ZIONS BANCORPORATION /UT/
Form 10-Q
August 06, 2013

ZIONS BANCORPORATION AND SUBSIDIARIES

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, 2013
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 001-12307
ZIONS BANCORPORATION
(Exact name of registrant as specified in its charter)

UTAH (State or other jurisdiction of incorporation or organization)	87-0227400 (I.R.S. Employer Identification No.)
One South Main, 15th Floor Salt Lake City, Utah (Address of principal executive offices)	84133 (Zip Code)

Registrant's telephone number, including area code: (801) 524-4787

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 ý 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). Yes ý 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.

Large accelerated filer	ý	Accelerated filer	¨
Non-accelerated filer	¨	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 ¨ No ý

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, without par value, outstanding at July 31, 2013 184,522,379 shares

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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS (Unaudited)
ZIONS BANCORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In thousands, except share amounts)	June 30, 2013	December 31, 2012
	(Unaudited)	
ASSETS		
Cash and due from banks	$1,183,097	$1,841,907
Money market investments:		
Interest-bearing deposits	8,180,010	5,978,978
Federal funds sold and security resell agreements	221,799	2,775,354
Investment securities:		
Held-to-maturity, at adjusted cost (approximate fair value $734,292 and $674,741)	783,371	756,909
Available-for-sale, at fair value	3,193,395	3,091,310
Trading account, at fair value	26,385	28,290
	4,003,151	3,876,509
Loans held for sale	164,619	251,651
Loans, net of unearned income and fees:		
Loans and leases	37,756,010	37,137,006
FDIC-supported loans	431,935	528,241
	38,187,945	37,665,247
Less allowance for loan losses	813,912	896,087
Loans, net of allowance	37,374,033	36,769,160
Other noninterest-bearing investments	852,939	855,462
Premises and equipment, net	717,299	708,882
Goodwill	1,014,129	1,014,129
Core deposit and other intangibles	43,239	50,818
Other real estate owned	80,789	98,151
Other assets	1,069,436	1,290,917
	$54,904,540	$55,511,918
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits:		
Noninterest-bearing demand	$17,803,950	$18,469,458
Interest-bearing:		
Savings and money market	22,887,404	22,896,624
Time	2,810,431	2,962,931
Foreign	1,514,270	1,804,060
	45,016,055	46,133,073
Securities sold, not yet purchased	15,799	26,735
Federal funds purchased and security repurchase agreements	240,816	320,478
Other short-term borrowings	—	5,409
Long-term debt	2,173,176	2,337,113
Reserve for unfunded lending commitments	104,082	106,809
Other liabilities	494,280	533,660
Total liabilities	48,044,208	49,463,277

Shareholders’ equity:		
Preferred stock, without par value, authorized 4,400,000 shares	1,728,659	1,128,302
Common stock, without par value; authorized 350,000,000 shares; issued and outstanding 184,436,656 and 184,199,198 shares	4,167,828	4,166,109
Retained earnings	1,338,401	1,203,815
Accumulated other comprehensive income (loss)	(374,556)	(446,157)
Controlling interest shareholders’ equity	6,860,332	6,052,069
Noncontrolling interests	—	(3,428)
Total shareholders’ equity	6,860,332	6,048,641
	$54,904,540	$55,511,918

See accompanying notes to consolidated financial statements.

ZIONS BANCORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(In thousands, except per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Interest income:				
Interest and fees on loans	$460,308	$472,926	$913,741	$954,720
Interest on money market investments	5,764	5,099	11,203	9,727
Interest on securities:				
Held-to-maturity	7,846	9,325	15,820	18,284
Available-for-sale	19,028	25,090	36,740	48,248
Trading account	287	148	477	486
Total interest income	493,233	512,588	977,981	1,031,465
Interest expense:				
Interest on deposits	15,143	20,823	30,785	44,236
Interest on short-term borrowings	78	256	170	1,035
Interest on long-term debt	47,355	65,165	98,254	122,372
Total interest expense	62,576	86,244	129,209	167,643
Net interest income	430,657	426,344	848,772	863,822
Provision for loan losses	(21,990)	10,853	(51,025)	26,517
Net interest income after provision for loan losses	452,647	415,491	899,797	837,305
Noninterest income:				
Service charges and fees on deposit accounts	44,329	43,426	87,909	86,958
Other service charges, commissions and fees	45,888	44,197	88,619	83,244
Trust and wealth management income	7,732	8,057	14,726	14,431
Capital markets and foreign exchange	6,740	7,342	14,226	13,076
Dividends and other investment income	11,339	21,542	24,063	31,022
Loan sales and servicing income	10,723	10,287	21,674	18,639
Fair value and nonhedge derivative loss	(2,957)	(6,784)	(8,402)	(11,184)
Equity securities gains, net	2,209	107	5,041	9,252
Fixed income securities gains (losses), net	(1,153)	5,519	2,146	6,239
Impairment losses on investment securities:				
Impairment losses on investment securities	(4,910)	(24,026)	(36,403)	(42,299)
Noncredit-related losses on securities not expected to be sold (recognized in other comprehensive income)	693	16,718	22,069	24,782
Net impairment losses on investment securities	(4,217)	(7,308)	(14,334)	(17,517)
Other	4,515	2,280	10,699	6,325
Total noninterest income	125,148	128,665	246,367	240,485
Noninterest expense:				
Salaries and employee benefits	227,328	220,765	457,117	445,399
Occupancy, net	27,951	28,169	55,340	56,120
Equipment, software and furniture	26,545	27,302	52,619	54,094
Other real estate expense	1,590	6,440	3,567	14,250
Credit-related expense	9,397	12,415	19,879	25,900
Provision for unfunded lending commitments	3,627	4,868	(2,727)	1,164
Professional and legal services	17,149	12,947	27,620	24,043
Advertising	5,807	6,618	11,700	12,425
FDIC premiums	10,124	10,444	19,835	21,363
Amortization of core deposit and other intangibles	3,762	4,262	7,581	8,553

Debt extinguishment cost	40,282	—	40,282	—
Other	78,116	67,426	156,213	130,717
Total noninterest expense	451,678	401,656	849,026	794,028
Income before income taxes	126,117	142,500	297,138	283,762
Income taxes	43,091	51,036	103,725	102,895
Net income	83,026	91,464	193,413	180,867
Net loss applicable to noncontrolling interests	—	(273)	(336)	(546)
Net income applicable to controlling interest	83,026	91,737	193,749	181,413
Preferred stock dividends	(27,641)	(36,522)	(50,040)	(100,709)
Net earnings applicable to common shareholders	$55,385	$55,215	$143,709	$80,704
Weighted average common shares outstanding during the period:				
Basic shares	183,647	182,985	183,522	182,892
Diluted shares	184,062	183,137	183,863	183,050
Net earnings per common share:				
Basic	$0.30	$0.30	$0.78	$0.44
Diluted	0.30	0.30	0.77	0.44

See accompanying notes to consolidated financial statements.

