REGIONS FINANCIAL CORP
Form 10-Q
August 06, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

ý Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended June 30, 2014
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 (State or other jurisdiction of incorporation or organization)	63-0589368 (IRS Employer Identification No.)
1900 Fifth Avenue North Birmingham, Alabama (Address of principal executive offices)	35203 (Zip Code)

(800) 734-4667
(Registrant’s telephone number, including area code)
NOT APPLICABLE
(Former name, former address and former fiscal year, if changed since last report)

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. ý Yes ¨ No
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). ý Yes ¨ No
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer”, “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one): Large accelerated filer ý Accelerated filer ¨ Non-accelerated filer ¨ (Do not check if a smaller reporting company) Smaller reporting company ¨

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

The number of shares outstanding of each of the issuer's classes of common stock was 1,378,506,865 shares of common stock, par value $.01, outstanding as of August 1, 2014.

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Forward-Looking Statements

This Quarterly Report on Form 10-Q, 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 or on behalf 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” mean Regions Financial Corporation, a Delaware corporation, and its subsidiaries when appropriate. The words “anticipates,” “intends,” “plans,” “seeks,” “believes,” “estimates,” “expects,” “target “projects,” “outlook,” “forecast,” “will,” “may,” “could,” “should,” “can,” and similar expressions often signify forward-lookin statements. 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 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, uncertainties and other factors that may cause actual results to differ materially from the views, beliefs and projections expressed in such statements. These risks, uncertainties and other factors include, but are not limited to, those described below:

- Current and future economic and market conditions in the United States generally or in the communities we serve, including the effects of declines in property values, unemployment rates and potential reduction of economic growth.
- Possible changes in trade, monetary and fiscal policies of, and other activities undertaken by, governments, agencies, central banks and similar organizations.
- The effects of a possible downgrade in the U.S. government’s sovereign credit rating or outlook.
- Possible changes in market interest rates.
- Any impairment of our goodwill or other intangibles, or any adjustment of valuation allowances on our deferred tax assets due to adverse changes in the economic environment, declining operations of the reporting unit, or other factors.
- Possible changes in the creditworthiness of customers and the possible impairment of the collectability of loans.
- Changes in the speed of loan prepayments, loan origination and sale volumes, charge-offs, loan loss provisions or actual loan losses.
- Possible acceleration of prepayments on mortgage-backed securities due to low interest rates, and the related acceleration of premium amortization on those securities.
- Our ability to effectively compete with other financial services companies, some of whom possess greater financial resources than we do and are subject to different regulatory standards than we are.
- Loss of customer checking and savings account deposits as customers pursue other, higher-yield investments.
- Our ability to develop and gain acceptance from current and prospective customers for new products and services in a timely manner.
- Changes in laws and regulations affecting our businesses, including changes in the enforcement and interpretation of such laws and regulations by applicable governmental and self-regulatory agencies.
- Our ability to obtain regulatory approval (as part of the CCAR process or otherwise) to take certain capital actions, including paying dividends and any plans to increase common stock dividends, repurchase common stock under current or future programs, or issue or redeem preferred stock or other regulatory capital instruments.
- Our ability to comply with applicable capital and liquidity requirements (including finalized Basel III capital standards), including our ability to generate capital internally or raise capital on favorable terms.
- The costs and other effects (including reputational harm) of any adverse judicial, administrative, or arbitral rulings or proceedings, regulatory enforcement actions, or other legal actions to which we or any of our subsidiaries are a party.
- Any adverse change to our ability to collect interchange fees in a profitable manner, whether such change is the result of regulation, litigation, legislation, or other governmental action.
- Our ability to manage fluctuations in the value of assets and liabilities and off-balance sheet exposure so as to maintain sufficient capital and liquidity to support our business.
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- Possible changes in consumer and business spending and saving habits and the related effect on our ability to increase assets and to attract deposits.
- Any inaccurate or incomplete information provided to us by our customers or counterparties.
- Inability of our framework to manage risks associated with our business such as credit risk and operational risk, including third-party vendors and other service providers.
- The inability of our internal disclosure controls and procedures to prevent, detect or mitigate any material errors or fraudulent acts.
- The effects of geopolitical instability, including wars, conflicts and terrorist attacks.
- The effects of man-made and natural disasters, including fires, floods, droughts, tornadoes, hurricanes and environmental damage.
- Our ability to keep pace with technological changes.

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- Our ability to identify and address cyber-security risks such as data security breaches, “denial of service” attacks, “hacking” and identity theft.
- Possible downgrades in our credit ratings or outlook.
- The effects of problems encountered by other financial institutions that adversely affect us or the banking industry generally.
- The effects of the failure of any component of our business infrastructure which is provided by a third party.
- Our ability to receive dividends from our subsidiaries.
- Changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board or other regulatory agencies.
- The effects of any damage to our reputation resulting from developments related to any of the items identified above.

You should not place undue reliance on any forward-looking statements, which speak only as of the date made. We assume no obligation to update or revise any forward-looking statements that are made from time to time.

See also the “Forward-Looking Statements” and “Risk Factors” sections of Regions’ Annual Report on Form 10-K for the year ended December 31, 2013 as filed with the Securities and Exchange Commission.

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PART I
FINANCIAL INFORMATION
Item 1. Financial Statements (Unaudited)
REGIONS FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	June 30, 2014	December 31, 2013
	(In millions, except share data)	
Assets		
Cash and due from banks	$2,094	$1,661
Interest-bearing deposits in other banks	2,705	3,612
Federal funds sold and securities purchased under agreements to resell	20	—
Trading account securities	100	111
Securities held to maturity (estimated fair value of $2,292 and $2,307, respectively)	2,275	2,353
Securities available for sale	21,963	21,485
Loans held for sale (includes $488 and $429 measured at fair value, respectively)	514	1,055
Loans, net of unearned income	76,513	74,609
Allowance for loan losses	(1,229)	(1,341)
Net loans	75,284	73,268
Other interest-earning assets	65	86
Premises and equipment, net	2,194	2,216
Interest receivable	308	313
Goodwill	4,816	4,816
Residential mortgage servicing rights at fair value	276	297
Other identifiable intangible assets	281	295
Other assets	5,824	5,828
Total assets	$118,719	$117,396
Liabilities and Stockholders' Equity		
Deposits:		
Non-interest-bearing	$31,277	$30,083
Interest-bearing	62,545	62,370
Total deposits	93,822	92,453
Borrowed funds:		
Short-term borrowings:		
Federal funds purchased and securities sold under agreements to repurchase	1,818	2,182
Long-term borrowings	3,824	4,830
Total borrowed funds	5,642	7,012
Other liabilities	2,226	2,163
Total liabilities	101,690	101,628
Stockholders' equity:		
Preferred stock, authorized 10 million shares, par value $1.00 per share		
Non-cumulative perpetual, liquidation preference $1,000.00 per share, including related surplus, net of issuance costs; issued—1,000,000 and 500,000 shares, respectively	920	450
Common stock, authorized 3 billion shares, par value $.01 per share:		
Issued including treasury stock—1,419,534,377 and 1,419,006,360 shares, respectively	14	14

Additional paid-in capital	19,121	19,216
Retained earnings (deficit)	(1,597)	(2,216)
Treasury stock, at cost—41,264,271 and 41,285,676 shares, respectively	(1,377)	(1,377)
Accumulated other comprehensive income (loss), net	(52)	(319)
Total stockholders' equity	17,029	15,768
Total liabilities and stockholders' equity	$118,719	$117,396

See notes to consolidated financial statements.

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REGIONS FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended June 30		Six Months Ended June 30	
	2014	2013	2014	2013
	(In millions, except per share data)			
Interest income on:				
Loans, including fees	$737	$746	$1,469	$1,489
Securities - taxable	156	152	310	308
Loans held for sale	4	8	12	17
Trading account securities	—	—	2	1
Other interest-earning assets	2	1	4	3
Total interest income	899	907	1,797	1,818
Interest expense on:				
Deposits	25	33	52	75
Short-term borrowings	1	1	1	1
Long-term borrowings	51	65	106	136
Total interest expense	77	99	159	212
Net interest income	822	808	1,638	1,606
Provision for loan losses	35	31	37	41
Net interest income after provision for loan losses	787	777	1,601	1,565
Non-interest income:				
Service charges on deposit accounts	174	175	347	359
Card and ATM fees	84	81	163	157
Mortgage income	43	69	83	141
Securities gains (losses), net	6	8	8	23
Other	150	164	294	318
Total non-interest income	457	497	895	998
Non-interest expense:				
Salaries and employee benefits	443	452	898	899
Net occupancy expense	90	92	183	182
Furniture and equipment expense	70	69	140	138
Other	217	271	416	507
Total non-interest expense	820	884	1,637	1,726
Income from continuing operations before income taxes	424	390	859	837
Income tax expense	125	122	253	236
Income from continuing operations	299	268	606	601
Discontinued operations:				
Income (loss) from discontinued operations before income taxes	2	(2)	21	2
Income tax expense (benefit)	1	(1)	8	1
Income (loss) from discontinued operations, net of tax	1	(1)	13	1
Net income	$300	$267	$619	$602
Net income from continuing operations available to common shareholders	$291	$260	$590	$585
Net income available to common shareholders	$292	$259	$603	$586
Weighted-average number of shares outstanding:				

Basic	1,378	1,401	1,378	1,407
Diluted	1,390	1,418	1,390	1,421
Earnings per common share from continuing operations:				
Basic	$0.21	$0.19	$0.43	$0.42
Diluted	0.21	0.18	0.42	0.41
Earnings per common share:				
Basic	$0.21	$0.18	$0.44	$0.42
Diluted	0.21	0.18	0.43	0.41
Cash dividends declared per common share	0.05	0.03	0.08	0.04

See notes to consolidated financial statements.

