either encourage or discourage financing dynamics and represent a risk that is extremely difficult to forecast and may be the result of non-economic factors. The Company attempts to monitor and manage such exposures within reasonable expectations while acknowledging all such risks cannot be foreseen or avoided. Further, Regions has prepayment risk that would be reflected in non-interest income in the form of servicing income on the residential MSRs. Regions actively monitors prepayment exposure as part of its overall net interest income forecasting and interest rate risk management.

CREDIT RISK

Regions' objective regarding credit risk is to maintain a credit portfolio that provides for stable credit costs with acceptable volatility through an economic cycle. Regions has various processes to manage credit risk as described below. In order to assess the risk profile of the loan portfolio, Regions considers risk factors within the loan portfolio segments and classes, the current U.S. economic environment and that of its primary banking markets, as well as counterparty risk. See the "Portfolio Characteristics" section found earlier in this report for further information regarding the risk characteristics of each loan type.

Management Process

Credit risk is managed by maintaining a sound credit risk culture, throughout all lines of defense, which ensures that the levels and types of risk taken are aligned with Regions' credit risk appetite. The credit quality of borrowers and counterparties has a significant impact on Regions' earnings; however, the nature of the risk differs by each of the defined businesses which engage in multiple forms of commercial, investor real estate and consumer lending. Regions categorizes the credit risks it faces by asset quality, counterparty exposure, and diversification levels which provides a structure to assess credit risk and guides credit decision-making. Credit policies, another key component of Regions' culture, are designed and adjusted, as needed, to promote sound credit risk management. These policies guide lending activities in a manner consistent with Regions' strategy and provide a framework for achieving asset quality and earnings objectives.

Effective credit risk management requires coordinated identification, measurement, mitigation, monitoring and reporting of credit risk exposure, credit quality, and emerging risk trends. Accordingly, Regions has implemented a credit risk governance structure that provides oversight from the Board to the organizational units in order to maintain open channels of communication.

Occasionally, borrowers and counterparties do not fulfill their obligations and Regions must take steps to mitigate and manage losses. Teams are in place to appropriately identify and manage nonperforming loans, collections, loan modifications, and loss mitigation efforts. Regions maintains an allowance for credit losses that management considers adequate to absorb expected losses in the portfolio.

For a discussion of the process and methodology used to calculate the allowance for credit losses refer to the "Critical Accounting Estimates and Related Policies" section found earlier in this report, Note 1 "Summary of Significant Accounting Policies" and Note 5 "Allowance for Credit Losses" to the consolidated financial statements. Details regarding the allowance for credit losses, including an analysis of activity from the previous year's total, are included in Table 17 "Year-to-Date Allowance Analysis" and Table 18 "Allowance Roll-forward". Also, refer to Table 19 "Allowance Allocation" for details pertaining to management's allocation of the allowance to each loan category.

Responsibility and accountability for effectively managing all risks, including credit risk, in the various business units lies with the first line of defense. Risk Management, in the second line of defense, oversees, assesses and effectively challenges the risk-taking activities of the first line of defense. Finally, Credit Risk Review provides ongoing oversight, as a third line of defense function, of the credit portfolios to ensure Regions' activities, and controls, are appropriate for the size, complexity and risk profile of the Company.

Counterparty Risk

Counterparty risk is the risk that the counterparty to a transaction or contract could be unable or unwilling to fulfill its contractual or legal obligations. Exposure may be to a financial institution (such as a commercial bank, an insurance company, a broker dealer, etc.) or a corporate client.

Regions has a centralized approach to approval, management, and monitoring of counterparty exposure. The Counterparty Risk Management Group is responsible for the independent credit risk management of financial institution counterparties and their affiliates. Market Risk Management is responsible for the measurement and stress testing of counterparty exposures. The Corporate and Commercial Credit groups are responsible for the independent credit risk management of client side counterparties.

Financial institution exposure may result from a variety of transaction types generated in one or more departments of the Company. Aggregate exposure limits are established to manage the exposure generated by various areas of the Company. Counterparty client credit risk arises when Regions sells a risk management product to hedge risks in the client's business. Exposures to counterparties are aggregated across departments and regularly reported to senior management.

INFORMATION SECURITY RISK

Regions faces information security risks, such as evolving and adaptive cyber-attacks that are conducted regularly against financial institutions in attempts to compromise or disable information systems. In the event of a cyber-attack or other data breach, Regions may be required to incur significant expenses, including with respect to remediation costs, costs of implementing additional preventative measures, addressing any reputational harm and addressing any related regulatory inquiries or civil litigation arising from the event.

See Part I, Item 1C. *Cybersecurity* found earlier in this report for further information.

FINANCIAL DISCLOSURE AND INTERNAL CONTROLS

Regions maintains internal controls over financial reporting, which generally include those controls relating to the preparation of the consolidated financial statements in conformity with GAAP. Regions' process for evaluating internal controls over financial reporting starts with understanding the risks facing each of its functions and areas, how those risks are controlled or mitigated, and how management monitors those controls to ensure that they are in place and effective. These risks, control procedures and monitoring tools are documented in a standard format. This format not only documents the internal control structures over all significant accounts, but also places responsibility on management for establishing feedback mechanisms to ensure that controls are effective.

Regions also has processes to ensure appropriate disclosure controls and procedures are maintained. These controls and procedures as defined by the SEC are generally designed to ensure that financial and non-financial information required to be disclosed in reports filed with the SEC is reported within the time periods specified in the SEC's rules and forms, and that such information is communicated to management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Regions' Disclosure Review Committee, which includes representatives from the legal, tax, finance, risk management, accounting, investor relations, and treasury departments, meets quarterly to review recent internal and external events to determine whether all appropriate disclosures have been made in reports filed with the SEC. In addition, the CEO and CFO meet quarterly with the SEC Filings Review Committee, which includes senior representatives from accounting, legal, risk management, treasury, and the business groups. The SEC Filings Review Committee provides a forum in which senior executives disclose to the CEO and CFO any known significant deficiencies or material weaknesses in Regions' internal controls over financial reporting, and provide reasonable assurance that the financial statements and other contents of the Company's Form 10-K and 10-Q filings are accurate, complete, and timely. As part of this process, certifications of internal control effectiveness are obtained from Regions' associates who are responsible for maintaining and monitoring effective internal controls over financial reporting. These certifications are reviewed and presented to the CEO and CFO as support of the Company's assessment of internal controls over financial reporting. The Form 10-K is presented to the Audit Committee of the Board of Directors for approval, and the Forms 10-Q are reviewed by the Audit Committee. Financial results and other financial information are also reviewed with the Audit Committee on a quarterly basis.

As required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002, the CEO and the CFO review and make certifications regarding the accuracy of Regions' periodic public reports filed with the SEC, as well as the effectiveness of disclosure controls and procedures and internal controls over financial reporting. With the assistance of the financial review committees noted in the previous paragraph, Regions continually assesses and monitors disclosure controls and procedures and internal controls over financial reporting, and makes refinements as necessary.

COMPARISON OF 2024 WITH 2023

Refer to the "2024 Results" and "Operating Results" sections of Management's Discussion and Analysis of the Annual Report on Form 10-K for the year ended December 31, 2024, for comparisons of 2024 with 2023.

Item 7A. *Quantitative and Qualitative Disclosures about Market Risk*

This information is set forth in the Risk Management section of Item 7 and is incorporated herein by reference.

Item 8. ***Financial Statements and Supplementary Data***

REPORT OF MANAGEMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

We, as members of the Management of Regions Financial Corporation and subsidiaries (the "Company"), are responsible for establishing and maintaining effective internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934. Regions' internal control system was designed to provide reasonable assurance to the Company's management and Board of Directors regarding the preparation and fair presentation of the Company's financial statements for external purposes in accordance with U.S. generally accepted accounting principles. Internal control over financial reporting includes self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified.

All internal controls systems, no matter how well designed, have inherent limitations and may not prevent or detect misstatements in the Company's financial statements, including the possibility of circumvention or overriding of controls. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Regions' management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2025. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in its 2013 Internal Control—Integrated Framework. Based on our assessment and those criteria, management believes that the Company maintained effective control over financial reporting as of December 31, 2025. Based on our assessment and those criteria, management believes that the Company maintained effective control over financial reporting as of December 31, 2025.

Regions' independent registered public accounting firm has issued an audit report on the effectiveness of the Company's internal control over financial reporting. This report appears on the following page.

REGIONS FINANCIAL CORPORATION

by /S/ JOHN M. TURNER, JR.

John M. Turner, Jr.
Chairman, President and Chief Executive Officer

by /S/ DAVID J. TURNER, JR.

David J. Turner, Jr.
Chief Financial Officer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Regions Financial Corporation

Opinion on Internal Control Over Financial Reporting

We have audited Regions Financial Corporation and subsidiaries' internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Regions Financial Corporation and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2025 and 2024, the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2025, and the related notes and our report dated February 24, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Report of Management on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Birmingham, Alabama
February 24, 2026

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Regions Financial Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Regions Financial Corporation and subsidiaries (the Company) as of December 31, 2025 and 2024, the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 24, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosures to which it relates.

Allowance for credit losses

Description of the Matter

The Company's loan portfolio and the associated allowance for credit losses ("allowance"), were $95.6 billion and $1.69 billion as of December 31, 2025, respectively. The provision for credit losses was $470 million for the year ended December 31, 2025. As discussed in Notes 1 and 5 to the consolidated financial statements, the allowance is established to absorb expected credit losses over the contractual life of the loans measured at amortized cost, including unfunded commitments. Management's measurement of expected losses is driven by loss forecasting models which utilize relevant quantitative information about historical experience, current conditions and the reasonable and supportable economic forecast that affects the collectability of the reported amount. Management's estimate for the expected credit losses is established through these quantitative factors, as well as qualitative considerations to account for the imprecision inherent in the estimation process. As a result, management may adjust the allowance for the potential impact of qualitative factors through their established framework. Management's qualitative framework provides for specific model and general imprecision adjustments for such factors as the economic forecast imprecision, potential model imprecision, process imprecision and specific issues or events that Management believes are not adequately captured in the modeled outcomes.

Auditing management's allowance estimate and related provision for credit losses involved a high degree of complexity in evaluating the expected loss forecasting models and subjectivity in evaluating management's measurement of the economic forecast used during the reasonable and supportable period and the qualitative factors.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of the Company's controls for establishing the allowance, including: 1) the governance of the credit loss methodology, including management's review and approval of the allowance; 2) expected loss forecasting models including model validation, monitoring, the completeness and accuracy of key inputs and assumptions used in the models; 3) the development and application of the reasonable and supportable economic forecast; and 4) the identification and measurement of qualitative factors.

With respect to expected loss forecasting models, with the support of specialists, we evaluated the conceptual soundness of the model methodology and replicated a sample of models. We also tested the appropriateness of key inputs and assumptions used in these models by agreeing a sample of inputs to supporting information.

Regarding the reasonable and supportable economic forecast, with the support of specialists, we assessed the forecasted economic scenario by, among other procedures, evaluating management's methodology for developing the forecast and comparing a sample of key economic variables developed to external sources.

With respect to the identification of qualitative factors, we evaluated the potential impact of imprecision in the quantitative models and hence the need to consider a qualitative adjustment to the allowance for factors which may not be directly measured in the modeled calculations. Regarding measurement of the qualitative factors, with the support of specialists, we evaluated the methodology applied and data utilized by management to estimate the appropriate level of the qualitative factors. We also considered if qualitative factors were consistent with external macroeconomic factors and the results produced by the Company's Credit Review, Internal Audit, and Model Validation groups.

We evaluated the overall allowance amount, including model estimates and qualitative factors, and whether the recorded allowance appropriately reflects expected credit losses on the loan portfolio and unfunded credit commitments. We reviewed historical loss statistics, peer-bank information, subsequent events and transactions and considered whether they corroborate or contradict the Company's measurement of the allowance.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1971.

Birmingham, Alabama
February 24, 2026

REGIONS FINANCIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	December 31	
	2025	2024
	(In millions, except per share data)	
Assets		
Cash and due from banks	$ 3,112	$ 2,893
Interest-bearing deposits in other banks	7,795	7,819
Debt securities held to maturity (estimated fair value of $5,584 and $4,226, respectively)	5,606	4,427
Debt securities available for sale (amortized cost of $28,134 and $28,183, respectively)	27,560	26,224
Loans held for sale (includes $290 and $234 measured at fair value, respectively)	511	594
Loans, net of unearned income	95,637	96,727
Allowance for loan losses	(1,556)	(1,613)
Net loans	94,081	95,114
Other earning assets	1,703	1,616
Premises, equipment and software, net	1,659	1,673
Interest receivable	571	572
Goodwill	5,733	5,733
Residential mortgage servicing rights at fair value	970	1,007
Other identifiable intangible assets, net	140	169
Other assets	9,373	9,461
Total assets	$ 158,814	$ 157,302
Liabilities and Equity		
Deposits:		
Non-interest-bearing	$ 39,530	$ 39,138
Interest-bearing	91,598	88,465
Total deposits	131,128	127,603
Borrowed funds:		
Short-term borrowings	750	500
Long-term borrowings	4,134	5,993
Total borrowed funds	4,884	6,493
Other liabilities	3,699	5,296
Total liabilities	139,711	139,392
Equity:		
Preferred stock, authorized 10 million shares, par value $1.00 per share:		
Non-cumulative perpetual, including related surplus, net of issuance costs; issued—1,400,000 shares and 1,403,500, respectively	1,369	1,715
Common stock, authorized 3 billion shares, par value $0.01 per share:		
Issued including treasury stock—908,045,826 and 949,510,334 shares, respectively	9	9
Additional paid-in capital	10,366	11,394
Retained earnings	10,205	9,060
Treasury stock, at cost— 41,032,676 shares	(1,371)	(1,371)
Accumulated other comprehensive income (loss), net	(1,535)	(2,928)
Total shareholders' equity	19,043	17,879
Noncontrolling interest	60	31
Total equity	19,103	17,910
Total liabilities and equity	$ 158,814	$ 157,302

See notes to consolidated financial statements.

REGIONS FINANCIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

	Year Ended December 31		
	2025	2024	2023
	(In millions, except per share data)		
Interest income on:			
Loans, including fees	$ 5,463	$ 5,732	$ 5,733
Debt securities	1,145	925	749
Loans held for sale	35	39	40
Other earning assets	430	412	375
Total interest income	7,073	7,108	6,897
Interest expense on:			
Deposits	1,766	1,971	1,255
Short-term borrowings	17	40	96
Long-term borrowings	299	279	226
Total interest expense	2,082	2,290	1,577
Net interest income	4,991	4,818	5,320
Provision for credit losses	470	487	553
Net interest income after provision for credit losses	4,521	4,331	4,767
Non-interest income:			
Service charges on deposit accounts	635	612	592
Card and ATM fees	487	467	504
Investment management and trust fee income	362	338	313
Capital markets income	347	348	222
Mortgage income	158	146	109
Securities gains (losses), net	(53)	(208)	(5)
Other	599	562	521
Total non-interest income	2,535	2,265	2,256
Non-interest expense:			
Salaries and employee benefits	2,616	2,529	2,416
Equipment and software expense	421	406	412
Net occupancy expense	288	278	289
Other	988	1,029	1,299
Total non-interest expense	4,313	4,242	4,416
Income before income taxes	2,743	2,354	2,607
Income tax expense	587	461	533
Net income	$ 2,156	$ 1,893	$ 2,074
Net income available to common shareholders	$ 2,061	$ 1,774	$ 1,976
Weighted-average number of shares outstanding:			
Basic	892	916	936
Diluted	896	918	938
Earnings per common share:			
Basic	$ 2.31	$ 1.94	$ 2.11
Diluted	2.30	1.93	2.11

See notes to consolidated financial statements.

REGIONS FINANCIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended December 31		
	2025	2024	2023
	(In millions)		
Net income	$ 2,156	$ 1,893	$ 2,074
Other comprehensive income (loss), net of tax:			
Unrealized losses on securities transferred to held to maturity:			
Unrealized losses on securities transferred from available for sale during the period (net of ($57), ($192) and zero tax effect, respectively)	(170)	(562)	—
Less: reclassification adjustments for amortization of unrealized losses on securities transferred to held to maturity (net of ($26), ($5) and ($1) tax effect, respectively)	(78)	(14)	(1)
Net change in unrealized losses on securities transferred to held to maturity, net of tax	(92)	(548)	1
Unrealized gains (losses) on securities available for sale:			
Unrealized losses on securities transferred to held to maturity during the period (net of $57, $192 and zero tax effect, respectively)	170	562	—
Unrealized holding gains (losses) arising during the period (net of $274, ($31) and $168 tax effect, respectively)	830	(130)	501
Less: reclassification adjustments for securities gains (losses) realized in net income (net of ($13), ($52) and ($1) respectively)	(40)	(156)	(4)
Net change in unrealized gains (losses) on securities available for sale, net of tax	1,040	588	505
Unrealized gains (losses) on derivative instruments designated as cash flow hedges:			
Unrealized holding gains (losses) on derivative instruments arising during the period (net of $84, ($172) and ($43) tax effect, respectively)	245	(511)	(124)
Less: reclassification adjustments for gains (losses) on derivative instruments realized in net income (net of ($61), ($106) and ($60) tax effect, respectively)	(181)	(314)	(176)
Net change in unrealized gains (losses) on derivative instruments, net of tax	426	(197)	52
Defined benefit pension plans and other post employment benefits:			
Net actuarial gains (losses) arising during the period (net of ($3), $9 and ($21) tax effect, respectively)	(1)	18	(61)
Less: reclassification adjustments for amortization of actuarial loss and settlements realized in net income (net of ($7), ($8) and ($11) tax effect, respectively)	(20)	(23)	(34)
Net change from defined benefit pension plans and other post employment benefits, net of tax	19	41	(27)
Other comprehensive income (loss), net of tax	1,393	(116)	531
Comprehensive income	$ 3,549	$ 1,777	$ 2,605

See notes to consolidated financial statements.

REGIONS FINANCIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Shareholders' Equity									
	Preferred Stock		Common Stock		Additional Paid-In Capital	Retained Earnings	Treasury Stock, At Cost	Accumulated Other Comprehensive Income (Loss), Net	Total	Non-controlling Interest
	Shares	Amount	Shares	Amount						
	(In millions, except per share data)									
BALANCE AT JANUARY 1, 2023	2	$ 1,659	934	$ 10	$ 11,988	$ 7,004	$ (1,371)	$ (3,343)	$ 15,947	$ 4
Cumulative effect from change in accounting guidance						28			28	
Net income	—	—	—	—	—	2,074	—	—	2,074	—
Other comprehensive income, net of tax	—	—	—	—	—	—	—	531	531	—
Cash dividends declared	—	—	—	—	—	(822)	—	—	(822)	—
Preferred stock dividends	—	—	—	—	—	(98)	—	—	(98)	—
Impact of common stock share repurchases	—	—	(16)	—	(252)	—	—	—	(252)	—
Impact of common stock transactions under compensation plans, net	—	—	6	—	21	—	—	—	21	—
Other	—	—	—	—	—	—	—	—	—	60
BALANCE AT DECEMBER 31, 2023	2	$ 1,659	924	$ 10	$ 11,757	$ 8,186	$ (1,371)	$ (2,812)	$ 17,429	$ 64
Cumulative effect from change in accounting guidance	—	—	—	—	—	(5)	—	—	(5)	—
Net income	—	—	—	—	—	1,893	—	—	1,893	—
Other comprehensive income (loss), net of tax	—	—	—	—	—	—	—	(116)	(116)	—
Cash dividends declared	—	—	—	—	—	(895)	—	—	(895)	—
Preferred stock dividends	—	—	—	—	—	(104)	—	—	(104)	—
Net proceeds from issuance of Series F preferred stock	—	489	—	—	—	—	—	—	489	—
Redemption of Series B preferred stock	—	(433)	—	—	(52)	(15)	—	—	(500)	—
Impact of common stock share repurchases	—	—	(17)	(1)	(347)	—	—	—	(348)	—
Impact of common stock transactions under compensation plans, net	—	—	2	—	36	—	—	—	36	—
Other	—	—	—	—	—	—	—	—	—	(33)
BALANCE AT DECEMBER 31, 2024	2	$ 1,715	909	$ 9	$ 11,394	$ 9,060	$ (1,371)	$ (2,928)	$ 17,879	$ 31
Net income	—	—	—	—	—	2,156	—	—	2,156	—
Other comprehensive income, net of tax	—	—	—	—	—	—	—	1,393	1,393	—
Cash dividends declared	—	—	—	—	—	(916)	—	—	(916)	—
Preferred stock dividends	—	—	—	—	—	(91)	—	—	(91)	—
Redemption of Series D preferred stock	(1)	(346)	—	—	—	(4)	—	—	(350)	—
Impact of common stock share repurchases	—	—	(44)	—	(1,067)	—	—	—	(1,067)	—
Impact of common stock transactions under compensation plans, net	—	—	3	—	39	—	—	—	39	—
Other	—	—	—	—	—	—	—	—	—	29
BALANCE AT DECEMBER 31, 2025	1	$ 1,369	868	$ 9	$ 10,366	$ 10,205	$ (1,371)	$ (1,535)	$ 19,043	$ 60

See notes to consolidated financial statements.

REGIONS FINANCIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31		
	2025	2024	2023
	(In millions)		
Operating activities:			
Net income	$ 2,156	$ 1,893	$ 2,074
Adjustments to reconcile net income to net cash from operating activities:			
Provision for credit losses	470	487	553
Depreciation, amortization and accretion, net	84	144	236
Securities (gains) losses, net	53	208	5
Deferred income tax expense	78	21	32
Originations and purchases of loans held for sale	(5,453)	(6,487)	(4,496)
Proceeds from sales of loans held for sale	5,566	6,297	4,440
(Gain) loss on sale of loans, net	(84)	(49)	(45)
Early extinguishment of debt	—	—	(4)
Net change in operating assets and liabilities:			
Other earning assets	(87)	(199)	(109)
Interest receivable and other assets	251	(831)	194
Other liabilities	(896)	3	(659)
Other	43	111	87
Net cash from operating activities	2,181	1,598	2,308
Investing activities:			
Proceeds from maturities of debt securities held to maturity	684	105	47
Proceeds from sales of debt securities available for sale	1,333	5,001	70
Proceeds from maturities of debt securities available for sale	3,289	3,225	2,930
Purchases of debt securities available for sale	(7,262)	(9,612)	(2,610)
Net (payments for) proceeds from bank-owned life insurance	5	16	(5)
Proceeds from sales of loans	755	160	485
Purchases of loans	(370)	(648)	(426)
Net change in loans	333	1,811	(1,755)
Purchases of mortgage servicing rights	(30)	(146)	(157)
Net purchases of other assets	(155)	(174)	(186)
Net cash from investing activities	(1,418)	(262)	(1,607)
Financing activities:			
Net change in deposits	3,525	(185)	(3,955)
Net change in short-term borrowings	250	500	—
Proceeds from long-term borrowings	—	3,740	2,000
Payments on long-term borrowings	(1,900)	(100)	(2,000)
Cash dividends on common stock	(912)	(890)	(787)
Cash dividends on preferred stock	(91)	(104)	(98)
Net proceeds from issuance of preferred stock	—	489	—
Payment for redemption of preferred stock	(350)	(500)	—
Repurchases of common stock	(1,067)	(348)	(252)
Taxes paid related to net share settlement of equity awards	(23)	(27)	(35)
Net cash from financing activities	(568)	2,575	(5,127)
Net change in cash and cash equivalents	195	3,911	(4,426)
Cash and cash equivalents at beginning of year	10,712	6,801	11,227
Cash and cash equivalents at end of period	$ 10,907	$ 10,712	$ 6,801

See notes to consolidated financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Regions Financial Corporation ("Regions" or the "Company") provides a full range of banking and bank-related services to individual and corporate customers through its subsidiaries and branch offices located across the South, Midwest and Texas as well as delivering specialty capabilities nationwide. Regions is subject to the regulations of certain government agencies and undergoes periodic examinations by certain of those regulatory authorities.

The accounting and reporting policies of Regions and the methods of applying those policies that materially affect the consolidated financial statements conform with GAAP and with general financial services industry practices. In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the balance sheet dates and revenues and expenses for the periods presented. Actual results could differ from the estimates and assumptions used in the consolidated financial statements including, but not limited to, the estimates and assumptions related to the allowance for credit losses, fair value measurements, goodwill, residential MSRs and income taxes.

Regions has evaluated all subsequent events for potential recognition and disclosure through the filing date of this Annual Report on Form 10-K.

During 2025, the Company adopted new accounting guidance related to several topics, as disclosed below in the Recent Accounting Pronouncements section. All prior period amounts impacted by guidance that required retrospective application have been revised.

Certain amounts in prior period financial statements have been reclassified to conform to the current period presentation, except as otherwise noted. These reclassifications are immaterial and have no effect on net income, comprehensive income, total assets, total liabilities, total shareholders' equity or cash flows as previously reported.

BASIS OF PRESENTATION AND PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Regions, its subsidiaries and certain VIEs. Significant intercompany balances and transactions have been eliminated. Regions considers a voting rights entity to be a subsidiary and consolidates it if Regions has a controlling financial interest in the entity. VIEs are consolidated if Regions has the power to direct the activities of the VIE that significantly impact financial performance and has the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE (i.e., Regions is the primary beneficiary). The determination of whether Regions is the primary beneficiary of a VIE is reassessed on an ongoing basis. Investments in companies which are not VIEs but in which Regions has more than minor influence over the operating and financial policies, are accounted for using the equity method of accounting. Investments in VIEs, where Regions is not the primary beneficiary of a VIE, are accounted for using either the proportional amortization method or the equity method of accounting. These investments are included in other assets. The maximum potential exposure to losses relative to investments in VIEs is generally limited to the sum of the outstanding balance, future funding commitments and any related loans to the entity. Loans to these entities are underwritten in substantially the same manner as are other loans and are generally secured. Refer to Note 2 for additional disclosures regarding Regions' significant VIEs.

CASH EQUIVALENTS AND CASH FLOWS

Cash equivalents represent assets that can be converted into cash immediately. At Regions, these assets include cash and due from banks, interest-bearing deposits in other banks, and Federal funds sold and securities purchased under agreements to resell. Cash flows from loans, either originated or acquired, are classified at that time according to management's intent to either sell or hold the loan for the foreseeable future. When management's intent is to sell the loan, the cash flows of that loan are presented as operating cash flows. When management's intent is to hold the loan for the foreseeable future, the cash flows of that loan are presented as investing cash flows.

The following table summarizes supplemental cash flow information for the years ended December 31:

	2025	2024	2023
		(In millions)	
Cash paid during the period for:			
Interest on deposits and borrowed funds	$ 2,145	$ 2,219	$ 1,441
Income taxes:			
Federal	69	23	236
State (1)	109	41	140
Total, net	178	64	376
Non-cash transfers:			
Securities transferred to held to maturity from available for sale (2)	1,772	3,763	—
Loans held for sale and loans transferred to other real estate	24	20	21
Loans transferred to loans held for sale	86	18	15
Loans held for sale transferred to loans	11	10	18
Properties transferred to held for sale	—	8	79

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(1) Income taxes paid (net of refunds) to each state jurisdiction were individually immaterial.

(2) Represents the carrying value of securities transferred in the period.

SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL AND SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE

Securities purchased under agreements to resell and securities sold under agreements to repurchase are treated as collateralized financing transactions. It is Regions' policy to take possession of securities purchased under resell agreements either through direct delivery or a tri-party agreement.

DEBT SECURITIES

Management determines the appropriate accounting classification of debt securities at the time of purchase, based on intent, and periodically re-evaluates such designations. Debt securities are classified as held to maturity when the Company has the intent and ability to hold the securities to maturity. Debt securities held to maturity are presented at amortized cost. Debt securities not classified as held to maturity are classified as available for sale and may be sold prior to maturity. Debt securities available for sale are presented at estimated fair value with changes in unrealized gains and losses, net of taxes, reported as a component of accumulated other comprehensive income (loss). See the "Fair Value Measurements" section below for discussion of determining fair value.

The amortized cost basis of debt securities classified as held to maturity and available for sale is adjusted for fair value hedge accounting adjustments and the amortization of premiums and accretion of discounts to maturity, or first call date when applicable, using the effective interest method. Such amortization or accretion is included in interest income on securities. Realized gains and losses are included in net securities gains (losses). The cost of securities sold is based on the specific identification method.

For debt securities available for sale, the Company reviews its securities portfolio for impairment and determines if impairment is related to credit loss or non-credit loss. In making the assessment of whether a loss is from credit or other factors, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions related to the security, among other factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows is less than the amortized cost basis, a credit loss exists and an allowance is created, limited by the amount that the fair value is less than the amortized cost basis.

Subsequent activity related to the credit loss component (e.g. write-offs, recoveries) is recognized as part of the allowance for credit losses on debt securities available for sale. Securities held to maturity are evaluated under the allowance for credit losses model. For securities which have an expectation of zero nonpayment of the amortized cost basis (e.g. U.S. Treasury securities or agency securities), the expected credit loss is zero. Refer to Note 3 for further detail and information on securities.

LOANS HELD FOR SALE

Regions' loans held for sale primarily includes commercial loans, investor real estate loans, and residential real estate mortgage loans. Loans held for sale are recorded at either estimated fair value, if the fair value option is elected, or the lower of cost or estimated fair value.

Regions has elected the fair value option for all eligible agency residential real estate mortgages originated with the intent to sell. Intent is established for these conforming residential real estate mortgage loans when Regions enters into an interest rate lock commitment. Gains and losses on these residential mortgage loans held for sale for which the fair value option has been elected are included in mortgage income. Management has elected the fair value option for certain commercial loans originated with the intent to sell and gains and losses on those loans are included in capital markets income.

Regions also transfers loans that were originally recorded as held for investment to held for sale when management has the intent to sell in the near term. These loans held for sale are recorded at the lower of cost or estimated fair value. The amount is then considered the new cost basis of the loan. At the time of transfer, write-downs on the loans that are credit related are recorded as charge-offs. All other write-downs and gains and losses on the sale of these loans are included in other non-interest expense or other non-interest income (dependent on the type of loan). See the "Fair Value Measurements" section below for discussion of determining estimated fair value.

LOANS

Regions' loans balance is comprised of commercial, investor real estate and consumer loans. Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are considered loans held for investment (or portfolio loans). Loans held for investment are carried at amortized cost (the principal amount outstanding, net of premiums, discounts, unearned income and deferred loan fees and costs). Regions elected to exclude accrued interest receivable balances from the amortized cost basis. Interest receivable is included as a separate line item on the balance sheet. Interest income on all types of loans is accrued based on the contractual interest rate and the principal amount outstanding using methods that approximate the interest method, except for those loans classified as non-accrual. Premiums and discounts on purchased loans and non-refundable loan origination and commitment fees, net of direct costs of originating or acquiring loans, are deferred and recognized over the contractual or estimated lives of the related loans as an adjustment to the loans' constant effective yield, which is included in interest income on loans. Direct financing, sales-type and leveraged leases are included within the commercial portfolio segment. See Note 4 for further detail and information on loans and Note 13 for further detail and information on leases.

Regions determines past due or delinquency status of a loan based on contractual payment terms.