ZIONS BANCORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

(In thousands)	Three Months Ended June 30, 2013	2012	Six Months Ended June 30, 2013	2012
Net income	$83,026	$91,464	$193,413	$180,867
Other comprehensive income (loss), net of tax:				
Net unrealized holding gains on investment securities	29,300	6,431	78,096	29,045
Noncredit-related impairment losses on securities not expected to be sold	(130)	(10,323)	(12,884)	(15,303)
Reclassification to earnings for realized net fixed income securities losses (gains)	712	(3,481)	(1,325)	(3,987)
Reclassification to earnings for net credit-related impairment losses on investment securities	2,549	4,302	8,548	10,606
Accretion of securities with noncredit-related impairment losses not expected to be sold	386	367	595	532
Net unrealized holding gains (losses) on derivative instruments	(1)	56	(3)	177
Reclassification adjustment for decrease (increase) in interest income recognized in earnings on derivative instruments	(469)	(1,932)	(1,426)	(5,133)
Other comprehensive income (loss)	32,347	(4,580)	71,601	15,937
Comprehensive income	115,373	86,884	265,014	196,804
Comprehensive loss applicable to noncontrolling interests	—	(273)	(336)	(546)
Comprehensive income applicable to controlling interest	$115,373	$87,157	$265,350	$197,350

See accompanying notes to consolidated financial statements.

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ZIONS BANCORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)

(In thousands, except share and per share amounts)	Preferred stock	Common stock Shares	Common stock Amount	Retained earnings	Accumulated other comprehensive income (loss)	Noncontrolling interests	Total shareholders' equity
Balance at December 31, 2012	$1,128,302	184,199,198	$4,166,109	$1,203,815	$(446,157)	$(3,428)	$6,048,641
Net income (loss) for the period				193,749		(336)	193,413
Other comprehensive income					71,601		71,601
Issuance of preferred stock	598,941		(11,016)				587,925
Subordinated debt converted to preferred stock	1,416		(206)				1,210
Net activity under employee plans and related tax benefits		237,458	17,107				17,107
Dividends on preferred stock				(50,040)			(50,040)
Dividends on common stock, $0.05 per share				(9,239)			(9,239)
Change in deferred compensation				116			116
Other changes in noncontrolling interests			(4,166)			3,764	(402)
Balance at June 30, 2013	$1,728,659	184,436,656	$4,167,828	$1,338,401	$(374,556)	$—	$6,860,332
Balance at December 31, 2011	$2,377,560	184,135,388	$4,163,242	$1,036,590	$(592,084)	$(2,080)	$6,983,228
Net income (loss) for the period				181,413		(546)	180,867
Other comprehensive income					15,937		15,937
Issuance of preferred stock	143,750		(2,408)				141,342
Preferred stock redemption	(842,500)		3,830	(3,830)			(842,500)
Subordinated debt converted to preferred stock	93,568		(13,602)				79,966
Net activity under employee plans and related tax benefits		(17,866)	6,463				6,463
Dividends on preferred stock	28,095			(100,709)			(72,614)
Dividends on common stock, $0.02 per share				(3,704)			(3,704)

Change in deferred compensation				360			360
Other changes in noncontrolling interests						18	18
Balance at June 30, 2012	$1,800,473	184,117,522	$4,157,525	$1,110,120	$(576,147)	$(2,608)	$6,489,363

See accompanying notes to consolidated financial statements.

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ZIONS BANCORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(In thousands)	Three Months Ended June 30, 2013	2012	Six Months Ended June 30, 2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period	$83,026	$91,464	$193,413	$180,867
Adjustments to reconcile net income to net cash provided by operating activities:				
Debt extinguishment cost	40,282	—	40,282	—
Net impairment losses on investment securities	4,217	7,308	14,334	17,517
Provision for credit losses	(18,363)	15,721	(53,752)	27,681
Depreciation and amortization	45,526	62,166	91,759	119,309
Deferred income tax expense (benefit)	(7,726)	(630)	(6,444)	19,055
Net decrease (increase) in trading securities	1,882	(1,506)	1,871	19,734
Net decrease in loans held for sale	33,450	50,464	123,446	71,377
Net write-downs of and gains/losses from sales of other real estate owned	439	5,509	492	13,341
Change in other liabilities	2,967	(11,731)	(45,510)	(30,530)
Change in other assets	121,095	38,398	172,675	88,823
Other, net	4,299	3,544	(11,206)	(18,372)
Net cash provided by operating activities	311,094	260,707	521,360	508,802
CASH FLOWS FROM INVESTING ACTIVITIES				
Net decrease (increase) in money market investments	(276,364)	(288,671)	352,523	(847,650)
Proceeds from maturities and paydowns of investment securities held-to-maturity	27,825	34,106	81,437	54,685
Purchases of investment securities held-to-maturity	(74,168)	(24,461)	(119,968)	(33,738)
Proceeds from sales, maturities, and paydowns of investment securities available-for-sale	259,273	235,192	618,496	676,174
Purchases of investment securities available-for-sale	(124,146)	(187,627)	(611,121)	(593,930)
Proceeds from sales of loans and leases	5,046	13,478	11,057	39,787
Net loan and lease collections (originations)	(497,110)	(397,181)	(631,947)	18,230
Net decrease in other noninterest-bearing investments	12,646	6,445	20,034	12,174
Net purchases of premises and equipment	(26,733)	(17,655)	(42,533)	(32,817)
Proceeds from sales of other real estate owned	24,685	58,485	52,659	97,884
Net cash paid for divestitures	—	—	—	(22,568)
Net cash used in investing activities	(669,046)	(567,889)	(269,363)	(631,769)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net increase (decrease) in deposits	525,860	61,160	(1,117,018)	313,997
Net change in short-term funds borrowed	(70,154)	318,039	(96,007)	149,208
Proceeds from issuance of long-term debt	348,585	266,636	367,947	599,386
Repayments of long-term debt	(551,616)	(255,038)	(570,014)	(255,179)
Debt extinguishment cost paid	(23,305)	—	(23,305)	—
Cash paid for preferred stock redemption	—	(142,500)	—	(842,500)
Proceeds from issuances of common and preferred stock	423,118	141,661	592,517	142,003
Dividends paid on common and preferred stock	(35,047)	(35,522)	(59,279)	(76,318)

Other, net	(5,209)	(4,767)	(5,648)	(7,307)
Net cash provided by (used in) financing activities	612,232	349,669	(910,807)	23,290
Net increase (decrease) in cash and due from banks	254,280	42,487	(658,810)	(99,677)
Cash and due from banks at beginning of period	928,817	1,082,186	1,841,907	1,224,350
Cash and due from banks at end of period	$1,183,097	$1,124,673	$1,183,097	$1,124,673
Cash paid for interest	$41,782	$44,539	$103,913	$107,328
Net cash paid for income taxes	120,438	81,352	124,003	59,684

See accompanying notes to consolidated financial statements.