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REGIONS FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Three Months Ended June 30	
	2014	2013
	(In millions)	
Net income	$300	$267
Other comprehensive income (loss), net of tax:		
Unrealized losses on securities transferred to held to maturity:		
Unrealized losses on securities transferred to held to maturity during the period (net of zero and ($43) tax effect, respectively)	—	(68)
Less: reclassification adjustments for amortization of unrealized losses on securities transferred to held to maturity (net of ($2) and zero tax effect, respectively)	(2)	—
Net change in unrealized losses on securities transferred to held to maturity, net of tax	2	(68)
Unrealized gains (losses) on securities available for sale:		
Unrealized holding gains (losses) arising during the period (net of $91 and ($215) tax effect, respectively)	151	(353)
Less: reclassification adjustments for securities gains (losses) realized in net income (net of $2 and $3 tax effect, respectively)	4	5
Net change in unrealized gains (losses) on securities available for sale, net of tax	147	(358)
Unrealized gains (losses) on derivative instruments designated as cash flow hedges:		
Unrealized holding gains (losses) on derivatives arising during the period (net of $26 and ($25) tax effect, respectively)	41	(39)
Less: reclassification adjustments for gains (losses) realized in net income (net of $11 and $6 tax effect, respectively)	18	11
Net change in unrealized gains (losses) on derivative instruments, net of tax	23	(50)
Defined benefit pension plans and other post employment benefits:		
Net actuarial gains (losses) arising during the period (net of $2 and zero tax effect, respectively)	1	(1)
Less: reclassification adjustments for amortization of actuarial loss and prior service cost realized in net income, and other (net of ($2) and ($6) tax effect, respectively)	(4)	(11)
Net change from defined benefit pension plans, net of tax	5	10
Other comprehensive income (loss), net of tax	177	(466)
Comprehensive income (loss)	$477	$(199)

	Six Months Ended June 30	
	2014	2013
	(In millions)	
Net income	$619	$602
Other comprehensive income (loss), net of tax:		
Unrealized losses on securities transferred to held to maturity:		
Unrealized losses on securities transferred to held to maturity during the period (net of zero and ($43) tax effect, respectively)	—	(68)
Less: reclassification adjustments for amortization of unrealized losses on securities transferred to held to maturity (net of ($3) and zero tax effect, respectively)	(4)	—
Net change in unrealized losses on securities transferred to held to maturity, net of tax	4	(68)
Unrealized gains (losses) on securities available for sale:		
Unrealized holding gains (losses) arising during the period (net of $140 and ($258) tax effect, respectively)	230	(421)

Less: reclassification adjustments for securities gains (losses) realized in net income (net of $3 and $8 tax effect, respectively)	5	15
Net change in unrealized gains (losses) on securities available for sale, net of tax	225	(436)
Unrealized gains (losses) on derivative instruments designated as cash flow hedges:		
Unrealized holding gains (losses) on derivatives arising during the period (net of $40 and ($24) tax effect, respectively)	64	(38)
Less: reclassification adjustments for gains (losses) realized in net income (net of $22 and $12 tax effect, respectively)	35	20
Net change in unrealized gains (losses) on derivative instruments, net of tax	29	(58)
Defined benefit pension plans and other post employment benefits:		
Net actuarial gains (losses) arising during the period (net of $2 and zero tax effect, respectively)	1	(2)
Less: reclassification adjustments for amortization of actuarial loss and prior service cost realized in net income, and other (net of ($4) and $(12) tax effect, respectively)	(8)	(21)
Net change from defined benefit pension plans, net of tax	9	19
Other comprehensive income (loss), net of tax	267	(543)
Comprehensive income (loss)	$886	$59

See notes to consolidated financial statements.

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REGIONS FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Preferred Stock		Common Stock		Additional Paid-In Capital	Retained Earnings (Deficit)	Treasury Stock, At Cost	Accumulated Other Comprehensive Income (Loss), Net	Total
	Shares	Amount	Shares	Amount					
	(In millions, except share and per share data)								
BALANCE AT JANUARY 1, 2013	1	$ 482	1,413	$ 15	$ 19,652	$ (3,338)	$ (1,377)	$ 65	$ 15,499
Net income	—	—	—	—	—	602	—	—	602
Unrealized losses on securities transferred to held to maturity, net of tax	—	—	—	—	—	—	—	(68)	(68)
Net change in unrealized gains and losses on securities available for sale, net of tax and reclassification adjustment	—	—	—	—	—	—	—	(436)	(436)
Net change in unrealized gains and losses on derivative instruments, net of tax and reclassification adjustment	—	—	—	—	—	—	—	(58)	(58)
Net change from defined benefit pension plans, net of tax	—	—	—	—	—	—	—	19	19
Cash dividends declared—$0.04 per share	—	—	—	—	(56)	—	—	—	(56)
Preferred stock dividends	—	(16)	—	—	—	—	—	—	(16)
Common stock transactions:									
Impact of share repurchase	—	—	(18)	—	(173)	—	—	—	(173)
Impact of stock transactions under compensation plans, net	—	—	—	(1)	17	—	—	—	16
BALANCE AT JUNE 30, 2013	1	$ 466	1,395	$ 14	$ 19,440	$ (2,736)	$ (1,377)	$ (478)	$ 15,329
BALANCE AT JANUARY 1, 2014	1	$ 450	1,378	$ 14	$ 19,216	$ (2,216)	$ (1,377)	$ (319)	$ 15,768
Net income	—	—	—	—	—	619	—	—	619
Amortization of unrealized losses on securities transferred to held to maturity, net of tax	—	—	—	—	—	—	—	4	4
Net change in unrealized gains and losses on securities available for sale, net of tax	—	—	—	—	—	—	—	225	225

and reclassification adjustment									
Net change in unrealized gains and losses on derivative instruments, net of tax and reclassification adjustment	—	—	—	—	—	—	—	29	29
Net change from defined benefit pension plans, net of tax	—	—	—	—	—	—	—	9	9
Cash dividends declared—$0.08 per share	—	—	—	—	(111)	—	—	—	(111)
Preferred stock dividends	—	(16)	—	—	—	—	—	—	(16)
Preferred stock transactions:									
Net proceeds from issuance of 500 thousand shares of Series B, fixed to floating rate, non-cumulative perpetual preferred stock, including related surplus	—	486	—	—	—	—	—	—	486
Common stock transactions:									
Impact of share repurchase	—	—	(1)	—	(8)	—	—	—	(8)
Impact of stock transactions under compensation plans, net	—	—	1	—	24	—	—	—	24
BALANCE AT JUNE 30, 2014	1	$ 920	1,378	$ 14	$ 19,121	$(1,597)	$(1,377)	$ (52)	$17,029

See notes to consolidated financial statements.