Commercial and investor real estate loans are placed on non-accrual if any of the following conditions occur: 1) collection in full of contractual principal and interest is no longer reasonably assured (even if current as to payment status), 2) a partial charge-off has occurred, unless the loan has been brought current under its contractual terms (original or restructured terms) and the full originally contracted principal and interest is considered to be fully collectible, or 3) the loan is delinquent on any principal or interest for 90 days or more unless the obligation is secured by collateral having a net realizable value (estimated fair value less costs to sell) sufficient to fully discharge the obligation and the loan is in the legal process of collection. Factors considered regarding full collection include assessment of changes in borrower's cash flow, valuation of underlying collateral, ability and willingness of guarantors to provide credit support, and other conditions. Charge-offs on commercial and investor real estate loans are primarily based on the facts and circumstances of the individual loan and occur when available information confirms the loan is not or will not be fully collectible. Factors considered in making these determinations are the borrower's and any guarantor's ability and willingness to pay, the status of the account in bankruptcy court (if applicable), and collateral value. Commercial and investor real estate loan relationships of $250,000 or less are subject to charge-off or charge down to estimated fair value at 180 days past due, based on collateral value. Certain equipment finance loans are subject to charge-off at 120 days past due.

Non-accrual and charge-off decisions for consumer loans are dictated by the FFIEC's Uniform Retail Credit Classification and Account Management Policy which establishes standards for the classification and treatment of consumer loans. The charge-off process drives consumer non-accrual status. If a consumer loan secured by real estate in a first lien position (residential first mortgage or home equity) becomes 180 days past due, Regions evaluates the loan for non-accrual status and potential charge-off based on collateral value. For home equity loans and lines of credit in a second lien position, the non-accrual evaluation is performed at 120 days past due and the potential charge-off evaluation is performed at 180 days past due. If a loan is secured by collateral having a net realizable value sufficient to fully discharge the obligation, then a partial write-down is not necessary and the loan remains on accrual status, provided it is in the process of legal collection. If a partial charge-off is necessary as a result of the evaluation, then the remaining balance is placed on non-accrual. Consumer loans not secured by real estate are generally charged-off at either 120 days past due for closed-end loans, 180 days past due for open-end loans other than credit cards or the end of the month in which the loan becomes 180 days past due for credit cards.

When loans are placed on non-accrual status, the accrual of interest, amortization of loan premium, accretion of loan discount and amortization/accretion of deferred net loan fees/costs are discontinued. When a commercial or investor real estate loan is placed on non-accrual status, uncollected interest accrued in the current year is reversed and charged to interest income. Uncollected interest accrued from prior years on commercial and investor real estate loans placed on non-accrual status in the current year is charged against the allowance for loan losses. When a consumer loan is placed on non-accrual status, all uncollected interest accrued is reversed and charged to interest income due to immateriality. Interest collections on commercial and investor real estate non-accrual loans are applied as principal reductions. Interest collections on consumer non-accrual loans are recorded using the cash basis, due to immateriality.

All loans on non-accrual status may be returned to accrual status and interest accrual resumed if all of the following conditions are met: 1) the loan is brought contractually current as to both principal and interest, 2) future payments are reasonably expected to continue being received in accordance with the terms of the loan and repayment ability can be reasonably demonstrated, and 3) the loan has been performing for at least six months.

Purchased Loans

Purchased loans are recorded at their fair value at the acquisition date. Purchased loans are evaluated and classified as either PCD, which indicates that the loan has experienced more than insignificant credit deterioration since origination, or non-PCD loans. For PCD loans, the sum of the loans' purchase price and allowance for credit losses, which is determined using the same methodology as originated loans, becomes their initial amortized cost basis. For non-PCD loans, the difference between the fair value and the par value is considered the fair value mark. The non-credit discount or premium related to PCD loans and the fair value mark on non-PCD loans is accreted or amortized into interest income over the contractual life of the loan using the effective interest method. Subsequent changes in the allowance to the PCD and non-PCD loans are recognized in the provision for credit losses.

Modifications to Borrowers Experiencing Financial Difficulty

On January 1, 2023, the Company adopted new accounting guidance that eliminated the recognition and measurement guidance for TDRs while enhancing disclosure requirements for certain loan refinancings and restructurings made to borrowers experiencing financial difficulty, also referred to as modifications to troubled borrowers. Modifications to troubled borrowers are considered in the allowance the same as all other portfolio loans as described in the allowance section below. The guidance also requires disclosure of current-period gross write-offs by year of origination. Regions applied the guidance prospectively, except Regions used the modified-retrospective transition method related to the recognition and measurement of TDRs. The cumulative effect of the modified-retrospective application was a decrease in the allowance of $38 million and an increase to retained earnings of $28 million, net of taxes.

Modifications to troubled borrowers are loans where the borrower is experiencing financial difficulty at the time of modification and are undertaken in order to improve the likelihood of repayment. Modification types classified as modifications to troubled borrowers include interest rate reductions, other than insignificant term extensions, other than insignificant payment deferrals, principal forgiveness, or any combination of these. Further details are as follows:

- Interest rate reductions are instances where the absolute interest rate is decreased as part of the modification. In instances where the rate index changes for variable-rate loans, Regions evaluates whether or not the absolute interest rate decreases from the original rate to the updated rate.
- Term extensions are maturity extensions, many of which occur through renewals or restructurings.
- Payment deferrals include modifications wherein the contractual payment term is extended. Examples of payment deferral modifications include, but are not limited to, re-agings, payment delays or holidays, lengthening of amortization terms, allowing for an interest-only payment period, and capitalizing interest payments in loan restructurings.
- Regions rarely grants principal forgiveness modifications.

Modifications to troubled borrowers are subject to policies governing accrual/non-accrual evaluation consistent with all other loans of the same product types. As such, modifications to troubled borrowers may include loans remaining on non-accrual, moving to non-accrual, or continuing on accrual status, depending on the individual facts and circumstances.

ALLOWANCE

The allowance is intended to cover expected credit losses over the contractual life of loans measured at amortized cost, including unfunded commitments. Management’s measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and R&S forecasts that affect the collectability of the reported amount. For periods beyond which Regions makes or obtains such R&S forecasts, Regions reverts to historical credit loss information. Regions maintains an appropriate level of allowance that falls within an acceptable range of estimated losses, measured in accordance with GAAP. Management's determination of the appropriateness of the allowance is based on many factors, including, but not limited to, an evaluation and rating of the loan portfolio; historical loan loss experience; current economic conditions; collateral values securing loans; levels of problem loans; volume, growth, quality and composition of the loan portfolio; regulatory guidance; R&S economic forecasts; and other relevant factors. Changes in any of these factors, assumptions, or the availability of new information, could require that the allowance be adjusted in future periods, perhaps materially. Loss forecasting models are built on historical loss information and then applied to the current portfolio. Outputs from the loss forecasting models in combination with Regions' qualitative framework, and other analyses are used to inform management in its estimation of Regions' expected credit losses. Actual losses could vary, perhaps materially, from management’s estimates. The entire allowance is available to cover all charge-offs that arise from the loan portfolio.

Regions does not estimate an allowance on interest receivable balances because the Company has non-accrual polices in place that provide for the accrual of interest to cease on a timely basis when all contractual amounts due are not expected.

Regions' allowance calculation is a significant estimate. Regions uses judgment to assess economic conditions and loss data in estimating the allowance and these estimates are subject to periodic refinement based on changes in underlying external or internal data. Therefore, assumptions and decisions driving the estimate may change as conditions change. These assumptions and estimates are detailed below.

R & S forecast period

During the two-year R&S forecast period, Regions incorporates forward-looking information by utilizing its internally developed and approved Base economic forecast. The scenario is developed by the Chief Economist and approved through a formal governance process. The Base forecast considers market forward/consensus information and is consistent with the Company's organization-wide economic outlook. When appropriate, additional scenarios, including externally created scenarios, are considered as part of the determination of the allowance.

Reversion period

Regions applies the most appropriate reversion approach for each class of financial receivables which reverts to TTC rates derived from the average of historic credit information. The length of the reversion period differs by class of financing receivable.

Historical loss period

Regions does not adjust historical loss information for existing economic conditions or expectations of future economic conditions for periods that are beyond the R&S period. Regions utilizes internal historical loss information; however, there are certain loan portfolios that also benefit from the use of external or other reference data due to identified limitations with internal historical data.

Contractual life

Regions estimates expected credit losses over the contractual life of a loan. Regions defines contractual life for non-revolving loans as contractual maturity, net of estimated prepayments and excluding expected extensions, renewals and modifications unless an extension or renewal options are included in the original or modified contract at the reporting date and are not unconditionally cancellable by Regions.

Contractual life of credit card receivables

Regions estimates the life of credit card receivables based on the amount and timing of payments expected to be collected. Regions' credit card allowance estimate only considers the amount of debt outstanding at the reporting date (the current position) because undrawn balances are unconditionally cancellable. Regions classifies credit card accounts into one of three payment patterns: dormant, transacting or revolving. The dormant accounts are idle, carry no balance, and do not contribute to the allowance. The transacting account holders tend to pay the entire balance due every month and are, therefore, subject to practically no interest charges. For transactor accounts, the current position balance is expected to be paid off in one quarter. The revolving accounts tend to be subject to interest charges, and their current position balance liquidates over time. The majority of Regions' credit card portfolio balances are categorized as revolvers for the purpose of the allowance.

Collateral-dependent loans

A loan is considered to be collateral-dependent if the borrower is experiencing financial difficulty and management expects substantial repayment of the loan through the sale or operation of the collateral. Regions' collateral-dependent consumer loans are loans secured by collateral (primarily real estate) that meet the partial charge-down requirements disclosed within this section. Regions defines significant commercial and investor real estate non-accrual loans wherein repayment is expected to be substantially from the sale or operation of collateral as collateral dependent.

For any collateral-dependent loans that meet Regions' specific allowance criteria (see below), Regions will calculate the allowance based on the fair value of collateral, less estimated cost to sell (if applicable). For collateral-dependent consumer, commercial and investor real estate loans that do not meet Regions' specific allowance criteria (as described below), Regions considers the value of the collateral through the LGD component of the loss model based on collateral type.

Credit enhancements

Regions' estimate of credit losses reflects how credit enhancements, other than those that are freestanding contracts, mitigate expected credit losses on financial assets. In the event that a credit enhancement arrangement is considered to be a freestanding contract, Regions excludes the credit enhancement from the related loan when estimating expected credit losses.

Unfunded commitments and other off-balance sheet items

Regions records a liability or allowance for credit losses for the unfunded portion of a loan commitment in the event that Regions does not have the unconditional right to cancel the commitment. For an unfunded commitment to be considered unconditionally cancellable, Regions must be able to, at any time, with or without cause, refuse to extend credit. The liability is measured over the full contractual period for which Regions is exposed to credit risk through a current obligation to extend credit. In determining the liability, management considers the likelihood that funding will occur, and if funded, the related expected credit losses under the allowance model.

Regions' off-balance sheet unfunded commitments in the form of home equity lines, standby letters of credit, commercial letters of credit and commercial revolving products that are deemed to be conditionally cancellable will include unfunded balances within the allowance estimate. Future advances from certain unfunded commitments and other revolving products where Regions does have the unconditional right to cancel these agreements will not be included.

CALCULATION OF ALLOWANCE FOR CREDIT LOSSES

Pooled allowances

The allowance is measured on a collective (pool) basis when similar risk characteristics exist. Segmentation variables for commercial and investor real estate segments include product, loan size, collateral type, risk rating and term. Segmentation variables considered for consumer segments include product, FICO, LTV, age, etc. The allowance is estimated for most portfolios and classes using econometric models to estimate expected credit losses. In general, discounted cash flow models are not used for the purpose of estimating expected losses for the purpose of the allowance. Most of the econometric models include PD, LGD, and EAD components. Less complex estimation methods are used for smaller loan portfolios.

Specific reserves

Due to their size, complexity and individualized risk characteristics and monitoring, the allowance for significant non-accrual commercial and investor real estate loans and unfunded commitments is measured on an individual basis. Loans evaluated individually are not included in the collective evaluation. Regions generally measures the allowance for these loans based on the present value of estimated cash flows, considering all facts and circumstances specific to the borrower and market and economic conditions. The allowance measurement for collateral-dependent loans that meet the individually evaluated threshold is based on the fair value of collateral less cost to sell, if applicable.

Qualitative framework

While quantitative allowance methodologies strive to reflect all risk factors, any estimate involves assumptions and uncertainties resulting in some level of imprecision. Imprecision exists in the estimation process due to the inherent time lag between obtaining information, performing the calculation, as well as variations between estimates and actual outcomes. Regions adjusts the allowance considering quantitative and qualitative factors which may not be directly measured in the modeled calculations. Regions' qualitative framework provides for specific quantitatively supported model adjustments and general imprecision adjustments. Specific model adjustments capture highly specific issues or events that Regions believes are not adequately captured in model outcomes. General imprecision adjustments address other sources of imprecision that are not specifically identifiable or quantifiable to a particular loan portfolio and have not been captured by the model or by a specific model adjustment. Regions considers general imprecision in three dimensions; economic forecast imprecision, model imprecision, and process imprecision.

Refer to Note 5 for further discussion regarding the calculation of the allowance for credit losses.

LEASES

LESSEES

Regions' lease portfolio is primarily composed of property leases that are classified as operating leases. Property leases, which primarily include office locations and retail branches, typically have original lease terms ranging from 1 year to 20 years, some of which may also include an option to extend the lease beyond the original lease term. In some circumstances, Regions may also have an option to terminate the lease early with advance notice. Regions includes renewal and termination options within the lease term if deemed reasonably certain of exercise. As most leases do not state an implicit rate, Regions utilizes the incremental borrowing rate based on information available at the lease commencement date to determine the present value of lease payments. Leases with a term of 12 months or less are not recorded on the balance sheet. Regions continues to recognize lease payments as an expense over the lease term as appropriate.

Operating leases vary in term and, from time to time, include incentives and/or rent escalations. Examples of incentives include periods of “free” rent and leasehold improvement incentives. Regions recognizes incentives and escalations on a straight-line basis over the lease term as a reduction of or increase to rent expense, as applicable, within net occupancy expense in the consolidated statements of income. See Note 13 for additional information.

LESSORS

Regions engages in both direct financing and sales-type leasing. Regions also has a portfolio of leveraged leases. These arrangements provide equipment financing for leased assets, such as vehicles and aircraft. At the commencement date, Regions (lessor) enters into an agreement with the customer (lessee) to lease the underlying equipment for a specified lease term. The lease agreements may provide customers the option to terminate the lease by buying the equipment at fair market value at the time of termination or at the end of the lease term. Regions' equipment finance asset management group performs due diligence procedures on the lease residual and overall equipment values as part of the origination process. Regions performs lease residual value reviews on an ongoing basis. In order to manage the residual value risk inherent in some of its direct financing leases, Regions purchases residual value insurance from an independent third party.

Direct financing, sales-type, and leveraged leases are recorded within loans on the consolidated balance sheet. The net investment in direct financing leases is the sum of all minimum lease payments and estimated residual values, less unearned income. Lease contracts are structured with either fixed or variable lease payment terms. Variable lease payments are based on an index provided within the leasing agreement. Unearned income is recognized over the terms of the leases to produce a constant effective yield. The net investment in leveraged leases is the sum of all lease payments (less non-recourse debt payments) and estimated residual values, less unearned income. Income from leveraged leases is recognized over the term of the leases based on the unrecovered equity investment. See Note 13 for additional information.

OTHER EARNING ASSETS

Other earning assets consist of investments in Federal Reserve Bank stock, FHLB stock, marketable equity securities and other miscellaneous earning assets. Ownership of Federal Reserve Bank and FHLB stock is a requirement for all banks seeking membership into and access to the services provided by these banking systems. These shares are accounted for at amortized cost, which approximates fair value. Marketable equity securities are recorded at fair value with changes in fair value reported in net income. See Note 7 for additional information.

PREMISES, EQUIPMENT AND SOFTWARE

Premises and equipment are stated at cost, less accumulated depreciation and amortization, as applicable. Land is carried at cost. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized using the straight-line method over the estimated useful lives of the improvements (or the terms of the leases, if shorter). Generally, premises and leasehold improvements are depreciated or amortized over 7-40 years. Furniture and equipment are generally depreciated or amortized over 3-10 years. Software on premises is generally depreciated over 3 years (or over a longer estimated life of 5-20 years for larger software systems). Premises, equipment, and software are evaluated for impairment at least annually, or more often if events or circumstances indicate that the carrying value of the asset may not be recoverable. Maintenance and repairs are charged to non-interest expense in the consolidated statements of income. Improvements that either add functionality or extend the useful life of the asset are capitalized to the carrying value and depreciated. See Note 8 for detail of premises and equipment.

INTANGIBLE ASSETS

Intangible assets include goodwill, which is the excess of cost over the fair value of net assets of acquired businesses, and other identifiable intangible assets. Other identifiable intangible assets primarily include relationship assets, which are amortized over their expected useful lives, and agency commercial real estate licenses, which are non-amortizing.

The Company's goodwill is tested for impairment on an annual basis in the fourth quarter, or more often if events or circumstances indicate that there may be impairment. Regions assesses the following indicators of goodwill impairment for each reporting period:

- Recent operating performance,
- Changes in market capitalization,
- Regulatory actions and assessments,
- Changes in the business climate (including legislation, legal factors and competition),
- Company-specific factors (including changes in key personnel, asset impairments, and business dispositions), and
- Trends in the banking industry.

Adverse changes in the economic environment, declining operations of the reporting unit, or other factors could result in a decline in the implied estimated fair value of goodwill. Accounting guidance permits the Company to first assess qualitative factors to determine if it is more likely than not that the fair value of a reporting unit exceeds its carrying value. If, based on the weight of the evidence, the Company determines it is more likely than not that the fair value exceeds book value, then an impairment test is not necessary. If the Company elects to bypass the qualitative assessment, or concludes that it is more likely than not that the fair value is less than the carrying value, a goodwill impairment test is performed. The Company compares the estimated fair value of a reporting unit with its carrying amount, including goodwill. If the estimated fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not impaired. If the carrying amount of a reporting unit exceeds its estimated fair value, an impairment loss is recognized in non-interest expense in an amount equal to that excess.

For purposes of performing the qualitative assessment, Regions' evaluation may include, but is not limited to, events and circumstances since the last impairment analysis, recent operating performance including reporting unit performance, changes in market capitalization, regulatory actions and assessments, changes in the business climate, company-specific factors, and trends in the banking industry to determine if it is more likely than not that the fair value of a reporting unit exceeds its carrying amount.

For purposes of performing the goodwill impairment test, if applicable, Regions uses both income and market approaches to value its reporting units. The income approach, which is the primary valuation approach, consists of discounting projected long-term future cash flows, which are derived from internal forecasts and economic expectations for the respective reporting units. The significant inputs to the income approach include expected future cash flows, the long-term target equity ratios, and the discount rate. The market approaches incorporate comparable public company information, valuation multiples, and consideration of a market control premium along with data related to comparable observed purchase transactions in the financial services industry.

Other identifiable intangible assets are reviewed at least annually (usually in the fourth quarter) for events or circumstances that could impact the recoverability of the intangible asset. These events could include loss of relationships, increased competition, or adverse changes in the economy. To the extent other identifiable intangible assets are deemed unrecoverable, impairment losses are recorded in non-interest expense and reduce the carrying amount of the asset.

Refer to Note 9 for further detail and discussion of the results of the goodwill and other identifiable intangibles impairment tests.

ACCOUNTING FOR TRANSFERS AND SERVICING OF FINANCIAL ASSETS

Regions accounts for transfers of financial assets as sales when control over the transferred assets is surrendered. Control is generally considered to have been surrendered when 1) the transferred assets are legally isolated from the Company or its consolidated affiliates, even in bankruptcy or other receivership, 2) the transferee has the right to pledge or exchange the assets with no conditions that constrain the transferee and provide more than a trivial benefit to the Company, and 3) the Company does not maintain the obligation or unilateral ability to reclaim or repurchase the assets. If these sale criteria are met, the transferred assets are removed from the Company's balance sheet and a gain or loss on sale is recognized. If not met, the transfer is recorded as a secured borrowing, and the assets remain on the Company's balance sheet, the proceeds from the transaction are recognized as a liability, and gain or loss on sale is deferred until the sale criterion are achieved.

Residential Mortgage Banking Activities

Regions has elected to account for its residential MSRs using the fair value measurement method. Under the fair value measurement method, residential MSRs are measured at estimated fair value each period with changes in fair value recorded as a component of mortgage income. The fair value of residential MSRs is calculated using various assumptions including future cash flows, market discount rates, expected prepayment rates, servicing costs and other factors. A significant change in prepayments of residential mortgages in the servicing portfolio could result in significant valuation adjustments, thus creating potential volatility in the carrying amount of residential MSRs. The valuation method relies on an OAS to consider prepayment risk and equate the asset's discounted cash flows to its market price. Regions uses various derivative instruments, including but not limited to interest rate swaps, options, forwards and futures, to mitigate the impact of changes in the fair value of residential MSRs in the statements of income. See the "Fair Value Measurements" section below for additional discussion regarding determination of fair value, and the "Derivative Financial Instruments and Hedging Activities" section below for additional discussion regarding use of derivative instruments.

Commercial Mortgage Banking Activities

Commercial mortgage banking through the DUS lending program

Regions is a DUS lender. The DUS program provides liquidity to the multi-family housing market. Regions' DUS related commercial MSRs are recorded in other assets at the lower of cost or estimated fair value and are amortized in proportion to, and over the estimated period that net servicing income is expected to be received based on projections of the amount and timing of estimated future net cash flows, which is recorded as a component of capital markets income. The amount and timing of estimated future net cash flows are updated based on actual results and updated projections. Regions periodically evaluates these commercial MSRs for impairment. Regions has a one-third loss share guarantee associated with the majority of the DUS servicing portfolio. The other two-thirds loss share guarantee is retained by Fannie Mae. The estimated fair value of the loss share guarantee is recorded in other liabilities.

Commercial mortgage banking through non-DUS agency programs

Regions participates in additional multi-family housing market liquidity activities outside of the DUS lending program through other agency programs. Regions' related commercial MSRs outside of the DUS program are recorded in other assets and accounted for using the fair value measurement method. Under the fair value measurement method, these commercial MSRs are measured at estimated fair value each period with changes in fair value recorded as a component of capital markets income. The fair value of commercial MSRs is calculated using various assumptions including future cash flows, market discount rates, credit spreads, and other factors. See the "Fair Value Measurements" section below for additional discussion regarding determination of fair value.

Refer to Note 6 for further information on servicing of financial assets.

FORECLOSED PROPERTY AND OTHER REAL ESTATE

Other real estate and certain other assets acquired in satisfaction of indebtedness (“foreclosure”) are carried in other assets at the lower of the recorded investment in the loan or estimated fair value less estimated costs to sell the property. At the date of transfer from the loan portfolio, if the recorded investment in the loan exceeds the property’s estimated fair value less estimated costs to sell, a write-down is recorded against the allowance. Regions allows a period of up to 60 days after the date of transfer to record finalized write-downs as charge-offs against the allowance in order to properly accumulate all related invoices and updated valuation information, if necessary. Subsequent to transfer, Regions obtains valuations from professional valuation experts and/or third party appraisers on at least an annual basis. See the “Fair Value Measurements” section below for additional discussion regarding determination of fair value. Subsequent to transfer and the additional 60 days, any further write-downs are recorded as other non-interest expense. Gain or loss on the sale of foreclosed property and other real estate is included in other non-interest expense.

From time to time, assets classified as premises and equipment are transferred to held for sale for various reasons. These assets are carried in other assets at the lower of the recorded investment in the asset or estimated fair value less estimated cost to sell based upon the property’s appraised value at the date of transfer. Any adjustments to property held for sale are recorded as other non-interest expense.

OTHER ASSETS

OTHER INVESTMENT ASSETS

Regions has investments of approximately $281 million and $263 million at December 31, 2025 and 2024, respectively, that are recognized in other assets and accounted for using either the equity method of accounting or the measurement alternative to fair value for equity investments without a readily determinable fair value.

Equity method investments consist primarily of investments in SBICs and private equity funds. Under the equity method of accounting, Regions records its proportionate share of the profits or losses of the investment entity as an adjustment to the carrying value of the investment and as a component of other non-interest income. Dividends and distributions received or receivables from these investments are recorded as reductions to the carrying value of the investments. The net balances of equity method investments were approximately $217 million and $198 million at December 31, 2025 and 2024, respectively.

Equity investments that do not meet the criteria to be accounted for under the equity method and do not have a readily determinable fair value are accounted for at cost under the measurement alternative to fair value with adjustments for impairment and observable price changes as applicable. Dividends received or receivable and observable price changes from these investments are included as components of other non-interest income. These investments consist primarily of investments in strategic partners and certain CRA projects. The carrying amounts of these investments was $64 million and $65 million December 31, 2025 and 2024, respectively.

SOFTWARE IMPLEMENTATION ASSETS

When implementing new software systems, the Company may enter into license agreements to use a vendor provided software but the Company does not have the right to take possession to host on its own or with a third party. Capitalizable implementation costs associated with these cloud computing arrangements are recognized as prepaid expenses and amortized over the term of the arrangement, including extensions which are reasonably certain to be exercised using the straight-line method.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

The Company enters into derivative financial instruments to manage interest rate risk, facilitate asset/liability management strategies and manage other exposures. These instruments primarily include interest rate swaps, options on interest rate swaps, options including interest rate caps, floors and collars, forward rate contracts and forward sale commitments. All derivative financial instruments are recognized as other assets or other liabilities, as applicable, at estimated fair value. Regions enters into master netting agreements with counterparties and/or requires collateral to cover exposures. Where legally enforceable, these master netting agreements give the Company, in the event of default by the counterparty, the right to liquidate securities held as collateral and to offset receivables and payables with the same counterparty. For purposes of the consolidated balance sheets, the Company offsets derivative assets and liabilities and cash collateral held with the same counterparty where it has such a legally enforceable master netting agreement. In at least some cases, counterparties post collateral at a zero threshold regardless of credit rating. The majority of interest rate derivatives traded by Regions with dealing counterparties are subject to mandatory clearing through a central clearinghouse. The variation margin payments made for derivatives cleared through a central clearinghouse are legally characterized as settlements of the derivatives. 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.

Interest rate swaps are agreements to exchange interest payments based upon notional amounts. Interest rate swaps subject Regions to market risk associated with changes in interest rates, changes in interest rate volatility, as well as the credit risk that the counterparty will fail to perform. Option contracts involve rights to buy or sell financial instruments on a specified date or over a period at a specified price. These rights do not have to be exercised. Some option contracts such as interest rate floors, involve the exchange of cash based on changes in specified indices. Interest rate floors are contracts to hedge interest rate declines based on a notional amount, generally associated with a principal balance at risk. Interest rate floors subject Regions to market risk associated with changes in interest rates, changes in interest rate volatility, as well as the credit risk that the counterparty will fail to perform. Forward rate contracts are commitments to buy or sell financial instruments at a future date at a specified price or yield. Regions primarily enters into forward rate contracts on marketable instruments, which expose Regions to market risk associated with changes in the value of the underlying financial instrument, as well as the credit risk that the counterparty will fail to perform. Forward sale commitments are sales of securities at a specified price at a future date. Forward sale commitments subject Regions to market risk associated with changes in market value, as well as the credit risk that the counterparty will fail to perform.

The Company elects to account for certain derivative financial instruments as accounting hedges which, based on the exposure being hedged, are either fair value or cash flow hedges.

Fair value hedge relationships mitigate exposure to the change in fair value of the hedged risk in an asset, liability or firm commitment. Certain fair value hedges may be entered into using the portfolio layer method, which allows the Company to hedge the interest rate risk of prepayable financial assets by designating as the hedged item a stated amount of a closed portfolio that is expected to be outstanding for the designated hedge period(s). Under the fair value hedging model, gains or losses attributable to the change in fair value of the derivative instrument, as well as the gains and losses attributable to the change in fair value of the hedged item, are recognized in interest income or interest expense in the same income statement line item with the hedged item in the period in which the change in fair value occurs. To the extent the changes in fair value of the derivative do not offset the changes in fair value of the hedged item, the difference is recognized. The corresponding adjustment to the hedged asset or liability is included in the basis of the hedged item, while the corresponding change in the fair value of the derivative instrument is recorded as an adjustment to other assets or other liabilities, as applicable.

Cash flow hedge relationships mitigate exposure to the variability of future cash flows or other forecasted transactions. For cash flow hedge relationships, the entire change in the fair value of the hedging instrument would be recorded in accumulated other comprehensive income (loss) except for amounts excluded from the assessment of hedge effectiveness. Amounts recorded in accumulated other comprehensive income (loss) are recognized in earnings in the same income statement line item where the earnings effect of the hedged item is presented in the period or periods during which the hedged item impacts earnings.

The Company formally documents all hedging relationships, as well as its risk management objective and strategy for entering into various hedge transactions. The Company performs periodic qualitative and quantitative assessments to determine whether the hedging relationship has been highly effective in offsetting changes in fair values or cash flows of hedged items and whether the relationship is expected to continue to be highly effective in the future.

If a hedge relationship is de-designated or if hedge accounting is discontinued because the hedged item no longer exists, or does not meet the definition of a firm commitment, or because it is probable that the forecasted transaction will not occur, the derivative will continue to be recorded as an other asset or other liability in the consolidated balance sheets at its estimated fair value, with changes in fair value recognized in other non-interest expense. Any asset or liability that was recorded pursuant to recognition of the firm commitment is removed from the consolidated balance sheets and recognized in other non-interest expense. Gains and losses that were unrecognized and aggregated in accumulated other comprehensive income (loss) pursuant to the hedge of a forecasted transaction are recognized immediately in other non-interest expense.

Derivative contracts for which the Company has not elected to apply hedge accounting are classified as other assets or liabilities with gains and losses related to the change in fair value recognized in capital markets income or mortgage income, as applicable, in the statements of income during the period. These positions, as well as non-derivative instruments, are used to mitigate economic and accounting volatility related to customer derivative transactions, the mortgage pipeline and the fair value of residential MSRs.

Regions enters into interest rate lock commitments, which are commitments to originate mortgage loans whereby the interest rate on the loan is determined prior to funding and the customers have locked into that interest rate. Accordingly, such commitments are recorded at estimated fair value with changes in fair value recorded in mortgage income or capital markets income, as applicable. Regions also has corresponding forward sale commitments related to these interest rate lock commitments, which are recorded at estimated fair value with changes in fair value recorded in mortgage income or capital markets income, as applicable. See the “Fair Value Measurements” section below for additional information related to the valuation of interest rate lock commitments.

Regions enters into various derivative agreements with customers desiring protection from possible future market fluctuations. Regions manages the market risk associated with these derivative agreements. The contracts in this portfolio for which the Company has elected not to apply hedge accounting are marked-to-market through capital markets income and included in other assets and other liabilities.

Concurrent with the election to use fair value measurement for residential MSRs, Regions began using various derivative instruments to mitigate the impact of changes in the fair value of residential MSRs in the statements of income. This effort may involve the use of various derivative instruments, including, but not limited to, forwards, futures, swaps, options, and TBA's designed as derivative instruments. These derivatives are carried at estimated fair value, with changes in fair value reported in mortgage income.

Derivative assets and liabilities are included in other assets and liabilities as operating cash flows in the consolidated statements of cash flows.

Refer to Note 20 for further discussion and details of derivative financial instruments and hedging activities.

INCOME TAXES

The Company accounts for income taxes using the asset and liability method. Accrued income taxes and the net balance of deferred tax assets and liabilities are reported in other assets or other liabilities in the consolidated balance sheets, as appropriate. The Company reflects the expected amount of income tax to be paid or refunded during the year as current income tax expense or benefit, as applicable. Deferred tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that the Company expects will apply at the time when the deferred tax assets and liabilities are expected to be realized. Deferred tax assets are also recorded for any tax attributes, such as tax credits and net operating loss carryforwards. The Company determines the realization of deferred tax assets by considering all positive and negative evidence available, and a valuation allowance is recorded for any deferred tax assets that are not more-likely-than-not to be realized. Any effect of a change in federal and state tax rates on deferred tax assets and liabilities is recognized in income tax expense, in the period that includes the enactment date.