ZIONS BANCORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
June 30, 2013

1. BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements of Zions Bancorporation ("the Parent") and its majority-owned subsidiaries (collectively "the Company," "Zions," "we," "our," "us") have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. References to GAAP, including standards promulgated by the Financial Accounting Standards Board ("FASB"), are made according to sections of the Accounting Standards Codification ("ASC") and to Accounting Standards Updates ("ASU"). Certain prior period amounts have been reclassified to conform to the current period presentation.

Operating results for the three and six months ended June 30, 2013 and 2012 are not necessarily indicative of the results that may be expected in future periods. The consolidated balance sheet at December 31, 2012 is from the audited financial statements at that date, but does not include all of the information and footnotes required by GAAP for complete financial statements. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's 2012 Annual Report on Form 10-K.

The Company provides a full range of banking and related services through subsidiary banks in ten Western and Southwestern states as follows: Zions First National Bank ("Zions Bank"), in Utah and Idaho; California Bank & Trust ("CB&T"); Amegy Corporation ("Amegy") and its subsidiary, Amegy Bank, in Texas; National Bank of Arizona ("NBAZ"); Nevada State Bank ("NSB"); Vectra Bank Colorado ("Vectra"), in Colorado and New Mexico; The Commerce Bank of Washington ("TCBW"); and The Commerce Bank of Oregon ("TCBO"). The Parent and its subsidiary banks also own and operate certain nonbank subsidiaries that engage in financial services.

2. SUPPLEMENTAL CASH FLOW INFORMATION

Noncash activities are summarized as follows:

(In thousands)	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012
Loans transferred to other real estate owned	$17,376	$51,724	$40,818	$104,299
Beneficial conversion feature transferred from common stock to preferred stock as a result of subordinated debt conversions	37	8,537	206	13,602
Subordinated debt converted to preferred stock	219	50,192	1,210	79,966

3. CASH AND MONEY MARKET INVESTMENTS

Effective January 1, 2013, we adopted ASU 2013-01, Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities, which limited the scope of ASU 2011-11, Disclosures about Offsetting Assets and Liabilities. This new guidance under ASC 210, Balance Sheet, applies to the offsetting of derivatives (including bifurcated embedded derivatives), repurchase agreements and reverse repurchase (or resell) agreements, and securities borrowing and lending transactions. To provide convergence with disclosures under International Financial Reporting Standards ("IFRS"), the new guidance requires entities to present both gross and net information about these financial instruments, including those subject to a master netting arrangement. The change in disclosure is required on a retrospective basis for all prior periods presented.

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ZIONS BANCORPORATION AND SUBSIDIARIES

Security resell and repurchase agreements are offset in the balance sheet according to master netting agreements. Derivative instruments may be offset under their master netting agreements; however, for accounting purposes, we present these items on a gross basis in the Company's balance sheet. See Note 6 for further information regarding derivative instruments.

Gross and net information for selected financial instruments in the balance sheet is as follows:

(In thousands)	June 30, 2013			Gross amounts not offset in the balance sheet		
Description	Gross amounts recognized	Gross amounts offset in the balance sheet	Net amounts presented in the balance sheet	Financial instruments	Cash collateral received/pledged	Net amount
Assets:						
Federal funds sold and security resell agreements	$771,799	$(550,000)	$221,799	$—	$ —	$221,799
Derivatives (included in other assets)	59,457	—	59,457	(8,389)	(1,803)	49,265
	$831,256	$(550,000)	$281,256	$(8,389)	$ (1,803)	$271,064
Liabilities:						
Federal funds purchased and security repurchase agreements	$790,816	$(550,000)	$240,816	$—	$ —	$240,816
Derivatives (included in other liabilities)	64,862	—	64,862	(8,389)	(41,059)	15,414
	$855,678	$(550,000)	$305,678	$(8,389)	$ (41,059)	$256,230

(In thousands)	December 31, 2012			Gross amounts not offset in the balance sheet		
Description	Gross amounts recognized	Gross amounts offset in the balance sheet	Net amounts presented in the balance sheet	Financial instruments	Cash collateral received/pledged	Net amount
Assets:						
Federal funds sold and security resell agreements	$3,675,354	$(900,000)	$2,775,354	$—	$ —	$2,775,354
Derivatives (included in other assets)	81,810	—	81,810	(409)	—	81,401
	$3,757,164	$(900,000)	$2,857,164	$(409)	$ —	$2,856,755
Liabilities:						

Federal funds purchased and security repurchase agreements	$1,220,478	$(900,000)	$320,478	$—	$ —	$320,478
Derivatives (included in other liabilities)	89,100	—	89,100	(409)	(81,683)	7,008
	$1,309,578	$(900,000)	$409,578	$(409)	$ (81,683)	$327,486

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ZIONS BANCORPORATION AND SUBSIDIARIES

4. INVESTMENT SECURITIES

Investment securities are summarized below. Note 9 discusses the process to estimate fair value for investment securities.

	June 30, 2013						
		Recognized in OCI			Not recognized in OCI		
(In thousands)	Amortized cost	Gross unrealized gains	Gross unrealized losses	Carrying value	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Held-to-maturity							
Municipal securities	$564,212	$—	$—	$564,212	$11,600	$4,654	$571,158
Asset-backed securities:							
Trust preferred securities – banks and insurance	255,199	—	55,054	200,145	7,216	56,129	151,232
Other	21,135	—	2,221	18,914	906	8,018	11,802
Other debt securities	100	—	—	100	—	—	100
	840,646	—	57,275	783,371	19,722	68,801	734,292
Available-for-sale							
U.S. Treasury securities	39,879	163	—	40,042			40,042
U.S. Government agencies and corporations:							
Agency securities	264,377	2,542	306	266,613			266,613
Agency guaranteed mortgage-backed securities	334,733	12,254	536	346,451			346,451
Small Business Administration loan-backed securities	1,093,606	36,421	503	1,129,524			1,129,524
Municipal securities	65,732	1,737	1,090	66,379			66,379
Asset-backed securities:							
Trust preferred securities – banks and insurance	1,546,091	14,038	529,836	1,030,293			1,030,293
Trust preferred securities – real estate investment trusts	40,441	—	21,942	18,499			18,499
Auction rate securities	6,506	92	44	6,554			6,554
Other	22,287	495	2,311	20,471			20,471
	3,413,652	67,742	556,568	2,924,826			2,924,826
Mutual funds and other	276,383	69	7,883	268,569			268,569
	3,690,035	67,811	564,451	3,193,395			3,193,395
Total	$4,530,681	$67,811	$621,726	$3,976,766			$3,927,687