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REGIONS FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended June 30	
	2014	2013
	(In millions)	
Operating activities:		
Net income	$619	$602
Adjustments to reconcile net income to net cash from operating activities:		
Provision for loan losses	37	41
Depreciation, amortization and accretion, net	248	342
Provision for losses on other real estate, net	8	10
Securities (gains) losses, net	(8)	(23)
Deferred income tax expense	167	216
Originations and purchases of loans held for sale	(1,204)	(2,423)
Proceeds from sales of loans held for sale	1,201	3,027
Gain on TDRs held for sale, net	(35)	—
(Gain) loss on sale of loans, net	(20)	(77)
(Gain) loss on early extinguishment of debt	—	56
Net change in operating assets and liabilities:		
Trading account securities	11	14
Other interest-earning assets	21	765
Interest receivable	5	18
Other assets	(367)	343
Other liabilities	60	(720)
Other	—	(24)
Net cash from operating activities	743	2,167
Investing activities:		
Proceeds from maturities of securities held to maturity	79	3
Proceeds from sales of securities available for sale	1,004	1,372
Proceeds from maturities of securities available for sale	1,481	3,377
Purchases of securities available for sale	(2,452)	(4,654)
Proceeds from sales of loans	635	107
Purchases of loans	(518)	(456)
Purchases of servicing rights	—	(28)
Net change in loans	(1,686)	(1,115)
Net purchases of premises and equipment	(95)	(71)
Net cash from investing activities	(1,552)	(1,465)
Financing activities:		
Net change in deposits	1,369	(3,020)
Net change in short-term borrowings	(364)	2,303
Proceeds from long-term borrowings	—	750
Payments on long-term borrowings	(1,001)	(1,698)
Cash dividends on common stock	(111)	(56)
Cash dividends on preferred stock	(16)	(16)
Repurchase of common stock	(8)	(173)
Net proceeds from issuance of preferred stock	486	—
Other	—	(1)
Net cash from financing activities	355	(1,911)

Net change in cash and cash equivalents	(454)	(1,209)
Cash and cash equivalents at beginning of year	5,273	5,489
Cash and cash equivalents at end of period	$4,819	$4,280

See notes to consolidated financial statements.

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REGIONS FINANCIAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
Three and Six Months Ended June 30, 2014 and 2013

NOTE 1. BASIS OF PRESENTATION

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 primarily in Alabama, Arkansas, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, South Carolina, Tennessee, Texas and Virginia. The Company is subject to competition from other financial institutions, 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 accounting principles generally accepted in the United States ("GAAP") and with general financial services industry practices. The accompanying interim financial statements have been prepared in accordance with the instructions for Form 10-Q and, therefore, do not include all information and notes to the consolidated financial statements necessary for a complete presentation of financial position, results of operations, comprehensive income and cash flows in conformity with GAAP. In the opinion of management, all adjustments, consisting of normal and recurring items, necessary for the fair presentation of the consolidated financial statements have been included. These interim financial statements should be read in conjunction with the consolidated financial statements and notes thereto in Regions' Form 10-K for the year ended December 31, 2013. Regions has evaluated all subsequent events for potential recognition and disclosure through the filing date of this Form 10-Q.

On January 11, 2012, Regions entered into an agreement to sell Morgan Keegan & Company, Inc. ("Morgan Keegan") and related affiliates. The transaction closed on April 2, 2012. See Note 2 and Note 14 for further details. Results of operations for the entities sold are presented separately as discontinued operations for all periods presented on the consolidated statements of income. This presentation is consistent with the consolidated financial statements included in the Annual Report on Form 10-K for the year ended December 31, 2013.

Certain amounts in prior period financial statements have been reclassified to conform to the current period presentation. For example, the "card and ATM fees" line item on the consolidated statements of income represents the combined amounts of credit card/bank card income and debit card and ATM related revenue. Debit card and ATM related revenue was previously included in the "service charges on deposit accounts" line item. Credit card/bank card income was previously included in the "other" non-interest income line item. These reclassifications are immaterial and have no effect on net income, comprehensive income, total assets or total stockholders' equity as previously reported.

NOTE 2. DISCONTINUED OPERATIONS

On January 11, 2012, Regions entered into a stock purchase agreement to sell Morgan Keegan and related affiliates to Raymond James Financial, Inc. ("Raymond James"). The transaction closed on April 2, 2012. Regions Investment Management, Inc. (formerly known as Morgan Asset Management, Inc.) and Regions Trust were not included in the sale. In connection with the closing of the sale, Regions agreed to indemnify Raymond James for all litigation matters related to pre-closing activities. See Note 14 for related disclosure.

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The following table represents the condensed results of operations for discontinued operations:

	Three Months Ended June 30		Six Months Ended June 30	
	2014	2013	2014	2013
	(In millions, except per share data)			
Non-interest expense:				
Professional and legal expenses	$(3)	$1	$(22)	$(4)
Other	1	1	1	2
Total non-interest expense	(2)	2	(21)	(2)
Income (loss) from discontinued operations before income taxes	2	(2)	21	2
Income tax expense (benefit)	1	(1)	8	1
Income (loss) from discontinued operations, net of tax	$1	$(1)	$13	$1
Earnings (loss) per common share from discontinued operations:				
Basic	$0.00	$(0.00)	$0.01	$0.00
Diluted	$0.00	$(0.00)	$0.01	$0.00

NOTE 3. SECURITIES

The amortized cost, gross unrealized gains and losses, and estimated fair value of securities held to maturity and securities available for sale are as follows:

	June 30, 2014						
		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)						
Securities held to maturity:							
U.S. Treasury securities	$1	$—	$—	$1	$—	$—	$1
Federal agency securities	350	—	(14)	336	7	—	343
Mortgage-backed securities:							
Residential agency	1,798	—	(76)	1,722	18	(3)	1,737
Commercial agency	223	—	(7)	216	—	(5)	211
	$2,372	$—	$(97)	$2,275	$25	$(8)	$2,292
Securities available for sale:							
U.S. Treasury securities	$56	$1	$—	$57			$57
Federal agency securities	76	—	—	76			76
Obligations of states and political subdivisions	4	—	—	4			4
Mortgage-backed securities:							
Residential agency	15,763	302	(48)	16,017			16,017
Residential non-agency	8	1	—	9			9
Commercial agency	1,427	15	(6)	1,436			1,436
Commercial non-agency	1,318	16	(11)	1,323			1,323
Corporate and other debt securities	2,366	62	(17)	2,411			2,411
Equity securities	619	11	—	630			630

	$21,637	$408	$(82)	$21,963	$21,963

(1) The gross unrealized losses recognized in other comprehensive income (OCI) on held to maturity securities resulted from a transfer of available for sale securities to held to maturity in the second quarter of 2013.

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	December 31, 2013						
		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)						
Securities held to maturity:							
U.S. Treasury securities	$1	$—	$—	$1	$—	$—	$1
Federal agency securities	351	—	(15)	336	—	(3)	333
Mortgage-backed securities:							
Residential agency	1,878	—	(81)	1,797	—	(37)	1,760
Commercial agency	227	—	(8)	219	—	(6)	213
	$2,457	$—	$(104)	$2,353	$—	$(46)	$2,307
Securities available for sale:							
U.S. Treasury securities	$56	$—	$—	$56			$56
Federal agency securities	88	1	—	89			89
Obligations of states and political subdivisions	5	—	—	5			5
Mortgage-backed securities:							
Residential agency	15,664	183	(170)	15,677			15,677
Residential non-agency	8	1	—	9			9
Commercial agency	947	4	(16)	935			935
Commercial non-agency	1,232	12	(33)	1,211			1,211
Corporate and other debt securities	2,855	44	(72)	2,827			2,827
Equity securities	664	12	—	676			676
	$21,519	$257	$(291)	$21,485			$21,485

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(1) The gross unrealized losses recognized in other comprehensive income (OCI) on held to maturity securities resulted from a transfer of available for sale securities to held to maturity in the second quarter of 2013.

During the second quarter of 2013, Regions transferred securities with a fair value of $2.4 billion from available for sale to held to maturity. Management determined it has both the positive intent and ability to hold these securities to maturity. The securities were reclassified at fair value at the time of transfer and represented a non-cash transaction. Accumulated other comprehensive income included net pre-tax unrealized losses of $111 million on the securities at the date of transfer. These unrealized losses and the offsetting OCI components are being amortized into net interest income over the remaining life of the related securities as a yield adjustment, resulting in no impact on future net income.

Equity securities in the tables above included the following amortized cost related to Federal Reserve Bank stock and Federal Home Loan Bank ("FHLB") stock. Shares in the Federal Reserve Bank and FHLB are accounted for at amortized cost, which approximates fair value.

	June 30, 2014	December 31, 2013
	(In millions)	
Federal Reserve Bank	$477	$472
Federal Home Loan Bank	16	67

Securities with carrying values of $12.7 billion and $12.5 billion at June 30, 2014 and December 31, 2013, respectively, were pledged to secure public funds, trust deposits and certain borrowing arrangements.

The amortized cost and estimated fair value of securities available for sale and securities held to maturity at June 30, 2014, 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.