The Company will evaluate and recognize income tax benefits related to any uncertain tax positions using the recognition and cumulative-probability measurement thresholds. If the Company does not believe that it is more likely than not that an uncertain tax position will be sustained, the Company records a liability for the uncertain tax position. If a tax benefit is more-likely-than-not of being sustained based on the technical merits, the Company utilizes the cumulative probability measurement and records an income tax benefit equivalent to the largest amount of tax benefit that is greater than 50 percent likely to be realized upon ultimate settlement with a taxing authority. The Company recognizes interest and penalties related to unrecognized tax benefits within current income tax expense.

The Company applies the proportional amortization method in accounting for its investments in qualified affordable housing and economic development projects. This method recognizes the amortized cost of the investment as a component of income tax expense.

The deferral method of accounting is used for investments that generate investment tax credits. Under this method, the investment tax credits are recognized as a reduction of the related asset.

Refer to Note 19 for further discussion regarding income taxes.

TREASURY STOCK AND SHARE REPURCHASES

The purchase of the Company’s common stock is recorded at cost. At the date of repurchase, shareholders' equity is reduced by the repurchase price, which includes any required excise tax payments on share repurchases. The Company is subject to a stock buyback excise tax equal to one percent of the fair market value of stock repurchased during the period less the fair market value of any stock issued during the period, including compensatory stock issuances. Treasury stock would be reduced by the cost of such stock with the excess of repurchase price over par or stated value recorded in additional paid-in capital. If the Company subsequently reissues treasury shares, treasury stock is reduced by the cost of such stock with differences recorded in additional paid-in capital or retained earnings, as applicable.

Pursuant to past practice, shares repurchased were immediately retired, and therefore were not included in treasury stock. The Company's policy related to these share repurchases is to reduce its common stock based on the par value of the shares repurchased and to reduce its additional paid-in capital for the excess of the repurchase price over the par value.

SHARE-BASED PAYMENTS

Regions sponsors stock plans which most commonly include restricted stock (i.e., unvested common stock) units and performance stock units. The Company accounts for share-based payments under the fair value recognition provisions whereby compensation cost is measured based on the estimated fair value of the award at the grant date and is recognized in the consolidated financial statements on a straight-line basis over the requisite service period for service-based awards. The fair value of restricted stock units or performance stock units is determined based on the closing price of Regions common stock on the date of grant. Historical data is also used to estimate future employee attrition, which is considered in calculating estimated forfeitures. Estimated forfeitures are adjusted when actual forfeitures differ from estimates, resulting in the recognition of compensation cost only for awards that vest. The effect of a change in estimated forfeitures is recognized through a cumulative catch-up adjustment that is included in salaries and employee benefits expense in the period of the change in estimate. As compensation cost is recognized, a deferred tax asset is recorded that represents an estimate of the future tax deduction from exercise or release of restrictions. At the time the share-based awards are exercised, cancelled, have expired, or restrictions are released, the Company may be required to recognize an adjustment to tax expense depending on the market price of the Company's common stock.

See Note 16 for further discussion and details of share-based payments.

EMPLOYEE BENEFIT PLANS

Regions uses an expected long-term rate of return applied to the fair market value of assets as of the beginning of the year and the expected cash flows during the year for calculating the expected investment return on all pension plan assets. At a minimum, amortization of the net gain or loss included in accumulated other comprehensive income resulting from experience different from that assumed and from changes in assumptions is included as a component of net periodic benefit cost if, as of the beginning of the year, that net gain or loss exceeds 10 percent of the greater of the projected benefit obligation or the market value of plan assets. If amortization is required, the minimum amortization is that excess divided by the average remaining service period of participants in the plan for active associates and the estimated average remaining life expectancy of participants in the plan for inactive associates. Regions records the service cost component of net periodic pension and postretirement benefit cost in salaries and employee benefits expense. The other components of net periodic pension and postretirement benefit cost are recorded in other non-interest expense. Regions uses a third-party actuary to compute the remaining service period of active participating employees. This period reflects expected turnover, pre-retirement mortality, and other applicable employee demographics.

See Note 17 for further discussion and details of employee benefit plans.

REVENUE RECOGNITION

The Company records revenue when control of the promised products or services is transferred to the customer (or performance obligations have been met), in an amount that reflects the consideration Regions expects to be entitled to receive in exchange for those products or services. Related to contract costs, Regions expenses sales commissions and any related contract costs when incurred because the amortization period would be one year or less. Related to remaining performance obligations, Regions does not disclose the value of unsatisfied performance obligations for 1) contracts with an original expected length of one year or less and 2) contracts for which revenue is recognized at the amount to which Regions has the right to invoice for services performed.

Interest Income

Interest income is recognized using the interest method driven by nondiscretionary formulas based on written contracts, such as loan agreements or securities contracts.

Service Charges on Deposit Accounts

Service charges on deposit accounts include overdraft fees and other service charges. When a depositor presents an item for payment in excess of available funds, overdraft fees are earned when Regions, at its discretion, provides the necessary funds to complete the transaction.

Regions generates other service charges by providing depositors proper safeguard and remittance of funds as well as by providing optional services for depositors, such as check imaging or treasury management, that are performed upon the depositor's request. Charges for the proper safeguard and remittance of funds are recognized monthly, as the customer retains funds in the account. Regions recognizes revenue for other optional services when the customer uses the selected service to execute a transaction (e.g., execute an ACH wire).

Card and ATM Fees

Card and ATM fees include the combined amounts of credit card, debit card, and ATM related revenue. The majority of the fees are card interchange where Regions earns a fee for remitting cardholder funds (or extends credit) via a third party network to merchants. Regions satisfies performance obligations for each transaction when the card is used and the funds are remitted. The network establishes interchange fees that the merchant remits to Regions for each transaction, and Regions incurs costs from the network for facilitating the interchange with the merchant. Due to its inability to establish prices and direct activities of the related processing network's service, Regions is deemed the agent in this arrangement and records interchange revenues net of related costs. Regions also pays consideration to certain commercial card holders based on interchange fees and contractual volume. These costs are recognized as a reduction to interchange income. Additionally, Regions offers rewards to its customers based on card usage. The costs associated with these programs are recorded when services are provided as a reduction of card fees.

Card and ATM fees also include ATM fee income generated from allowing a Regions cardholder to withdraw funds from a non-Regions ATM and from allowing a non-Regions cardholder to withdraw funds from a Regions ATM. Regions satisfies performance obligations for each transaction when the withdrawal is processed. Regions does not direct activities of the related processing network's service and recognizes revenue on a net basis as the agent in each transaction.

Investment Management and Trust Fee Income

Investment management and trust fee income represents revenue generated from asset management services provided to individuals, businesses, and institutions. Regions has a fiduciary responsibility to the beneficiary of the trust to perform agreed upon services which can include investing the assets, periodic reporting to the beneficiaries, and providing tax information regarding the trust. In exchange for these trust and custodial services, Regions collects fee income from beneficiaries as contractually determined via fee schedules. Regions' performance obligations to customers are primarily satisfied over time as the services are performed and provided to the customer.

Mortgage Income

Mortgage income is recognized when earned or as each transaction occurs through the origination and servicing of residential mortgage loans for long-term investors and sales of residential mortgage loans in the secondary market. Mortgage income also includes any fair value adjustments for residential mortgage loans Regions has elected to measure under the fair value option and fair value adjustments related to residential MSRs.

Capital Markets Income

Regions generates capital markets fee revenue through capital raising activities which include revenue streams such as securities underwriting and placement, loan syndication and placement, as well as foreign exchange, derivatives, merger and acquisition and other advisory services, and commercial mortgage banking activities. For those revenue streams, revenue is primarily recognized at a point in time which coincides with the satisfaction of a single performance obligation, typically the transaction closing. Capital markets income also includes any fair value adjustments for commercial mortgage loans Regions has elected to measure under the fair value option and fair value adjustments related to MSRs.

Securities underwriting and placement fees involve the issuing and distribution of securities for an underwriting fee from customers. The underwriting fee is a single performance obligation which is satisfied at the time that the transaction is closed, and the amount of the fee is either a fixed or variable percentage based on the deal value which is determinable at the time of deal closing.

Regions generates revenue from affordable housing investments through the syndication of investment funds to third parties. Regions transfers the primary benefits of the investment to the customer and recognizes syndication revenue on the closing date of the transaction.

Bank-Owned Life Insurance

Bank-owned life insurance income primarily represents income earned from the appreciation of the cash surrender value of insurance contracts held and the proceeds of insurance benefits. Regions recognizes revenue each period in the amount of the appreciation of the cash surrender value of the insurance policies. Revenue from the proceeds of insurance benefits is recognized at the time a claim is confirmed.

Commercial Credit Fee Income

Commercial credit fee income includes letters of credit fees and unused commercial commitment fees. Regions recognizes revenue for letters of credit fees and unused commercial commitment fees over time.

Investment Services Fee Income

Investment services fee income represents income earned from investment advisory services. Through the use of third party carriers, Regions provides its customers with access to investment products that meet customers' financial needs and investment objectives. Upon selection of an investment product, the customer enters into a policy with the carrier. Regions' performance obligation is satisfied by fulfilling its responsibility to place customers in investment vehicles for which Regions earns commissions from the carrier based on agreed-upon fee percentages. In addition, Regions has a contractual relationship with a third party broker dealer to provide full service brokerage and investment advisory activities. As the principal in the arrangement, Regions recognizes the investment services commissions on a gross basis.

Securities Gains (Losses), Net

Net securities gains or losses result from Regions' asset/liability management process. Gains or losses on the sale of securities are recognized as each sales transaction occurs with the cost of securities sold based on the specific identification method.

Market Value Adjustments on Employee Benefit Assets

Regions holds assets for certain employee benefits, both defined and other. Those assets are recorded at estimated fair value and the market value variations are recognized each period.

Other Miscellaneous Income

Other miscellaneous income includes net revenue from affordable housing, income from SBIC investments, valuation adjustments to equity investments, commercial loan and leasing related income, fees from safe deposit boxes, check fees, and other miscellaneous income including unusual gains. Regions recognizes the related fee or gain in a manner that reflects the timing of when transactions occur or as services are provided.

PER SHARE AMOUNTS

Earnings per common share is calculated by dividing net income available to common shareholders by the weighted-average number of common shares outstanding during the period. Diluted earnings per common share is calculated by dividing net income available to common shareholders by the weighted-average number of common shares outstanding during the period, plus the effect of restricted and performance stock units, if dilutive. Refer to Note 15 for additional information.

FAIR VALUE MEASUREMENTS

Fair value guidance establishes a framework for using fair value to measure assets and liabilities and defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) as opposed to the price that would be paid to acquire the asset or received to assume the liability (an entry price). A fair value measure should reflect the assumptions that market participants would use in pricing the asset or liability, including the assumptions about the risk inherent in a particular valuation technique, the effect of a restriction on the sale or use of an asset and the risk of nonperformance. Required disclosures include stratification of balance sheet amounts measured at fair value based on inputs the Company uses to derive fair value measurements. These strata include:

- Level 1 valuations, where the valuation is based on quoted market prices for identical assets or liabilities traded in active markets (which include exchanges and over-the-counter markets with sufficient volume),
- Level 2 valuations, where the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market, and
- Level 3 valuations, where the valuation is generated from model-based techniques that use significant assumptions not observable in the market, but observable based on Company-specific data. These unobservable assumptions reflect the Company's own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques typically include option pricing models, discounted cash flow models and similar techniques, but may also include the use of market prices of assets or liabilities that are not directly comparable to the subject asset or liability.

ITEMS MEASURED AT FAIR VALUE ON A RECURRING BASIS

Debt securities available for sale, certain mortgage loans held for sale, marketable equity securities, residential MSRs, commercial mortgage servicing through non-DUS agency programs, derivative assets and derivative liabilities are recorded at fair value on a recurring basis. Below is a description of valuation methodologies for these assets and liabilities.

Debt securities available for sale consist of U.S. Treasuries, MBS and federal agency securities, obligations of states and political subdivisions, and other debt securities.

- U.S. Treasuries are valued based on quoted market prices of identical assets on active exchanges. Pricing received for U.S. Treasuries from third-party services is based on a market approach using dealer quotes from multiple active market makers and real-time trading systems. These valuations are Level 1 measurements.
- MBS and federal agency securities are valued primarily using data from third-party pricing services for similar securities as applicable. Pricing from these third-party services is generally based on a market approach using observable inputs such as benchmark yields, reported trades, broker/dealer quotes, benchmark securities, TBA prices, issuer spreads, bids and offers, monthly payment information, and collateral performance, as applicable. These valuations are Level 2 measurements. Where such comparable data is not available, the Company develops valuations based on assumptions that are not readily observable in the market place; these valuations are Level 3 measurements.
- Obligations of states and political subdivisions are generally based on data from third-party pricing services. The valuations are based on a market approach using observable inputs such as benchmark yields, relevant trade data, material event notices and new issue data. These valuations are Level 2 measurements.
- Other debt securities are valued based on Level 1, 2 and 3 measurements, depending on pricing methodology selected and are valued primarily using data from third-party pricing services. Pricing from these third-party services is generally based on a market approach using observable inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, benchmark securities, bids and offers, and TRACE reported trades.

The majority of Regions' debt securities available for sale are valued using third-party pricing services. To validate pricing related to liquid investment securities, which represent the vast majority of the available for sale portfolio (e.g., MBS), Regions compares price changes received from the third-party pricing service to overall changes in market factors in order to validate the pricing received. To validate pricing received on less liquid investment securities in the available for sale portfolio, Regions receives pricing from third-party brokers-dealers on a sample of securities that are then compared to the pricing received. The pricing service uses standard observable inputs when available, for example: benchmark yields, reported trades, broker-dealer quotes, issuer spreads, benchmark securities, and bids and offers, among others. For certain security types, additional inputs may be used, or some inputs may not be applicable. It is not customary for Regions to adjust the pricing received for the available for sale portfolio. In the event that prices are adjusted, Regions classifies the measurement as a Level 3 measurement.

Mortgage loans held for sale consist of residential first mortgage loans and commercial mortgages held for sale. Regions has elected to measure certain residential and commercial mortgage loans held for sale at fair value by applying the fair value option (see additional discussion under the "Fair Value Option" section in Note 21). The residential first mortgage loans held for sale are valued based on traded market prices of similar assets where available and/or discounted cash flows at market interest rates, adjusted for securitization activities that include servicing value and market conditions, a Level 2 measurement. The commercial mortgage loans held for sale are valued based on traded market prices for comparable commercial mortgage-backed securitizations, into which the loans will be placed, adjusted for movements of interest rates and credit spreads, a Level 3 measurement due to the unobservable inputs included in the credit spreads for bonds in commercial mortgage-backed securitizations.

Marketable equity securities, which primarily consist of assets held for certain employee benefits and money market funds, are valued based on quoted market prices of identical assets on active exchanges; these valuations are Level 1 measurements.

Residential mortgage servicing rights are recorded at fair value and are valued using an OAS valuation approach, a Level 3 measurement. The underlying assumptions and estimated values are corroborated at least quarterly by values received from independent third parties. See Note 6 for information regarding the servicing of financial assets and additional details regarding the assumptions relevant to this valuation.

Commercial mortgage servicing rights through non-DUS agency programs are recorded at fair value and are valued using a discounted cash flow approach, a Level 3 measurement. The underlying assumptions and estimated values are corroborated at least annually by values received from independent third parties. See Note 6 for information regarding the servicing of financial assets and additional details regarding the assumptions relevant to this valuation.

Derivative assets and liabilities, which primarily consist of interest rate, foreign exchange, and commodity contracts that include forwards, futures, options and swaps, are included in other assets and other liabilities (as applicable) on the consolidated balance sheets. Interest rate swaps are predominantly traded in over-the-counter markets and, as such, values are determined using widely accepted discounted cash flow models, which are Level 2 measurements. These discounted cash flow models use projections of future cash payments/receipts that are discounted at an appropriate index rate. Regions utilizes forward curves as fair value measurement inputs for the valuation of interest rate and commodity derivatives. The projected future cash flows are sourced from an assumed yield curve, which is consistent with industry standards and conventions. These valuations are adjusted for the unsecured credit risk at the reporting date, which considers collateral posted and the impact of master netting agreements. For options and futures contracts traded in over-the-counter markets, values are determined using discounted cash flow analyses and option pricing models based on market rates and volatilities, which are Level 2 measurements. Interest rate lock commitments on loans intended for sale and risk participations categorized as credit derivatives are valued using option pricing models that incorporate significant unobservable inputs, and therefore are Level 3 measurements.

Securities sold, but not yet purchased are comprised of equity securities the Company has sold but does not yet own for the purpose of hedging institutional brokerage customer activities. The obligations for these transactions are recorded on a trade-date basis, carried at fair value, and reported in other liabilities in the consolidated balance sheets. These obligations are classified as Level 1 when quoted market prices are available in an active market for the identical securities.

ITEMS MEASURED AT FAIR VALUE ON A NON-RECURRING BASIS

From time to time, certain assets may be recorded at fair value on a non-recurring basis. These non-recurring fair value adjustments typically are a result of the application of lower of cost or fair value accounting or a write-down occurring during the period. For example, if the fair value of an asset in these categories falls below its cost basis, it is considered to be at fair value at the end of the period of the adjustment. In periods where there is no adjustment, the asset is generally not considered to be at fair value. The following is a description of the valuation methodologies used for assets measured at fair value on a non-recurring basis.

Foreclosed property and other real estate is carried in other assets at the lower of the recorded investment in the loan or fair value less estimated costs to sell the property. The fair value for foreclosed property that is based on either observable transactions of similar instruments or formally committed sale prices is classified as a Level 2 measurement. If no formally committed sale price is available, Regions also obtains valuations from professional valuation experts and/or third party appraisers. Updated valuations are obtained on at least an annual basis. Foreclosed property exceeding established dollar thresholds is valued based on appraisals. Appraisals are performed by third-parties with appropriate professional certifications and conform to generally accepted appraisal standards as evidenced by the Uniform Standards of Professional Appraisal Practice. Regions' policies related to appraisals conform to regulations established by the Financial Institutions Reform, Recovery and Enforcement Act of 1989 and other regulatory guidance. Professional valuations are considered Level 2 measurements because they are based largely on observable inputs. Regions has a centralized appraisal review function that is responsible for reviewing appraisals for compliance with banking regulations and guidelines as well as appraisal standards. Based on these reviews, Regions may make adjustments to the market value conclusions determined in the appraisals of real estate (either as other real estate or loans held for sale) when the appraisal review function determines that the valuation is based on inappropriate assumptions or where the conclusion is not sufficiently supported by the market data presented in the appraisal. Adjustments to the market value conclusions are discussed with the professional valuation experts and/or third-party appraisers; the magnitude of the adjustments that are not mutually agreed upon is insignificant. Adjustments, if made, must be based on sufficient information available to support an alternate opinion of market value. An estimated standard discount factor, which is updated at least annually, is applied to the appraisal amount for certain commercial and investor real estate properties when the recorded investment in the loan is transferred into foreclosed property. Internally adjusted valuations are considered Level 3 measurements as management uses assumptions that may not be observable in the market. These non-recurring fair value measurements are typically recorded on the date an updated offered quote, appraisal, or third-party valuation is received.

Equity investments without a readily determinable fair value are adjusted prospectively to estimated fair value when an observable price transaction for a same or similar investment with the same issuer occurs; these valuations are Level 3 measurements.

Loans held for sale for which the fair value option has not been elected are recorded at the lower of cost or fair value and therefore may be reported at fair value on a non-recurring basis. The fair values for commercial loans held for sale are based on Company-specific data not observable in the market. These valuations are Level 3 measurements.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used by the Company in estimating fair values of financial instruments that are not disclosed above:

Cash and cash equivalents: The carrying amounts reported in the consolidated balance sheets and statements of cash flows approximate the estimated fair values. Because these amounts generally relate to either currency or highly liquid assets, these are considered Level 1 valuations.

Debt securities held to maturity: The fair values of debt securities held to maturity are estimated in the same manner as the corresponding debt securities available for sale, which are measured at fair value on a recurring basis.

Loans (excluding sales-type, direct financing, and leveraged leases), net of unearned income and allowance for loan losses: A discounted cash flow method under the income approach is utilized to estimate the fair value of the loan portfolio. The discounted cash flow method relies upon assumptions about the amount and timing of scheduled principal and interest payments, principal prepayments, and current market rates. The loan portfolio is aggregated into categories based on loan type and credit quality. For each loan category, weighted average statistics, such as coupon rate, age, and remaining term are calculated. These are Level 3 valuations.

Other earning assets (excluding equity investments): The carrying amounts reported in the consolidated balance sheets approximate the estimated fair values. When available, the fair values of these other earning assets are estimated using quoted market prices of identical instruments traded in active markets and are considered Level 1 measurements. Other instruments utilize valuation inputs that are actively quoted and can be validated through external sources or are reported at par as required by regulatory guidelines, and are considered Level 2 valuations.

Deposits: The fair value of non-interest-bearing deposit accounts, interest-bearing checking accounts, savings accounts, money market accounts and certain other time deposit accounts is the amount payable on demand at the reporting date (i.e., the carrying amount) and are considered Level 2 valuations. Fair values for certificates of deposit are estimated by using discounted cash flow analyses, based on market spreads to benchmark rates, and are considered Level 2 valuations.

Short-term borrowings: The carrying amounts of short-term borrowings reported in the consolidated balance sheets approximate the estimated fair values, and are considered Level 2 measurements as similar instruments are traded in active markets.

Long-term borrowings: The fair values of certain long term borrowings are estimated using quoted market prices of identical instruments in non-active markets and are considered Level 2 valuations. Otherwise, valuations are based on non-binding broker quotes and are considered Level 3 valuations.

Loan commitments and letters of credit: The fair value of these instruments is reasonably estimated by the carrying value of deferred fees plus the unfunded loan commitments reserve related to the creditworthiness of the counterparty. Because the valuation inputs are not observable in the market and are considered Company specific, these are Level 3 valuations.

See Note 21 for additional information related to fair value measurements.

RECENT ACCOUNTING PRONOUNCEMENTS

The following table provides a brief description of accounting standards adopted in 2025 and those that could have a material impact to Regions' consolidated financial statements upon adoption in the future.

Standard	Description	Required Date of Adoption	Effect on Regions' financial statements or other significant matters
Standards Adopted (or partially adopted) in 2025			
ASU 2023-05, Business Combinations— Joint Venture Formations (Subtopic 805-60)	This Update requires certain joint ventures, upon formation, to use a new basis of accounting by applying most aspects of the acquisition method for business combinations. New joint ventures generally will recognize and initially measure assets and liabilities at fair value. The Update is effective for all joint ventures with a formation date on or after January 1, 2025. Early adoption is permitted.	January 1, 2025	Regions adopted this guidance as of January 1, 2025 with no material impact.
ASU 2023-09, Income Taxes (Topic 740) Improvements to Income Tax Disclosures	The ASU improves the transparency of income tax disclosures by requiring (1) consistent categories and greater disaggregation of information in the rate reconciliation and (2) income taxes paid disaggregated by jurisdiction. It also includes certain other amendments to improve the effectiveness of income tax disclosures.	January 1, 2025	Regions adopted this guidance on a retrospective basis with no material impact.
Standards Adopted or to be Adopted after 2025			
ASU 2023-06, Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative	This Update incorporates into the Codification 14 of the 27 disclosures referred by the SEC in Release No. 33-10532, Disclosure Update and Simplification. This Update clarifies and improves the disclosure and presentation requirements of a variety of Topics in the Codification to align with the SEC's regulations.	The effective date for each amendment will be the date on which the SEC removes the related disclosure requirements from its regulations, with early adoption prohibited.	The adoption of this guidance is not likely to have a material impact. Regions will continue to evaluate through date of adoption.
ASU 2024-03, Income Statement Expense Disaggregation Disclosures (Subtopic 220-40) Disaggregation of Income Statement Expenses	This ASU will change the disclosures about a public business entity's expenses and address requests from investors for more detailed information about the types of expenses (for example, employee compensation, depreciation, and amortization) in expense captions.	January 1, 2027 Early adoption is permitted.	Regions will continue to evaluate through date of adoption.
ASU 2024-04 Debt with Conversion and Other Options (Subtopic 470-20) Induced Conversions of Convertible Debt Instruments	This ASU will standardize the application of induced conversion guidance in 470-20. This update focuses on how to determine whether a settlement of convertible debt at terms that differ from the original conversion terms should be accounted for under the induced conversion or extinguishment guidance.	January 1, 2026	Regions adopted this guidance as of January 1, 2026 with no material impact.
ASU 2025-03 Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity	This ASU will require entities to consider the factors in Business Combinations (ASC 805) to identify the accounting acquirer when a VIE that is a business is legally acquired primarily through the exchange of equity interests.	January 1, 2027 Early adoption is permitted.	Regions will continue to evaluate through date of adoption.
ASU 2025-05 Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets	This ASU will provide an optional practical expedient that allows entities to assume that current conditions as of the balance sheet date will not change for the asset's remaining life when developing reasonable and supportable forecasts as a part of estimating expected credit losses for current account receivable and current contract assets that arise from transactions accounted for under Topic 606, Revenue from Contracts with Customers.	January 1, 2026	Regions adopted this guidance as of January 1, 2026 with no material impact.
ASU 2025-06 Intangibles — Goodwill and Other — Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software	This ASU will clarify and modernize the accounting for costs related to internal-use software by removing all references to project stages and clarifying the threshold entities apply to begin capitalizing costs.	January 1, 2028 Early adoption is permitted.	Regions will continue to evaluate through date of adoption.
ASU 2025-07 Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606): Derivatives Scope Refinements and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract	This ASU will refine the scope of the guidance on derivatives in Topic 815 by adding a derivative scope exception for certain contracts with underlyings that are based on the operations or activities of one of the parties to the contract. It will also clarify the applicability of Topic 606 and its interaction Topic 815 and Topic 321, Investments - Equity Securities, in the accounting for share-based noncash consideration (e.g., warrants or shares) received from a customer for the transfer of goods or services.	January 1, 2027 Early adoption is permitted.	Regions will continue to evaluate through date of adoption.

ASU 2025-08 Financial Instruments—Credit Losses (Topic 326): Purchased Loans	ASU 2025-08 expands the use of the gross-up method to certain acquired non-PCD loans classified as purchased seasoned loans. The amendment eliminates Day 1 credit loss expense for these loans by requiring recognition of an initial allowance with a corresponding gross-up of amortized cost. It also clarifies the criteria for identifying purchased seasoned loans, including special treatment for loans acquired in a business combination. Guidance for PCD assets remains unchanged, and the amendments narrow subsequent measurement differences between purchased seasoned loans and PCD assets. The ASU is applied prospectively.	January 1, 2027 Early adoption is permitted.	Regions adopted this guidance as of January 1, 2026 with no material impact.
ASU 2025-09 Derivatives and Hedging (Topic 815): Hedge Accounting Improvements	This update is for the application of hedge accounting under ASC 815 and allows entities to apply hedge accounting to a broader set of highly effective economic hedges. The amendments expand the types of hedged risks that may be aggregated within groups of forecasted transactions, broaden hedge accounting eligibility for choose-your-rate debt, and extend hedge accounting to certain forecasted purchases and sales of nonfinancial assets. The ASU also accommodates reference-rate-reform-related differences between loan and swap markets and removes the net written option test in specific situations. In addition, it eliminates recognition and presentation mismatches arising from certain dual hedge strategies involving foreign-currency denominated debt.	January 1, 2027 Early adoption is permitted.	Regions will continue to evaluate through date of adoption.
ASU 2025-11 Interim Reporting (Topic 270): Narrow-Scope Improvements	This ASU is designed to improve how and when entities apply existing interim reporting disclosures and select which disclosures to provide in interim reporting periods. The amendments also establish a disclosure principle to provide clarity within interim reporting that requires entities to disclose events and changes occurring after the most recent fiscal year-end that have a material impact on the entity.	January 1, 2028 Early adoption is permitted.	Regions will continue to evaluate through date of adoption.
ASU 2025-12 Codification Improvements	This update contains guidance that reflects certain technical corrections, misapplication of guidance, clarifications, and other minor improvements to GAAP on 33 issues that affect a wide variety of topics.	January 1, 2027 Early adoption is permitted.	The adoption of this guidance is not likely to have a material impact. Regions will continue to evaluate through date of adoption.

NOTE 2. VARIABLE INTEREST ENTITIES

Regions is involved in various entities that are considered to be VIEs, as defined by authoritative accounting literature. Generally, a VIE is a corporation, partnership, trust or other legal structure that either does not have equity investors with substantive voting rights or has equity investors that do not provide sufficient financial resources for the entity to support its activities. The following discusses the VIEs in which Regions has a significant interest.

Regions periodically invests in various limited partnerships that sponsor affordable housing projects and economic development projects, which then provide tax credits to Regions. These investments are funded through a combination of debt and equity. These partnerships meet the definition of a VIE and are collectively referred to as tax credit investments in the table below. Due to the nature of the management activities of the general partner, Regions is not the primary beneficiary of these partnerships. Refer to Note 1 for additional details. Additionally, Regions has loans or letters of credit commitments with certain limited partnerships. The funded portion of the loans and letters of credit are classified as commercial and industrial loans or investor real estate loans as applicable in Note 4 .

A summary of Regions' tax credit investments and related loans and letters of credit, representing Regions' maximum exposure to loss as of December 31 is as follows:

	2025	2024
	(In millions)	
Tax credit investments included in other assets	$ 1,608	$ 1,471
Unfunded tax credit commitments included in other liabilities	567	590
Loans and letters of credit commitments	643	663
Funded portion of loans and letters of credit commitments	328	336

	2025	2024	2023
		(In millions)	
Tax credits and other tax benefits recognized	$ 229	$ 236	$ 207
Tax credit amortization expense included in income tax expense	193	188	166

NOTE 3. DEBT SECURITIES

The amortized cost, gross unrealized gains and losses, and estimated fair value of debt securities held to maturity and debt securities available for sale are as follows:

	December 31, 2025						
		Recognized in OCI (1)			Not recognized in OCI		
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
				(In millions)			
Debt securities held to maturity:							
Mortgage-backed securities:							
Residential agency	$ 6,103	$ —	$ (866)	$ 5,237	$ 37	$ (53)	$ 5,221
Commercial agency	370	—	(1)	369	—	(6)	363
	$ 6,473	$ —	$ (867)	$ 5,606	$ 37	$ (59)	$ 5,584
Debt securities available for sale:							
U.S. Treasury securities	$ 2,313	$ 10	$ (47)	$ 2,276			$ 2,276
Federal agency securities	544	6	(7)	543			543
Obligations of states and political subdivisions	2	—	—	2			2
Mortgage-backed securities:							
Residential agency	18,820	244	(677)	18,387			18,387
Commercial agency	5,925	34	(130)	5,829			5,829
Commercial non-agency	91	—	(9)	82			82
Corporate and other debt securities	439	5	(3)	441			441
	$ 28,134	$ 299	$ (873)	$ 27,560			$ 27,560

	December 31, 2024						
		Recognized in OCI (1)			Not recognized in OCI		
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
				(In millions)			
Debt securities held to maturity:							
Mortgage-backed securities:							
Residential agency	$ 4,663	$ —	$ (743)	$ 3,920	$ —	$ (186)	$ 3,734
Commercial agency	507	—	—	507	—	(15)	492
	$ 5,170	$ —	$ (743)	$ 4,427	$ —	$ (201)	$ 4,226
Debt securities available for sale:							
U.S. Treasury securities	$ 2,088	$ 2	$ (87)	$ 2,003			$ 2,003
Federal agency securities	460	1	(17)	444			444
Obligations of states and political subdivisions	2	—	—	2			2
Mortgage-backed securities:							
Residential agency	20,482	20	(1,557)	18,945			18,945
Commercial agency	4,389	1	(300)	4,090			4,090
Commercial non-agency	92	—	(10)	82			82
Corporate and other debt securities	670	2	(14)	658			658
	$ 28,183	$ 26	$ (1,985)	$ 26,224			$ 26,224

(1) Debt securities held to maturity gross unrealized losses recognized in OCI resulted from transfers of securities available for sale.