ZIONS BANCORPORATION AND SUBSIDIARIES

(In thousands)	December 31, 2012 Amortized cost	Recognized in OCI Gross unrealized gains	Gross unrealized losses	Carrying value	Not recognized in OCI Gross unrealized gains	Gross unrealized losses	Estimated fair value
Held-to-maturity							
Municipal securities	$524,738	$—	$—	$524,738	$12,837	$709	$536,866
Asset-backed securities:							
Trust preferred securities – banks and insurance	255,647	—	42,964	212,683	114	86,596	126,201
Other	21,858	—	2,470	19,388	709	8,523	11,574
Other debt securities	100	—	—	100	—	—	100
	802,343	—	45,434	756,909	13,660	95,828	674,741
Available-for-sale							
U.S. Treasury securities	104,313	211	—	104,524			104,524
U.S. Government agencies and corporations:							
Agency securities	108,814	3,959	116	112,657			112,657
Agency guaranteed mortgage-backed securities	406,928	18,598	16	425,510			425,510
Small Business Administration loan-backed securities	1,124,322	29,245	639	1,152,928			1,152,928
Municipal securities	75,344	2,622	1,970	75,996			75,996
Asset-backed securities:							
Trust preferred securities – banks and insurance	1,596,156	16,687	663,451	949,392			949,392
Trust preferred securities – real estate investment trusts	40,485	—	24,082	16,403			16,403
Auction rate securities	6,504	79	68	6,515			6,515
Other	25,614	701	6,941	19,374			19,374
	3,488,480	72,102	697,283	2,863,299			2,863,299
Mutual funds and other	228,469	194	652	228,011			228,011
	3,716,949	72,296	697,935	3,091,310			3,091,310
Total	$4,519,292	$72,296	$743,369	$3,848,219			$3,766,051

The amortized cost and estimated fair value of investment debt securities are shown subsequently as of June 30, 2013 by expected maturity distribution for structured asset-backed collateralized debt obligations and by contractual maturity distribution for other debt securities. Actual maturities may differ from expected or contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties:

(In thousands)	Held-to-maturity Amortized cost	Estimated fair value	Available-for-sale Amortized cost	Estimated fair value
Due in one year or less	$63,400	$63,302	$436,513	$415,076

Due after one year through five years	192,533	187,481	1,032,220	972,291
Due after five years through ten years	216,669	188,033	615,276	564,084
Due after ten years	368,044	295,476	1,329,643	973,375
	$840,646	$734,292	$3,413,652	$2,924,826

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The following is a summary of the amount of gross unrealized losses for investment securities and the estimated fair value by length of time the securities have been in an unrealized loss position:

	June 30, 2013					
	Less than 12 months		12 months or more		Total	
(In thousands)	Gross unrealized losses	Estimated fair value	Gross unrealized losses	Estimated fair value	Gross unrealized losses	Estimated fair value
Held-to-maturity						
Municipal securities	$4,622	$102,723	$32	$3,262	$4,654	$105,985
Asset-backed securities:						
Trust preferred securities – banks and insurance	83	76	111,100	151,156	111,183	151,232
Other	—	—	10,239	11,356	10,239	11,356
	4,705	102,799	121,371	165,774	126,076	268,573
Available-for-sale						
U.S. Government agencies and corporations:						
Agency securities	235	18,904	71	6,814	306	25,718
Agency guaranteed mortgage-backed securities	534	36,119	2	426	536	36,545
Small Business Administration loan-backed securities	36	4,949	467	41,684	503	46,633
Municipal securities	26	2,502	1,064	10,391	1,090	12,893
Asset-backed securities:						
Trust preferred securities – banks and insurance	—	—	529,836	868,996	529,836	868,996
Trust preferred securities – real estate investment trusts	—	—	21,942	18,499	21,942	18,499
Auction rate securities	—	—	44	2,483	44	2,483
Other	—	—	2,311	17,287	2,311	17,287
	831	62,474	555,737	966,580	556,568	1,029,054
Mutual funds and other	7,883	122,209	—	—	7,883	122,209
	8,714	184,683	555,737	966,580	564,451	1,151,263
Total	$13,419	$287,482	$677,108	$1,132,354	$690,527	$1,419,836

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(In thousands)	December 31, 2012 Less than 12 months Gross unrealized losses	Estimated fair value	12 months or more Gross unrealized losses	Estimated fair value	Total Gross unrealized losses	Estimated fair value
Held-to-maturity						
Municipal securities	$630	$42,613	$79	$5,910	$709	$48,523
Asset-backed securities:						
Trust preferred securities – banks and insurance	—	—	129,560	126,019	129,560	126,019
Other	—	—	10,993	10,904	10,993	10,904
	630	42,613	140,632	142,833	141,262	185,446
Available-for-sale						
U.S. Government agencies and corporations:						
Agency securities	35	18,633	81	6,916	116	25,549
Agency guaranteed mortgage-backed securities	10	6,032	6	629	16	6,661
Small Business Administration loan-backed securities	91	15,199	548	69,011	639	84,210
Municipal securities	61	4,898	1,909	11,768	1,970	16,666
Asset-backed securities:						
Trust preferred securities – banks and insurance	—	—	663,451	765,421	663,451	765,421
Trust preferred securities – real estate investment trusts	—	—	24,082	16,403	24,082	16,403
Auction rate securities	—	—	68	2,459	68	2,459
Other	—	—	6,941	15,234	6,941	15,234
	197	44,762	697,086	887,841	697,283	932,603
Mutual funds and other	652	112,324	—	—	652	112,324
	849	157,086	697,086	887,841	697,935	1,044,927
Total	$1,479	$199,699	$837,718	$1,030,674	$839,197	$1,230,373

At June 30, 2013 and December 31, 2012, respectively, 251 and 84 held-to-maturity (“HTM”) and 218 and 256 available -for-sale (“AFS”) investment securities were in an unrealized loss position.

Other-Than-Temporary Impairment

We conduct a formal review of investment securities on a quarterly basis for the presence of other-than-temporary impairment (“OTTI”). We assess whether OTTI is present when the fair value of a debt security is less than its amortized cost basis at the balance sheet date (the vast majority of the investment portfolio are debt securities). Under these circumstances, OTTI is considered to have occurred if (1) we intend to sell the security; (2) it is “more likely than not” we will be required to sell the security before recovery of its amortized cost basis; or (3) the present value of expected cash flows is not sufficient to recover the entire amortized cost basis.

Credit-related OTTI is recognized in earnings while noncredit-related OTTI on securities not expected to be sold is recognized in other comprehensive income (“OCI”). Noncredit-related OTTI is based on other factors, including illiquidity. Presentation of OTTI is made in the statement of income on a gross basis with an offset for the amount of OTTI recognized in OCI. For securities classified as HTM, the amount of noncredit-related OTTI recognized in OCI is accreted using the effective interest rate method to the credit-adjusted expected cash flow amounts of the securities over future periods.