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	Amortized Cost	Estimated Fair Value
	(In millions)	
Securities held to maturity:		
Due in one year or less	$—	$—
Due after one year through five years	1	1
Due after five years through ten years	350	343
Mortgage-backed securities:		
Residential agency	1,798	1,737
Commercial agency	223	211
	$2,372	$2,292
Securities available for sale:		
Due in one year or less	$65	$65
Due after one year through five years	938	961
Due after five years through ten years	1,111	1,117
Due after ten years	388	405
Mortgage-backed securities:		
Residential agency	15,763	16,017
Residential non-agency	8	9
Commercial agency	1,427	1,436
Commercial non-agency	1,318	1,323
Equity securities	619	630
	$21,637	$21,963

The following tables present gross unrealized losses and the related estimated fair value of securities available for sale and held to maturity at June 30, 2014 and December 31, 2013. For securities transferred to held to maturity from available for sale, the analysis in the tables below is comparing the securities' original amortized cost to its current estimated fair value. These securities are segregated between investments that have been in a continuous unrealized loss position for less than twelve months and twelve months or more.

	June 30, 2014					
	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)					
Securities held to maturity:						
Federal agency securities	$—	$—	$343	$(7)	$343	$(7)
Mortgage-backed securities:						
Residential agency	190	(9)	1,544	(52)	1,734	(61)
Commercial agency	—	—	211	(12)	211	(12)
	$190	$(9)	$2,098	$(71)	$2,288	$(80)
Securities available for sale:						
U.S. Treasury securities	$9	$—	$4	$—	$13	$—
Federal agency securities	—	—	8	—	8	—
Mortgage-backed securities:						
Residential agency	1,217	(7)	2,622	(41)	3,839	(48)
Commercial agency	181	—	326	(6)	507	(6)

Commercial non-agency	18	—	646	(11)	664	(11)
All other securities	107	(1)	593	(16)	700	(17)
	$1,532	$(8)	$4,199	$(74)	$5,731	$(82)

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	December 31, 2013					
	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)					
Securities held to maturity:						
Federal agency securities	$190	$(9)	$142	$(8)	$332	$(17)
Mortgage-backed securities:						
Residential agency	1,236	(77)	521	(41)	1,757	(118)
Commercial agency	212	(15)	—	—	212	(15)
	$1,638	$(101)	$663	$(49)	$2,301	$(150)
Securities available for sale:						
U.S. Treasury securities	$15	$—	$1	$—	$16	$—
Federal agency securities	3	—	9	—	12	—
Mortgage-backed securities:						
Residential agency	6,153	(161)	270	(9)	6,423	(170)
Commercial agency	610	(17)	—	—	610	(17)
Commercial non-agency	711	(30)	62	(3)	773	(33)
All other securities	1,422	(58)	209	(13)	1,631	(71)
	$8,914	$(266)	$551	$(25)	$9,465	$(291)

The number of individual securities in an unrealized loss position in the tables above decreased from 1,052 at December 31, 2013 to 615 at June 30, 2014. The decrease in the number of securities and the total amount of unrealized losses from year-end 2013 was primarily due to changes in interest rates. In instances where an unrealized loss did occur, there was no indication of an adverse change in credit on any of the underlying securities in the tables above. Except as described below, management believes no individual unrealized loss represented an other-than-temporary impairment as of those dates. Other than the securities described below, the Company does not intend to sell, and it is not more likely than not that the Company will be required to sell, the securities before the recovery of their amortized cost basis, which may be at maturity.

During the second quarter of 2014, the Company made the decision to sell certain other securities available for sale. At June 30, 2014, approximately $328 million of these securities remained on the Company's balance sheet. As the Company intends to sell these securities, each security reflecting an unrealized loss was considered to have an other-than-temporary impairment. The table below reflects total other-than-temporary impairment losses recorded during the second quarter of 2014.

Gross realized gains and gross realized losses on sales of securities available for sale, as well as other-than-temporary impairment losses are shown in the table below. The cost of securities sold is based on the specific identification method.

	Three Months Ended June 30		Six Months Ended June 30	
	2014	2013	2014	2013
	(In millions)			
Gross realized gains	$13	$29	$16	$45
Gross realized losses	(5)	(21)	(6)	(22)
Other-than-temporary-impairment ("OTTI")	(2)	—	(2)	—
Securities gains, net	$6	$8	$8	$23

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NOTE 4. LOANS AND THE ALLOWANCE FOR CREDIT LOSSES

LOANS

The following table presents the distribution of Regions' loan portfolio by segment and class, net of unearned income:

	June 30, 2014	December 31, 2013
	(In millions, net of unearned income)	
Commercial and industrial	$31,354	$29,413
Commercial real estate mortgage—owner-occupied	9,024	9,495
Commercial real estate construction—owner-occupied	366	310
Total commercial	40,744	39,218
Commercial investor real estate mortgage	5,193	5,318
Commercial investor real estate construction	1,780	1,432
Total investor real estate	6,973	6,750
Residential first mortgage	12,187	12,163
Home equity	11,064	11,294
Indirect	3,422	3,075
Consumer credit card	945	948
Other consumer	1,178	1,161
Total consumer	28,796	28,641
	$76,513	$74,609

During the three months ended June 30, 2014 and 2013, Regions purchased approximately $272 million and $236 million, respectively, in indirect loans from a third party. During the six months ended June 30, 2014 and 2013, the comparable loan purchase amounts were approximately $518 million and $456 million, respectively.

At June 30, 2014, $13.3 billion in loans held by Regions were pledged to secure borrowings from the FHLB. At June 30, 2014, an additional $29.6 billion of loans held by Regions were pledged to the Federal Reserve Bank.

ALLOWANCE FOR CREDIT LOSSES

Regions determines the appropriate level of the allowance on at least a quarterly basis. Refer to Note 1 “Summary of Significant Accounting Policies” to the consolidated financial statements to the Annual Report on Form 10-K for the year ended December 31, 2013, for a description of the methodology.

ROLLFORWARD OF ALLOWANCE FOR CREDIT LOSSES

The following tables present analyses of the allowance for credit losses by portfolio segment for the three and six months ended June 30, 2014 and 2013. The total allowance for loan losses and the related loan portfolio ending balances as of June 30, 2014 and 2013 are disaggregated to detail the amounts derived through individual evaluation and collective evaluation for impairment. Prior to the second quarter of 2013, only impaired loans with the amount of impairment measured at a note-level (i.e. non-accrual commercial and investor real-estate loans greater than or equal to $2.5 million) were reported as individually evaluated in the tables below. In the second quarter of 2013, Regions revised its presentation to also reflect all troubled debt restructurings ("TDRs") as individually evaluated for impairment. The allowance for loan losses and the loan portfolio ending balances related to collectively evaluated loans included the remainder of the portfolio.

Beginning in the third quarter of 2013, Regions revised its estimation process for non-accrual commercial and investor real-estate loans less than $2.5 million to utilize the same discounted cash flow analysis used for accruing and non-accruing TDRs less than $2.5 million described in Note 1 “Summary of Significant Accounting Policies” to the Annual Report on Form 10-K for the year ended December 31, 2013. This change in the estimation process did not have a material impact to the overall level of the allowance for loan losses or the provision for loan losses. As a result, the June 30, 2014 allowance for loan losses and the loan portfolio ending balances for loans individually evaluated for impairment reflect this revision in the tables below.

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	Three Months Ended June 30, 2014			
	Commercial	Investor Real Estate	Consumer	Total
	(In millions)			
Allowance for loan losses, April 1, 2014	$692	$208	$361	$1,261
Provision (credit) for loan losses	39	(18)	14	35
Loan losses:				
Charge-offs	(40)	(7)	(63)	(110)
Recoveries	14	7	22	43
Net loan losses	(26)	—	(41)	(67)
Allowance for loan losses, June 30, 2014	705	190	334	1,229
Reserve for unfunded credit commitments, April 1, 2014	$63	$11	$4	$78
Provision (credit) for unfunded credit losses	11	1	(1)	11
Reserve for unfunded credit commitments, June 30, 2014	74	12	3	89
Allowance for credit losses, June 30, 2014	$779	$202	$337	$1,318

	Three Months Ended June 30, 2013			
	Commercial	Investor Real Estate	Consumer	Total
	(In millions)			
Allowance for loan losses, April 1, 2013	$782	$424	$543	$1,749
Provision (credit) for loan losses	40	(68)	59	31
Loan losses:				
Charge-offs	(77)	(23)	(90)	(190)
Recoveries	19	9	18	46
Net loan losses	(58)	(14)	(72)	(144)
Allowance for loan losses, June 30, 2013	764	342	530	1,636
Reserve for unfunded credit commitments, April 1, 2013	$74	$10	$4	$88
Provision (credit) for unfunded credit losses	(14)	(1)	—	(15)
Reserve for unfunded credit commitments, June 30, 2013	60	9	4	73
Allowance for credit losses, June 30, 2013	$824	$351	$534	$1,709