The Company utilizes interest rate swap agreements to manage interest rate exposure on certain of the Company's fixed-rate prepayable and non-prepayable debt securities available for sale. See Note 20 for additional information.

The Company reclassified debt securities with an amortized cost, excluding items recognized in OCI, of $1.0 billion in each of the first and second quarters of 2025, for a total of $2.0 billion from available for sale to held to maturity. The Company determined it has both the positive intent and ability to hold these debt securities to maturity. The debt securities were transferred at amortized cost, in addition to the amount of any remaining unrealized holding gain or loss reported in AOCI, and represented a non-cash transaction. OCI included net pre-tax unrealized losses of $153 million and $74 million in the first and second quarters, respectively, at the date of transfer and the offsetting OCI components are being amortized into net interest income over the remaining life of the related debt securities as a yield adjustment, resulting in no impact on future net income.

Debt securities with carrying values of $20.9 billion at both December 31, 2025 and 2024, respectively, were pledged to secure public funds, trust deposits and other borrowing arrangements.

The amortized cost and estimated fair value of debt securities held to maturity and debt securities available for sale at December 31, 2025, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Amortized Cost	Estimated Fair Value
	(In millions)	
Debt securities held to maturity:		
Mortgage-backed securities:		
Residential agency	$ 6,103	$ 5,221
Commercial agency	370	363
	$ 6,473	$ 5,584
Debt securities available for sale:		
Due in one year or less	$ 292	$ 291
Due after one year through five years	1,930	1,908
Due after five years through ten years	1,005	994
Due after ten years	71	69
Mortgage-backed securities:		
Residential agency	18,820	18,387
Commercial agency	5,925	5,829
Commercial non-agency	91	82
	$ 28,134	$ 27,560

The following tables present gross unrealized losses and the related estimated fair value of debt securities available for sale at December 31, 2025 and 2024. All debt securities in an unrealized position are segregated between investments that have been in a continuous unrealized loss position for less than twelve months and for twelve months or more.

	December 31, 2025					
	Less Than Twelve Months		Twelve Months or More		Total	
	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses
	(In millions)					
Debt securities available for sale:						
U.S Treasury securities	$ 203	$ (1)	$ 1,197	$ (46)	$ 1,400	$ (47)
Federal agency securities	—	—	57	(7)	57	(7)
Mortgage-backed securities:						
Residential agency	—	—	8,498	(677)	8,498	(677)
Commercial agency	754	(3)	2,430	(127)	3,184	(130)
Commercial non-agency	—	—	82	(9)	82	(9)
Corporate and other debt securities	—	—	169	(3)	169	(3)
	$ 957	$ (4)	$ 12,433	$ (869)	$ 13,390	$ (873)

	December 31, 2024					
	Less Than Twelve Months		Twelve Months or More		Total	
	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses
	(In millions)					
Debt securities available for sale:						
U.S. Treasury securities	$ 612	$ (14)	$ 1,033	$ (73)	$ 1,645	$ (87)
Federal agency securities	155	(3)	195	(14)	350	(17)
Mortgage-backed securities:						
Residential agency	8,012	(203)	9,605	(1,354)	17,617	(1,557)
Commercial agency	1,043	(35)	2,991	(265)	4,034	(300)
Commercial non-agency	—	—	82	(10)	82	(10)
Corporate and other debt securities	59	(1)	397	(13)	456	(14)
	$ 9,881	$ (256)	$ 14,303	$ (1,729)	$ 24,184	$ (1,985)

The number of individual debt security positions in an unrealized loss position in the tables above decreased to 1,058 at December 31, 2025 from 1,564 at December 31, 2024. The decrease in the total amount of unrealized losses was impacted by changes in market interest rates. In instances where an unrealized loss existed, there was no indication of an adverse change in credit on the underlying positions in the tables above. As it relates to these positions, management believes no individual unrealized loss represented credit impairment as of those dates. At December 31, 2025, the Company does not intend to sell, and it is not more likely than not that the Company will be required to sell, the positions before the recovery of their amortized cost bases, which may be at maturity.

The following table presents gross realized gains and gross realized losses on sales of debt securities available for sale as of December 31:

	2025	2024
	(In millions)	
Gross realized gains	$ 1	$ 14
Gross realized losses	(54)	(222)
Securities gains (losses), net	$ (53)	$ (208)

Gross realized gains and losses on the sale of debt securities available for sale were immaterial for 2023.

The cost of debt securities sold is based on the specific identification method. As part of the Company's normal process for evaluating impairment, including credit-related impairment, impairment identified by management was immaterial for 2025, 2024 and 2023.

NOTE 4. LOANS

LOANS

The following table presents the distribution of Regions' loan portfolio by segment and class, net of unearned income as of December 31:

	2025	2024
	(In millions)	
Commercial and industrial	$ 48,790	$ 49,671
Commercial real estate mortgage—owner-occupied	4,845	4,841
Commercial real estate construction—owner-occupied	263	333
Total commercial	53,898	54,845
Commercial investor real estate mortgage	7,172	6,567
Commercial investor real estate construction	1,934	2,143
Total investor real estate	9,106	8,710
Residential first mortgage	19,765	20,094
Home equity lines	3,232	3,150
Home equity loans	2,324	2,390
Consumer credit card	1,519	1,445
Other consumer (1)	5,793	6,093
Total consumer	32,633	33,172
Total loans, net of unearned income (2)	$ 95,637	$ 96,727

(1) Starting in 2025, other consumer loans also includes exit portfolios, which were previously presented separately. The portfolio consists primarily of indirect auto loans, and presentation of prior periods has been conformed accordingly.
(2) Loans are presented net of unearned income, unamortized discounts and premiums and deferred loan fees and costs of $930 million and $981 million at December 31, 2025 and December 31, 2024.

See Note 13 for details regarding Regions' investment in sales-type, direct financing, and leveraged leases included within the commercial and industrial loan portfolio.

NOTE 5. ALLOWANCE FOR CREDIT LOSSES

ALLOWANCE FOR CREDIT LOSSES

Regions determines the appropriate level of the allowance on a quarterly basis. Refer to Note 1 for a description of the methodology.

Reflected in the 2023 allowance is the impact of the sale of $284 million of consumer loans in a portfolio of third party relationship loans in the fourth quarter of 2023. In conjunction with the sale, the Company recognized a $35 million fair value mark recorded through charge-offs resulting in a net provision benefit of $27 million and a loss on sale of $8 million.

ROLLFORWARD OF ALLOWANCE FOR CREDIT LOSSES

The following tables present analyses of the allowance for credit losses by portfolio segment for December 31, 2025, 2024 and 2023.

	2025			
	Commercial	Investor Real Estate	Consumer	Total
	(In millions)			
Allowance for loan losses, January 1, 2025	$ 743	$ 240	$ 630	$ 1,613
Provision for loan losses	248	(61)	269	456
Loan losses:				
Charge-offs	(280)	(62)	(263)	(605)
Recoveries	44	3	45	92
Net loan losses	(236)	(59)	(218)	(513)
Allowance for loan losses, December 31, 2025	755	120	681	1,556
Reserve for unfunded credit commitments, January 1, 2025	91	7	18	116
Provision for (benefit from) unfunded credit losses	4	8	2	14
Reserve for unfunded credit commitments, December 31, 2025	95	15	20	130
Allowance for credit losses, December 31, 2025	$ 850	$ 135	$ 701	$ 1,686

	2024			
	Commercial	Investor Real Estate	Consumer	Total
	(In millions)			
Allowance for loan losses, January 1, 2024	$ 722	$ 192	$ 662	$ 1,576
Provision for loan losses	222	87	186	495
Loan losses:				
Charge-offs	(261)	(42)	(258)	(561)
Recoveries	60	3	40	103
Net loan losses	(201)	(39)	(218)	(458)
Allowance for loan losses, December 31, 2024	743	240	630	1,613
Reserve for unfunded credit commitments, January 1, 2024	92	13	19	124
Provision for (benefit from) unfunded credit losses	(1)	(6)	(1)	(8)
Reserve for unfunded credit commitments, December 31, 2024	91	7	18	116
Allowance for credit losses, December 31, 2024	$ 834	$ 247	$ 648	$ 1,729

	2023			
	Commercial	Investor Real Estate	Consumer	Total
	(In millions)			
Allowance for loan losses, December 31, 2022	$ 665	$ 121	$ 678	$ 1,464
Cumulative effect of accounting guidance (1)	(3)	(3)	(32)	(38)
Allowance for loan losses, January 1, 2023 (adjusted for change in accounting guidance)	$ 662	$ 118	$ 646	$ 1,426
Provision for loan losses	205	74	268	547
Loan losses:				
Charge-offs	(197)	—	(293)	(490)
Recoveries	52	—	41	93
Net loan losses	(145)	—	(252)	(397)
Allowance for loan losses, December 31, 2023	722	192	662	1,576
Reserve for unfunded credit commitments, January 1, 2023	72	21	25	118
Provision for (benefit from) unfunded credit losses	20	(8)	(6)	6
Reserve for unfunded credit commitments, December 31, 2023	92	13	19	124
Allowance for credit losses, December 31, 2023	$ 814	$ 205	$ 681	$ 1,700

(1) See Note 1 for additional information.

PORTFOLIO SEGMENT RISK FACTORS

Regions' portfolio segments are commercial, investor real estate, and consumer. Classes within each segment present unique credit risks. The following describe the risk characteristics relevant to each of the portfolio segments.

Commercial—The commercial portfolio segment includes commercial and industrial loans to commercial customers for use in normal business operations to finance working capital needs, equipment purchases or other expansion projects. Commercial also includes owner-occupied commercial real estate mortgage loans to operating businesses, which are loans for long-term financing on land and buildings, and are repaid by cash flow generated by business operations. Owner-occupied commercial real estate construction loans are made to commercial businesses for the development of land or construction of a building where the repayment is derived from revenues generated from the business of the borrower. Collection risk in this portfolio is driven by the creditworthiness of underlying borrowers, particularly cash flow from customers' business operations, and is impacted by sensitivity to several other factors, such as market fluctuations in commodity prices.

Investor Real Estate—Loans for real estate development are repaid through cash flow related to the operation, sale or refinance of the property. This portfolio segment includes extensions of credit to real estate developers or investors where repayment is dependent on the sale of real estate or income generated from the real estate collateral. A portion of Regions' investor real estate portfolio segment consists of loans secured by residential product types (land, single-family and condominium loans) within Regions' markets. Additionally, this category includes loans made to finance income-producing properties such as apartment buildings, office and industrial buildings, and retail shopping centers. Loans in this portfolio segment are particularly sensitive to the valuation of real estate.

Consumer—The consumer portfolio segment includes residential first mortgage, home equity lines, home equity loans, consumer credit card and other consumer loans. Residential first mortgage loans represent loans to consumers to finance a residence. These loans are typically financed over a 15 to 30 year term and, in most cases, are extended to borrowers to finance their primary residence. Home equity lending includes both home equity loans and lines of credit. This type of lending, which is secured by a first or second mortgage on the borrower's residence, allows customers to borrow against the equity in their home. Real estate market values as of the time the loan or line is secured directly affect the amount of credit extended and, in addition, changes in these values impact the depth of potential losses. Consumer credit card lending includes Regions branded consumer credit card accounts. Other consumer loans include other revolving consumer accounts, indirect and direct consumer loans, and overdrafts. Loans in this portfolio segment are sensitive to unemployment, inflation, and other key consumer economic measures.

CREDIT QUALITY INDICATORS

The commercial and investor real estate portfolio segments' primary credit quality indicator is internal risk ratings which are detailed by categories related to underlying credit quality and PD. Regions assigns these risk ratings at loan origination and reviews the relationship utilizing a risk-based approach on, at minimum, an annual basis or at any time management becomes aware of information affecting the borrowers' ability to fulfill their obligations. Both quantitative and qualitative factors are considered in this review process. These categories are utilized to develop the associated allowance for credit losses.

- Pass—includes obligations where the PD is considered low;
- Special Mention—includes obligations that have potential weakness that may, if not reversed or corrected, weaken the credit or inadequately protect the Company's position at some future date. Obligations in this category may also be subject to economic or market conditions that may, in the future, have an adverse effect on debt service ability;
- Substandard Accrual—includes obligations that exhibit a well-defined weakness that presently jeopardizes debt repayment, even though they are currently performing. These obligations are characterized by the distinct possibility that the Company may incur a loss in the future if these weaknesses are not corrected;
- Non-accrual—includes obligations where management has determined that full payment of principal and interest is in doubt.

Substandard accrual and non-accrual loans are often collectively referred to as "classified." Special mention, substandard accrual, and non-accrual loans are often collectively referred to as "criticized and classified."

Regions' consumer portfolio segment has various classes that present unique credit risks. Regions considers factors such as periodic updates of FICO scores, accrual status, days past due status, unemployment rates, home prices, and geography as credit quality indicators for the consumer loan portfolio. FICO scores are obtained at origination as part of Regions' formal underwriting process. Refreshed FICO scores are obtained by the Company quarterly for most consumer loans, including residential first mortgage loans. Current FICO data is not available for certain loans in the portfolio for various reasons; for example, if customers do not use sufficient credit, an updated score may not be available. These categories are utilized to develop the associated allowance for credit losses. The higher the FICO score the less PD and vice versa.

The following tables present applicable credit quality indicators for the loan portfolio segments and classes, excluding loans held for sale and gross charge-offs, by vintage year as of December 31, 2025 and 2024. Regions defines the vintage date for the purposes of disclosure as the date of the most recent credit decision. In general, renewals that are categorized as new credit decisions reflect the renewal date as the vintage date. Classes in the commercial and investor real estate portfolio segments are disclosed by risk rating. Classes in the consumer portfolio segment are disclosed by current FICO scores.

	December 31, 2025									
	Term Loans									
	2025	2024	2023	2022	2021	Prior	Revolving Loans	Revolving Loans Converted to Amortizing	Other [1]	Total
	(In millions)									
Commercial and industrial:										
Risk rating:										
Pass	$ 9,993	$ 5,700	$ 2,683	$ 3,593	$ 1,866	$ 3,540	$ 19,167	$ —	$ 254	$ 46,796
Special Mention	70	29	107	133	40	9	190	—	—	578
Substandard Accrual	159	30	184	137	5	13	414	—	—	942
Non-accrual	49	88	118	36	17	27	139	—	—	474
Total commercial and industrial	$ 10,271	$ 5,847	$ 3,092	$ 3,899	$ 1,928	$ 3,589	$ 19,910	$ —	$ 254	$ 48,790
Commercial real estate mortgage—owner-occupied:										
Risk rating:										
Pass	$ 756	$ 706	$ 589	$ 735	$ 662	$ 1,000	$ 112	$ —	$ (5)	$ 4,555
Special Mention	4	18	7	28	29	18	1	—	—	105
Substandard Accrual	39	13	14	15	30	27	2	—	—	140
Non-accrual	1	4	2	10	12	16	—	—	—	45
Total commercial real estate mortgage—owner-occupied:	$ 800	$ 741	$ 612	$ 788	$ 733	$ 1,061	$ 115	$ —	$ (5)	$ 4,845

	December 31, 2025									
	Term Loans						Revolving Loans	Revolving Loans Converted to Amortizing	Other (1)	Total
	2025	2024	2023	2022	2021	Prior				
	(In millions)									
Commercial real estate construction—owner-occupied:										
Risk rating:										
Pass	$ 75	$ 24	$ 29	$ 29	$ 23	$ 45	$ 14	$ —	$ —	$ 239
Special Mention	—	7	—	7	—	2	—	—	—	16
Substandard Accrual	6	—	—	—	—	—	—	—	—	6
Non-accrual	—	1	—	—	—	1	—	—	—	2
Total commercial real estate construction—owner-occupied:	$ 81	$ 32	$ 29	$ 36	$ 23	$ 48	$ 14	$ —	$ —	$ 263
Total commercial	$ 11,152	$ 6,620	$ 3,733	$ 4,723	$ 2,684	$ 4,698	$ 20,039	$ —	$ 249	$ 53,898
Commercial investor real estate mortgage:										
Risk rating:										
Pass	$ 2,802	$ 806	$ 637	$ 960	$ 309	$ 180	$ 531	$ —	$ (6)	$ 6,219
Special Mention	144	—	59	135	1	1	—	—	—	340
Substandard Accrual	251	—	22	109	93	—	17	—	—	492
Non-accrual	—	49	—	27	—	4	41	—	—	121
Total commercial investor real estate mortgage	$ 3,197	$ 855	$ 718	$ 1,231	$ 403	$ 185	$ 589	$ —	$ (6)	$ 7,172
Commercial investor real estate construction:										
Risk rating:										
Pass	$ 321	$ 446	$ 276	$ 162	$ —	$ 1	$ 660	$ —	$ (13)	$ 1,853
Special Mention	2	4	—	—	—	—	18	—	—	24
Substandard Accrual	—	—	—	42	—	—	15	—	—	57
Non-accrual	—	—	—	—	—	—	—	—	—	—
Total commercial investor real estate construction	$ 323	$ 450	$ 276	$ 204	$ —	$ 1	$ 693	$ —	$ (13)	$ 1,934
Total investor real estate	$ 3,520	$ 1,305	$ 994	$ 1,435	$ 403	$ 186	$ 1,282	$ —	$ (19)	$ 9,106
Residential first mortgage:										
FICO scores:										
Above 720	$ 1,270	$ 1,161	$ 1,734	$ 2,507	$ 3,690	$ 5,934	$ —	$ —	$ —	$ 16,296
681-720	94	85	147	203	243	469	—	—	—	1,241
620-680	44	47	74	122	149	359	—	—	—	795
Below 620	13	46	104	164	163	545	—	—	—	1,035
Data not available	49	26	15	13	33	92	2	—	168	398
Total residential first mortgage	$ 1,470	$ 1,365	$ 2,074	$ 3,009	$ 4,278	$ 7,399	$ 2	$ —	$ 168	$ 19,765
Home equity lines:										
FICO scores:										
Above 720	$ —	$ —	$ —	$ —	$ —	$ —	$ 2,443	$ 61	—	$ 2,504
681-720	—	—	—	—	—	—	346	14	—	360
620-680	—	—	—	—	—	—	198	12	—	210
Below 620	—	—	—	—	—	—	117	9	—	126
Data not available	—	—	—	—	—	—	—	—	32	32
Total home equity lines	$ —	$ —	$ —	$ —	$ —	$ —	$ 3,104	$ 96	$ 32	$ 3,232
Home equity loans:										
FICO scores:										
Above 720	$ 326	$ 254	$ 204	$ 255	$ 272	$ 488	$ —	$ —	$ —	$ 1,799
681-720	53	46	32	39	31	57	—	—	—	258
620-680	19	22	18	21	21	50	—	—	—	151
Below 620	3	9	14	16	16	43	—	—	—	101
Data not available	—	—	—	—	—	—	—	—	15	15
Total home equity loans	$ 401	$ 331	$ 268	$ 331	$ 340	$ 638	$ —	$ —	$ 15	$ 2,324

	December 31, 2025									
	Term Loans						Revolving Loans	Revolving Loans Converted to Amortizing	Other [1]	Total
	2025	2024	2023	2022	2021	Prior				
	(In millions)									
Consumer credit card:										
FICO scores:										
Above 720	$ —	$ —	$ —	$ —	$ —	$ —	$ 874	$ —	$ —	$ 874
681-720	—	—	—	—	—	—	286	—	—	286
620-680	—	—	—	—	—	—	246	—	—	246
Below 620	—	—	—	—	—	—	125	—	—	125
Data not available	—	—	—	—	—	—	6	—	(18)	(12)
Total consumer credit card	$ —	$ —	$ —	$ —	$ —	$ —	$ 1,537	$ —	$ (18)	$ 1,519
Other consumer[2]:										
FICO scores:										
Above 720	$ 717	$ 611	$ 802	$ 1,133	$ 340	$ 346	$ 113	$ —	$ —	$ 4,062
681-720	123	103	133	210	66	57	62	—	—	754
620-680	65	61	79	152	50	40	49	—	—	496
Below 620	16	27	46	104	33	26	31	—	—	283
Data not available	112	2	4	11	6	138	—	—	(75)	198
Total other consumer	$ 1,033	$ 804	$ 1,064	$ 1,610	$ 495	$ 607	$ 255	$ —	$ (75)	$ 5,793
Total consumer loans	$ 2,904	$ 2,500	$ 3,406	$ 4,950	$ 5,113	$ 8,644	$ 4,898	$ 96	$ 122	$ 32,633
Total Loans	$ 17,576	$ 10,425	$ 8,133	$ 11,108	$ 8,200	$ 13,528	$ 26,219	$ 96	$ 352	$ 95,637

	December 31, 2024									
	Term Loans						Revolving Loans	Revolving Loans Converted to Amortizing	Other [1]	Total
	2024	2023	2022	2021	2020	Prior				
	(In millions)									
Commercial and industrial:										
Risk rating:										
Pass	$ 8,285	$ 4,798	$ 6,295	$ 3,284	$ 1,526	$ 3,446	$ 19,165	$ —	$ 114	$ 46,913
Special Mention	59	309	173	61	3	41	460	—	—	1,106
Substandard Accrual	81	179	255	79	32	84	534	—	—	1,244
Non-accrual	48	90	124	37	5	6	98	—	—	408
Total commercial and industrial	$ 8,473	$ 5,376	$ 6,847	$ 3,461	$ 1,566	$ 3,577	$ 20,257	$ —	$ 114	$ 49,671
Commercial real estate mortgage—owner-occupied:										
Risk rating:										
Pass	$ 794	$ 695	$ 796	$ 785	$ 522	$ 808	$ 87	$ —	$ (5)	$ 4,482
Special Mention	5	21	57	33	9	57	2	—	—	184
Substandard Accrual	4	6	37	40	15	33	3	—	—	138
Non-accrual	2	2	5	14	4	9	1	—	—	37
Total commercial real estate mortgage—owner-occupied:	$ 805	$ 724	$ 895	$ 872	$ 550	$ 907	$ 93	$ —	$ (5)	$ 4,841
Commercial real estate construction—owner-occupied:										
Risk rating:										
Pass	$ 131	$ 54	$ 38	$ 30	$ 20	$ 37	$ 7	$ —	$ —	$ 317
Special Mention	—	6	1	—	—	—	—	—	—	7
Substandard Accrual	—	—	3	—	1	—	—	—	—	4
Non-accrual	—	—	—	—	1	4	—	—	—	5
Total commercial real estate construction—owner-occupied:	$ 131	$ 60	$ 42	$ 30	$ 22	$ 41	$ 7	$ —	$ —	$ 333
Total commercial	$ 9,409	$ 6,160	$ 7,784	$ 4,363	$ 2,138	$ 4,525	$ 20,357	$ —	$ 109	$ 54,845

	December 31, 2024									
	Term Loans						Revolving Loans	Revolving Loans Converted to Amortizing	Other (1)	Total
	2024	2023	2022	2021	2020	Prior				
Commercial investor real estate mortgage:										
Risk rating:										
Pass	$ 1,598	$ 464	$ 1,753	$ 747	$ 322	$ 125	$ 314	$ —	$ (2)	$ 5,321
Special Mention	173	12	209	30	11	1	4	—	—	440
Substandard Accrual	76	—	131	39	28	2	107	—	—	383
Non-accrual	167	93	113	—	—	50	—	—	—	423
Total commercial investor real estate mortgage	$ 2,014	$ 569	$ 2,206	$ 816	$ 361	$ 178	$ 425	$ —	$ (2)	$ 6,567
Commercial investor real estate construction:										
Risk rating:										
Pass	$ 300	$ 380	$ 443	$ —	$ —	$ 2	$ 694	$ —	$ (13)	$ 1,806
Special Mention	—	32	218	—	—	—	76	—	—	326
Substandard Accrual	—	—	—	—	—	—	11	—	—	11
Non-accrual	—	—	—	—	—	—	—	—	—	—
Total commercial investor real estate construction	$ 300	$ 412	$ 661	$ —	$ —	$ 2	$ 781	$ —	$ (13)	$ 2,143
Total investor real estate	$ 2,314	$ 981	$ 2,867	$ 816	$ 361	$ 180	$ 1,206	$ —	$ (15)	$ 8,710
Residential first mortgage:										
FICO scores:										
Above 720	$ 1,111	$ 1,967	$ 2,742	$ 4,055	$ 4,004	$ 2,730	$ —	$ —	$ —	$ 16,609
681-720	107	185	253	289	222	305	—	—	—	1,361
620-680	56	87	141	136	99	283	—	—	—	802
Below 620	15	73	138	150	100	419	—	—	—	895
Data not available	29	31	16	41	46	90	2	—	172	427
Total residential first mortgage	$ 1,318	$ 2,343	$ 3,290	$ 4,671	$ 4,471	$ 3,827	$ 2	$ —	$ 172	$ 20,094
Home equity lines:										
FICO scores:										
Above 720	$ —	$ —	$ —	$ —	$ —	$ —	$ 2,341	$ 48	$ —	$ 2,389
681-720	—	—	—	—	—	—	339	12	—	351
620-680	—	—	—	—	—	—	176	11	—	187
Below 620	—	—	—	—	—	—	96	7	—	103
Data not available	—	—	—	—	—	—	81	5	34	120
Total home equity lines	$ —	$ —	$ —	$ —	$ —	$ —	$ 3,033	$ 83	$ 34	$ 3,150
Home equity loans:										
FICO scores:										
Above 720	$ 328	$ 263	$ 308	$ 329	$ 163	$ 472	$ —	$ —	$ —	$ 1,863
681-720	51	40	49	39	16	56	—	—	—	251
620-680	18	19	23	21	9	48	—	—	—	138
Below 620	3	7	14	13	5	37	—	—	—	79
Data not available	1	1	4	7	4	26	—	—	16	59
Total home equity loans	$ 401	$ 330	$ 398	$ 409	$ 197	$ 639	$ —	$ —	$ 16	$ 2,390
Consumer credit card:										
FICO scores:										
Above 720	$ —	$ —	$ —	$ —	$ —	$ —	$ 847	$ —	$ —	$ 847
681-720	—	—	—	—	—	—	270		—	270
620-680	—	—	—	—	—	—	224	—	—	224
Below 620	—	—	—	—	—	—	108	—	—	108
Data not available	—	—	—	—	—	—	18	—	(22)	(4)
Total consumer credit card	$ —	$ —	$ —	$ —	$ —	$ —	$ 1,467	$ —	$ (22)	$ 1,445

	December 31, 2024									
	Term Loans							Revolving Loans Converted to Amortizing		
	2024	2023	2022	2021	2020	Prior	Revolving Loans	Revolving Loans Converted to Amortizing	Other [(1)]	Total
Other consumer[(2)]:										
FICO scores:										
Above 720	$ 898	$ 1,016	$ 1,337	$ 417	$ 232	$ 213	$ 117	$ —	$ —	$ 4,230
681-720	160	191	275	97	49	40	62	—	—	874
620-680	82	111	191	64	31	25	50	—	—	554
Below 620	16	47	117	43	19	17	31	—	—	290
Data not available	71	4	10	6	5	155	2	—	(108)	145
Total other consumer	$ 1,227	$ 1,369	$ 1,930	$ 627	$ 336	$ 450	$ 262	$ —	$ (108)	$ 6,093
Total consumer loans	$ 2,946	$ 4,042	$ 5,618	$ 5,707	$ 5,004	$ 4,916	$ 4,764	$ 83	$ 92	$ 33,172
Total Loans	$ 14,669	$ 11,183	$ 16,269	$ 10,886	$ 7,503	$ 9,621	$ 26,327	$ 83	$ 186	$ 96,727

(1) Other consists of amounts that are not accounted for at the loan level.
(2) Other consumer class includes overdrafts which are included in the current vintage year. Starting in 2025, other consumer loans also includes exit portfolios, which were previously presented separately. The portfolio consists primarily of indirect auto loans, and presentation of prior periods has been conformed accordingly.

The following tables present gross charge-offs by vintage year for the years ended December 31, 2025 and 2024.

	2025							
	Term Loans							
	2025	2024	2023	2022	2021	Prior	Revolving Loans	Total
	(In millions)							
Commercial and industrial	$ 4	$ 33	$ 44	$ 56	$ 35	$ 2	$ 102	$ 276
Commercial real estate mortgage—owner-occupied	—	—	1	—	1	2	—	4
Total commercial	4	33	45	56	36	4	102	280
Commercial investor real estate mortgage	3	23	23	7	—	5	1	62
Total investor real estate	3	23	23	7	—	5	1	62
Residential first mortgage	—	—	—	2	—	—	—	2
Home equity lines	—	—	—	—	—	—	1	1
Home equity loans	—	—	—	—	—	1	—	1
Consumer credit card	—	—	—	—	—	—	67	67
Other consumer[(1)]	53	24	26	44	15	18	12	192
Total consumer	53	24	26	46	15	19	80	263
Total gross charge-offs	$ 60	$ 80	$ 94	$ 109	$ 51	$ 28	$ 183	$ 605

	2024							
	Term Loans							
	2024	2023	2022	2021	2020	Prior	Revolving Loans	Total
	(In millions)							
Commercial and industrial	$ 12	$ 59	$ 82	$ 15	$ 8	$ 11	$ 70	$ 257
Commercial real estate mortgage—owner-occupied	—	—	—	3	—	1	—	4
Total commercial	12	59	82	18	8	12	70	261
Commercial investor real estate mortgage	25	—	6	5	—	6	—	42
Total investor real estate	25	—	6	5	—	6	—	42
Residential first mortgage	—	—	—	—	—	2	—	2
Home equity lines	—	—	—	—	—	—	3	3
Consumer credit card	—	—	—	—	—	—	63	63
Other consumer[(1)]	42	39	57	19	9	14	10	190
Total consumer	42	39	57	19	9	16	76	258
Total gross charge-offs	$ 79	$ 98	$ 145	$ 42	$ 17	$ 34	$ 146	$ 561

(1) Other consumer class includes overdraft gross charge-offs. The majority of overdraft gross charge-offs for the years ended December 31, 2025 and 2024 are included in the current vintage year. Starting in 2025, other consumer loans also includes exit portfolios, which were previously presented separately. The portfolio consists primarily of indirect auto loans, and presentation of prior periods has been conformed accordingly.

AGING AND NON-ACCRUAL ANALYSIS

The following tables include an aging analysis of DPD and loans on non-accrual status for each portfolio segment and class as of December 31, 2025 and 2024. Loans on non-accrual status with no related allowance totaled $109 million at December 31, 2025 and were comprised of commercial loans. Loans on non-accrual status with no related allowance totaled $119 million at December 31, 2024 and were comprised of commercial and investor real estate loans. Non–accrual loans with no related allowance typically include loans where the underlying collateral is deemed sufficient to recover all remaining principal. Loans that have been fully charged-off do not appear in the tables below.