Our 2012 Annual Report on Form 10-K describes in more detail our OTTI evaluation process. The following summarizes the conclusions from our OTTI evaluation for those security types that have significant gross unrealized losses at June 30, 2013:

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OTTI – Municipal Securities

The HTM securities are purchased directly from municipalities and are generally not rated by a credit rating agency. Most of the AFS securities are rated as investment grade by various credit rating agencies. Both the HTM and AFS securities are at fixed and variable rates with maturities from one to 25 years. Fair value changes of these securities are largely driven by interest rates, as seen by recent increases in unrealized losses and the number of investments with reduced fair values because of current increases in interest rates. We perform credit quality reviews on these securities at each reporting period. Because the decline in fair value is not attributable to credit quality, no OTTI for these securities was recorded for the three months ended June 30, 2013.

OTTI – Asset-Backed Securities

Trust preferred securities – banks and insurance: These collateralized debt obligation ("CDO") securities are interests in variable rate pools of trust preferred securities issued by trusts related to bank holding companies and insurance companies ("collateral issuers"). They are rated by one or more Nationally Recognized Statistical Rating Organizations ("NRSROs"), which are rating agencies registered with the Securities and Exchange Commission ("SEC"). The more junior securities were purchased generally at par, while the senior securities were purchased from Lockhart Funding LLC ("Lockhart") at their carrying values (generally par) and then adjusted to their lower fair values. The primary drivers that have given rise to the unrealized losses on CDOs with bank and insurance collateral are listed below:

1) Market yield requirements for bank CDO securities remain high. The financial crisis and economic downturn resulted in significant utilization of both the unique five-year deferral option, which each collateral issuer maintains during the life of the CDO, and the payment in kind feature described subsequently. The resulting increase in the rate of return demanded by the market for trust preferred CDOs remains dramatically higher than the contractual interest rates. Virtually all structured asset-backed security ("ABS") fair values, including bank CDOs, deteriorated significantly during the recent financial crisis, generally reaching a low in mid-2009. Prices for some structured products have since rebounded as the crucial unknowns related to value became resolved and as trading increased in these securities. Unlike these other structured products, CDO tranches backed by bank trust preferred securities continue to be characterized by considerable uncertainty surrounding collateral behavior, specifically including, but not limited to, prepayments; the future number, size and timing of bank failures; holding company bankruptcies; and allowed deferrals and subsequent resumption of payment or default due to nonpayment of contractual interest.

2) Structural features of the collateral make these CDO tranches difficult to model. The first feature unique to bank CDOs is the interest deferral feature previously noted. Throughout the financial crisis starting in 2008, certain banks within our CDO pools have exercised this prerogative. The extent to which these deferrals are likely to either transition to default or, alternatively, come current prior to the five-year deadline is extremely difficult for market participants to assess. Our CDO pools include a bank that first exercised this deferral option as early as the second quarter of 2008. At June 30, 2013, 92 banks underlying our CDO tranches had come current after a period of deferral, while 173 were deferring, but remained within the allowed deferral period.

A second structural feature that is difficult to model is the payment in kind ("PIK") feature, which provides that upon reaching certain levels of collateral default or deferral, certain junior CDO tranches will not receive current interest but will instead have the interest amount that is unpaid capitalized or deferred. The cash flow that would otherwise be paid to the junior CDO securities and the income notes is instead used to pay down the principal balance of the most senior CDO securities. The delay in payment caused by PIKing results in lower security fair values even if PIKing is projected to be fully cured. This feature is difficult to model and assess. It increases the risk premium the market applies to these securities.

3) Ratings are generally below investment grade for even some of the most senior tranches. Ratings on a number of CDO tranches vary significantly among rating agencies. The presence of a below-investment-grade rating by even a single rating agency will severely limit the pool of buyers, which causes greater

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illiquidity and therefore most likely a higher implicit discount rate/lower price with regard to that CDO tranche.

4) There is a lack of consistent disclosure by each CDO’s trustee of the identity of collateral issuers; in addition, complex structures make projecting tranche return profiles difficult for nonspecialists in the product.

5) At purchase, the expectation of cash flow variability was limited. As a result of the crisis, we have seen extreme variability of collateral performance both compared to expectations and between different pools.

Our ongoing review of these securities determined that OTTI should be recorded for the three months ended June 30, 2013.

Trust preferred securities – real estate investment trusts (“REITs”): These CDO securities are variable rate pools of trust preferred securities primarily related to REITs, and are rated by one or more NRSROs. They were purchased generally at par. Unrealized losses were caused mainly by severe deterioration in mortgage REITs and homebuilder credit in addition to the same factors previously discussed for banks and insurance CDOs. Based on our review, OTTI for one of these securities was recorded for the three months ended June 30, 2013.

Other asset-backed securities: Most of these CDO securities were purchased in 2009 from Lockhart at their carrying values and then adjusted to fair value. Certain of these CDOs consist of ABS CDOs (also known as diversified structured finance CDOs). Unrealized losses since acquisition were caused mainly by deterioration in collateral quality and widening of credit spreads for asset backed securities. Based on our review, no OTTI for these securities was recorded for the three months ended June 30, 2013.

OTTI – Mutual Funds and Other

A substantial portion of these securities is included in a mutual fund that consists primarily of fixed rate residential and agriculture mortgage-backed securities issued by the Government National Mortgage Association (“GNMA”). Contractual cash flows in the pool of mortgage loans are backed by the U.S. Government. Because the decline in fair value is not attributable to credit quality, no OTTI for these securities was recorded for the three months ended June 30, 2013.

The following is a tabular rollforward of the total amount of credit-related OTTI:

(In thousands)	Three Months Ended June 30, 2013			Six Months Ended June 30, 2013		
	HTM	AFS	Total	HTM	AFS	Total
Balance of credit-related OTTI at beginning of period	$(13,952)	$(404,208)	$(418,160)	$(13,549)	$(394,494)	$(408,043)
Additions recognized in earnings during the period:						
Credit-related OTTI on securities not previously impaired	—	—	—	(403)	—	(403)
Additional credit-related OTTI on securities previously impaired	—	(4,217)	(4,217)	—	(13,931)	(13,931)
Subtotal of amounts recognized in earnings	—	(4,217)	(4,217)	(403)	(13,931)	(14,334)
Reductions for securities sold or paid off during the period	—	1,848	1,848	—	1,848	1,848
Balance of credit-related OTTI at end of period	$(13,952)	$(406,577)	$(420,529)	$(13,952)	$(406,577)	$(420,529)

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(In thousands)	Three Months Ended June 30, 2012			Six Months Ended June 30, 2012		
	HTM	AFS	Total	HTM	AFS	Total
Balance of credit-related OTTI at beginning of period	$(6,126)	$(308,216)	$(314,342)	$(6,126)	$(314,860)	$(320,986)
Additions recognized in earnings during the period:						
Credit-related OTTI on securities not previously impaired	(341)	—	(341)	(341)	—	(341)
Additional credit-related OTTI on securities previously impaired	—	(6,967)	(6,967)	—	(17,176)	(17,176)
Subtotal of amounts recognized in earnings	(341)	(6,967)	(7,308)	(341)	(17,176)	(17,517)
Reductions for securities sold or paid off during the period	—	—	—	—	16,853	16,853
Balance of credit-related OTTI at end of period	$(6,467)	$(315,183)	$(321,650)	$(6,467)	$(315,183)	$(321,650)

To determine the credit component of OTTI for all security types, we utilize projected cash flows as the best estimate of fair value. These cash flows are credit adjusted using, among other things, assumptions for default probability assigned to each portion of performing collateral. The credit-adjusted cash flows are discounted at a security-specific coupon rate to identify any OTTI, and then at a market rate for valuation purposes.