	Six Months Ended June 30, 2014			
	Commercial	Investor Real Estate	Consumer	Total
	(In millions)			
Allowance for loan losses, January 1, 2014	$711	$236	$394	$1,341
Provision (credit) for loan losses	44	(45)	38	37
Loan losses:				
Charge-offs	(81)	(16)	(137)	(234)
Recoveries	31	15	39	85
Net loan losses	(50)	(1)	(98)	(149)
Allowance for loan losses, June 30, 2014	705	190	334	1,229
Reserve for unfunded credit commitments, January 1, 2014	63	12	3	78
Provision (credit) for unfunded credit losses	11	—	—	11

Reserve for unfunded credit commitments, June 30, 2014	74	12	3	89
Allowance for credit losses, June 30, 2014	$779	$202	$337	$1,318
Portion of ending allowance for loan losses:				
Individually evaluated for impairment	$212	$92	$82	$386
Collectively evaluated for impairment	493	98	252	843
Total allowance for loan losses	$705	$190	$334	$1,229
Portion of loan portfolio ending balance:				
Individually evaluated for impairment	$846	$523	$858	$2,227
Collectively evaluated for impairment	39,898	6,450	27,938	74,286
Total loans evaluated for impairment	$40,744	$6,973	$28,796	$76,513

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	Six Months Ended June 30, 2013			
	Commercial	Investor Real Estate	Consumer	Total
	(In millions)			
Allowance for loan losses, January 1, 2013	$847	$469	$603	$1,919
Provision (credit) for loan losses	57	(99)	83	41
Loan losses:				
Charge-offs	(176)	(46)	(192)	(414)
Recoveries	36	18	36	90
Net loan losses	(140)	(28)	(156)	(324)
Allowance for loan losses, June 30, 2013	764	342	530	1,636
Reserve for unfunded credit commitments, January 1, 2013	69	10	4	83
Provision (credit) for unfunded credit losses	(9)	(1)	—	(10)
Reserve for unfunded credit commitments, June 30, 2013	60	9	4	73
Allowance for credit losses, June 30, 2013	$824	$351	$534	$1,709
Portion of ending allowance for loan losses:				
Individually evaluated for impairment	$157	$154	$175	$486
Collectively evaluated for impairment	607	188	355	1,150
Total allowance for loan losses	$764	$342	$530	$1,636
Portion of loan portfolio ending balance:				
Individually evaluated for impairment	$1,000	$1,044	$1,608	$3,652
Collectively evaluated for impairment	38,030	5,970	27,338	71,338
Total loans evaluated for impairment	$39,030	$7,014	$28,946	$74,990

PORTFOLIO SEGMENT RISK FACTORS

The following describe the risk characteristics relevant to each of the portfolio segments.

Commercial—The commercial loan 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 loans to operating businesses, which are loans for long-term financing of land and buildings, and are repaid by cash flow generated by business operations. Owner-occupied 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.

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, these loans are 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 valuation of real estate.

Consumer—The consumer loan portfolio segment includes residential first mortgage, home equity, indirect, 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. Indirect lending, which is lending initiated through third-party business partners, largely consists of loans made through automotive dealerships. Consumer credit card includes Regions branded consumer credit card accounts. Other consumer loans include direct consumer installment loans and overdrafts. Loans in this portfolio segment are sensitive to unemployment and other key consumer economic measures.

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CREDIT QUALITY INDICATORS

The following tables present credit quality indicators for the loan portfolio segments and classes, excluding loans held for sale, as of June 30, 2014 and December 31, 2013. Commercial and investor real estate loan portfolio segments are detailed by categories related to underlying credit quality and probability of default. Regions assigns these categories 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 probability of default is considered low;
- Special Mention—includes obligations that have potential weakness which 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 which may, in the future, have an adverse effect on debt service ability;
- Substandard Accrual—includes obligations that exhibit a well-defined weakness which 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." Classes in the consumer portfolio segment are disaggregated by accrual status.

	June 30, 2014				
	Pass	Special Mention	Substandard Accrual	Non-accrual	Total
	(In millions)				
Commercial and industrial	$30,043	$717	$394	$200	$31,354
Commercial real estate mortgage—owner-occupied	8,053	288	389	294	9,024
Commercial real estate construction—owner-occupied	349	5	4	8	366
Total commercial	$38,445	$1,010	$787	$502	$40,744
Commercial investor real estate mortgage	$4,534	$257	$244	$158	$5,193
Commercial investor real estate construction	1,687	60	24	9	1,780
Total investor real estate	$6,221	$317	$268	$167	$6,973

	Accrual	Non-accrual	Total
	(In millions)		
Residential first mortgage	$12,068	$119	$12,187
Home equity	10,953	111	11,064
Indirect	3,422	—	3,422
Consumer credit card	945	—	945
Other consumer	1,178	—	1,178
Total consumer	$28,566	$230	$28,796
			$76,513

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	December 31, 2013				
	Pass	Special Mention	Substandard Accrual	Non-accrual	Total
	(In millions)				
Commercial and industrial	$28,282	$395	$479	$257	$29,413
Commercial real estate mortgage—owner-occupied	8,593	191	408	303	9,495
Commercial real estate construction—owner-occupied	264	25	4	17	310
Total commercial	$37,139	$611	$891	$577	$39,218
Commercial investor real estate mortgage	$4,479	$269	$332	$238	$5,318
Commercial investor real estate construction	1,335	47	40	10	1,432
Total investor real estate	$5,814	$316	$372	$248	$6,750

	Accrual	Non-accrual	Total
	(In millions)		
Residential first mortgage	$12,017	$146	$12,163
Home equity	11,183	111	11,294
Indirect	3,075	—	3,075
Consumer credit card	948	—	948
Other consumer	1,161	—	1,161
Total consumer	$28,384	$257	$28,641
			$74,609

AGING ANALYSIS

The following tables include an aging analysis of days past due (DPD) for each portfolio segment and class as of June 30, 2014 and December 31, 2013:

	June 30, 2014						
	Accrual Loans						
	30-59 DPD	60-89 DPD	90+ DPD	Total 30+ DPD	Total Accrual	Non-accrual	Total
	(In millions)						
Commercial and industrial	$19	$16	$9	$44	$31,154	$200	$31,354
Commercial real estate mortgage—owner-occupied	37	19	5	61	8,730	294	9,024
Commercial real estate construction—owner-occupied	1	—	—	1	358	8	366
Total commercial	57	35	14	106	40,242	502	40,744
Commercial investor real estate mortgage	41	20	17	78	5,035	158	5,193
Commercial investor real estate construction	—	—	—	—	1,771	9	1,780
Total investor real estate	41	20	17	78	6,806	167	6,973
Residential first mortgage	110	62	224	396	12,068	119	12,187
Home equity	75	36	65	176	10,953	111	11,064
Indirect	36	9	5	50	3,422	—	3,422
Consumer credit card	7	4	11	22	945	—	945

Other consumer	14	4	3	21	1,178	—	1,178
Total consumer	242	115	308	665	28,566	230	28,796
	$340	$170	$339	$849	$75,614	$899	$76,513

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	December 31, 2013						
	Accrual Loans						
	30-59 DPD	60-89 DPD	90+ DPD	Total 30+ DPD	Total Accrual	Non-accrual	Total
	(In millions)						
Commercial and industrial	$29	$14	$6	$49	$29,156	$257	$29,413
Commercial real estate mortgage—owner-occupied	30	26	6	62	9,192	303	9,495
Commercial real estate construction—owner-occupied	—	—	—	—	293	17	310
Total commercial	59	40	12	111	38,641	577	39,218
Commercial investor real estate mortgage	29	6	6	41	5,080	238	5,318
Commercial investor real estate construction	4	1	—	5	1,422	10	1,432
Total investor real estate	33	7	6	46	6,502	248	6,750
Residential first mortgage	130	74	248	452	12,017	146	12,163
Home equity	95	51	75	221	11,183	111	11,294
Indirect	39	11	5	55	3,075	—	3,075
Consumer credit card	8	5	12	25	948	—	948
Other consumer	14	5	4	23	1,161	—	1,161
Total consumer	286	146	344	776	28,384	257	28,641
	$378	$193	$362	$933	$73,527	$1,082	$74,609

IMPAIRED LOANS

The following tables present details related to the Company's impaired loans as of June 30, 2014 and December 31, 2013. Loans deemed to be impaired include all TDRs and all non-accrual commercial and investor real estate loans (including those less than $2.5 million), excluding leases. Loans which have been fully charged-off do not appear in the tables below.