	2025						
	Accrual Loans						
	30-59 DPD	60-89 DPD	90+ DPD	Total 30+ DPD	Total Accrual	Non-accrual	Total
				(In millions)			
Commercial and industrial	$ 39	$ 16	$ 6	$ 61	$ 48,316	$ 474	$ 48,790
Commercial real estate mortgage—owner-occupied	4	2	—	6	4,800	45	4,845
Commercial real estate construction—owner-occupied	—	—	—	—	261	2	263
Total commercial	43	18	6	67	53,377	521	53,898
Commercial investor real estate mortgage	—	—	—	—	7,051	121	7,172
Commercial investor real estate construction	—	—	—	—	1,934	—	1,934
Total investor real estate	—	—	—	—	8,985	121	9,106
Residential first mortgage	128	82	184	394	19,740	25	19,765
Home equity lines	19	6	15	40	3,208	24	3,232
Home equity loans	11	4	8	23	2,317	7	2,324
Consumer credit card	12	10	22	44	1,519	—	1,519
Other consumer(1)	51	24	24	99	5,793	—	5,793
Total consumer	221	126	253	600	32,577	56	32,633
	$ 264	$ 144	$ 259	$ 667	$ 94,939	$ 698	$ 95,637

	2024						
	Accrual Loans						
	30-59 DPD	60-89 DPD	90+ DPD	Total 30+ DPD	Total Accrual	Non-accrual	Total
				(In millions)			
Commercial and industrial	$ 51	$ 18	$ 7	$ 76	$ 49,263	$ 408	$ 49,671
Commercial real estate mortgage—owner-occupied	4	1	1	6	4,804	37	4,841
Commercial real estate construction—owner-occupied	—	—	—	—	328	5	333
Total commercial	55	19	8	82	54,395	450	54,845
Commercial investor real estate mortgage	—	—	—	—	6,144	423	6,567
Commercial investor real estate construction	—	—	—	—	2,143	—	2,143
Total investor real estate	—	—	—	—	8,287	423	8,710
Residential first mortgage	139	78	143	360	20,071	23	20,094
Home equity lines	15	9	16	40	3,124	26	3,150
Home equity loans	11	6	7	24	2,384	6	2,390
Consumer credit card	11	9	20	40	1,445	—	1,445
Other consumer(1)	51	26	27	104	6,093	—	6,093
Total consumer	227	128	213	568	33,117	55	33,172
	$ 282	$ 147	$ 221	$ 650	$ 95,799	$ 928	$ 96,727

(1) Starting in 2025, other consumer loans also includes exit portfolios, which were previously presented separately. The portfolio consists primarily of indirect auto loans, and presentation of prior periods has been conformed accordingly.

At December 31, 2025 and 2024, the Company had collateral-dependent commercial loans of $337 million and $264 million, respectively. At December 31, 2025 and 2024, the Company had collateral-dependent investor real estate loans of $121 million and $323 million, respectively. The collateral for commercial and investor real estate loans generally consists of all business assets including real estate, receivables and equipment. At December 31, 2025 and 2024, the Company had collateral-dependent residential mortgage and home equity loans and lines totaling $127 million and $115 million, respectively. The collateral for these loans are secured by residential real estate. Refer to Note 1 for additional details for the criteria of collateral-dependent loans.

MODIFICATIONS TO BORROWERS EXPERIENCING FINANCIAL DIFFICULTY

Modifications to troubled borrowers are loans where the borrower is experiencing financial difficulty at the time of modification and are undertaken in order to improve the likelihood of repayment. Refer to Note 1 for additional information.

For each portfolio segment and class, the following tables present the end of period balances of new modifications to troubled borrowers and the related percentage of the loan portfolio period-end balance by the type of modification in the years ended December 31, 2025 and 2024.

	2025											
	Term Extension		Payment Deferral		Term Extension and Interest Rate Modification		Term Extension and Payment Deferral		Other		Total	
	$	%(1)	$	%(1)	$	%(1)	$	%(1)	$	%(1)	$	%(1)
	(Dollars in millions)											
Commercial and industrial	$ 127	0.26 %	$ —	— %	$ 1	— %	$ 18	0.04 %	$ 16	0.03 %	$ 162	0.33 %
Commercial real estate mortgage—owner-occupied	2	0.04 %	—	— %	—	— %	—	— %	—	— %	2	0.04 %
Total commercial	129	0.24 %	—	— %	1	— %	18	0.03 %	16	0.03 %	164	0.30 %
Commercial investor real estate mortgage	100	1.40 %	—	— %	—	— %	—	— %	—	— %	100	1.40 %
Total investor real estate	100	1.10 %	—	— %	—	— %	—	— %	—	— %	100	1.10 %
Residential first mortgage	191	0.97 %	3	0.01 %	19	0.09 %	—	— %	1	— %	214	1.08 %
Home equity lines	1	0.02 %	—	— %	5	0.17 %	—	— %	—	— %	6	0.19 %
Home equity loans	4	0.19 %	—	— %	6	0.27 %	—	— %	—	— %	10	0.46 %
Total consumer	196	0.60 %	3	0.01 %	30	0.09 %	—	— %	1	— %	230	0.71 %
Total	$ 425	0.44 %	$ 3	— %	$ 31	0.03 %	$ 18	0.02 %	$ 17	0.02 %	$ 494	0.52 %

	2024											
	Interest Rate Reduction		Term Extension		Payment Deferral		Term Extension and Interest Rate Reduction		Other		Total	
	$	%(1)	$	%(1)	$	%(1)	$	%(1)	$	%(1)	$	%(1)
	(Dollars in millions)											
Commercial and industrial	$ —	— %	$ 46	0.09 %	$ —	— %	$ 1	— %	$ 3	0.01 %	$ 50	0.10 %
Commercial real estate mortgage—owner-occupied	—	— %	3	0.05 %	—	— %	—	— %	—	— %	3	0.05 %
Total commercial	—	— %	49	0.09 %	—	— %	1	— %	3	0.01 %	53	0.10 %
Commercial investor real estate mortgage	34	0.52 %	111	1.69 %	—	— %	—	— %	27	0.42 %	172	2.62 %
Total investor real estate	34	0.39 %	111	1.28 %	—	— %	—	— %	27	0.31 %	172	1.98 %
Residential first mortgage	—	— %	156	0.78 %	2	0.01 %	6	0.03 %	—	— %	164	0.82 %
Home equity lines	—	— %	1	0.02 %	—	— %	9	0.29 %	—	— %	10	0.30 %
Home equity loans	—	— %	4	0.17 %	—	— %	8	0.34 %	—	— %	12	0.51 %
Total consumer	—	— %	161	0.49 %	2	0.01 %	23	0.07 %	—	— %	186	0.56 %
	$ 34	0.04 %	$ 321	0.33 %	$ 2	— %	$ 24	0.02 %	$ 30	0.03 %	$ 411	0.43 %

(1) Amounts calculated based upon whole dollar values.

The end of period balance of unfunded commitments related to modifications to troubled borrowers was $124 million and $71 million at December 31, 2025 and December 31, 2024, respectively.

The following tables present the financial impact of modifications to troubled borrowers during the years ended December 31, 2025 and 2024 by class of financing receivable and the type of modification. The tables include new modifications to troubled borrowers, as well as renewals of existing modifications to troubled borrowers.

	2025 [(1)]					
	Term Extension	Payment Deferral	Term Extension and Interest Rate Modification		Term Extension and Payment Deferral	
	Weighted-Average Term Extension	Weighted-Average Payment Deferral	Weighted-Average Term Extension	Weighted-Average Reduction in Interest Rate	Weighted-Average Term Extension	Weighted-Average Payment Deferral
	(In years, except for percentage data)					
Commercial and industrial	0.75	—	3	2 %	1	0.67
Commercial real estate mortgage—owner-occupied	2.17	—	—	—	—	—
Commercial investor real estate mortgage	0.67	—	—	—	—	—
Residential first mortgage	7	0.67	4	1 %	—	—
Home equity lines	29	—	24	1 %	—	—
Home equity loans	13	—	21	3 %	—	—

(1) During the year ended December 31, 2025, the Company had other modification types in commercial and industrial and residential first mortgage loans which had an immaterial financial effect.

	2024 [(1)]				
	Interest Rate Reduction	Term Extension	Payment Deferral	Term Extension and Interest Rate Reduction	
	Weighted-Average Reduction in Interest Rate	Weighted-Average Term Extension	Weighted-Average Payment Deferral	Weighted-Average Term Extension	Weighted-Average Reduction in Interest Rate
	(In years, except for percentage data)				
Commercial and industrial	—	1.92	—	2.08	1 %
Commercial real estate mortgage—owner-occupied	—	3.58	—	—	—
Commercial investor real estate mortgage	less than 1%	0.83	—	—	—
Residential first mortgage	—	7	0.67	5	less than 1%
Home equity lines	—	—	—	23	2 %
Home equity loans	—	14	—	24	3 %

(1) During the year ended December 31, 2024, the Company had other modification types in commercial and industrial and commercial investor real estate mortgage which had an immaterial financial effect.

The following tables include the end of period balances of aging and non-accrual performance for modifications to troubled borrowers modified in the previous twelve-month period by portfolio segment and class as of December 31, 2025 and 2024.

	2025				
	Current	30-89 DPD	90+ DPD	Non-Performing Loans	Total
			(In millions)		
Commercial and industrial	$ 85	$ 1	$ —	$ 76	$ 162
Commercial real estate mortgage—owner-occupied	2	—	—	—	2
Total commercial	87	1	—	76	164
Commercial investor real estate mortgage	74	—	—	26	100
Total investor real estate	74	—	—	26	100
Residential first mortgage	137	41	29	7	214
Home equity lines	5	—	—	1	6
Home equity loans	8	—	—	2	10
Total consumer	150	41	29	10	230
	$ 311	$ 42	$ 29	$ 112	$ 494

	2024				
	Current	30-89 DPD	90+ DPD	Non-Performing Loans	Total
			(In millions)		
Commercial and industrial	$ 34	$ —	$ —	$ 16	$ 50
Commercial real estate mortgage—owner-occupied	2	—	—	1	3
Total commercial	36	—	—	17	53
Commercial investor real estate mortgage	66	—	—	106	172
Total investor real estate	66	—	—	106	172
Residential first mortgage	113	31	13	7	164
Home equity lines	9	—	—	1	10
Home equity loans	9	1	—	2	12
Total consumer	131	32	13	10	186
	$ 233	$ 32	$ 13	$ 133	$ 411

For modifications to troubled borrowers, a subsequent payment default is defined in terms of delinquency, when a principal or interest payment is 90 days past due or classified as non-accrual status during the reporting period. Subsequent defaults of the loans restructured as a modification to a troubled borrower during the years ended December 31, 2025 and 2024 totaled $109 million and $257 million, respectively.

NOTE 6. SERVICING OF FINANCIAL ASSETS

RESIDENTIAL MORTGAGE BANKING ACTIVITIES

The fair value of residential MSRs is calculated using various assumptions including future cash flows, market discount rates, expected prepayment rates, servicing costs and other factors. A significant change in prepayments of mortgages in the servicing portfolio could result in significant changes in the valuation adjustments, thus creating potential volatility in the carrying amount of residential MSRs. The Company compares fair value estimates and assumptions to observable market data where available, and also considers recent market activity and actual portfolio experience.

The table below presents an analysis of residential MSRs under the fair value measurement method for the years ended December 31:

	2025	2024	2023
		(In millions)	
Carrying value, beginning of year	$ 1,007	$ 906	$ 812
Additions	27	26	27
Purchases (1)	29	138	158
Increase (decrease) in fair value (2):			
Due to change in valuation inputs or assumptions	20	60	17
Economic amortization associated with borrower repayments (3)	(113)	(123)	(108)
Carrying value, end of year	$ 970	$ 1,007	$ 906

(1) Purchases of residential MSRs can be structured with cash hold back provisions, therefore the timing of payment may be made in future periods.
(2) Included in mortgage income. Amounts presented exclude offsetting impact from related derivatives.
(3) Includes both total loan payoffs as well as partial paydowns. Regions' MSR decay methodology is a discounted net cash flow approach.

Data and assumptions used in the fair value calculation, as well as the valuation's sensitivity to rate fluctuations, related to residential MSRs (excluding related derivative instruments) as of December 31 are as follows:

	2025	2024
	(Dollars in millions)	
Unpaid principal balance	$ 64,631	$ 67,546
Weighted-average CPR (%)	7.5 %	8.0 %
Estimated impact on fair value of a 10% increase	$ (36)	$ (37)
Estimated impact on fair value of a 20% increase	$ (70)	$ (78)
Option-adjusted spread (basis points)	496	505
Estimated impact on fair value of a 10% increase	$ (22)	$ (22)
Estimated impact on fair value of a 20% increase	$ (44)	$ (45)
Weighted-average coupon interest rate	3.9 %	3.8 %
Weighted-average remaining maturity (months)	289	296
Weighted-average servicing fee (basis points)	27.6	27.3

The sensitivity calculations above are hypothetical and should not be considered to be predictive of future performance. Changes in fair value based on adverse changes in assumptions generally cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. Also, the effect of an adverse variation in a particular assumption on the fair value of the residential MSRs is calculated without changing any other assumption, while in reality changes in one factor may result in changes in another, which may either magnify or counteract the effect of the change. The derivative instruments utilized by Regions would serve to reduce the estimated impacts to fair value included in the table above.

Servicing related fees, which include contractually specified servicing fees, late fees and other ancillary income resulting from the servicing of residential mortgage loans totaled $188 million, $191 million and $165 million for the years ended December 31, 2025, 2024, and 2023 respectively.

Residential mortgage loans are sold in the secondary market with standard representations and warranties regarding certain characteristics such as the quality of the loan, the absence of fraud, the eligibility of the loan for sale and the future servicing associated with the loan. Regions may be required to repurchase these loans at par, or make-whole or indemnify the purchasers for losses incurred when representations and warranties are breached.

Regions maintains an immaterial repurchase liability related to residential mortgage loans sold with representations and warranty provisions. This repurchase liability is reported in other liabilities on the consolidated balance sheets and reflects management's estimate of losses based on historical repurchase and loss trends, as well as other factors that may result in anticipated losses different from historical loss trends. Adjustments to this reserve are recorded in other non-interest expense on the consolidated statements of income.

COMMERCIAL MORTGAGE BANKING ACTIVITIES

Regions engages in the servicing of commercial mortgage loans through agreements with the agencies and through a DUS lending program. Commercial MSRs of loans through the agency programs are measured at fair value while commercial MSRs of loans through the DUS lending program are measured at cost and subsequently amortized.

Commercial mortgage banking through non-DUS agency programs

The fair value of commercial MSRs through non-DUS agency programs is calculated using various assumptions including future cash flows, market discount rates, expected prepayment rates, servicing costs and other factors. A significant change in prepayments of mortgages in this servicing portfolio could result in significant changes in the valuation adjustments, thus creating potential volatility in the carrying amount of these commercial MSRs. Commercial mortgages commonly have protection against prepayments in the forms of lockout periods and prepayment penalty features, which reduce the likelihood of prepayment. The Company compares fair value estimates and assumptions to observable market data where available, and also considers recent market activity and actual portfolio experience. Regions assumes a loss share guarantee associated with loans sold to Fannie Mae. See Note 1 for additional information. Also see Note 23 for additional information related to the guarantee.

The table below presents an analysis of commercial MSRs through non-DUS agency programs under the fair value measurement method for the years ended December 31:

	2025	2024	2023
		(In millions)	
Carrying value, beginning of year	$ 97	$ 81	$ 78
Additions	12	23	5
Increase (decrease) in fair value[(1)]:			
Due to change in valuation inputs or assumptions	2	9	13
Economic amortization associated with borrower repayments [(2)]	(18)	(16)	(15)
Carrying value, end of year	$ 93	$ 97	$ 81

(1) Included in capital markets income. Amounts presented exclude offsetting impact from related derivatives.
(2) Includes both total loan payoffs as well as partial paydowns. Regions' MSR decay methodology is a discounted net cash flow approach.

Data and assumptions used in the fair value calculation, as well as the valuation's sensitivity to rate fluctuations, related to commercial MSRs through non-DUS agency programs (excluding related derivative instruments) as of December 31 are as follows:

	2025	2024
	(Dollars in millions)	
Unpaid principal balance	$ 8,271	$ 7,425
Weighted-average CPR (%)	7.5 %	7.7 %
Estimated impact on fair value of a 10% increase	$ (2)	$ (1)
Estimated impact on fair value of a 20% increase	$ (3)	$ (3)
Weighted-average discount rate (%)	8.2 %	7.1 %
Estimated impact on fair value of a 10% increase	$ (3)	$ (2)
Estimated impact on fair value of a 20% increase	$ (5)	$ (5)
Weighted-average coupon interest rate	4.9 %	4.7 %
Weighted-average remaining maturity (months)	141	150
Weighted-average servicing fee (basis points)	24.3	26.4

The sensitivity calculations above are hypothetical and should not be considered to be predictive of future performance. Changes in fair value based on adverse changes in assumptions generally cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. Also, the effect of an adverse variation in a particular assumption on the fair value of the commercial MSRs is calculated without changing any other assumption, while in reality changes in one factor may result in changes in another, which may either magnify or counteract the effect of the change. The derivative instruments utilized by Regions would serve to reduce the estimated impacts to fair value included in the table above.

Servicing related fees, which include contractually specified servicing fees, late fees and other ancillary income resulting from the servicing of commercial mortgage loans through non-DUS agency programs totaled $28 million, $24 million, and $22 million for the years ended December 31, 2025, 2024, and 2023 respectively.

Commercial mortgage banking through the DUS lending program

Regions is an approved DUS lender. The DUS program provides liquidity to the multi-family housing market. In connection with the DUS program, Regions services commercial mortgage loans, retains commercial MSRs and intangible assets associated with the DUS license, and assumes a loss share guarantee associated with the loans. See Note 1 for additional information. Also see Note 23 for additional information related to the guarantee.

The table below presents an analysis of commercial DUS MSRs under the amortization measurement method for the years ended December 31:

	2025	2024	2023
		(In millions)	
Carrying value, beginning of year	$ 90	$ 87	$ 81
Additions	18	20	21
Economic amortization associated with borrower repayments (1)	(19)	(17)	(15)
Carrying value, end of year	$ 89	$ 90	$ 87

(1) Economic amortization associated with borrower repayments includes both total loan payoffs as well as partial paydowns.

Regions periodically evaluates DUS MSRs for impairment based on fair value. The estimated fair value of the DUS MSRs was approximately $113 million, $117 million and $109 million at December 31, 2025, 2024, and 2023.

Servicing related fees in connection with the DUS program, which include contractually specified servicing fees, late fees and other ancillary income resulting from the servicing of DUS commercial mortgage loans totaled $26 million at December 31, 2025 and 2024 and $23 million at December 31, 2023.

NOTE 7. OTHER EARNING ASSETS

Other earning assets consist of investments in Federal Reserve Bank stock, FHLB stock, marketable equity securities and other miscellaneous earning assets.

FEDERAL RESERVE BANK AND FHLB STOCK

The following table presents the amount of Regions' investments in Federal Reserve Bank and FHLB stock as of December 31:

	2025	2024
	(In millions)	
Federal Reserve Bank stock	$ 492	$ 492
FHLB stock	104	140

MARKETABLE EQUITY SECURITIES

Marketable equity securities carried at fair value, which primarily consist of assets held for certain employee benefits and money market funds, are reported in other earning assets. Total marketable equity securities were $946 million and $819 million at December 31, 2025 and 2024, respectively. Unrealized gains recognized in earnings for marketable equity securities still being held by the Company totaled $20 million, $25 million, and $15 million at December 31, 2025, 2024, and 2023.

OTHER MISCELLANEOUS EARNING ASSETS

Other miscellaneous earning assets consist of long-term certificates of deposit at other institutions and other receivables. Other miscellaneous earning assets were $161 million and $165 million at December 31, 2025 and 2024, respectively.

NOTE 8. PREMISES, EQUIPMENT AND SOFTWARE, NET

A summary of premises, equipment and software, net at December 31 is as follows:

	2025	2024
	(In millions)	
Land	$ 409	$ 409
Premises and improvements	1,603	1,568
Furniture and equipment	977	1,122
Software	494	378
Leasehold improvements	465	457
Construction in progress	208	273
	4,156	4,207
Accumulated depreciation and amortization	(2,497)	(2,534)
	$ 1,659	$ 1,673

NOTE 9. GOODWILL AND OTHER INTANGIBLE ASSETS

GOODWILL

Goodwill allocated to each reportable segment (each a reporting unit) at both December 31, 2025 and 2024 is presented as follows:

	(In millions)
Corporate Bank	$ 3,006
Consumer Bank	2,334
Wealth Management	393
	$ 5,733

Regions assessed the indicators of goodwill impairment for all three reporting units as part of its annual impairment test, as of October 1, 2025, and through the date of the filing of this Annual Report, by performing a qualitative assessment of goodwill at the reporting unit level. See Note 1 for additional information on the qualitative assessment. The results of the annual test indicated that it is more likely than not that the estimated fair value of each reporting unit exceeded its carrying amount as of the test date; therefore, a quantitative goodwill impairment test was deemed unnecessary.

OTHER IDENTIFIABLE INTANGIBLE ASSETS

Other identifiable intangible assets consist primarily of relationship assets, which include broker and contractor origination networks, vendor networks, and customer relationships. The relationship assets had a gross carrying amount of $267 million as of both December 31, 2025 and 2024, and accumulated amortization of $147 million and $120 million as of December 31, 2025 and 2024, respectively. The remaining other identifiable intangible assets include non-amortizing assets related to a DUS license and commercial real estate licenses.

The related amounts of amortization expense to be recognized for each year from 2026 through 2030 are immaterial.

Identifiable intangible assets other than goodwill are reviewed at least annually, usually in the fourth quarter, for events or circumstances that could impact the recoverability of the intangible asset. Regions concluded that no impairment for any identifiable intangible assets occurred during 2025, 2024 or 2023.

NOTE 10. DEPOSITS

The following schedule presents a detail of interest-bearing deposits as of December 31:

	2025	2024
	(In millions)	
Interest-bearing checking	$ 25,677	$ 25,079
Savings	11,914	12,022
Money market—domestic	40,119	35,644
Time deposits	13,888	15,720
Total interest-bearing deposits	$ 91,598	$ 88,465

At December 31, 2025, the aggregate amounts of maturities of all time deposits (deposits with stated maturities, consisting primarily of certificates of deposit and IRAs) were as follows:

	December 31, 2025
	(In millions)
2026	$ 13,139
2027	615
2028	74
2029	38
2030	18
Thereafter	4
	$ 13,888

NOTE 11. BORROWED FUNDS

SHORT-TERM BORROWINGS

Short-term borrowings consist of FHLB advances and were $750 million at December 31, 2025 and $500 million at December 31, 2024. The levels of short-term borrowings can fluctuate depending on the Company's funding needs and the sources utilized.

LONG-TERM BORROWINGS

Long-term borrowings at December 31 consist of the following:

	2025	2024
	(In millions)	
Regions Financial Corporation (Parent):		
2.25% senior notes due May 2025	$ —	$ 749
1.80% senior notes due August 2028	648	647
5.722% senior notes due June 2030 (1)	747	746
5.502% senior notes due September 2035 (2)	995	994
6.75% subordinated debentures due November 2025	—	151
7.375% subordinated notes due December 2037	299	299
Valuation adjustments on hedged long-term debt	(52)	(91)
	2,637	3,495
Regions Bank:		
FHLB advances	1,000	2,000
6.45% subordinated notes due June 2037	497	496
Other long-term debt	—	2
	1,497	2,498
Total consolidated	$ 4,134	$ 5,993

(1) On June 6, 2029, the Notes will bear floating rate interest equal to Compounded SOFR plus 1.49%.
(2) On September 6, 2034, the Notes will bear floating rate interest equal to Compounded SOFR plus 2.06%.

As disclosed above, Regions and Regions Bank each had a subordinated note outstanding at December 31, 2025, which are by definition, subordinated and subject in right of payment of both principal and interest to the prior payment in full of all senior indebtedness of the Company, which is generally defined as all indebtedness and other obligations of the Company to its creditors, except subordinated indebtedness. Payment of the principal of the notes may be accelerated only in the case of certain events involving bankruptcy, insolvency proceedings or reorganization of the Company. The subordinated notes described above qualify as Tier 2 capital under Federal Reserve guidelines, subject to diminishing credit as the respective maturity dates approach and subject to certain transition provisions. The subordinated notes are not redeemable prior to maturity, unless there is an occurrence of a qualifying capital event.

During 2025, $1.0 billion of long term FHLB advances were repaid. In the second quarter of 2025, the Company's 2.25% senior notes matured. In the fourth quarter of 2025, the Company's 6.75% subordinated debentures matured.

FHLB advances at December 31, 2025 and 2024 had a weighted-average interest rate of 3.9 percent and 4.6 percent, respectively, with remaining maturity as of December 31, 2025 within one year. Funding from the FHLB and Federal Reserve Bank is secured by pledged assets, primarily certain loan portfolios which are also subject to blanket lien arrangements with the FHLB and Federal Reserve Bank. As of December 31, 2025, Regions' blanket lien arrangements with these entities covered a total loan balance of approximately $92.9 billion and included loans from various loan portfolios. However, borrowing capacity with the FHLB and Federal Reserve Bank is contingent on a subset of the blanket lien portfolios which are eligible and pledged according to the parameters for each counterparty.

Regions uses derivative instruments, primarily interest rate swaps, to manage interest rate risk by converting a portion of its fixed-rate debt to a variable rate. The effective rate adjustments related to these hedges are included in interest expense on long-term borrowings. The weighted-average interest rate on total long-term debt, including the effect of derivative instruments, was 5.5 percent, 6.3 percent, and 6.5 percent for the years ended December 31, 2025, 2024, and 2023, respectively. Further discussion of derivative instruments is included in Note 20.

The aggregate amount of contractual maturities of all long-term debt in each of the next five years and thereafter is as follows:

	Year Ended December 31	
	Regions Financial Corporation (Parent)	Regions Bank
	(In millions)	
2026	$ —	$ 1,000
2027	—	—
2028	610	—
2029	—	—
2030	749	—
Thereafter	1,278	497
	$ 2,637	$ 1,497

On February 21, 2025, Regions filed a shelf registration statement with the SEC. This shelf registration does not have a capacity limit and can be utilized by Regions to issue various debt and/or equity securities. The registration statement will expire in February 2028.

Regions Bank may issue bank notes from time to time, either as part of a bank note program or as stand-alone issuances. Notes issued by Regions Bank may be senior or subordinated notes. Notes issued by Regions Bank are not deposits and are not insured or guaranteed by the FDIC.

Regions may, from time to time, consider opportunistically retiring outstanding issued securities, including subordinated debt in privately negotiated or open market transactions. Regulatory approval would be required for retirement of some securities.

NOTE 12. REGULATORY CAPITAL REQUIREMENTS AND RESTRICTIONS

Regions and Regions Bank are required to comply with regulatory capital requirements established by Federal and State banking agencies. These regulatory capital requirements involve quantitative measures of the Company's assets, liabilities and selected off-balance sheet items, and also qualitative judgments by the regulators. Failure to meet minimum capital requirements can subject the Company to a series of increasingly restrictive regulatory actions. Under the Basel III Rules, Regions is designated as a standardized approach bank. Regions is a "Category IV" institution under the Federal Reserve's Tailoring rules.

Banking regulations identify five capital categories: well-capitalized, adequately capitalized, undercapitalized, significantly undercapitalized and critically undercapitalized. At December 31, 2025 and 2024, Regions and Regions Bank exceeded all current regulatory requirements, and were classified as "well-capitalized." Management believes that no events or changes have occurred subsequent to December 31, 2025 that would change this designation.

Quantitative measures established by regulation to ensure capital adequacy require institutions to maintain minimum ratios of CET1, Tier 1, and Total capital (as defined in the regulations) to RWAs (as defined), and of Tier 1 capital to average tangible assets (the "Leverage" ratio).

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 concluded in the first quarter of 2025. At December 31, 2024, the net impact of the add-back on CET1 was approximately $102 million or approximately 8 basis points.

The following tables summarize the applicable holding company and bank regulatory capital requirements:

	December 31, 2025		Minimum Requirement	Minimum Requirement plus SCB (1)	To Be Well Capitalized
	Amount	Ratio			
	(Dollars in millions)				
Common equity Tier 1 capital:					
Regions Financial Corporation	$ 13,490	10.89 %	4.50 %	7.00 %	N/A
Regions Bank	14,475	11.72	4.50	7.00	6.50 %
Tier 1 capital:					
Regions Financial Corporation	$ 14,859	11.99 %	6.00 %	8.50 %	6.00 %
Regions Bank	14,475	11.72	6.00	8.50	8.00
Total capital:					
Regions Financial Corporation	$ 17,205	13.89 %	8.00 %	10.50 %	10.00 %
Regions Bank	16,517	13.37	8.00	10.50	10.00
Leverage capital:					
Regions Financial Corporation	$ 14,859	9.68 %	4.00 %	4.00 %	N/A
Regions Bank	14,475	9.48	4.00	4.00	5.00 %

	December 31, 2024		Minimum Requirement	Minimum Requirement plus SCB (1)	To Be Well Capitalized
	Amount	Ratio			
	(Dollars in millions)				
Common equity Tier 1 capital:					
Regions Financial Corporation	$ 13,434	10.80 %	4.50 %	7.00 %	N/A
Regions Bank	14,035	11.32	4.50	7.00	6.50 %
Tier 1 capital:					
Regions Financial Corporation	$ 15,149	12.17 %	6.00 %	8.50 %	6.00 %
Regions Bank	14,035	11.32	6.00	8.50	8.00
Total capital:					
Regions Financial Corporation	$ 17,500	14.06 %	8.00 %	10.50 %	10.00 %
Regions Bank	16,081	12.97	8.00	10.50	10.00
Leverage capital:					
Regions Financial Corporation	$ 15,149	9.88 %	4.00 %	4.00 %	N/A
Regions Bank	14,035	9.21	4.00	4.00	5.00 %

(1) Reflects Regions' SCB of 2.50%. SCB does not apply to leverage capital ratios. See Note 14 for further details regarding CCAR results.

Regions must adhere to various HUD regulatory guidelines including required minimum capital to maintain their HUD approved status. Failure to comply with the HUD guidelines could result in withdrawal of this certification. As of December 31, 2025, Regions was in compliance with HUD guidelines. Regions is also subject to various capital requirements by secondary market investors.

NOTE 13. LEASES

LESSEE

As of December 31, 2025, assets and liabilities recorded under operating leases for properties were $464 million and $539 million, respectively, and $453 million and $527 million, respectively, as of December 31, 2024. The difference between the asset and liability balance is largely driven by increases in rent over the lease term and any strategic decisions to exit a lease location early, resulting in derecognition of the asset. The asset is recorded within other assets, and the lease liability is recorded within other liabilities on the consolidated balance sheets. Lease expense, which is operating lease costs recorded within net occupancy expense, was $85 million, $86 million, and $85 million for the years ended December 31, 2025, 2024, and 2023 respectively.

Other information related to operating leases at December 31 is as follows:

	2025	2024
Weighted-average remaining lease term (years)	9.1 years	9.2 years
Weighted-average discount rate (%)	3.5 %	3.1 %

Future, undiscounted minimum lease payments on operating leases are as follows:

		December 31, 2025
		(In millions)
2026	$	91
2027		85
2028		78
2029		67
2030		55
Thereafter		262
Total lease payments		638
Less: Imputed interest		99
Total present value of lease liabilities	$	539

LESSOR

The following tables present a summary of Regions' sales-type, direct financing and leveraged leases for the years ended December 31.

	Net Interest Income					
	2025		2024		2023	
	(In millions)					
Sales-Type and Direct Financing	$	70	$	88	$	65
Leveraged[(1)]		8		8		2
	$	78	$	96	$	67

(1) Leveraged lease income is shown pre-tax and related tax expense is immaterial for all periods presented. Leveraged lease termination gains excluded from amounts presented above were immaterial for all periods presented.