For those securities with credit-related OTTI recognized in the statement of income, the amounts of pretax noncredit-related OTTI recognized in OCI were as follows:

(In thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
HTM	$—	$16,718	$16,114	$16,718
AFS	693	—	5,955	8,064
	$693	$16,718	$22,069	$24,782

The following summarizes gains and losses, including OTTI, that were recognized in the statement of income:

(In thousands)	Three Months Ended				Six Months Ended			
	June 30, 2013		June 30, 2012		June 30, 2013		June 30, 2012	
	Gross gains	Gross losses	Gross gains	Gross losses	Gross gains	Gross losses	Gross gains	Gross losses
Investment securities:								
Held-to-maturity	$7	$—	$49	$341	$31	$403	$98	$341
Available-for-sale	3,162	8,539	5,470	6,967	6,438	18,254	11,929	22,964
Other noninterest-bearing investments:								
Nonmarketable equity securities	2,209	—	10,518	10,411	5,066	25	19,721	10,469
	5,378	8,539	16,037	17,719	11,535	18,682	31,748	33,774
Net losses		$(3,161)		$(1,682)		$(7,147)		$(2,026)

Statement of income information:

Net impairment losses on investment securities	$(4,217)	$(7,308)	$(14,334)	$(17,517)
Equity securities gains, net	2,209	107	5,041	9,252
Fixed income securities gains (losses), net	(1,153)	5,519	2,146	6,239
Net losses	$(3,161)	$(1,682)	$(7,147)	$(2,026)

Gains and losses on the sale of securities are recognized using the specific identification method and recorded in noninterest income.

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During the three and six months ended June 30, nontaxable interest income on securities was $3.4 million and $6.8 million in 2013 and $4.7 million and $9.5 million in 2012.

Securities with a carrying value of $1.5 billion at June 30, 2013 and December 31, 2012 were pledged to secure public and trust deposits, advances, and for other purposes as required by law. Securities are also pledged as collateral for security repurchase agreements.

5. LOANS AND ALLOWANCE FOR CREDIT LOSSES

Loans and Loans Held for Sale

Loans are summarized as follows according to major portfolio segment and specific loan class:

(In thousands)	June 30, 2013	December 31, 2012
Loans held for sale	$164,619	$251,651
Commercial:		
Commercial and industrial	$11,898,852	$11,256,945
Leasing	388,044	422,513
Owner occupied	7,394,206	7,589,082
Municipal	453,710	494,183
Total commercial	20,134,812	19,762,723
Commercial real estate:		
Construction and land development	2,191,274	1,939,413
Term	7,970,833	8,062,819
Total commercial real estate	10,162,107	10,002,232
Consumer:		
Home equity credit line	2,123,913	2,177,680
1-4 family residential	4,485,804	4,350,329
Construction and other consumer real estate	321,839	321,235
Bankcard and other revolving plans	315,487	306,428
Other	212,048	216,379
Total consumer	7,459,091	7,372,051
FDIC-supported loans	431,935	528,241
Total loans	$38,187,945	$37,665,247

FDIC-supported loans were acquired during 2009 and are indemnified by the Federal Deposit Insurance Corporation ("FDIC") under loss sharing agreements. The FDIC-supported loan balances presented in the accompanying schedules include purchased credit-impaired loans accounted for at their carrying values rather than their outstanding balances. See subsequent discussion under Purchased Loans.

Loan balances are presented net of unearned income and fees, which amounted to $132.9 million at June 30, 2013 and $137.5 million at December 31, 2012.

Owner occupied and commercial real estate loans include unamortized premiums of approximately $53.1 million at June 30, 2013 and $59.3 million at December 31, 2012.

Municipal loans generally include loans to municipalities with the debt service being repaid from general funds or pledged revenues of the municipal entity, or to private commercial entities or 501(c)(3) not-for-profit entities utilizing a pass-through municipal entity to achieve favorable tax treatment.

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Loans with a carrying value of approximately $22.0 billion at June 30, 2013 and $21.1 billion at December 31, 2012 have been pledged at the Federal Reserve and various Federal Home Loan Banks as collateral for current and potential borrowings.

We sold loans totaling $447 million and $894 million for the three and six months ended June 30, 2013 and $449 million and $875 million for the three and six months ended June 30, 2012, respectively, that were previously classified as loans held for sale. At the time of origination, we determine whether loans will be held for investment or held for sale. We may subsequently change our original intent to hold loans for investment and reclassify them as held for sale. Loans classified as loans held for sale primarily consist of conforming residential mortgages. Amounts added to loans held for sale during these periods were $419 million and $778 million for the three and six months ended June 30, 2013 and $401 million and $808 million for the three and six months ended June 30, 2012, respectively. Income from loans sold, excluding servicing, was $8 million and $16 million for the three and six months ended June 30, 2013 and $8 million and $14 million for the three and six months ended June 30, 2012, respectively.

Allowance for Credit Losses

The allowance for credit losses (“ACL”) consists of the allowance for loan and lease losses (“ALLL,” also referred to as the allowance for loan losses) and the reserve for unfunded lending commitments (“RULC”).

Allowance for Loan and Lease Losses

The ALLL represents our estimate of probable and estimable losses inherent in the loan and lease portfolio as of the balance sheet date. Losses are charged to the ALLL when recognized. Generally, commercial loans are charged off or charged down at the point at which they are determined to be uncollectible in whole or in part, or when 180 days past due unless the loan is well secured and in the process of collection. Consumer loans are either charged off or charged down to net realizable value no later than the month in which they become 180 days past due. Closed-end consumer loans that are not secured by residential real estate are either charged off or charged down to net realizable value no later than the month in which they become 120 days past due. We establish the amount of the ALLL by analyzing the portfolio at least quarterly, and we adjust the provision for loan losses so the ALLL is at an appropriate level at the balance sheet date.

We determine our ALLL as the best estimate within a range of estimated losses. The methodologies we use to estimate the ALLL depend upon the impairment status and portfolio segment of the loan. The methodology for impaired loans is discussed subsequently. For the commercial and commercial real estate (“CRE”) segments, we use a comprehensive loan grading system to assign probability of default (“PD”) and loss given default (“LGD”) grades to each loan. The credit quality indicators discussed subsequently are based on this grading system. PD and LGD grades are based on both financial and statistical models and loan officers’ judgment. We create groupings of these grades for each subsidiary bank and loan class and calculate historic loss rates using a loss migration analysis that attributes historic realized losses to these loan grade groupings over the period of January 2008 through the most recent full quarter.