	Non-accrual Impaired Loans As of June 30, 2014						
			Book Value[3]				
	Unpaid Principal Balance[1]	Charge-offs and Payments Applied[2]	Total Impaired Loans on Non-accrual Status	Impaired Loans on Non-accrual Status with No Related Allowance	Impaired Loans on Non-accrual Status with Related Allowance	Related Allowance for Loan Losses	Coverage %[4]
	(Dollars in millions)						
Commercial and industrial	$230	$42	$188	$28	$160	$65	46.3 %
Commercial real estate mortgage—owner-occupied	331	37	294	50	244	94	39.6
Commercial real estate construction—owner-occupied	9	1	8	—	8	4	55.6
Total commercial	570	80	490	78	412	163	42.6
Commercial investor real estate mortgage	221	63	158	7	151	46	49.3
	10	1	9	4	5	2	30.0

Commercial investor real estate construction								
Total investor real estate	231	64	167	11	156	48	48.5	
Residential first mortgage	97	32	65	—	65	9	42.3	
Home equity	17	—	17	—	17	1	5.9	
Total consumer	114	32	82	—	82	10	36.8	
	$915	$176	$739	$89	$650	$221	43.3	%

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	Accruing Impaired Loans As of June 30, 2014					
	Unpaid Principal Balance(1)	Charge-offs and Payments Applied(2)	Book Value(3)	Related Allowance for Loan Losses	Coverage %(4)	
	(Dollars in millions)					
Commercial and industrial	$141	$2	$139	$ 21	16.3	%
Commercial real estate mortgage—owner-occupied	200	8	192	27	17.5	
Commercial real estate construction—owner-occupied	25	—	25	1	4.0	
Total commercial	366	10	356	49	16.1	
Commercial investor real estate mortgage	314	9	305	38	15.0	
Commercial investor real estate construction	51	—	51	6	11.8	
Total investor real estate	365	9	356	44	14.5	
Residential first mortgage	395	8	387	54	15.7	
Home equity	365	—	365	18	4.9	
Indirect	1	—	1	—	—	
Consumer credit card	2	—	2	—	—	
Other consumer	21	—	21	—	—	
Total consumer	784	8	776	72	10.2	
	$1,515	$27	$1,488	$ 165	12.7	%

	Total Impaired Loans As of June 30, 2014							
			Book Value(3)					
	Unpaid Principal Balance(1)	Charge-offs and Payments Applied(2)	Total Impaired Loans	Impaired Loans with No Related Allowance	Impaired Loans with Related Allowance	Related Allowance for Loan Losses	Coverage %(4)	
	(Dollars in millions)							
Commercial and industrial	$371	$44	$327	$ 28	$299	$86	34.9	%
Commercial real estate mortgage—owner-occupied	531	45	486	50	436	121	31.3	
Commercial real estate construction—owner-occupied	34	1	33	—	33	5	17.6	
Total commercial	936	90	846	78	768	212	32.2	
Commercial investor real estate mortgage	535	72	463	7	456	84	29.2	
Commercial investor real estate construction	61	1	60	4	56	8	14.8	
Total investor real estate	596	73	523	11	512	92	27.7	
Residential first mortgage	492	40	452	—	452	63	20.9	
Home equity	382	—	382	—	382	19	5.0	
Indirect	1	—	1	—	1	—	—	
Consumer credit card	2	—	2	—	2	—	—	
Other consumer	21	—	21	—	21	—	—	
Total consumer	898	40	858	—	858	82	13.6	
	$2,430	$ 203	$2,227	$ 89	$2,138	$386	24.2	%

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(1) Unpaid principal balance represents the contractual obligation due from the customer and includes the net book value plus charge-offs and payments applied.

(2) Charge-offs and payments applied represents cumulative partial charge-offs taken, as well as interest payments received that have been applied against the outstanding principal balance.

(3) Book value represents the unpaid principal balance less charge-offs and payments applied; it is shown before any allowance for loan losses.

(4) Coverage % represents charge-offs and payments applied plus the related allowance as a percent of the unpaid principal balance.

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	Non-accrual Impaired Loans As of December 31, 2013							
			Book Value(3)					
	Unpaid Principal Balance(1)	Charge-offs and Payments Applied(2)	Total Impaired Loans on Non-accrual Status	Impaired Loans on Non-accrual Status with No Related Allowance	Impaired Loans on Non-accrual Status with Related Allowance	Related Allowance for Loan Losses	Coverage %(4)	
	(Dollars in millions)							
Commercial and industrial	$280	$48	$232	$45	$187	$72	42.9	%
Commercial real estate mortgage—owner-occupied	343	40	303	54	249	92	38.5	
Commercial real estate construction—owner-occupied	17	—	17	—	17	8	47.1	
Total commercial	640	88	552	99	453	172	40.6	
Commercial investor real estate mortgage	306	68	238	17	221	68	44.4	
Commercial investor real estate construction	15	5	10	—	10	3	53.3	
Total investor real estate	321	73	248	17	231	71	44.9	
Residential first mortgage	112	37	75	—	75	12	43.8	
Home equity	17	—	17	—	17	1	5.9	
Total consumer	129	37	92	—	92	13	38.8	
	$1,090	$198	$892	$116	$776	$256	41.7	%

	Accruing Impaired Loans As of December 31, 2013					
	Unpaid Principal Balance(1)	Charge-offs and Payments Applied(2)	Book Value(3)	Related Allowance for Loan Losses	Coverage %(4)	
	(Dollars in millions)					
Commercial and industrial	$245	$2	$243	$34	14.7	%
Commercial real estate mortgage—owner-occupied	209	7	202	23	14.4	
Commercial real estate construction—owner-occupied	25	—	25	1	4.0	
Total commercial	479	9	470	58	14.0	
Commercial investor real estate mortgage	435	11	424	39	11.5	
Commercial investor real estate construction	89	—	89	8	9.0	
Total investor real estate	524	11	513	47	11.1	
Residential first mortgage	397	8	389	60	17.1	
Home equity	373	—	373	24	6.4	
Indirect	1	—	1	—	—	
Consumer credit card	2	—	2	—	—	
Other consumer	26	—	26	1	3.8	
Total consumer	799	8	791	85	11.6	

$1,802	$28	$1,774	$190	12.1	%

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	Total Impaired Loans As of December 31, 2013							
			Book Value[3]					
	Unpaid Principal Balance[1]	Charge-offs and Payments Applied[2]	Total Impaired Loans	Impaired Loans with No Related Allowance	Impaired Loans with Related Allowance	Related Allowance for Loan Losses	Coverage %[4]	
	(Dollars in millions)							
Commercial and industrial	$525	$50	$475	$45	$430	$106	29.7	%
Commercial real estate mortgage—owner-occupied	552	47	505	54	451	115	29.3	
Commercial real estate construction—owner-occupied	42	—	42	—	42	9	21.4	
Total commercial	1,119	97	1,022	99	923	230	29.2	
Commercial investor real estate mortgage	741	79	662	17	645	107	25.1	
Commercial investor real estate construction	104	5	99	—	99	11	15.4	
Total investor real estate	845	84	761	17	744	118	23.9	
Residential first mortgage	509	45	464	—	464	72	23.0	
Home equity	390	—	390	—	390	25	6.4	
Indirect	1	—	1	—	1	—	—	
Consumer credit card	2	—	2	—	2	—	—	
Other consumer	26	—	26	—	26	1	3.8	
Total consumer	928	45	883	—	883	98	15.4	
	$2,892	$226	$2,666	$116	$2,550	$446	23.2	%

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(1) Unpaid principal balance represents the contractual obligation due from the customer and includes the net book value plus charge-offs and payments applied.

(2) Charge-offs and payments applied represents cumulative partial charge-offs taken, as well as interest payments received that have been applied against the outstanding principal balance.

(3) Book value represents the unpaid principal balance less charge-offs and payments applied; it is shown before any allowance for loan losses.

(4) Coverage % represents charge-offs and payments applied plus the related allowance as a percent of the unpaid principal balance.

The following table presents the average balances of total impaired loans and interest income for the three and six months ended June 30, 2014 and 2013. Interest income recognized represents interest on accruing loans modified in a TDR. TDRs are considered impaired loans.