	As of December 31, 2025						As of December 31, 2024					
	Sales-Type and Direct Financing		Leveraged		Total		Sales-Type and Direct Financing		Leveraged		Total	
	(In millions)											
Lease receivable	$	1,263	$	86	$	1,349	$	1,393	$	117	$	1,510
Unearned income		(180)		(23)		(203)		(195)		(35)		(230)
Guaranteed residual		108		—		108		142		—		142
Unguaranteed residual		172		53		225		167		101		268
Total net investment	$	1,363	$	116	$	1,479	$	1,507	$	183	$	1,690

The following table presents the minimum future payments due from customers for sales-type and direct financing leases:

		December 31, 2025
		Sales-Type and Direct Financing
		(In millions)
2026	$	324
2027		266
2028		208
2029		147
2030		111
Thereafter		207
	$	1,263

NOTE 14. SHAREHOLDERS' EQUITY AND ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

PREFERRED STOCK

The following table presents a summary of the non-cumulative perpetual preferred stock:

									2025	2024
	Issuance Date	Earliest Redemption Date	Dividend Rate [1]	Liquidation Amount	Liquidation preference per Share	Liquidation preference per Depositary Share	Ownership Interest per Depositary Share	Shares Issued and Outstanding	Carrying Amount	Carrying Amount
	(Dollars in millions, except for share and per share amounts)									
Series C	4/30/2019	5/15/2029	5.700 % [2]	$ 500	1,000	25	1/40th	500,000	$ 490	$ 490
Series D[3]	6/5/2020	6/15/2025	5.750 %	—	100,000	1,000	1/100th	—	—	346
Series E	5/4/2021	6/15/2026	4.450 %	400	1,000	25	1/40th	400,000	390	390
Series F	7/29/2024	9/15/2029	6.950 % [4]	500	1,000	25	1/40th	500,000	489	489
				$ 1,400				1,400,000	$ 1,369	$ 1,715

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(1) Dividends on all series of preferred stock, if declared, accrue and are payable quarterly in arrears.

(2) Dividends, if declared, will be paid quarterly at an annual rate equal to (i) for each period beginning prior to August 15, 2029, 5.700%, and (ii) for each period beginning on or after August 15, 2029, three-month CME Term SOFR plus 3.410% which includes a 0.262% spread adjustment for the transition to SOFR in accordance with ISDA protocols.

(3) Prior to the shares' full redemption on June 16, 2025, dividends were paid quarterly at an annual rate equal to 5.750%.

(4) Dividends, if declared, will be paid quarterly at an annual rate equal to (i) for each period beginning on September 15, 2024, 6.950% and (ii) for each period beginning on or after September 15, 2029, the five-year Treasury rate as of the most recent reset dividend determination date plus 2.771%.

All series of preferred stock have no stated maturity and redemption is solely at Regions' option, subject to regulatory approval, in whole, or in part, after the earliest redemption date or in whole, but not in part, at any time following a regulatory capital treatment event for the Series C, Series E, and Series F preferred stock.

The Board declared a total of $91 million and $104 million in cash dividends on preferred stock in 2025 and 2024, respectively.

During the second quarter of 2025, the Company redeemed all 3,500 outstanding shares of Series D non-cumulative perpetual preferred stock and the corresponding depositary fractional shares at par for $350 million. Upon redemption, net income available to common shareholders was reduced by $4 million related to issuance costs.

In the event Series C, Series E, or Series F preferred shares are redeemed in full at their respective liquidation amounts, $10 million, $10 million, or $11 million in excess of the redemption amount over the carrying amount will be recognized, respectively. These excess amounts represent issuance costs that were recorded as reductions to preferred stock, including related surplus, and will be recorded as reductions to net income available to common shareholders.

COMMON STOCK

The Company's results of the 2024 stress test from the Federal Reserve reflect that the Company exceeded all minimum capital levels and the Company's SCB was floored at 2.5 percent from the fourth quarter of 2024 through the third quarter of 2025. As a Category IV bank, Regions was not required to participate in the 2025 stress test. Nonetheless, like other Category IV banking organizations, the Company did receive results from the Federal Reserve during the second quarter of 2025. From the fourth quarter of 2025 through the third quarter of 2026, the Company's SCB will remain floored at 2.5 percent.

On April 20, 2022, the Board authorized the repurchase of up to $2.5 billion of the Company's common stock, permitting purchases from the second quarter of 2022 through the fourth quarter of 2024 and was subsequently extended on December 10, 2024 permitting repurchases through the fourth quarter of 2025. As of December 31, 2025, Regions had repurchased approximately 78 million shares of common stock at a total cost of $1.7 billion under this plan. All of these shares were immediately retired upon repurchase and therefore were not included in treasury stock. On December 10, 2025, the Board authorized the repurchase of up to $3.0 billion of the Company's common stock for the period beginning January 1, 2026 and extending through December 31, 2027. This authorization supersedes the prior share repurchase program, which expired on December 31, 2025.

Regions declared $1.03 per common share in cash dividends for 2025, $0.98 per common share for 2024, and $0.88 per common share for 2023.

ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following tables present the balances and activity in AOCI on a pre-tax and net of tax basis for the years ended December 31:

	2025		
	Pre-tax AOCI Activity	Tax Effect and Other [1]	Net AOCI Activity
		(In millions)	
Total accumulated other comprehensive income (loss), beginning of period	$ (3,912)	$ 984	$ (2,928)
Unrealized losses on securities transferred to held to maturity:			
Beginning balance	$ (744)	$ 188	$ (556)
Unrealized gains (losses) on securities transferred from available for sale during the period	(227)	57	(170)
Reclassification adjustments for amortization on unrealized losses on securities transferred to held for maturity [2]	104	(26)	78
Change in AOCI from securities held to maturity activity in the period	(123)	31	(92)
Ending balance	$ (867)	$ 219	$ (648)
Unrealized gains (losses) on securities available for sale:			
Beginning balance	$ (1,958)	$ 490	$ (1,468)
Unrealized (gains) losses on securities transferred to held to maturity during the period	227	(57)	170
Unrealized gains (losses) arising during the period	1,104	(274)	830
Reclassification adjustments for securities (gains) losses realized in net income [3]	53	(13)	40
Change in AOCI from securities available for sale activity in the period	1,384	(344)	1,040
Ending balance	$ (574)	$ 146	$ (428)
Unrealized gains (losses) on derivative instruments designated as cash flow hedges:			
Beginning balance	$ (662)	$ 168	$ (494)
Unrealized gains (losses) on derivative instruments arising during the period	329	(84)	245
Reclassification adjustments for (gains) losses on derivative instruments realized in net income [2]	242	(61)	181
Change in AOCI from derivative activity in the period	571	(145)	426
Ending balance	$ (91)	$ 23	$ (68)
Defined benefit pension plans and other post employment benefit plans:			
Beginning balance	$ (548)	$ 138	$ (410)
Net actuarial gains (losses) arising during the period	(4)	3	(1)
Reclassification adjustments for amortization of actuarial (gains) losses and settlements realized in net income [4]	27	(7)	20
Change in AOCI from defined benefit pension plans and other post employment benefits activity in the period	23	(4)	19
Ending balance	$ (525)	$ 134	$ (391)
Total other comprehensive income	1,855	(462)	1,393
Total accumulated other comprehensive income (loss), end of period	$ (2,057)	$ 522	$ (1,535)

	2024		
	Pre-tax AOCI Activity	Tax Effect [1]	Net AOCI Activity
		(In millions)	
Total accumulated other comprehensive income (loss), beginning of period	$ (3,773)	$ 961	$ (2,812)
Unrealized losses on securities transferred to held to maturity:			
Beginning balance	$ (9)	$ 1	$ (8)
Unrealized gains (losses) on securities transferred from available for sale during the period	(754)	192	(562)
Reclassification adjustments for amortization on unrealized losses on securities transferred to held for maturity [2]	19	(5)	14
Change in AOCI from securities held to maturity activity in the period	(735)	187	(548)
Ending balance	$ (744)	$ 188	$ (556)
Unrealized gains (losses) on securities available for sale:			
Beginning balance	$ (2,759)	$ 703	$ (2,056)
Unrealized (gains) losses on securities transferred to held to maturity during the period	754	(192)	562
Unrealized gains (losses) arising during the period	(161)	31	(130)
Reclassification adjustments for securities (gains) losses realized in net income [3]	208	(52)	156
Change in AOCI from securities available for sale activity in the period	801	(213)	588
Ending balance	$ (1,958)	$ 490	$ (1,468)
Unrealized gains (losses) on derivative instruments designated as cash flow hedges:			
Beginning balance	$ (399)	$ 102	$ (297)
Unrealized gains (losses) on derivative instruments arising during the period	(683)	172	(511)
Reclassification adjustments for (gains) losses on derivative instruments realized in net income [2]	420	(106)	314
Change in AOCI from derivative activity in the period	(263)	66	(197)
Ending balance	$ (662)	$ 168	$ (494)
Defined benefit pension plans and other post employment benefit plans:			
Beginning balance	$ (606)	$ 155	$ (451)
Net actuarial gains (losses) arising during the period	27	(9)	18
Reclassification adjustments for amortization of actuarial (gains) losses and settlements realized in net income [4]	31	(8)	23
Change in AOCI from defined benefit pension plans and other post employment benefits activity in the period	58	(17)	41
Ending balance	$ (548)	$ 138	$ (410)
Total other comprehensive income (loss)	(139)	23	(116)
Total accumulated other comprehensive income (loss), end of period	$ (3,912)	$ 984	$ (2,928)

	2023		
	Pre-tax AOCI Activity	Tax Effect [1]	Net AOCI Activity
		(In millions)	
Total accumulated other comprehensive income (loss), beginning of period	$ (4,481)	$ 1,138	$ (3,343)
Unrealized losses on securities transferred to held to maturity:			
Beginning balance	$ (11)	$ 2	$ (9)
Reclassification adjustments for amortization on unrealized losses [2]	2	(1)	1
Ending balance	$ (9)	$ 1	$ (8)
Unrealized gains (losses) on securities available for sale:			
Beginning balance	$ (3,433)	$ 872	$ (2,561)
Unrealized gains (losses) arising during the period	669	(168)	501
Reclassification adjustments for securities (gains) losses realized in net income [3]	5	(1)	4
Change in AOCI from securities available for sale activity in the period	674	(169)	505
Ending balance	$ (2,759)	$ 703	$ (2,056)
Unrealized gains (losses) on derivative instruments designated as cash flow hedges:			
Beginning balance	$ (468)	$ 119	$ (349)
Unrealized gains (losses) on derivatives arising during the period	(167)	43	(124)
Reclassification adjustments for (gains) losses realized in net income [2]	236	(60)	176
Change in AOCI from derivative activity in the period	69	(17)	52
Ending balance	$ (399)	$ 102	$ (297)
Defined benefit pension plans and other post employment benefit plans:			
Beginning balance	$ (569)	$ 145	$ (424)
Net actuarial gains (losses) arising during the period	(82)	21	(61)
Reclassification adjustments for amortization of actuarial (gains) losses and settlements realized in net income [4]	45	(11)	34
Change in AOCI from defined benefit pension plans and other post employment benefits activity in the period	(37)	10	(27)
Ending balance	$ (606)	$ 155	$ (451)
Total other comprehensive income (loss)	708	(177)	531
Total accumulated other comprehensive income (loss), end of period	$ (3,773)	$ 961	$ (2,812)

(1) The impact of all AOCI activity is shown net of the related tax impact, calculated using a nominal tax rate of approximately 25 percent.
(2) Reclassification amount is recognized in net interest income in the consolidated statements of income.
(3) Reclassification amount is recognized in securities gains (losses), net in the consolidated statements of income.
(4) Reclassification amount is recognized in other non-interest expense in the consolidated statements of income. Additionally, these accumulated other comprehensive income (loss) components are included in the computation of net periodic pension cost (see Note 17 for additional details).

NOTE 15. EARNINGS PER COMMON SHARE

The following table sets forth the computation of basic earnings per common share and diluted earnings per common share for the years ended December 31:

	2025	2024	2023
	(In millions, except per share data)		
Numerator:			
Net income	$ 2,156	$ 1,893	$ 2,074
Preferred stock dividends and other [1]	(95)	(119)	(98)
Net income available to common shareholders	$ 2,061	$ 1,774	$ 1,976
Denominator:			
Weighted-average common shares outstanding—basic	$ 892	$ 916	$ 936
Potential common shares	4	2	2
Weighted-average common shares outstanding—diluted	$ 896	$ 918	$ 938
Earnings per common share:			
Basic	$ 2.31	$ 1.94	$ 2.11
Diluted	$ 2.30	$ 1.93	$ 2.11

(1) Preferred stock dividends and other for the year ended December 31, 2025 included $4 million of issuance costs associated with the redemption of Series D preferred shares in the second quarter of 2025. Preferred stock dividends and other for the year ended December 31, 2024 included $15 million of issuance costs associated with the redemption of Series B preferred shares in the third quarter of 2024. See Note 14 for additional information.

The effects from the assumed exercise of 3 million, 5 million and 6 million in restricted stock units and awards and performance stock units for years ended December 31, 2025, December 31, 2024 and December 31, 2023, respectively, were not included in the above computations of diluted earnings per common share because such amounts would have had an antidilutive effect on earnings per common share.

NOTE 16. SHARE-BASED PAYMENTS

Regions administers long-term incentive compensation plans that permit the granting of incentive awards in the form of restricted stock awards, performance awards, stock options and stock appreciation rights. No stock options were outstanding during 2025, 2024 or 2023. While Regions has the ability to issue stock appreciation rights, none have been issued to date. The terms of all awards issued under these plans are determined by the CHR Committee of the Board; however, no awards may be granted after the tenth anniversary from the date the plans were initially approved by shareholders. Incentive awards usually vest based on employee service, generally within three years from the date of the grant.

On April 16, 2025, the shareholders of the Company approved the Regions Financial Corporation 2025 LTIP, which permits the Company to grant to employees and directors various forms of incentive compensation. These forms of incentive compensation are similar to the types of compensation approved in prior plans. The 2025 LTIP authorizes 38 million common share equivalents available for grant, where grants of options and grants of full value awards (e.g., shares of restricted stock, restricted stock units and performance stock units) count as one share equivalent. Unless otherwise determined by the CHR Committee of the Board, grants of restricted stock, restricted stock units, and performance stock units accrue dividends, or their notional equivalent, as they are declared by the Board, and are paid upon vesting of the award. Upon adoption of the 2025 LTIP, Regions closed the prior LTIP to new grants, and, accordingly, prospective grants must be made under the 2025 LTIP or a successor plan. All existing grants under prior LTIPs are unaffected by adoption of the 2025 LTIP. The number of remaining share equivalents available for future issuance under the 2025 LTIP was approximately 35 million at December 31, 2025.

Grantees of restricted stock awards or units must either remain employed with the Company for certain periods of time from the date of grant in order for shares to be released or issued or retire after meeting the standards of a retiree, at which time shares would be issued and released. Grants of performance-based restricted stock typically have a three-year performance period, and shares vest within three years after the grant date. Regions issues new shares from authorized reserves upon exercise.

The following table summarizes the elements of compensation cost recognized in the consolidated statements of income for the years ended December 31:

	2025	2024	2023
		(In millions)	
Compensation cost of restricted and performance stock awards	$ 69	$ 73	$ 61
Tax benefits related to share-based compensation cost	(17)	(18)	(16)
Compensation cost of share-based compensation awards, net of tax	$ 52	$ 55	$ 45

During 2025, 2024 and 2023, Regions made restricted stock grants that vest based upon satisfaction of service conditions and restricted stock award and performance stock award grants that vest based upon satisfaction of both service conditions and performance conditions. Incremental shares earned above the performance target associated with previous performance stock awards are included when and if performance targets are achieved. Dividend payments during the vesting period are deferred to the end of the vesting term. The fair value of these restricted shares, restricted stock units and performance stock units was estimated based upon the fair value of the underlying shares on the date of the grant. The valuation was not adjusted for the deferral of dividends.

Activity related to restricted and performance stock awards for 2025, 2024 and 2023 is summarized as follows:

	Number of Shares/Units	Weighted-Average Grant Date Fair Value
Non-vested at December 31, 2022	10,163,763	$ 15.23
Granted	3,943,474	17.54
Vested	(5,844,477)	10.25
Forfeited	(262,719)	18.08
Non-vested at December 31, 2023	8,000,041	$ 19.90
Granted	3,768,326	20.49
Vested	(4,253,297)	20.50
Forfeited	(315,234)	21.76
Non-vested at December 31, 2024	7,199,836	$ 19.86
Granted	3,525,088	21.66
Vested	(3,314,049)	20.41
Forfeited	(268,897)	20.59
Non-vested at December 31, 2025	7,141,978	$ 20.46

As of December 31, 2025, the pre-tax amount of non-vested restricted stock, restricted stock units and performance stock units not yet recognized was $68 million, which will be recognized over a weighted-average period of 1.67 years. The total fair value of shares vested during the years ended December 31, 2025, 2024, and 2023, was $72 million, $87 million, and $109 million, respectively. No share-based compensation costs were capitalized during the years ended December 31, 2025, 2024, or 2023.

NOTE 17. EMPLOYEE BENEFIT PLANS

PENSION AND OTHER POSTRETIREMENT BENEFITS

Regions' defined benefit pension plans cover only certain employees as the pension plans are closed to new entrants. Benefits under the pension plans are based on years of service and the employee’s highest five consecutive years of compensation during the last ten years of employment. Regions’ funding policy is to contribute annually at least the amount required by IRS minimum funding standards. Contributions are intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future.

The Company also sponsors a SERP, which is a non-qualified pension plan that provides certain senior executive officers defined benefits in relation to their compensation. Actuarially determined pension expense is charged to current operations using the projected unit credit method. All defined benefit plans are referred to as “the plans” throughout the remainder of this note.

The following table sets forth the plans' change in benefit obligation, plan assets and funded status, using a December 31 measurement date, and amounts recognized in the consolidated balance sheets at December 31:

	Qualified Plans		Non-qualified Plans		Total	
	2025	2024	2025	2024	2025	2024
	(In millions)					
Change in benefit obligation						
Projected benefit obligation, beginning of year	$ 1,536	$ 1,644	$ 74	$ 82	$ 1,610	$ 1,726
Service cost	19	22	—	1	19	23
Interest cost	81	82	4	4	85	86
Actuarial (gains) losses	33	(52)	3	3	36	(49)
Benefit payments	(155)	(157)	(7)	(7)	(162)	(164)
Administrative expenses	(3)	(3)	—	—	(3)	(3)
Plan settlements	—	—	(6)	(9)	(6)	(9)
Projected benefit obligation, end of year	$ 1,511	$ 1,536	$ 68	$ 74	$ 1,579	$ 1,610
Change in plan assets						
Fair value of plan assets, beginning of year	$ 1,874	$ 1,936	$ —	$ —	$ 1,874	$ 1,936
Actual return on plan assets	161	98	—	—	161	98
Company contributions	—	—	13	16	13	16
Benefit payments	(155)	(157)	(7)	(7)	(162)	(164)
Administrative expenses	(3)	(3)	—	—	(3)	(3)
Plan settlements	—	—	(6)	(9)	(6)	(9)
Fair value of plan assets, end of year	$ 1,877	$ 1,874	$ —	$ —	$ 1,877	$ 1,874
Funded status and accrued benefit (cost) at measurement date	$ 366	$ 338	$ (68)	$ (74)	$ 298	$ 264
Amount recognized in the Consolidated Balance Sheets:						
Other assets	$ 366	$ 338	$ —	$ —	$ 366	$ 338
Other liabilities	—	—	(68)	(74)	(68)	(74)
	$ 366	$ 338	$ (68)	$ (74)	$ 298	$ 264
Pre-tax amounts recognized in Accumulated Other Comprehensive (Income) Loss:						
Net actuarial loss	$ 502	$ 529	$ 24	$ 26	$ 526	$ 555

The accumulated benefit obligation for the qualified plans was $1.4 billion and $1.5 billion as of December 31, 2025 and 2024, respectively. Total plan assets exceeded the corresponding accumulated benefit obligation for the qualified plans as of December 31, 2025 and 2024. The accumulated benefit obligation for the non-qualified plans was $68 million and $74 million as of December 31, 2025 and 2024, respectively, which exceeded all corresponding plan assets for each period. As of December 31, 2025 and 2024, the actuarial (gains) losses related to the change in the benefit obligation were primarily driven by changes in the discount rate.

Net periodic pension cost included the following components for the years ended December 31:

	Qualified Plans			Non-qualified Plans			Total		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
	(In millions)								
Service cost	$ 19	$ 22	$ 21	$ —	$ 1	$ 1	$ 19	$ 23	$ 22
Interest cost	81	82	86	4	4	6	85	86	92
Expected return on plan assets	(123)	(124)	(120)	—	—	—	(123)	(124)	(120)
Amortization of actuarial loss	23	25	24	2	3	4	25	28	28
Settlement charge	—	—	—	3	3	17	3	3	17
Net periodic pension cost	$ —	$ 5	$ 11	$ 9	$ 11	$ 28	$ 9	$ 16	$ 39

The service cost component of net periodic pension cost is recorded in salaries and employee benefits on the consolidated statements of income. Components other than service cost are recorded in other non-interest expense on the consolidated statements of income.

The assumptions used to determine benefit obligations at December 31 are as follows:

	Qualified Plans		Non-qualified Plans	
	2025	2024	2025	2024
Discount rate	5.52 %	5.67 %	5.11 %	5.49 %
Rate of annual compensation increase	3.60 %	4.00 %	3.00 %	3.00 %

The weighted-average assumptions used to determine net periodic pension (benefit) cost for the years ended December 31 are as follows:

	Qualified Plans			Non-qualified Plans		
	2025	2024	2023	2025	2024	2023
Discount rate	5.68 %	5.15 %	5.42 %	5.49 %	5.09 %	5.42 %
Expected long-term rate of return on plan assets	6.85 %	6.61 %	6.37 %	N/A	N/A	N/A
Rate of annual compensation increase	4.00 %	4.00 %	4.00 %	3.00 %	3.00 %	3.00 %

Regions utilizes a disaggregated approach in the estimation of the service and interest components of net periodic pension costs by applying the specific spot rates along the yield curve used in the determination of the benefit obligation to the relevant projected cash flows. This provides a more precise measurement of service and interest costs by improving the correlation between projected benefit cash flows and the corresponding spot yield curve rates.

The expected long-term rate of return on the qualified plans' assets is based on an estimated reasonable range of probable returns. The assumption is established by considering historical and anticipated returns of the asset classes invested in by the qualified plans and the allocation strategy currently in place among those classes. Management chose a point within the range based on the probability of achievement combined with incremental returns attributable to active management. For 2026, the weighted-average expected long-term rate of return on plan assets is 6.62 percent, using the weighted fair value of plan assets as of December 31, 2025.

The qualified plans' investment strategy is continuing to shift from focusing on maximizing asset returns to minimizing funding ratio volatility, with a planned increase in the allocation to fixed income securities. The combined target asset allocation is 30 percent equities, 64 percent fixed income securities and 6 percent in all other types of investments. Equity securities include investments in large and small/mid cap companies primarily located in the U.S., international equities, and private equities. Fixed income securities include investments in corporate and government bonds, asset-backed securities and any other fixed income investments as allowed by respective prospectuses and other offering documents. Other types of investments may include hedge funds and real estate funds that follow several different strategies. The plans' assets are highly diversified with respect to asset class, security and manager. Investment risk is controlled with the plans' assets rebalancing to target allocations on a periodic basis and continual monitoring of investment managers' performance relative to the investment guidelines established with each investment manager.

Regions' qualified plans have a portion of their investments in Regions' common stock. At December 31, 2025, the plans held 2,855,618 shares, which represents a total market value of approximately $77 million, or approximately 4 percent of the plans' assets.

The following table presents the fair value of Regions' qualified pension plans' financial assets as of December 31:

	2025				2024			
	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3	Fair Value
				(In millions)				
Cash and cash equivalents	$ 30	$ —	$ —	$ 30	$ 27	$ —	$ —	$ 27
Fixed income securities:								
U.S. Treasury securities	$ 508	$ —	$ —	$ 508	$ 362	$ —	$ —	$ 362
Federal agency securities	—	3	—	3	—	11	—	11
Corporate bonds and other debt	—	527	—	527	—	606	—	606
Total fixed income securities	$ 508	$ 530	$ —	$ 1,038	$ 362	$ 617	$ —	$ 979
Domestic equity securities	$ 128	$ —	$ —	$ 128	$ 124	$ —	$ —	$ 124
International mutual funds	$ 100	$ —	$ —	$ 100	$ 90	$ —	$ —	$ 90
Total assets in the fair value hierarchy	$ 766	$ 530	$ —	$ 1,296	$ 603	$ 617	$ —	$ 1,220
Collective trust funds:								
Fixed income fund (1)				$ 102				$ 117
Common stock fund (1)				114				126
International fund (1)				93				120
Total collective trust funds				$ 309				$ 363
Real estate funds measured at NAV (1)				94				119
Private equity funds measured at NAV (1)				178				172
				$ 1,877				$ 1,874

(1) In accordance with accounting guidance, investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient are not required to be classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of amounts reported in the fair value hierarchy to amounts reported on the balance sheet.

Investments held in the plans are recorded at fair value on a recurring basis. For all investments, the plans attempt to use quoted market prices of identical assets on active exchanges, or Level 1 measurements. Where such quoted market prices are not available, the plans typically employ quoted market prices of similar instruments (including matrix pricing) and/or discounted cash flows to estimate a value of these securities, or Level 2 measurements. Level 2 discounted cash flow analyses are typically based on market interest rates, prepayment speeds and/or option adjusted spreads. See Note 1 for a description of valuation methodologies related to U.S. Treasuries, federal agency securities, and equity securities. The methodology described in Note 1 for other debt securities is applicable to corporate bonds and other debt.

Mutual funds are valued based on quoted market prices of identical assets on active exchanges; these valuations are Level 1 measurements. Collective trust funds, real estate funds, private equity funds and other assets are valued based on NAV or the valuation of the limited partner's portion of the equity of the fund. Third party fund managers provide these valuations based primarily on estimated valuations of underlying investments.

Information about the expected cash flows for the qualified and non-qualified plans is as follows:

	Qualified Plans	Non-qualified Plans
	(In millions)	
Expected Employer Contributions:		
2026	$ —	$ —
Expected Benefit Payments:		
2026	$ 120	$ 7
2027	123	7
2028	120	7
2029	117	7
2030	115	7
Next five years	549	28

OTHER PLANS

Regions has a defined-contribution 401(k) plan that includes a Company match of eligible employee contributions. Eligible employees include those who have been employed for one year and have worked a minimum of 1,000 hours. The Company match is invested based on the employees' allocation elections. Regions provides an automatic 2 percent cash 401(k) contribution to eligible employees regardless of whether or not they are contributing to the 401(k) plan. To receive this contribution, employees must be employed at the end of the year and not actively accruing a benefit in the Regions' pension plans. Regions' cash contribution was approximately $27 million for 2025 and 2024, and $24 million for 2023. For 2025, 2024, and 2023, eligible employees who were already contributing to the 401(k) plan received up to a 5 percent Company match plus the automatic 2 percent cash contribution. Regions' match to the 401(k) plan on behalf of employees totaled $76 million in 2025, $73 million in 2024, and $72 million in 2023. Regions' 401(k) plan held 13 million and 14 million shares of Regions' common stock at December 31, 2025 and 2024, respectively. The 401(k) plan received approximately $17 million, $15 million, and $13 million in dividends on Regions' common stock for the years ended December 31, 2025, 2024, and 2023, respectively.

Regions also sponsors defined benefit post-retirement health care plans that cover certain retired employees. For these certain employees retiring before normal retirement age, the Company currently pays a portion of the costs of certain health care benefits until the retired employee becomes eligible for Medicare. Certain retirees, participating in plans of acquired entities, are offered a Medicare supplemental benefit. The plan is contributory and contains other cost-sharing features such as deductibles and co-payments. Retiree health care benefits, as well as similar benefits for active employees, are provided through a self-insured program in which Company and retiree costs are based on the amount of benefits paid. The Company's policy is to fund the Company's share of the cost of health care benefits in amounts determined at the discretion of management. Postretirement life insurance is also provided to a grandfathered group of employees and retirees.

NOTE 18. OTHER NON-INTEREST INCOME AND EXPENSE

The following is a detail of other non-interest income for the years ended December 31:

	2025	2024	2023
		(In millions)	
Investment services fee income	$ 182	$ 157	$ 138
Commercial credit fee income	114	111	105
Bank-owned life insurance	95	102	78
Market value adjustments on employee benefit assets	20	25	15
Other miscellaneous income	188	167	185
	$ 599	$ 562	$ 521

The following is a detail of other non-interest expense for the years ended December 31:

	2025	2024	2023
		(In millions)	
Outside services	$ 166	$ 162	$ 163
Marketing	113	110	110
Professional, legal and regulatory expenses	111	94	85
Credit/checkcard expenses	64	59	60
FDIC insurance assessments	58	109	228
Operational losses	53	95	212
Branch consolidation, property and equipment charges	(5)	3	7
Visa class B shares expense	27	32	28
Early extinguishment of debt	—	—	(4)
Other miscellaneous expenses	401	365	410
	$ 988	$ 1,029	$ 1,299

NOTE 19. INCOME TAXES

The components of income tax expense for the years ended December 31 were as follows:

	2025	2024	2023
		(In millions)	
Current income tax expense:			
Federal	$ 388	$ 383	$ 417
State	121	57	84
Total current expense	$ 509	$ 440	$ 501
Deferred income tax expense (benefit):			
Federal	$ 84	$ 1	$ 25
State	(6)	20	7
Total deferred expense	$ 78	$ 21	$ 32
Total income tax expense	$ 587	$ 461	$ 533

Income tax expense does not reflect the tax effects of unrealized losses on securities transferred to held to maturity, unrealized gains and losses on securities available for sale, unrealized gains and losses on derivative instruments and the net change from defined benefit pension plans and other postretirement benefits. Refer to Note 14 for additional information on shareholders' equity and accumulated other comprehensive income (loss).

The Company accounts for investment tax credits from renewable energy sources using the deferral method. Investment tax credits generated totaled $64 million, $179 million and $94 million for 2025, 2024, and 2023, respectively.

Income tax expense and the effective tax rate for financial reporting purposes differs from the amount computed by applying the statutory federal income tax rate of 21 percent. In 2025, the Company adopted accounting guidance that updates certain disclosure requirements and prior periods have been updated to reflect the current year presentation. A reconciliation between the statutory tax rate and effective tax rate is shown in the following table:

	2025		2024		2023	
	Amount	Percent	Amount	Percent	Amount	Percent
	(Dollars in millions)					
Tax on income computed at statutory federal income tax rate	$ 576	21.0 %	$ 494	21.0 %	$ 547	21.0 %
Increase (decrease) in taxes resulting from:						
State and local income tax, net of federal tax effect (1)	55	2.0 %	60	2.6 %	69	2.7 %
Tax credits:						
Affordable housing and economic development credits, net of amortization (2)	(36)	(1.3)%	(48)	(1.9)%	(41)	(1.6)%
Other tax credits	(6)	(0.3)%	(5)	(0.4)%	(13)	(0.4)%
Non-taxable and non-deductible items:						
Tax-exempt interest	(40)	(1.4)%	(39)	(1.7)%	(38)	(1.5)%
Other non-deductible expenses	23	0.8 %	23	1.0 %	22	0.8 %
Bank-owned life insurance	(22)	(0.8)%	(24)	(1.0)%	(19)	(0.7)%
Other, net	1	0.1 %	(2)	(0.1)%	3	0.1 %
Change in UTB	36	1.3 %	2	0.1 %	3	0.1 %
Income tax expense and total effective tax rate	$ 587	21.4 %	$ 461	19.6 %	$ 533	20.5 %

(1) In 2025, Alabama and Tennessee combined comprise more than half of the tax effect in this category. In both 2024 and 2023, Alabama comprises more than half of the tax effect in this category.