For the consumer loan segment, we use roll rate models to forecast probable inherent losses. Roll rate models measure the rate at which consumer loans migrate from one delinquency category to the next worse delinquency category, and eventually to loss. We estimate roll rates for consumer loans using recent delinquency and loss experience by segmenting our consumer loan portfolio into separate pools based on common risk characteristics and separately calculating historical delinquency and loss experience for each pool. These roll rates are then applied to current delinquency levels to estimate probable inherent losses. Roll rates incorporate housing market trends inasmuch as these trends manifest themselves in charge-offs and delinquencies. In addition, our qualitative and environmental factors discussed subsequently incorporate the most recent housing market trends.

For FDIC-supported loans purchased with evidence of credit deterioration, we determine the ALLL according to separate accounting guidance. The accounting for these loans, including the allowance calculation, is described in the

Purchased Loans section following.

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The current status and historical changes in qualitative and environmental factors may not be reflected in our quantitative models. Thus, after applying historical loss experience, as described above, we review the quantitatively derived level of ALLL for each segment using qualitative criteria and use those criteria to determine our estimate within the range. We track various risk factors that influence our judgment regarding the level of the ALLL across the portfolio segments. These factors primarily include:

- Asset quality trends
- Risk management and loan administration practices
- Risk identification practices
- Effect of changes in the nature and volume of the portfolio
- Existence and effect of any portfolio concentrations
- National economic and business conditions
- Regional and local economic and business conditions
- Data availability and applicability

The magnitude of the impact of these factors on our qualitative assessment of the ALLL changes from quarter to quarter according to the extent these factors are already reflected in historic loss rates and according to the extent these factors diverge from one to another. We also consider the uncertainty inherent in the estimation process when evaluating the ALLL.

Reserve for Unfunded Lending Commitments

We also estimate a reserve for potential losses associated with off-balance sheet commitments, including standby letters of credit. We determine the RULC using the same procedures and methodologies that we use for the ALLL. The loss factors used in the RULC are the same as the loss factors used in the ALLL, and the qualitative adjustments used in the RULC are the same as the qualitative adjustments used in the ALLL. We adjust the Company’s unfunded lending commitments that are not unconditionally cancelable to an outstanding amount equivalent using credit conversion factors and we apply the loss factors to the outstanding equivalents.

Changes in ACL Assumptions

We regularly evaluate the appropriateness of our loss estimation methods to reduce differences between estimated incurred losses and actual losses. During the second quarter of 2013, we changed certain assumptions in our ACL estimation process including our loss migration model that we use to quantitatively estimate the ALLL and RULC for the commercial and commercial real estate segments.

Prior to the second quarter of 2013, we used loss migration models based on loss experience over the most recent 60 months. During the second quarter of 2013 and subsequently, the loss migration models are based on loss experience from January 2008 through the most recent full quarter. We extended the period of loss experience to include the beginning of the year 2008 to encompass the last economic downturn period, as the improving charge-off rates experienced during recent periods may not be reflective of current incurred losses, given the environment of continued economic uncertainty. These refinements in the quantitative portion of the ACL did not have a material effect on the overall level of the ACL or the provision for loan losses.

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Changes in the allowance for credit losses are summarized as follows:

	Three Months Ended June 30, 2013				
(In thousands)	Commercial	Commercial real estate	Consumer	FDIC-supported [1]	Total
Allowance for loan losses:					
Balance at beginning of period	$496,930	$256,421	$84,622	$3,808	$841,781
Additions:					
Provision for loan losses	(5,182)	(11,222)	(8,274)	2,688	(21,990)
Adjustment for FDIC-supported loans	—	—	—	(209)	(209)
Deductions:					
Gross loan and lease charge-offs	(18,508)	(6,107)	(9,102)	(1,382)	(35,099)
Recoveries	13,113	12,186	3,120	1,010	29,429
Net loan and lease charge-offs	(5,395)	6,079	(5,982)	(372)	(5,670)
Balance at end of period	$486,353	$251,278	$70,366	$5,915	$813,912
Reserve for unfunded lending commitments:					
Balance at beginning of period	$65,632	$33,240	$1,583	$—	$100,455
Provision charged (credited) to earnings	(2,360)	6,214	(227)	—	3,627
Balance at end of period	$63,272	$39,454	$1,356	$—	$104,082
Total allowance for credit losses at end of period:					
Allowance for loan losses	$486,353	$251,278	$70,366	$5,915	$813,912
Reserve for unfunded lending commitments	63,272	39,454	1,356	—	104,082
Total allowance for credit losses	$549,625	$290,732	$71,722	$5,915	$917,994

	Six Months Ended June 30, 2013				
(In thousands)	Commercial	Commercial real estate	Consumer	FDIC-supported [1]	Total
Allowance for loan losses:					
Balance at beginning of period	$510,908	$276,976	$95,656	$12,547	$896,087
Additions:					
Provision for loan losses	(8,411)	(29,850)	(13,294)	530	(51,025)
Adjustment for FDIC-supported loans	—	—	—	(7,638)	(7,638)
Deductions:					
Gross loan and lease charge-offs	(36,608)	(13,331)	(19,039)	(1,588)	(70,566)
Recoveries	20,464	17,483	7,043	2,064	47,054
Net loan and lease charge-offs	(16,144)	4,152	(11,996)	476	(23,512)
Balance at end of period	$486,353	$251,278	$70,366	$5,915	$813,912
Reserve for unfunded lending commitments:					
Balance at beginning of period	$67,374	$37,852	$1,583	$—	$106,809
Provision charged (credited) to earnings	(4,102)	1,602	(227)	—	(2,727)
Balance at end of period	$63,272	$39,454	$1,356	$—	$104,082

Total allowance for credit losses at end of period:					
Allowance for loan losses	$486,353	$251,278	$70,366	$5,915	$813,912
Reserve for unfunded lending commitments	63,272	39,454	1,356	—	104,082
Total allowance for credit losses	$549,625	$290,732	$71,722	$5,915	$917,994