	Three Months Ended June 30				Six Months Ended June 30			
	2014		2013		2014		2013	
	Average Balance	Interest Income Recognized	Average Balance	Interest Income Recognized	Average Balance	Interest Income Recognized	Average Balance	Interest Income Recognized
	(In millions)							
Commercial and industrial	$382	$2	$631	$3	$424	$5	$655	$7
Commercial real estate mortgage—owner-occupied	499	3	609	2	505	7	622	5
	38	—	42	1	40	—	37	1

Commercial real estate construction—owner-occupied								
Total commercial	919	5	1,282	6	969	12	1,314	13
Commercial investor real estate mortgage	529	6	1,084	8	575	14	1,137	17
Commercial investor real estate construction	74	1	120	2	80	2	127	3
Total investor real estate	603	7	1,204	10	655	16	1,264	20
Residential first mortgage	454	3	1,177	9	456	7	1,183	19
Home equity	383	5	408	5	385	10	415	11
Indirect	1	—	1	—	1	—	2	—
Consumer credit card	2	—	1	—	2	—	1	—
Other consumer	22	1	34	1	23	1	35	1
Total consumer	862	9	1,621	15	867	18	1,636	31
Total impaired loans	$2,384	$ 21	$4,107	$ 31	$2,491	$ 46	$4,214	$ 64

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In addition to the impaired loans detailed in the tables above, there were approximately $20 million in non-performing loans classified as held for sale at June 30, 2014, compared to $82 million at December 31, 2013. The loans are carried at an amount approximating a price which is expected to be recoverable through the loan sale market. During the three months ended June 30, 2014 and 2013, approximately $18 million and $38 million, respectively, in non-performing loans were transferred to held for sale; these amounts are net of charge-offs of $7 million and $23 million, respectively, recorded upon transfer. During the six months ended June 30, 2014 and 2013, approximately $33 million and $69 million, respectively, in non-performing loans were transferred to held for sale; these amounts are net of charge-offs of $15 million and $41 million, respectively, recorded upon transfer. At June 30, 2014 and December 31, 2013, non-accrual loans including loans held for sale totaled $919 million and $1.2 billion, respectively.

TROUBLED DEBT RESTRUCTURINGS

The majority of Regions' commercial and investor real estate TDRs are the result of renewals of classified loans at an interest rate that is not considered to be a market rate. Consumer TDRs primarily involve an interest rate concession and not a forgiveness of principal. Accordingly, the financial impact of the modifications is best illustrated by the impact to the allowance calculation at the loan or pool level, as a result of the loans being considered impaired due to their status as TDRs. Regions most often does not record a charge-off at the modification date.

None of the modified consumer loans listed in the following TDR disclosures were collateral-dependent at the time of modification. At June 30, 2014, approximately $78 million in residential first mortgage TDRs were in excess of 180 days past due and were considered collateral-dependent. At June 30, 2014, approximately $9 million in home equity first lien TDRs were in excess of 180 days past due and approximately $5 million in home equity second lien TDRs were in excess of 120 days past due, both of which were considered collateral-dependent.

Further discussion related to TDRs, including their impact on the allowance for loan losses and designation of TDRs in periods subsequent to the modification is included in Note 1 in the consolidated financial statements included in the Annual Report on Form 10-K for the year ended December 31, 2013.

The following tables present the end of period balance for loans modified in a TDR during the periods presented by portfolio segment and class, and the financial impact of those modifications. The tables include modifications made to new TDRs, as well as renewals of existing TDRs. The end of period balance, for the period in which it was added, of total loans first reported as new TDRs totaled approximately $209 million and $439 million for the six months ended June 30, 2014 and 2013, respectively.

	Three Months Ended June 30, 2014		
			Financial Impact of Modifications Considered TDRs
	Number of Obligors	Recorded Investment	Increase in Allowance at Modification
	(Dollars in millions)		
Commercial and industrial	58	$70	$2
Commercial real estate mortgage—owner-occupied	72	77	2
Commercial real estate construction—owner-occupied	2	2	—
Total commercial	132	149	4
Commercial investor real estate mortgage	52	101	4
Commercial investor real estate construction	13	8	—
Total investor real estate	65	109	4
Residential first mortgage	139	21	3
Home equity	185	10	—
Consumer credit card	32	—	—
Indirect and other consumer	66	1	—

Total consumer	422 619	32 $290	3 $11

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	Three Months Ended June 30, 2013		
	Number of Obligors	Recorded Investment	Financial Impact of Modifications Considered TDRs Increase in Allowance at Modification
	(Dollars in millions)		
Commercial and industrial	112	$155	$—
Commercial real estate mortgage—owner-occupied	103	74	1
Commercial real estate construction—owner-occupied	2	1	1
Total commercial	217	230	2
Commercial investor real estate mortgage	112	191	—
Commercial investor real estate construction	21	16	2
Total investor real estate	133	207	2
Residential first mortgage	339	63	7
Home equity	121	9	1
Consumer credit card	41	1	—
Indirect and other consumer	78	1	—
Total consumer	579	74	8
	929	$511	$12

	Six Months Ended June 30, 2014		
	Number of Obligors	Recorded Investment	Financial Impact of Modifications Considered TDRs Increase in Allowance at Modification
	(Dollars in millions)		
Commercial and industrial	149	$164	$2
Commercial real estate mortgage—owner-occupied	157	147	3
Commercial real estate construction—owner-occupied	3	3	—
Total commercial	309	314	5
Commercial investor real estate mortgage	150	208	4
Commercial investor real estate construction	28	15	—
Total investor real estate	178	223	4
Residential first mortgage	264	45	7
Home equity	339	20	—
Consumer credit card	64	—	—
Indirect and other consumer	117	2	—
Total consumer	784	67	7
	1,271	$604	$16

	Six Months Ended June 30, 2013		
	Number of Obligors	Recorded Investment	Financial Impact of Modifications Considered TDRs Increase in Allowance at Modification
	(Dollars in millions)		
Commercial and industrial	226	$310	$1
Commercial real estate mortgage—owner-occupied	179	173	2
Commercial real estate construction—owner-occupied	3	27	1
Total commercial	408	510	4
Commercial investor real estate mortgage	223	396	1
Commercial investor real estate construction	43	52	2
Total investor real estate	266	448	3
Residential first mortgage	672	122	14
Home equity	279	19	2
Consumer credit card	145	2	—
Indirect and other consumer	158	2	—
Total consumer	1,254	145	16
	1,928	$1,103	$23

Defaulted TDRs

The following table presents TDRs by portfolio segment and class which defaulted during the three and six months ended June 30, 2014 and 2013, and which were modified in the previous twelve months (i.e., the twelve months prior to the default). For purposes of this disclosure, default is defined as 90 days past due and still accruing for the consumer portfolio segment, and placement on non-accrual status for the commercial and investor real estate portfolio segments. Consideration of defaults in the calculation of the allowance for loan losses is described in detail in the consolidated financial statements included in the Annual Report on Form 10-K for the year ended December 31, 2013.

	Three Months Ended June 30		Six Months Ended June 30	
	2014	2013	2014	2013
	(In millions)			
Defaulted During the Period, Where Modified in a TDR Twelve Months Prior to Default				
Commercial and industrial	$4	$16	$46	$28
Commercial real estate mortgage—owner-occupied	4	14	7	23
Total commercial	8	30	53	51
Commercial investor real estate mortgage	2	15	4	55
Commercial investor real estate construction	—	4	1	5
Total investor real estate	2	19	5	60
Residential first mortgage	3	11	12	29
Home equity	1	1	2	3
Total consumer	4	12	14	32
	$14	$61	$72	$143

Commercial and investor real estate loans that were on non-accrual status at the time of the latest modification are not included in the default table above, as they are already considered to be in default at the time of the restructuring. At

June 30, 2014, approximately $68 million of commercial and investor real estate loans modified in a TDR during the three months ended June 30, 2014 were on non-accrual status. Less than $1 million of this amount was 90 days past due.

At June 30, 2014, Regions had restructured binding unfunded commitments totaling $213 million where a concession was granted and the borrower was in financial difficulty.

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NOTE 5. SERVICING OF FINANCIAL ASSETS
RESIDENTIAL MORTGAGE BANKING ACTIVITIES

The fair value of mortgage servicing rights 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 mortgage servicing rights. 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 mortgage servicing rights under the fair value measurement method:

	Three Months Ended June 30		Six Months Ended June 30	
	2014	2013	2014	2013
	(In millions)			
Carrying value, beginning of period	$288	$236	$297	$191
Additions	7	15	15	59
Increase (decrease) in fair value:				
Due to change in valuation inputs or assumptions	(13)	35	(25)	45
Economic amortization associated with borrower repayments	(6)	(10)	(11)	(19)
Carrying value, end of period	$276	$276	$276	$276

On March 29, 2013, the Company completed a transaction to purchase the rights to service approximately $3 billion in residential mortgage loans. The mortgage servicing rights asset was increased by the purchase price of approximately $28 million in the first quarter of 2013.