(2) Income tax expense includes gross amortization of affordable housing and economic development projects of $193 million, $188 million, and $166 million for 2025, 2024 and 2023, respectively. See Note 2 for additional information.

Significant components of the Company's net deferred tax asset at December 31 are listed below:

	2025	2024
	(In millions)	
Deferred tax assets:		
Unrealized losses included in shareholders' equity	$ 522	$ 976
Allowance for credit losses	426	433
Right of use liability	128	123
Accrued expenses	33	48
Other	27	18
Federal and state tax credit carryforwards	2	27
Federal and state net operating losses, net of federal tax effect	19	28
Total deferred tax assets	1,157	1,653
Less: valuation allowance	(18)	(22)
Total deferred tax assets less valuation allowance	1,139	1,631
Deferred tax liabilities:		
Lease financing	362	413
Right of use asset	121	116
Mortgage servicing rights	92	96
Goodwill and intangibles	138	126
Fixed assets	87	7
Employee benefits and deferred compensation	33	34
Other	62	64
Total deferred tax liabilities	895	856
Net deferred tax asset	$ 244	$ 775

The Company files U.S. federal, state, and local income tax returns, and as of December 31, 2025 had federal and state net operating loss and tax credit carryforwards, all of which were immaterial. The Company believes that a portion of the state net operating loss carryforwards will not be realized due to certain state statutory limitations. Accordingly, a valuation allowance has been established, which is also immaterial.

The Company is in the IRS's Compliance Assurance Process program and examinations of the U.S federal consolidated income tax return for tax years through 2023 have been completed. With limited exceptions, the Company is no longer subject to state and local tax examinations for tax years prior to 2022. Currently, there are no material disputed tax positions with federal or state taxing authorities. Accordingly, the Company does not anticipate that any adjustments relating to federal or state tax examinations will result in material changes to its business, financial position, results of operations or cash flows.

As of December 31, 2025, 2024 and 2023, the balance of UTBs, as shown below, would reduce the effective tax rate, if recognized. A reconciliation of the beginning and ending amount of UTB is as follows:

	2025	2024	2023
		(In millions)	
Balance at beginning of year	$ 12	$ 11	$ 8
Additions based on tax positions taken in a prior period	46	—	3
Additions based on tax positions taken in the current period	1	1	—
Reductions based on tax positions taken in a prior period	(3)	—	—
Settlements	(1)	—	—
Expiration of statute of limitations	(8)	—	—
Balance at end of year	$ 47	$ 12	$ 11

For the year ended December 31, 2025, the Company recognized an $11 million expense for gross interest and penalties related to its UTBs. For the years ended December 31, 2024 and 2023, the Company recognized an immaterial expense (benefit) for gross interest and penalties related to its UTBs. As of December 31, 2025, the Company had liabilities for interest and penalties related to UTBs of $14 million. As of December 31, 2024 and 2023, the Company had an immaterial gross liability for interest and penalties related to UTBs.

NOTE 20. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

The following tables present the notional amount and estimated fair value of derivative instruments as of December 31:

	2025			2024		
		Estimated Fair Value			Estimated Fair Value	
	Notional Amount(1)	Gain(1)	Loss(1)	Notional Amount	Gain(1)	Loss(1)
			(In millions)			
Derivatives in cash flow hedging relationships:						
Interest rate swaps	$ 39,918	$ 80	$ 196	$ 36,660	$ —	$ 718
Interest rate options	2,000	2	1	2,000	4	6
Total derivatives in cash flow hedging relationships	41,918	82	197	38,660	4	724
Derivatives in fair value hedging relationships:						
Interest rate swaps	8,067	23	73	$ 5,484	$ 26	$ 95
Total derivatives designated as hedging instruments	$ 49,985	$ 105	$ 270	$ 44,144	$ 30	$ 819
Derivatives not designated as hedging instruments:						
Interest rate swaps	$ 93,891	$ 1,023	$ 996	$ 94,803	$ 1,608	$ 1,598
Interest rate options	10,674	14	6	11,005	31	24
Interest rate futures and forward commitments	1,537	8	1	1,247	8	4
Other contracts	15,051	185	172	12,539	139	106
Total derivatives not designated as hedging instruments	$ 121,153	$ 1,230	$ 1,175	$ 119,594	$ 1,786	$ 1,732
Total derivatives	$ 171,138	$ 1,335	$ 1,445	$ 163,738	$ 1,816	$ 2,551
Total gross derivative instruments, before netting		$ 1,335	$ 1,445		$ 1,816	$ 2,551
Less: Netting adjustments (2)		1,120	964		1,703	1,615
Total gross derivative instruments, after netting		$ 215	$ 481		$ 113	$ 936

(1) Derivatives in a gain position are recorded as other assets and derivatives in a loss position are recorded as other liabilities on the consolidated balance sheets. Includes accrued interest as applicable. The table reflects net notional presentation and gross asset and liability presentation to capture the economic impact of the trades.

(2) Netting adjustments represent amounts recorded to convert derivative assets and derivative liabilities from a gross basis to a net basis in accordance with applicable accounting guidance. The net basis takes into account the impact of cash collateral received or posted, legally enforceable master netting agreements, and variation margin that allow Regions to settle derivative contracts with the counterparty on a net basis and to offset the net position with the related cash collateral. Cash collateral, all of which is included as a netting adjustment, totaled $83 million and $106 million for derivative assets at December 31, 2025 and 2024, respectively. Cash collateral totaled $123 million and $87 million for derivative liabilities at December 31, 2025 and 2024, respectively.

HEDGING DERIVATIVES

Derivatives entered into to manage interest rate risk and facilitate asset/liability management strategies are designated as hedging derivatives. Derivative financial instruments that qualify in a hedging relationship are classified, based on the exposure being hedged, as either fair value hedges or cash flow hedges. See Note 1 for additional information regarding accounting policies for derivatives.

CASH FLOW HEDGES

Cash flow hedge relationships mitigate exposure to the variability of future cash flows or other forecasted transactions.

Regions enters into interest rate swaps, options (e.g., floors, caps and collars), and agreements with a combination of these instruments to manage overall cash flow changes related to interest rate risk exposure on variable rate loans. The agreements effectively modify the Company's exposure to interest rate risk by utilizing receive fixed/pay SOFR interest rate swaps and interest rate options. As of December 31, 2025, Regions was hedging its exposure to the variability in future cash flows into 2034.

As of December 31, 2025, cash flow hedges were held at a pre-tax net loss of $91 million, which includes pre-tax net gains of $9 million related to terminated cash flow floors and swaps. Regions expects to reclassify into earnings approximately $66 million in pre-tax losses due to the net receipt/payment of interest and amortization on all cash flow hedges within the next twelve months. Included in this amount is $2 million in pre-tax net gains related to the amortization of terminated cash flow floors and swaps.

See Note 14 for the impact of cash flow hedges on the consolidated statements of income regarding the realized gains or (losses) reclassified from AOCI into net income.

FAIR VALUE HEDGES

Fair value hedge relationships mitigate exposure to the change in fair value of an asset, liability or firm commitment.

Regions enters into interest rate swap agreements to manage interest rate exposure on the Company's fixed-rate borrowings and time deposits. These agreements involve the receipt of fixed-rate amounts in exchange for floating-rate interest payments over the life of the agreements. Regions also enters into interest rate swap agreements to manage interest rate exposure on certain of the Company's fixed-rate prepayable and non-prepayable debt securities available for sale. These agreements involve the payment of fixed-rate amounts in exchange for floating-rate interest receipts.

The following tables present the effect of fair value hedging derivative instruments on the consolidated statements of income and the total amounts for the respective line items affected:

	2025	
	Interest Income	Interest Expense
	Debt securities	Long-term borrowings
	(In millions)	
Total income (expense) presented in the consolidated statements of income	$ 1,145	$ (299)
Gains/(losses) on fair value hedging relationships:		
Interest rate contracts:		
Amounts related to interest settlements on derivatives	$ 20	$ (32)
Recognized on derivatives	(57)	39
Recognized on hedged items	57	(39)
Income (expense) recognized on fair value hedges	$ 20	$ (32)

	2024		
	Interest Income	Interest Expense	
	Debt securities	Long-term borrowings	Deposits
	(In millions)		
Total income (expense) presented in the consolidated statements of income	$ 925	$ (279)	$ (1,971)
Gains/(losses) on fair value hedging relationships:			
Interest rate contracts:			
Amounts related to interest settlements on derivatives	$ 8	$ (67)	$ (1)
Recognized on derivatives	27	22	—
Recognized on hedged items	(27)	(22)	—
Income (expense) recognized on fair value hedges	$ 8	$ (67)	$ (1)

	2023	
	Interest Income	Interest Expense
	Debt securities	Long-term borrowings
	(In millions)	
Total income (expense) presented in the consolidated statements of income	$ 749	$ (226)
Gains/(losses) on fair value hedging relationships:		
Interest rate contracts:		
Amounts related to interest settlements on derivatives	$ (1)	$ (64)
Recognized on derivatives	(6)	46
Recognized on hedged items	6	(46)
Income (expense) recognized on fair value hedges	$ (1)	$ (64)

The following tables present the carrying amount and associated cumulative basis adjustment related to the application of hedge accounting that is included in the carrying amount of hedged assets and liabilities in fair value hedging relationships as of December 31.

	2025		2024	
	Hedged Items Currently Designated		Hedged Items Currently Designated	
	Amortized Cost Basis of Assets/(Liabilities)	Hedge Accounting Basis Adjustment	Amortized Cost Basis of Assets/(Liabilities)	Hedge Accounting Basis Adjustment
	(In millions)		(In millions)	
Debt securities available for sale	$ 9,325	$ —	$ 3,304	$ (22)
Long-term borrowings	(2,348)	52	(3,058)	91

Included in the amortized cost basis and hedge accounting basis adjustment of fair value hedges of debt securities available for sale are hedges designated under the portfolio layer method. At December 31, 2025 and 2024, the Company designated $2.5 billion and $750 million, respectively, as the hedged amount from a closed portfolio of prepayable financial assets with a carrying amount of $6.1 billion and $1.8 billion, respectively. At December 31, 2025, the hedge accounting basis adjustment on active portfolio layer hedges reduced the carrying amount by $3 million.

During 2025, the Company terminated fair value hedges related to available for sale debt securities. The terminated hedges had a remaining basis adjustment of $31 million.

DERIVATIVES NOT DESIGNATED AS HEDGING INSTRUMENTS

The Company holds a portfolio of derivative instruments not designated as accounting hedges, therefore these derivatives are marked-to market through earnings (in capital markets income or mortgage income as appropriate) and included in other assets and other liabilities, as appropriate. See Note 1 for more information regarding these derivative instruments.

The following table presents the location and amount of gain recognized in income on derivatives not designated as hedging instruments in the consolidated statements of income for the periods presented below:

Derivatives Not Designated as Hedging Instruments	2025	2024	2023
		(In millions)	
Capital markets income:			
Interest rate swaps	$ 29	$ 29	$ (17)
Interest rate options	41	52	42
Interest rate futures and forward commitments	16	23	13
Other contracts	(12)	23	11
Total capital markets income	74	127	49
Mortgage income:			
Interest rate swaps	(4)	(44)	(14)
Interest rate options	(4)	(4)	1
Interest rate futures and forward commitments	6	8	(10)
Total mortgage income	(2)	(40)	(23)
	$ 72	$ 87	$ 26

CREDIT DERIVATIVES

Regions has both bought and sold credit protection in the form of participations on interest rate swaps (swap participations). These swap participations, which meet the definition of credit derivatives, were entered into in the ordinary course of business to serve the credit needs of customers. Swap participations, whereby Regions has purchased credit protection, entitle Regions to receive a payment from the counterparty if the customer fails to make payment on any amounts due to Regions upon early termination of the swap transaction and have maturities between 2026 and 2030. Swap participations, whereby Regions has sold credit protection have maturities between 2026 and 2035. For contracts where Regions sold credit protection, Regions would be required to make payment to the counterparty if the customer fails to make payment on any amounts due to the counterparty upon early termination of the swap transaction. Regions bases the current status of the prepayment/performance risk on bought and sold credit derivatives on recently issued internal risk ratings consistent with the risk management practices of unfunded commitments.

Regions' maximum potential amount of future payments under these contracts as of December 31, 2025 was approximately $622 million. This scenario occurs if variable interest rates were at zero percent and all counterparties defaulted with zero recovery. The fair value of sold protection at December 31, 2025 and 2024 was immaterial. In transactions where Regions has sold credit protection, recourse to collateral associated with the original swap transaction is available to offset some or all of Regions' obligation.

CONTINGENT FEATURES

Certain of Regions' derivative instrument contracts with broker-dealers contain credit-related termination provisions and/or credit-related provisions regarding the posting of collateral, allowing those broker-dealers to terminate the contracts in the event that Regions' and/or Regions Bank's credit ratings falls below specified ratings from certain major credit rating agencies. The aggregate fair values of all derivative instruments with any credit-risk-related contingent features that were in a liability position totaled $54 million and $47 million at December 31, 2025 and 2024, respectively, for which Regions had posted collateral of $51 million and $34 million, respectively, in the normal course of business.

NOTE 21. FAIR VALUE MEASUREMENTS

See Note 1 for a description of valuation methodologies for assets and liabilities measured at fair value on a recurring and non-recurring basis. Assets and liabilities measured at fair value rarely transfer between Level 1 and Level 2 measurements. Debt securities available for sale may be periodically transferred to or from Level 3 valuation based on management's conclusion regarding the observability of inputs used in valuing the securities. Such transfers are accounted for as if they occur at the beginning of a reporting period.

The following table presents assets and liabilities measured at estimated fair value on a recurring basis as of December 31:

	2025				2024			
	Level 1	Level 2	Level 3 (1)	Total Estimated Fair Value	Level 1	Level 2	Level 3 (1)	Total Estimated Fair Value
	(In millions)							
Recurring fair value measurements								
Debt securities available for sale:								
U.S. Treasury securities	$ 2,276	$ —	$ —	$ 2,276	$ 2,003	$ —	$ —	$ 2,003
Federal agency securities	—	543	—	543	—	444	—	444
Obligations of states and political subdivisions	—	2	—	2	—	2	—	2
Mortgage-backed securities:								
Residential agency	—	18,387	—	18,387	—	18,945	—	18,945
Commercial agency	—	5,829	—	5,829	—	4,090	—	4,090
Commercial non-agency	—	82	—	82	—	82	—	82
Corporate and other debt securities	—	439	2	441	—	655	3	658
Total debt securities available for sale	$ 2,276	$25,282	$ 2	$ 27,560	$ 2,003	$24,218	$ 3	$ 26,224
Loans held for sale	$ —	$ 290	$ —	$ 290	$ —	$ 234	$ —	$ 234
Marketable equity securities in other earning assets	$ 946	$ —	$ —	$ 946	$ 819	$ —	$ —	$ 819
Residential mortgage servicing rights	$ —	$ —	$ 970	$ 970	$ —	$ —	$ 1,007	$ 1,007
Commercial mortgage servicing rights through non-DUS agency programs	$ —	$ —	$ 93	$ 93	$ —	$ —	$ 97	$ 97
Derivative assets (2):								
Interest rate swaps	$ —	$ 1,126	$ —	$ 1,126	$ —	$ 1,634	$ —	$ 1,634
Interest rate options	—	10	6	16	—	30	5	35
Interest rate futures and forward commitments	—	8	—	8	—	8	—	8
Other contracts	1	184	—	185	13	126	—	139
Total derivative assets	$ 1	$ 1,328	$ 6	$ 1,335	$ 13	$ 1,798	$ 5	$ 1,816
Derivative liabilities (2):								
Interest rate swaps	$ —	$ 1,265	$ —	$ 1,265	$ —	$ 2,411	$ —	$ 2,411
Interest rate options	—	7	—	7	—	30	—	30
Interest rate futures and forward commitments	—	1	—	1	—	4	—	4
Other contracts	—	172	—	172	3	103	—	106
Total derivative liabilities	$ —	$ 1,445	$ —	$ 1,445	$ 3	$ 2,548	$ —	$ 2,551
Securities sold, but not yet purchased	$ 19	$ —	$ —	$ 19	$ 147	$ —	$ —	$ 147

(1) All following disclosures related to Level 3 recurring assets do not include those deemed to be immaterial.
(2) As permitted under U.S. GAAP, variation margin collateral payments made or received for derivatives that are centrally cleared are legally characterized as settled. As such, these derivative assets and derivative liabilities and the related variation margin collateral are presented on a net basis on the balance sheet.

Assets and liabilities in all levels could result in volatile and material price fluctuations. Realized and unrealized gains and losses on Level 3 assets represent only a portion of the risk to market fluctuations in Regions' consolidated balance sheets. See Note 6 for analyses of activity related to the MSRs for years ended December 31, 2025 and 2024.

RECURRING FAIR VALUE MEASUREMENTS USING SIGNIFICANT UNOBSERVABLE INPUTS

Residential mortgage servicing rights

The significant unobservable inputs used in the fair value measurement of residential MSRs are CPR and OAS. This valuation requires generating cash flow projections over multiple interest rate scenarios and discounting those cash flows at a risk-adjusted rate. Additionally, the impact of prepayments and changes in the OAS are based on a variety of underlying inputs including servicing costs. Increases or decreases to the underlying cash flow inputs will have a corresponding impact on the value of the MSR asset. The net change in unrealized gains (losses) included in earnings related to MSRs held at period end are disclosed as the changes in valuation inputs or assumptions included in the MSR rollforward table in Note 6 .

Commercial mortgage servicing rights through non-DUS agency programs

The significant unobservable inputs used in the fair value measurement of commercial MSRs are CPR and the discount rate. This valuation requires generating cash flow projections over multiple interest rate scenarios and discounting those cash flows at a risk-adjusted rate. Additionally, the impact of prepayments and changes in the discount rate are based on a variety of underlying inputs including servicing costs. Increases or decreases to the underlying cash flow inputs will have a corresponding impact on the value of the MSR asset. The net change in unrealized gains (losses) included in earnings related to MSRs held at period end is disclosed as the changes in valuation inputs or assumptions included in the MSR rollforward table in Note 6 .

The following tables present detailed information regarding material assets and liabilities measured at fair value using significant unobservable inputs (Level 3) as of December 31, 2025 and 2024. The tables include the valuation techniques and the significant unobservable inputs utilized. The range of each significant unobservable input as well as the weighted-average within the range utilized at December 31, 2025 and 2024 are included. Following the tables are descriptions of the valuation techniques and the sensitivity of the techniques to changes in the significant unobservable inputs.

	December 31, 2025			
	Level 3 Estimated Fair Value	Valuation Technique	Unobservable Input(s)	Quantitative Range of Unobservable Inputs and (Weighted-Average)
	(Dollars in millions)			
Recurring fair value measurements:				
Residential MSR [1]	$970	Discounted cash flow	Weighted-average CPR (%)	4.2% - 16.9% (7.5%)
			OAS (%)	4.7% - 8.0% (5.0%)
Commercial MSR through non-DUS agency programs [1]	$93	Discounted cash flow	Weighted-average CPR (%)	6.5% - 7.6% (7.5%)
			Discount rate (%)	8.0% - 10.0% (8.2%)

	December 31, 2024			
	Level 3 Estimated Fair Value	Valuation Technique	Unobservable Input(s)	Quantitative Range of Unobservable Inputs and (Weighted-Average)
	(Dollars in millions)			
Recurring fair value measurements:				
Residential MSR [1]	$1,007	Discounted cash flow	Weighted-average CPR (%)	4.6% - 23.1% (8.0%)
			OAS (%)	4.8% -7.7% (5.1%)
Commercial MSR through non-DUS agency programs [1]	$97	Discounted cash flow	Weighted-average CPR (%)	5.4% - 10.6% (7.7%)
			Discount rate (%)	7.0% -8.0% (7.1%)

(1) See Note 6 for additional disclosures related to assumptions used in the fair value calculations for residential and commercial mortgage servicing rights.

FAIR VALUE OPTION

Regions has elected the fair value option for all eligible agency residential first mortgage loans originated with the intent to sell. This election allows for a more effective offset of the changes in fair values of the loans and the derivative instruments used to economically hedge them without the burden of complying with the requirements for hedge accounting. Fair values of residential first mortgage loans held for sale are based on traded market prices of similar assets where available and/or discounted cash flows at market interest rates, adjusted for securitization activities that include servicing values and market conditions, and are recorded in loans held for sale. At December 31, 2025, the aggregate fair value of these loans totaled $266 million compared to aggregate unpaid principal of $259 million. At December 31, 2024, the aggregate fair value of these loans totaled $222 million compared to aggregate unpaid principal of $219 million.

Interest income on residential first mortgage loans held for sale is recognized based on contractual rates and is reflected in interest income on loans held for sale. Net gains and losses resulting from changes in fair value of residential mortgage loans held for sale, which were recorded in mortgage income in the consolidated statements of income during the years ended 2025 and 2024, were immaterial. These changes in fair value are mostly offset by economic hedging activities. An immaterial portion of these amounts was attributable to changes in instrument-specific credit risk.

NON-RECURRING FAIR VALUE MEASUREMENTS

Items measured at fair value on a non-recurring basis include loans held for sale for which the fair value option has not been elected, foreclosed property and other real estate and equity investments without a readily determinable fair value; all of which may be considered either Level 2 or Level 3 valuation measurements. Non-recurring fair value adjustments related to loans held for sale, foreclosed property and other real estate are typically a result of the application of lower of cost or fair value accounting during the period. Non-recurring fair value adjustments related to equity investments without readily determinable fair values are the result of impairments or price changes from observable transactions. The balances of each of these assets, as well as the related fair value adjustments during the periods, were immaterial at both December 31, 2025 and December 31, 2024.

FINANCIAL INSTRUMENTS NOT RECORDED AT FAIR VALUE

For financial instruments not recorded at fair value, estimates of fair value are based on relevant market data and information about the instruments. The following tables present the carrying amounts and estimated fair values, as well as the level within the fair value hierarchy, of the Company's financial instruments not recorded at fair value as of December 31, 2025 and 2024.

	December 31, 2025					December 31, 2024				
	Carrying Amount	Estimated Fair Value(1)	Level 1	Level 2	Level 3	Carrying Amount	Estimated Fair Value(1)	Level 1	Level 2	Level 3
	(In millions)									
Financial assets:										
Cash and cash equivalents	$ 10,907	$ 10,907	$10,907	$ —	$ —	$ 10,712	$ 10,712	$10,712	$ —	$ —
Debt securities held to maturity	5,606	5,584	—	5,584	—	4,427	4,226	—	4,226	—
Loans held for sale	221	221	—	221	—	360	360	—	360	—
Loans (excluding leases), net of unearned income and allowance for loan losses(2)(3)	92,595	90,667	—	—	90,667	93,424	89,907	—	—	89,907
Other earning assets	757	757		757	—	797	797	—	797	—
Financial liabilities:										
Deposits with no stated maturity(4)	117,240	117,240	—	117,240	—	111,883	111,883	—	111,883	—
Time deposits(4)	13,888	13,874	—	13,874	—	15,720	15,694	—	15,694	—
Short-term borrowings	750	750	—	750	—	500	500	—	500	—
Long-term borrowings	4,134	4,309	—	4,308	1	5,993	6,059	—	6,058	1
Loan commitments and letters of credit	164	164	—	—	164	149	149	—	—	149

(1) Estimated fair values are consistent with an exit price concept. The assumptions used to estimate the fair values are intended to approximate those that a market participant would use in a hypothetical orderly transaction. In estimating fair value, the Company makes adjustments for estimated changes in interest rates, market liquidity and credit spreads in the periods they are deemed to have occurred.

(2) The estimated fair value of portfolio loans assumes sale of the loans to a third-party financial investor. Accordingly, the value to the Company if the loans were held to maturity is not reflected in the fair value estimate. The fair value discount on the loan portfolio's net carrying amount at December 31, 2025 was $1.9 billion or 2.1 percent. The fair value discount on the loan portfolio's net carrying amount at December 31, 2024 was $3.5 billion or 3.8 percent.

(3) Excluded from this table is the sales-type, direct financing, and leveraged lease carrying amount of $1.5 billion at December 31, 2025 and $1.7 billion at December 31, 2024.

(4) The fair value of non-interest-bearing deposit accounts, interest-bearing checking accounts, savings accounts, and money market accounts is the amount payable on demand at the reporting date (i.e., the carrying amount) as these instruments have an indeterminate maturity date. Fair values for time deposits are estimated by using discounted cash flow analyses, based on market spreads to benchmark rates.

NOTE 22. BUSINESS SEGMENT INFORMATION

Each of Regions' reportable segments is a strategic business unit that serves specific needs of Regions' customers based on the products and services provided. The Company has three reportable segments: Corporate Bank, Consumer Bank, and Wealth Management, with the remainder in Other. The segments are based on the manner in which the CODM reviews the Company's performance. The Company's CODM is the CEO, President and Chair of the Board. As a part of the CODM review, pre-tax income is utilized to allocate resources amongst segments.

The application and development of management reporting methodologies is a dynamic process and is subject to periodic enhancements. As these enhancements are made, financial results presented by each reportable segment may be periodically revised and the prior periods updated to reflect these enhancements. Accordingly, the prior periods may be updated to reflect these enhancements.

The Corporate Bank segment represents the Company's commercial banking functions including commercial and industrial, commercial real estate and investor real estate lending. This segment also includes equipment lease financing, as well as capital markets activities, which include securities underwriting and placement, loan syndication and placement, foreign exchange, derivatives, merger and acquisition and other advisory services. Corporate Bank customers include corporate, middle market, and commercial real estate developers and investors. Corresponding deposit products related to these types of customers are also included in this segment.

The Consumer Bank segment represents the Company's branch network, including consumer banking products and services related to residential first mortgages, home equity lines and loans, consumer credit cards and other consumer loans, as well as the corresponding deposit relationships. These services are also provided through the Company's digital channels and contact center.

The Wealth Management segment offers individuals, businesses, governmental institutions and non-profit entities a wide range of solutions to help protect, grow and transfer wealth. Offerings include credit related products, trust and investment management, asset management, retirement and savings solutions and estate planning.

Other includes the Company’s Treasury function, the securities portfolio, wholesale funding activities, interest rate risk management activities and other corporate functions that are not related to a strategic business unit. Also within Other are certain reconciling items in order to translate the segment results that are based on management accounting practices into consolidated results. Management accounting practices utilized by Regions as the basis of presentation for segment results include the following:

- Net interest income is presented utilizing an FTP approach, for which market-based funding charges/credits are assigned within the segments. By allocating a cost or a credit to each product based on the FTP framework, management is able to more effectively measure the net interest margin contribution of its assets/liabilities by segment. The summation of the interest income/expense and FTP charges/credits for each segment is its designated net interest income.
- Provision for (benefit from) credit losses is allocated to each segment based on an estimated loss methodology. The difference between the consolidated provision for (benefit from) credit losses and the segments’ estimated loss is reflected in Other.
- Income tax expense (benefit) is calculated for the Corporate Bank, Consumer Bank and Wealth Management based on a consistent federal and state statutory rate. Any difference between the Company’s consolidated income tax expense (benefit) and the segments’ calculated amounts is reflected in Other.
- Management reporting allocations of certain expenses are made in order to analyze the financial performance of the segments. These allocations consist of operational and overhead cost pools and are intended to represent the total costs to support a segment.

The following tables present financial information, including non-interest income disaggregated by major product category, for each reportable segment for the years ended December 31:

	2025				
	Corporate Bank	Consumer Bank	Wealth Management	Other	Consolidated
			(In millions)		
Net interest income	$ 1,877	$ 2,937	$ 177	$ —	$ 4,991
Provision for (benefit from) credit losses	337	273	7	(147)	470
Non-interest income (loss) [1]:					
Service charges on deposit accounts	246	386	3	—	635
Card and ATM fees	42	444	1	—	487
Investment management and trust fee income	—	—	362	—	362
Capital markets income	344	2	1	—	347
Mortgage income	—	158	—	—	158
Investment services fee income	—	—	182	—	182
Commercial credit fee income	114	—	—	—	114
Bank-owned life insurance	—	—	—	95	95
Securities gains (losses), net	—	—	—	(53)	(53)
Market value adjustments on employee benefit assets	—	—	—	20	20
Other miscellaneous income (loss)	209	79	3	(103)	188
Total non-interest income (loss)	955	1,069	552	(41)	2,535
Non-interest expense:					
Salaries and employee benefits	564	726	281	1,045	2,616
Equipment and software expense	22	100	2	297	421
Net occupancy expense	27	221	12	28	288
Other expenses (benefits) [2]	647	1,468	188	(1,315)	988
Total non-interest expense	1,260	2,515	483	55	4,313
Income before income taxes	1,235	1,218	239	51	2,743
Income tax expense (benefit)	309	304	60	(86)	587
Net income	$ 926	$ 914	$ 179	$ 137	$ 2,156
Average assets	$ 69,862	$ 37,442	$ 2,151	$ 48,563	$ 158,018

	2024				
	Corporate Bank	Consumer Bank	Wealth Management	Other	Consolidated
			(In millions)		
Net interest income	$ 1,821	$ 2,834	$ 163	$ —	$ 4,818
Provision for (benefit from) credit losses	362	270	8	(153)	487
Non-interest income (loss) [1]:					
Service charges on deposit accounts	223	385	3	1	612
Card and ATM fees	43	424	1	(1)	467
Investment management and trust fee income	—	—	338	—	338
Capital markets income	346	1	1	—	348
Mortgage income	—	146	—	—	146
Investment services fee income	—	—	157	—	157
Commercial credit fee income	111	—	—	—	111
Bank-owned life insurance	—	—	—	102	102
Securities gains (losses), net	—	—	—	(208)	(208)
Market value adjustments on employee benefit assets	—	—	—	25	25
Other miscellaneous income (loss)	174	81	2	(90)	167
Total non-interest income (loss)	897	1,037	502	(171)	2,265
Non-interest expense:					
Salaries and employee benefits	558	721	260	990	2,529
Equipment and software expense	19	101	3	283	406
Net occupancy expense	27	210	12	29	278
Other expenses (benefit) [2]	666	1,369	178	(1,184)	1,029
Total non-interest expense	1,270	2,401	453	118	4,242
Income (loss) before income taxes	1,086	1,200	204	(136)	2,354
Income tax expense (benefit)	271	300	51	(161)	461
Net income (loss)	$ 815	$ 900	$ 153	$ 25	$ 1,893
Average assets	$ 69,207	$ 37,947	$ 2,063	$ 44,664	$ 153,881

	2023				
	Corporate Bank	Consumer Bank	Wealth Management	Other	Consolidated
			(In millions)		
Net interest income	$ 2,007	$ 3,123	$ 190	$ —	$ 5,320
Provision for (benefit from) credit losses	343	279	8	(77)	553
Non-interest income (1):					
Service charges on deposit accounts	193	396	3	—	592
Card and ATM fees	45	458	—	1	504
Investment management and trust fee income	—	—	313	—	313
Capital markets income	219	1	1	1	222
Mortgage income	—	109	—	—	109
Investment services fee income	—	—	138	—	138
Commercial credit fee income	105	—	—	—	105
Bank-owned life insurance	—	—	—	78	78
Securities gains (losses), net	(1)	—	—	(4)	(5)
Market value adjustments on employee benefit assets	—	—	—	15	15
Other miscellaneous income (loss)	151	80	2	(48)	185
Total non-interest income	712	1,044	457	43	2,256
Non-interest expense:					
Salaries and employee benefits	546	732	254	884	2,416
Equipment and software expense	20	110	3	279	412
Net occupancy expense	27	222	12	28	289
Other expenses (benefit) (2)	635	1,509	158	(1,003)	1,299
Total non-interest expense	1,228	2,573	427	188	4,416
Income (loss) before income taxes	1,148	1,315	212	(68)	2,607
Income tax expense (benefit)	287	330	52	(136)	533
Net income	$ 861	$ 985	$ 160	$ 68	$ 2,074
Average assets	$ 69,520	$ 37,762	$ 2,044	$ 43,691	$ 153,017

(1) Non-interest income includes $650 million, $473 million, and $534 million of revenue that is not from a contract with a customer for the years ended December 31, 2025, 2024 and 2023, respectively.
2) See Note 18 for a detail of expenses compromising other expenses.

NOTE 23. COMMITMENTS, CONTINGENCIES AND GUARANTEES

COMMERCIAL COMMITMENTS

Regions issues off-balance sheet financial instruments in connection with lending activities. The credit risk associated with these instruments is essentially the same as that involved in extending loans to customers and is subject to Regions' normal credit approval policies and procedures. Regions measures inherent risk associated with these instruments by recording a reserve for unfunded commitments based on an assessment of the likelihood that the guarantee will be funded and the creditworthiness of the customer or counterparty. Collateral is obtained based on management's assessment of the creditworthiness of the customer. Credit risk is represented in unused commitments to extend credit, standby letters of credit and commercial letters of credit.

Credit risk associated with these instruments as of December 31 is represented by the contractual amounts indicated in the following table:

	2025	2024
	(In millions)	
Unused commitments to extend credit	$ 68,237	$ 63,232
Standby letters of credit	2,283	2,096
Commercial letters of credit	97	58
Liabilities associated with standby letters of credit	34	33
Assets associated with standby letters of credit	36	35
Reserve for unfunded credit commitments	130	116

Unused commitments to extend credit—To accommodate the financial needs of its customers, Regions makes commitments under various terms to lend funds to consumers, businesses and other entities. These commitments include (among others) credit card and other revolving credit agreements, term loan commitments and short-term borrowing agreements. Many of these loan commitments have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of these commitments are expected to expire without being funded, the total commitment amounts do not necessarily represent future liquidity requirements.

Standby letters of credit—Standby letters of credit are also issued to customers which commit Regions to make payments on behalf of customers if certain specified future events occur. Regions has recourse against the customer for any amount required to be paid to a third party under a standby letter of credit. The credit risk involved in the issuance of these guarantees is essentially the same as that involved in extending loans to clients and as such, the instruments are collateralized when necessary. Historically, a large percentage of standby letters of credit expire without being funded. The contractual amount of standby letters of credit represents the maximum potential amount of future payments Regions could be required to make and represents Regions' maximum credit risk.

Commercial letters of credit—Commercial letters of credit are issued to facilitate foreign or domestic trade transactions for customers. As a general rule, drafts will be drawn when the goods underlying the transaction are in transit.

LEGAL CONTINGENCIES

Regions and its subsidiaries are routinely subject to actual or threatened legal proceedings, including litigation and regulatory matters, arising in the ordinary course of business. Litigation matters range from individual actions involving a single plaintiff to class action lawsuits and can involve claims for substantial or indeterminate alleged damages or for injunctive or other relief. Regulatory investigations and enforcement matters may involve formal or informal proceedings and other inquiries initiated by various governmental agencies, law enforcement authorities, and self-regulatory organizations, and can result in fines, penalties, restitution, changes to Regions' business practices, and other related costs, including reputational damage. At any given time, these legal proceedings are at varying stages of adjudication, arbitration, or investigation, and may relate to a variety of topics, including common law tort and contract claims, as well as statutory consumer protection-related claims, among others.

Assessment of exposure that could result from legal proceedings is complex because these proceedings often involve inherently unpredictable factors, including, but not limited to, the following: whether the proceeding is in early stages; whether damages or the amount of potential fines, penalties, and restitution are unspecified, unsupported, or uncertain; whether there is a potential for punitive or other pecuniary damages; whether the matter involves legal uncertainties, including novel issues of law; whether the matter involves multiple parties and/or jurisdictions; whether discovery or other investigation has begun or is not complete; whether material facts may be disputed or unsubstantiated; whether meaningful settlement discussions have commenced; and whether the matter involves class allegations. As a result of these complexities, Regions may be unable to develop an estimate or range of loss.

Regions evaluates legal proceedings based on information currently available, including advice of counsel. Regions establishes accruals for those matters when a loss is considered probable and the related amount is reasonably estimable. Additionally, when it is practicable and reasonably possible that it may experience losses in excess of established accruals, Regions estimates possible loss contingencies. Regions currently estimates that the aggregate amount of reasonably possible losses that it may experience, in excess of what has been accrued, is immaterial. While the final outcomes of legal proceedings are inherently unpredictable, management is currently of the opinion that the outcomes of pending and threatened matters, including the litigation matter described below, will not have a material effect on Regions' business, consolidated financial position, results of operations or cash flows as a whole.

As available information changes, the matters for which Regions is able to estimate, as well as the estimates themselves, will be adjusted accordingly. Regions' estimates are subject to significant judgment and uncertainties, and the matters underlying the estimates will change from time to time. In the event of unexpected future developments, it is possible that an adverse outcome in any such matter could be material to Regions' business, consolidated financial position, results of operations, or cash flows as a whole for any particular reporting period of occurrence.

Some of Regions' exposure with respect to loss contingencies may be offset by applicable insurance coverage. However, in determining the amounts of any accruals or estimates of possible loss contingencies, Regions does not take into account the availability of insurance coverage. To the extent that Regions has an insurance recovery, the proceeds are recorded in the period the recovery is received.

Shareholder Derivative Litigation

On December 22, 2023, a putative shareholder derivative complaint was filed in the Court of Chancery of the State of Delaware, captioned *Brewer v. Turner, et al.*, Case No. 2023-1284-KSJM, allegedly on behalf of Regions as a nominal defendant, against a number of Regions' current and former directors and officers (the "Derivative Complaint"). The claims in the Derivative Complaint relate to the subject matter of the previously disclosed Consent Order that Regions entered into with the CFPB in September 2022. In September 2025, the court issued an order granting in part, and denying in part, the defendants’ motion to dismiss. The defendants appealed the claims that were not dismissed to the Delaware Supreme Court, which appeal was denied on December 15, 2025. Regions’ Board of Directors has established a Special Litigation Committee (“SLC”) to investigate the claims. Based on the establishment of the SLC, the court granted an order on February 5, 2026 staying the action for 180 days.

GUARANTEES

FANNIE MAE LOSS SHARE GUARANTEE

Regions sells commercial loans to Fannie Mae through the DUS lending program and through other platforms. The DUS program provides liquidity to the multi-family housing market. Regions services loans sold to Fannie Mae and is required to provide a loss share guarantee equal to one-third of the principal balance for the majority of the commercial servicing portfolio. At December 31, 2025 and 2024, the Company's DUS servicing portfolio totaled approximately $7.8 billion and $7.0 billion, respectively. Regions has additional loans sold to Fannie Mae outside of the DUS program that are also subject to a loss share guarantee and at December 31, 2025 and 2024, these serviced loans totaled approximately $823 million and $665 million, respectively. Regions' maximum quantifiable contingent liability related to all loans subject to a loss share guarantee was approximately $2.7 billion and $2.4 billion at December 31, 2025 and 2024, respectively. The Company would be liable for this amount only if all of the loans it services for Fannie Mae, for which the Company retains some risk of loss, were to default and all of the collateral underlying these loans was determined to be without value at the time of settlement. Therefore, the maximum quantifiable contingent liability is not representative of the actual loss the Company would be expected to incur. The estimated fair value of the associated loss share guarantee recorded as a liability on the Company's consolidated balance sheets was immaterial at both December 31, 2025 and 2024. Refer to Note 1 for additional information.

VISA INDEMNIFICATION

As a member of the Visa USA network, Regions, along with other members, indemnified Visa USA against litigation. On October 3, 2007, Visa USA was restructured and acquired several Visa affiliates. In conjunction with this restructuring, Regions' indemnification of Visa USA was modified to cover specific litigation (“covered litigation”).

A portion of Visa's proceeds from its IPO was put into escrow to fund the covered litigation. To the extent that the amount available under the escrow arrangement, or subsequent fundings of the escrow account resulting from reductions in the class B share conversion ratio, is insufficient to fully resolve the covered litigation, Visa will enforce the indemnification obligations of Visa USA's members for any excess amount. At this time, Regions has concluded that it is not probable that covered litigation exposure will exceed the class B share value.

NOTE 24. PARENT COMPANY ONLY FINANCIAL STATEMENTS

Presented below are condensed financial statements of Regions Financial Corporation:

Balance Sheets

	December 31	
	2025	2024
	(In millions)	
Assets		
Interest-bearing deposits in other banks	$ 726	$ 2,420
Debt securities available for sale	19	20
Premises and equipment, net	43	45
Investments in subsidiaries:		
Banks	20,311	18,407
Non-banks	579	515
	20,890	18,922
Other assets	336	274
Total assets	$ 22,014	$ 21,681
Liabilities and Shareholders' Equity		
Long-term borrowings	$ 2,637	$ 3,495
Other liabilities	334	307
Total liabilities	2,971	3,802
Shareholders' equity:		
Preferred stock	1,369	1,715
Common stock	9	9
Additional paid-in capital	10,366	11,394
Retained earnings	10,205	9,060
Treasury stock, at cost	(1,371)	(1,371)
Accumulated other comprehensive income (loss), net	(1,535)	(2,928)
Total shareholders' equity	19,043	17,879
Total liabilities and shareholders' equity	$ 22,014	$ 21,681

Statements of Income

	Year Ended December 31		
	2025	2024	2023
		(In millions)	
Income:			
Dividends received from subsidiaries	$ 1,816	$ 2,095	$ 1,609
Interest from subsidiaries	100	43	1
Other	8	10	7
	1,924	2,148	1,617
Expenses:			
Salaries and employee benefits	17	76	65
Interest expense	180	177	134
Equipment and software expense	5	6	(2)
Other	72	80	70
	274	339	267
Income before income taxes and equity in undistributed earnings of subsidiaries	1,650	1,809	1,350
Income tax (benefit) expense	8	(41)	(43)
Income before equity in undistributed earnings of subsidiaries and preferred stock dividends	1,642	1,850	1,393
Equity in undistributed earnings of subsidiaries:			
Banks	450	(42)	644
Non-banks	64	85	37
	514	43	681
Net income	2,156	1,893	2,074
Preferred stock dividends and other	(95)	(119)	(98)
Net income available to common shareholders	$ 2,061	$ 1,774	$ 1,976

Statements of Cash Flows

	Year Ended December 31		
	2025	2024	2023
		(In millions)	
Operating activities:			
Net income	$ 2,156	$ 1,893	$ 2,074
Adjustments to reconcile net cash from operating activities:			
Equity in undistributed earnings of subsidiaries	(514)	(43)	(681)
Provision for (benefit from) deferred income taxes	44	(6)	(4)
Depreciation, amortization and accretion, net	3	3	2
Loss on sale of assets	—	—	(6)
Net change in operating assets and liabilities:			
Other assets	(112)	28	(11)
Other liabilities	25	28	(9)
Other	38	37	74
Net cash from operating activities	1,640	1,940	1,439
Investing activities:			
(Investment in) / repayment of investment in subsidiaries	(7)	(1,675)	(8)
Proceeds from sales and maturities of debt securities available for sale	9	21	13
Purchases of debt securities available for sale	(9)	(20)	(11)
Other, net	(7)	(2)	(21)
Net cash from investing activities	(14)	(1,676)	(27)
Financing activities:			
Proceeds from long-term borrowings	—	1,740	—
Payments on long-term borrowings	(900)	(100)	—
Cash dividends on common stock	(912)	(890)	(787)
Cash dividends on preferred stock	(91)	(104)	(98)
Net proceeds from issuance of preferred stock	—	489	—
Payment for redemption of preferred stock	(350)	(500)	—
Repurchases of common stock	(1,067)	(348)	(252)
Net cash from financing activities	(3,320)	287	(1,137)
Net change in cash and cash equivalents	(1,694)	551	275
Cash and cash equivalents at beginning of year	2,420	1,869	1,594
Cash and cash equivalents at end of year	$ 726	$ 2,420	$ 1,869

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

Not Applicable.

Item 9A. ***Controls and Procedures***

Evaluation of Disclosure Controls and Procedures

Regions maintains disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) designed to ensure that information required to be disclosed in the reports that Regions files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. An evaluation was carried out under the supervision and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this Annual Report on Form 10-K. Based on this, the Chief Executive Officer and the Chief Financial Officer have concluded that Regions' disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) were effective as of the end of the period covered by this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

During the fourth fiscal quarter of the year ended December 31, 2025, there have been no changes in Regions' internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, Regions' control over financial reporting.

Management's Annual Report on Internal Control Over Financial Reporting

The Report of Management on Internal Control Over Financial Reporting is included in Item 8. of this Annual Report on Form 10-K and is incorporated herein by reference.

Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting

The attestation report of Regions' registered public accounting firm on its internal control over financial reporting is included in Item 8. of this Annual Report on Form 10-K and is incorporated herein by reference.

Item 9B. ***Other Information***

Securities Trading Plans of Section 16 Officers and Directors

During the twelve months ended December 31, 2025, none of our officers or directors adopted or terminated a contract, instruction or written plan for the sale or purchase of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1 or that constituted a "non-Rule 10b5-1 trading arrangement" (as defined in Item 408 of Regulation S-K).

Item 9C. ***Disclosure Regarding Foreign Jurisdictions that Prevent Inspections***

Not applicable.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance*

Certain information regarding our executive officers is included in Part I of this Form 10-K under the section captioned "Information About Our Executive Officers." The other information required by this item will be contained in Regions' definitive proxy statement for the 2026 Annual Meeting of Shareholders (the "Proxy Statement") and is incorporated herein by reference.

Insider Trading Policy

Regions has adopted a General Policy on Insider Trading (the "Insider Trading Policy") governing the purchase, sale, and/or other dispositions of Regions securities by directors, officers, and employees, as well as the Company itself, that we believe is reasonably designed to promote compliance with insider trading laws, rules, and regulations, as well as NYSE listing standards. A copy of the Insider Trading Policy is filed as Exhibit 19 to this Annual Report.

Item 11. *Executive Compensation*

The information required by this item will be contained in the Proxy Statement and is incorporated herein by reference.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available Under Equity Compensation Plans (Excluding Securities in First Column)	
Equity Compensation Plans Approved by Stockholders	—	$ —	35,177,143	(b)
Equity Compensation Plans Not Approved by Stockholders	—	$ —	—	
Total	—	$ —	35,177,143	

(a) Does not include outstanding restricted stock units of 7,141,978.

(b) Consists of shares available for future issuance under the Regions Financial Corporation 2025 Long Term Incentive Plan. In 2025, all prior long-term incentive plans were closed to new grants.

The other information required by this item will be contained in the Proxy Statement and is incorporated herein by reference.

Item 13. *Certain Relationships and Related Transactions, and Director Independence*

The information required by this item will be contained in the Proxy Statement and is incorporated herein by reference.

Item 14. *Principal Accountant Fees and Services*

The information required by this item will be contained in the Proxy Statement and is incorporated herein by reference.

PART IV

Item 15. *Exhibits and Financial Statement Schedules*

(a) 1. *Consolidated Financial Statements.* The report of independent registered public accounting firm (PCAOB ID:42) and consolidated financial statements required by this item are included in Item 8. of this Form 10-K and is incorporated herein by reference.

2. *Consolidated Financial Statement Schedules.* The schedules to consolidated financial statements are not required under the related instructions or are inapplicable.

(b) *Exhibits.* The exhibits indicated below are either included or incorporated by reference as indicated.

SEC Assigned Exhibit Number	Description of Exhibits
3.1	Amended and Restated Certificate of Incorporation incorporated by reference to Exhibit 3.1 to Form 10-Q Quarterly Report filed by registrant on August 6, 2012.
3.2	Certificate of Designations relating to Series C Preferred Stock, incorporated by reference to Exhibit 3.4 to Form 8-A filed by registrant on April 29, 2019.
3.3	Certificate of Designations relating to Series E Preferred Stock, incorporated by reference to Exhibit 3.6 to the Form 8-A filed by the registrant on May 3, 2021.
3.4	Certificate of Designations relating to Series F Preferred Stock, incorporated by reference to Exhibit 3.6 to Form 8-A filed by registrant on July 26, 2024.
3.6	By-Laws as amended and restated, incorporated by reference to Exhibit 3.2 to Form 8-K filed by registrant on February 4, 2026.
4.1	Instruments defining the rights of security holders, including indentures. The registrant hereby agrees to furnish to the Commission upon request copies of instruments defining the rights of holders of long-term debt of the registrant and its consolidated subsidiaries; no issuance of debt exceeds 10 percent of the assets of the registrant and its subsidiaries on a consolidated basis.
4.2	Deposit Agreement, dated as of April 30, 2019, by and among Regions Financial Corporation, Computershare, Inc., and Computershare Trust Company, N.A., jointly as depositary, and the holders from time to time of the depositary receipts described therein, incorporated by reference to Exhibit 4.1 to the Form 8-A filed by registrant on April 29, 2019.
4.2A	Amendment to Deposit Agreement, dated as of April 30, 2019, effective as of October 21, 2022, by and among Regions Financial Corporation, Computershare, Inc., Computershare Trust Company, N.A.,and Broadridge Corporate Issuer Solutions, Inc. incorporated by reference to Exhibit 4.5A to Form 10-K Annual Report filed by the registrant on February 24, 2023.
4.3	Form of depositary receipt representing the Series C Depositary Shares, incorporated by reference to Exhibit A to Exhibit 4.1 to the Form 8-A filed by registrant on April 29, 2019.
4.4	Deposit Agreement, dated as of May 4, 2021, by and among Regions Financial Corporation, Computershare Inc. and Computershare Trust Company, N.A., jointly as depositary, and the holders from time to time of the depositary receipts described therein, incorporated by reference to Exhibit 4.1 to the Form 8-A filed by registrant on May 3, 2021.
4.4A	Amendment to Deposit Agreement, dated as of May 4, 2021, effective as of October 21, 2022, by and among Regions Financial Corporation, Computershare, Inc., Computershare Trust Company, N.A., and Broadridge Corporate Issuer Solutions, Inc. incorporated by reference to Exhibit 4.9A to Form 10-K Annual Report filed by the registrant on February 24, 2023.

SEC Assigned Exhibit Number	Description of Exhibits
4.5	Form of depositary receipt representing the Series E Depositary Shares, incorporated by reference to Exhibit A to Exhibit 4.1 to the Form 8-A filed by registrant on May 3, 2021.
4.6	Deposit Agreement, dated as of July 29, 2024, by and among Regions Financial Corporation, Broadridge Corporate Issuer Solutions, LLC., as depositary, and the holders from time to time of the depositary receipts described therein, incorporated by reference to Exhibit 4.1 to the Form 8-A filed by registrant on July 26, 2024.
4.7	Form of Depositary receipt representing the Series F Depositary Shares, incorporated by reference to Exhibit A to Exhibit 4.1 to the Form 8-A filed by the registrant on July 26, 2024.
4.8	Description of Registered Securities.
10.1*	Regions Financial Corporation Director Compensation Program, effective April 17, 2024, incorporated by reference to Exhibit 10.1 to Form 10-Q Quarterly Report filed by registrant on May 7, 2024.
10.2*	Regions Financial Corporation Director Compensation Program, effective April 16, 2025, incorporated by reference to Exhibit 10.1 to Form 10-Q Quarterly Report filed by registrant on May 6, 2025.
10.3*	Regions Financial Corporation Directors' Deferred Restricted Stock Unit Plan, incorporated by reference to Exhibit 10.26 to Form 10-K Annual Report filed by registrant on February 22, 2019.
10.4*	Regions Financial Corporation Directors' Deferred Investment Plan (As Amended and Restated as of January 1, 2021), incorporated by reference to Exhibit 4.7 to Form S-8 Registration Statement filed by registrant on December 30, 2020.
10.5*	Form of Change-in-Control Agreement with executive officer John M. Turner, Jr., incorporated by reference to Exhibit 99.3 to Form 8-K Current Report filed by registrant on June 19, 2018.
10.6*	Form of Change-in-Control Agreement with executive officer Kate R. Danella, incorporated by reference to Exhibit 10.37 to Form 10-K Annual Report filed by registrant on February 22, 2019.
10.7*	Form of Change-in-Control Agreement with executive officers David R. Keenan and David J. Turner, Jr., incorporated by reference to Exhibit 10.48 to Form 10-K Annual Report filed by registrant on February 24, 2011.
10.8*	Form of Change-in-Control Agreement with executive officer William D. Ritter, incorporated by reference to Exhibit 10.49 to Form 10-K Annual Report filed by registrant on February 24, 2011.
10.9*	Form of Amendment to Change-in-Control Agreement with executive officers David J. Turner, Jr., David R. Keenan, and William D. Ritter, incorporated by reference to Exhibit 10.52 to Form 10-K Annual Report filed by registrant on February 21, 2013.
10.10*	Offer Letter with executive officer C. Dandridge Massey dated May 2, 2022, incorporated by reference to Exhibit 10.12 to Form 10-K Annual Report filed by Registrant on February 24, 2023.

SEC Assigned Exhibit Number	Description of Exhibits
10.11*	Offer Letter with executive officer Russell K. Zusi dated September 20, 2023, incorporated by reference to Exhibit 10.12 to Form 10-K Annual Report filed by Registrant on February 21, 2025.
10.12*	Repayment Agreement with executive officer C. Dandridge Massey, dated September 17, 2025.
10.13*	Repayment Agreement with executive officer Russell K. Zusi, dated October 6, 2023, incorporated by reference to Exhibit 10.13 to Form 10-K Annual Report filed by Registrant on February 21, 2025.
10.14*	Regions Financial Corporation 2015 Long Term Incentive Plan, incorporated by reference to Appendix B to Regions Financial Corporation's Proxy Statement dated March 10, 2015, for the Regions Annual Meeting of Stockholders held April 23, 2015.
10.15*	Amendment Number One to the Regions Financial Corporation 2015 Long Term Incentive Plan, incorporated by reference to Exhibit 10.1 to Form 10-Q Quarterly Report filed by registrant on May 5, 2017.
10.16*	Regions Financial Corporation 2025 Long Term Incentive Plan, incorporated by reference to Exhibit 10.1 to the Form 10-Q filed by registrant on August 5, 2025.
10.17*	Form of Director Restricted Stock Unit Notice and Award Agreement under the Regions Financial Corporation 2025 Long Term Incentive Plan, incorporated by reference to Exhibit 10.2 to Form 10-Q Quarterly Report filed by registrant on August 5, 2025.
10.18*	Form of Associate Restricted Stock Unit Notice and Award Agreement under the Regions Financial Corporation 2015 Long Term Incentive Plan (2024), incorporated by reference to Exhibit 10.2 to Form 10-Q Quarterly Report filed by registrant on May 7, 2024.
10.19*	Form of Associate Performance Stock Unit Notice and Award Agreement under the Regions Financial Corporation 2015 Long Term Incentive Plan (2023), incorporated by reference to Exhibit 10. 1 to Form 10-Q Quarterly Report filed by registrant on August 8, 2023.
10.20*	Form of Associate Performance Stock Unit Notice and Award Agreement under the Regions Financial Corporation 2015 Long Term Incentive Plan (2024), incorporated by reference to Exhibit 10.3 to Form 10-Q Quarterly Report filed by registrant on May 7, 2024.
10.21*	Form of Associate Performance Unit Notice and Award Agreement under the Regions Financial Corporation 2015 Long Term Incentive Plan (2023), incorporated by reference to Exhibit 10.2 to Form 10-Q Quarterly Report filed by registrant on August 8, 2023.
10.22*	Form of Associate Performance Unit Notice and Award Agreement under the Regions Financial Corporation 2015 Long Term Incentive Plan (2024), incorporated by reference to Exhibit 10.4 to Form 10-Q Quarterly Report filed by registrant on May 7, 2024.
10.23*	Restricted Stock Unit Notice and Award Agreement under the Regions Financial Corporation 2015 Long Term Incentive Plan with executive officer Russell K. Zusi dated January 2, 2024, incorporated by reference to Exhibit 10.25 to Form 10-K Annual Report filed by Registrant on February 21, 2025.

SEC Assigned Exhibit Number	Description of Exhibits
10.24*	Restricted Stock Unit Notice and Award Agreement under the Regions Financial Corporation 2015 Long Term Incentive Plan with executive officer Russell K. Zusi dated April 1, 2024, incorporated by reference to Exhibit 10.26 to Form 10-K Annual Report filed by Registrant on February 21, 2025.
10.25*	Regions Financial Corporation Executive Incentive Plan (Amended and Restated Effective January 1, 2023), incorporated by reference to Exhibit 10.28 to Form 10-K Annual Report filed by registrant on February 24, 2023.
10.26*	Regions Financial Corporation Non-Qualified Excess 401(k) Plan (Amended and Restated as of June 1, 2020), incorporated by reference to Exhibit 10.5 to Form 10-Q Quarterly Report filed by registrant on August 5, 2020.
10.27*	Amendment One to the Regions Financial Corporation Non-Qualified Excess 401(k) Plan (Amended and Restated as of June 1, 2020), incorporated by reference to Exhibit 10.2 to Form 10-Q Quarterly Report filed by registrant on November 4, 2021.
10.28*	Amendment Two to the Regions Financial Corporation Non-Qualified Excess 401(k) Plan (Amended and Restated as of June 1, 2020), incorporated by reference to Exhibit 10.34 to Form 10-K Annual Report filed by registrant on February 24, 2022.
10.29*	Amendment Three to the Regions Financial Corporation Non-Qualified Excess 401(k) Plan (Amended and Restated as of June 1, 2020), incorporated by reference to Exhibit 10.3 to Form 10-Q Quarterly Report filed by registrant August 8, 2023.
10.30*	Regions Financial Corporation Post 2006 Supplemental Executive Retirement Plan Amended and Restated as of January 1, 2020, incorporated by reference to Exhibit 10.42 to Form 10-K Annual Report filed by registrant on February 21, 2020.
10.31*	Amendment Number One to the Regions Financial Corporation Post 2006 Supplemental Executive Retirement Plan Amended and Restated as of January 1, 2020, incorporated by reference to Exhibit 10.1 to Form 10-Q Quarterly Report filed by registrant on November 5, 2020.
10.32*	Amendment Number Two to the Regions Financial Corporation Post 2006 Supplemental Executive Retirement Plan Amended and Restated as of January 1, 2020, incorporated by reference to Exhibit 10.1 to Form 8-K filed by registrant on October 19, 2021.
10.33*	Amendment Number Three to the Regions Financial Corporation Post 2006 Supplemental Executive Retirement Plan Amended and Restated as of January 1, 2020, incorporated by reference to Exhibit 10.38 to Form 10-K Annual Report filed by registrant on February 24, 2022.
10.34*	Regions Financial Corporation Executive Severance Plan (Amended and Restated effective January 1, 2020), incorporated by reference to Exhibit 10.32 to Form 10-K Annual Report filed by registrant on February 21, 2020.
10.35*	Form of Aircraft Time Sharing Agreement, incorporated by reference to Exhibit 99.2 to Form 8-K Current Report filed by registrant on June 19, 2018.

SEC Assigned Exhibit Number	Description of Exhibits
10.36*	Regions Financial Corporation Use of Corporate Aircraft Policy (amended and restated December 2024), incorporated by reference to Exhibit 10.39 to Form 10-K Annual Report filed by Registrant on February 21, 2025.
10.37*	Regions Financial Corporation Use of Corporate Aircraft Policy (amended and restated December 2025).
19	Regions Financial Corporation General Policy on Insider Trading.
21	List of subsidiaries of registrant.
23	Consent of independent registered public accounting firm.
24	Power of Attorney.
31.1	Certifications of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certifications of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97	Regions Financial Corporation Financial Restatement Compensation Recoupment Policy (amended and restated as of October 14, 2025).
101	The following materials are formatted in Inline XBRL: (i) the Consolidated Balance Sheets; (ii) the Consolidated Statements of Income; (iii) the Consolidated Statements of Comprehensive Income; (iv) the Consolidated Statements of Changes in Stockholders' Equity; (v) the Consolidated Statements of Cash Flows; and (vi) the Notes to the Consolidated Financial Statements.
104	Cover Page Interactive Data File, formatted in Inline XBRL (included within the Exhibit 101 attachments).

* Compensatory plan or agreement.

Copies of exhibits not included herein may be obtained free of charge, electronically through Regions’ website at *www.regions.com* or through the SEC’s website at *www.sec.gov* or upon request to:

Investor Relations

Regions Financial Corporation

1900 Fifth Avenue North

Birmingham, Alabama 35203

(205) 264-7040

Item 16. ***Form 10-K Summary***

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DATE: February 24, 2026

Regions Financial Corporation

By: /S/ JOHN M. TURNER, JR.

John M. Turner, Jr.
Chairman, President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ JOHN M. TURNER, JR. **John M. Turner, Jr.**	Chairman, President and Chief Executive Officer (principal executive officer)	February 24, 2026
/s/ DAVID J. TURNER, JR. **David J. Turner, Jr.**	Senior Executive Vice President and Chief Financial Officer (principal financial officer)	February 24, 2026
/s/ Karin K. Allen **Karin K. Allen**	Executive Vice President and Assistant Controller (Chief Accounting Officer and Authorized Officer)	February 24, 2026
* **Mark A. Crosswhite**	Director	February 24, 2026
* **Noopur Davis**	Director	February 24, 2026
* **Zhanna Golodryga**	Director	February 24, 2026
* **J. Thomas Hill**	Director	February 24, 2026
* **Roger W. Jenkins**	Director	February 24, 2026
* **Joia M. Johnson**	Director	February 24, 2026
* **Ruth Ann Marshall**	Director	February 24, 2026
* **James T. Prokopanko**	Director	February 24, 2026
* **Alison S. Rand**	Director	February 24, 2026
* **William C. Rhodes, III**	Director	February 24, 2026
* **Lee J. Styslinger III**	Director	February 24, 2026
* **José S. Suquet**	Director	February 24, 2026
* **Timothy Vines**	Director	February 24, 2026

* Tara A. Plimpton, by signing her name hereto, does sign this document on behalf of each of the persons indicated above pursuant to powers of attorney executed by such persons and filed with the Securities and Exchange Commission.

By: /s/ Tara A. Plimpton

Tara A. Plimpton

Attorney in Fact

EXHIBIT 31.1

CERTIFICATIONS

I, John M. Turner, Jr., certify that:

1. I have reviewed this Annual Report on Form 10-K of Regions Financial Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 24, 2026

/S/ JOHN M. TURNER, JR.

John M. Turner, Jr.
Chairman, President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATIONS

I, David J. Turner, Jr., certify that:

1. I have reviewed this Annual Report on Form 10-K of Regions Financial Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 24, 2026

/S/ DAVID J. TURNER, JR.

David J. Turner, Jr.
Senior Executive Vice President and
Chief Financial Officer

EXHIBIT 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Regions Financial Corporation (the "Company") on Form 10-K for the year ended December 31, 2025 (the "Report"), I, John M. Turner, Jr., Chief Executive Officer of the Company, and David J. Turner, Jr., Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to our knowledge:

1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ JOHN M. TURNER, JR.	/S/ DAVID J. TURNER, JR.
John M. Turner, Jr. **Chairman, President and Chief Executive Officer**	**David J. Turner, Jr.** **Chief Financial Officer**

Date: February 24, 2026

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signatures that appear in typed form within the electronic version of this written statement required by Section 906, has been provided to Regions Financial Corporation and will be retained by Regions Financial Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

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