Data and assumptions used in the fair value calculation, as well as the valuation’s sensitivity to rate fluctuations, related to mortgage servicing rights (excluding related derivative instruments) are as follows:

	June 30	
	2014	2013
	(Dollars in millions)	
Unpaid principal balance	$27,261	$28,452
Weighted-average prepayment speed (CPR; percentage)	10.4%	9.4%
Estimated impact on fair value of a 10% increase	$(14)	$(12)
Estimated impact on fair value of a 20% increase	$(27)	$(22)
Option-adjusted spread (basis points)	888	1,033
Estimated impact on fair value of a 10% increase	$(9)	$(10)
Estimated impact on fair value of a 20% increase	$(18)	$(20)
Weighted-average coupon interest rate	4.5%	4.6%
Weighted-average remaining maturity (months)	278	278
Weighted-average servicing fee (basis points)	27.8	27.7

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 mortgage servicing rights 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.

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The following table presents servicing related fees, which includes contractually specified servicing fees, late fees and other ancillary income resulting from the servicing of mortgage loans:

	Three Months Ended June 30		Six Months Ended June 30	
	2014	2013	2014	2013
	(In millions)			
Servicing related fees and other ancillary income	$22	$23	$43	$42

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 a repurchase liability related to 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. The table below presents an analysis of Regions’ repurchase liability related to mortgage loans sold with representations and warranty provisions:

	Three Months Ended June 30		Six Months Ended June 30	
	2014	2013	2014	2013
	(In millions)			
Beginning balance	$39	$40	$39	$40
Additions (reductions), net	(2)	7	1	16
Losses	(3)	(7)	(6)	(16)
Ending balance	$34	$40	$34	$40

For the periods presented, settled repurchase claims were related to one or more of the following alleged breaches: 1) eligibility or guideline violations; 2) missing or incorrect documents per investor guidelines; or 3) misrepresentation or fraud by the borrower. These claims stem primarily from loans originated in the 2006—2008 time period.

COMMERCIAL MORTGAGE BANKING ACTIVITIES

On July 18, 2014, Regions was approved as a Fannie Mae Delegated Underwriting and Servicing ("DUS") lender and acquired a DUS servicing portfolio totaling approximately $1.0 billion. The Fannie Mae DUS program provides liquidity to the multi-family housing market. As part of the transaction, Regions recorded $12 million in commercial mortgage servicing rights and $15 million in intangible assets associated with the DUS license purchased.

NOTE 6. GOODWILL

Goodwill allocated to each reportable segment is presented as follows:

	June 30, 2014	December 31, 2013
	(In millions)	
Business Services	$2,552	$2,552
Consumer Services	1,797	1,797
Wealth Management	467	467
	$4,816	$4,816

Regions evaluates each reporting unit’s goodwill for impairment on an annual basis in the fourth quarter, or more often if events or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. A detailed description of the Company's methodology and valuation approaches used to determine the estimated fair value of each reporting unit is included in the consolidated financial statements in the Annual Report on Form 10-K for the year ended December 31, 2013. Adverse changes in the economic environment, declining operations, or other factors could result in a decline in the implied fair value of goodwill.

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During the second quarter of 2014, Regions assessed events and circumstances for all three reporting units as of June 30, 2014 and through the date of the filing of this Quarterly Report on Form 10-Q that could potentially indicate goodwill impairment. The indicators assessed included:

- 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.

Results of the 2013 annual test indicated that the estimated fair value of each reporting unit exceeded its carrying amount as of the test date. Additionally, after assessing the indicators noted above, Regions determined that it was not more likely than not that the fair value of each of its reporting units had declined below their carrying values as of June 30, 2014. Therefore, Regions determined that a test of goodwill impairment was not required for each of Regions' reporting units for the June 30, 2014 interim period.

NOTE 7. STOCKHOLDERS' EQUITY AND ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

PREFERRED STOCK

The following table presents a summary of the non-cumulative perpetual preferred stock as of June 30, 2014:

	As of June 30, 2014				
	Issuance Date	Earliest Redemption Date	Liquidation Amount	Carrying Amount	Dividend Rate
	(Dollars in millions)				
Series A	11/1/2012	12/15/2017	$500	$434	6.375 %
Series B	4/29/2014	9/15/2024	500	486	6.375 %(1)
			$1,000	$920	

(1) Dividends, if declared, will be paid quarterly at an annual rate equal to (i) for each period beginning prior to September 15, 2024, 6.375%, and (ii) for each period beginning on or after September 15, 2024, three-month LIBOR plus 3.536%.

For each preferred stock issuance listed above, Regions issued depositary shares, each representing a 1/40th ownership interest in a share of the Company's preferred stock, with a liquidation preference of $1,000.00 per share of preferred stock (equivalent to $25.00 per depositary share). Dividends on the preferred stock, if declared, accrue and are payable quarterly in arrears. The preferred stock has 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, within 90 days following a regulatory capital treatment event for the Series A preferred stock or at any time following a regulatory capital treatment event for the Series B preferred stock.

The Board of Directors declared $8 million in cash dividends on Series A Preferred Stock during each of the first and second quarters of both 2014 and 2013. Because the Company was in a retained deficit position, the preferred dividends were recorded as a reduction of preferred stock, including related surplus. There were no cash dividends on Series B Preferred Stock during the second quarter of 2014 because the initial quarterly dividend was declared on July 17, 2014.

COMMON STOCK

On March 19, 2013, Regions' Board of Directors authorized a $350 million common stock repurchase plan, permitting repurchases from the beginning of the second quarter of 2013 through the end of the first quarter of 2014. During the first quarter of 2014, Regions repurchased approximately 1 million shares of common stock under this plan at a total cost of approximately $8 million. As of March 31, 2014, Regions had repurchased approximately 37 million shares of common stock at a total cost of approximately $347 million. The total cost paid to repurchase common shares under this plan includes the full amount paid as part of a contractual repurchase agreement. All common shares repurchased under this plan were immediately retired and therefore are not included in treasury stock. On April 1, 2014, the remaining approximately $3 million available under this plan expired.

During the first quarter of 2014, Regions received no objection to its 2014 capital plan from the Federal Reserve that was submitted as part of the Comprehensive Capital Analysis and Review ("CCAR") process. On April 24, 2014, Regions' Board of Directors approved an increase of its quarterly common stock dividend to $0.05 per share effective with the quarterly dividend to be paid in July 2014. The Board also authorized a new $350 million common stock repurchase plan, permitting repurchases from

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the beginning of the second quarter of 2014 through the end of the first quarter of 2015. There have been no shares repurchased under this plan through the issuance of this report.
The Board of Directors declared a $0.05 per share cash dividend on common stock for the second quarter of 2014, and a $0.03 per share cash dividend for the first quarter of 2014, totaling $0.08 per share cash dividend for the first six months of 2014. The Board of Directors declared a $0.03 per share cash dividend on common stock for the second quarter of 2013 and a $0.01 per share cash dividend for the first quarter of 2013, totaling $0.04 per share cash dividend for the first six months of 2013.

ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Activity within the balances in accumulated other comprehensive income (loss) is shown in the following tables:

	Three Months Ended June 30, 2014				
	Unrealized losses on securities transferred to held to maturity	Unrealized gains (losses) on securities available for sale	Unrealized gains (losses) on derivative instruments designated as cash flow hedges	Defined benefit pension plans and other post employment benefits	Accumulated other comprehensive income (loss), net of tax
	(In millions)				
Beginning of period	$(62)	$56	$21	$(244)	$ (229)
Net change	2	147	23	5	177
End of period	$(60)	$203	$44	$(239)	$ (52)

	Three Months Ended June 30, 2013				
	Unrealized losses on securities transferred to held to maturity	Unrealized gains (losses) on securities available for sale	Unrealized gains (losses) on derivative instruments designated as cash flow hedges	Defined benefit pension plans and other post employment benefits	Accumulated other comprehensive income (loss), net of tax
	(In millions)				
Beginning of period	$—	$358	$85	$(455)	$ (12)
Net change	(68)	(358)	(50)	10	(466)
End of period	$(68)	$—	$35	$(445)	$ (478)

	Six Months Ended June 30, 2014				
	Unrealized losses on securities transferred to held to maturity	Unrealized gains (losses) on securities available for sale	Unrealized gains (losses) on derivative instruments designated as cash flow hedges	Defined benefit pension plans and other post employment benefits	Accumulated other comprehensive income (loss), net of tax
	(In millions)				
Beginning of period	$(64)	$(22)	$15	$(248)	$ (319)
Net change	4	225	29	9	267
End of period	$(60)	$203	$44	$(239)	$ (52)

	Six Months Ended June 30, 2013				
	Unrealized losses on securities transferred to held to maturity	Unrealized gains (losses) on securities available for sale	Unrealized gains (losses) on derivative instruments designated as cash flow hedges	Defined benefit pension plans and other post employment benefits	Accumulated other comprehensive income (loss), net of tax
	(In millions)				
Beginning of period	$—	$436	$93	$(464)	$ 65
Net change	(68)	(436)	(58)	19	(543)
End of period	$(68)	$—	$35		