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	Three Months Ended June 30, 2012				
(In thousands)	Commercial	Commercial real estate	Consumer	FDIC-supported [1]	Total
Allowance for loan losses:					
Balance at beginning of period	$547,341	$334,299	$109,101	$21,045	$1,011,786
Additions:					
Provision for loan losses	15,372	(10,141)	6,686	(1,064)	10,853
Adjustment for FDIC-supported loans	—	—	—	(5,856)	(5,856)
Deductions:					
Gross loan and lease charge-offs	(31,576)	(22,823)	(17,322)	(1,964)	(73,685)
Recoveries	11,033	6,630	3,926	8,756	30,345
Net loan and lease charge-offs	(20,543)	(16,193)	(13,396)	6,792	(43,340)
Balance at end of period	$542,170	$307,965	$102,391	$20,917	$973,443
Reserve for unfunded lending commitments:					
Balance at beginning of period	$72,002	$25,799	$917	$—	$98,718
Provision charged (credited) to earnings	(1,449)	5,864	453	—	4,868
Balance at end of period	$70,553	$31,663	$1,370	$—	$103,586
Total allowance for credit losses at end of period:					
Allowance for loan losses	$542,170	$307,965	$102,391	$20,917	$973,443
Reserve for unfunded lending commitments	70,553	31,663	1,370	—	103,586
Total allowance for credit losses	$612,723	$339,628	$103,761	$20,917	$1,077,029

	Six Months Ended June 30, 2012				
(In thousands)	Commercial	Commercial real estate	Consumer	FDIC-supported [1]	Total
Allowance for loan losses:					
Balance at beginning of period	$561,351	$343,747	$123,115	$23,472	$1,051,685
Additions:					
Provision for loan losses	25,183	(4,926)	6,638	(378)	26,517
Adjustment for FDIC-supported loans	—	—	—	(6,913)	(6,913)
Deductions:					
Gross loan and lease charge-offs	(65,053)	(49,834)	(34,331)	(4,481)	(153,699)
Recoveries	20,689	18,978	6,969	9,217	55,853
Net loan and lease charge-offs	(44,364)	(30,856)	(27,362)	4,736	(97,846)
Balance at end of period	$542,170	$307,965	$102,391	$20,917	$973,443
Reserve for unfunded lending commitments:					
Balance at beginning of period	$77,232	$23,572	$1,618	$—	$102,422
Provision charged (credited) to earnings	(6,679)	8,091	(248)	—	1,164
Balance at end of period	$70,553	$31,663	$1,370	$—	$103,586
Total allowance for credit losses at end of period:					
Allowance for loan losses	$542,170	$307,965	$102,391	$20,917	$973,443
Reserve for unfunded lending commitments	70,553	31,663	1,370	—	103,586

Total allowance for credit losses	$612,723	$339,628	$103,761	$20,917	$1,077,029

[1] The Purchased Loans section following contains further discussion related to FDIC-supported loans.

During the first quarter of 2013, we modified the reporting of certain ALLL balances in the previous schedules. This change in reporting resulted in the reclassification of approximately $83.2 million at December 31, 2012, $75.9

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million at June 30, 2012, and $68.2 million at December 31, 2011 of ALLL balances from the commercial to the commercial real estate loan segments. There was no change to the methodology or assumptions used to estimate the ALLL, nor was the change the result of any changes in credit quality.

The ALLL and outstanding loan balances according to the Company's impairment method are summarized as follows:

	June 30, 2013				
(In thousands)	Commercial	Commercial real estate	Consumer	FDIC-supported	Total
Allowance for loan losses:					
Individually evaluated for impairment	$36,104	$16,186	$11,817	$—	$64,107
Collectively evaluated for impairment	450,249	235,092	58,549	1,008	744,898
Purchased loans with evidence of credit deterioration	—	—	—	4,907	4,907
Total	$486,353	$251,278	$70,366	$5,915	$813,912
Outstanding loan balances:					
Individually evaluated for impairment	$341,652	$329,247	$109,860	$1,056	$781,815
Collectively evaluated for impairment	19,793,160	9,832,860	7,349,231	45,373	37,020,624
Purchased loans with evidence of credit deterioration	—	—	—	385,506	385,506
Total	$20,134,812	$10,162,107	$7,459,091	$431,935	$38,187,945

	December 31, 2012				
(In thousands)	Commercial	Commercial real estate	Consumer	FDIC-supported	Total
Allowance for loan losses:					
Individually evaluated for impairment	$30,587	$22,295	$13,758	$—	$66,640
Collectively evaluated for impairment	480,321	254,681	81,898	422	817,322
Purchased loans with evidence of credit deterioration	—	—	—	12,125	12,125
Total	$510,908	$276,976	$95,656	$12,547	$896,087
Outstanding loan balances:					
Individually evaluated for impairment	$353,380	$437,647	$112,320	$1,149	$904,496
Collectively evaluated for impairment	19,409,343	9,564,585	7,259,731	57,896	36,291,555
Purchased loans with evidence of credit deterioration	—	—	—	469,196	469,196
Total	$19,762,723	$10,002,232	$7,372,051	$528,241	$37,665,247

Nonaccrual and Past Due Loans

Loans are generally placed on nonaccrual status when payment in full of principal and interest is not expected, or the loan is 90 days or more past due as to principal or interest, unless the loan is both well secured and in the process of collection. Factors we consider in determining whether a loan is placed on nonaccrual include delinquency status, collateral value, borrower or guarantor financial statement information, bankruptcy status, and other information which would indicate that the full and timely collection of interest and principal is uncertain.

A nonaccrual loan may be returned to accrual status when all delinquent interest and principal become current in accordance with the terms of the loan agreement; the loan, if secured, is well secured; the borrower has paid according to the contractual terms for a minimum of six months; and analysis of the borrower indicates a reasonable assurance of the ability and willingness to maintain payments. Payments received on nonaccrual loans are applied as a reduction to the principal outstanding.

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Closed-end loans with payments scheduled monthly are reported as past due when the borrower is in arrears for two or more monthly payments. Similarly, open-end credit such as charge-card plans and other revolving credit plans are reported as past due when the minimum payment has not been made for two or more billing cycles. Other multi-payment obligations (i.e., quarterly, semiannual, etc.), single payment, and demand notes are reported as past due when either principal or interest is due and unpaid for a period of 30 days or more.

Nonaccrual loans are summarized as follows:

(In thousands)	June 30, 2013	December 31, 2012
Commercial:		
Commercial and industrial	$94,204	$90,859
Leasing	945	838
Owner occupied	186,090	206,031
Municipal	8,962	9,234
Total commercial	290,201	306,962
Commercial real estate:		
Construction and land development	70,128	107,658
Term	70,575	124,615
Total commercial real estate	140,703	232,273
Consumer:		
Home equity credit line	11,397	14,247
1-4 family residential	66,174	70,180
Construction and other consumer real estate	4,584	4,560
Bankcard and other revolving plans	1,537	1,190
Other	1,112	1,398
Total consumer loans	84,804	91,575
FDIC-supported loans	5,256	17,343
Total	$520,964	$648,153

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Past due loans (accruing and nonaccruing) are summarized as follows:

(In thousands)	June 30, 2013 Current	30-89 days past due	90+ days past due	Total past due	Total loans	Accruing loans 90+ days past due	Nonaccrual loans that are current[1]
Commercial:							
Commercial and industrial	$11,793,816	$60,244	$44,792	$105,036	$11,898,852	$3,247	$ 35,437
Leasing	386,464	635	945	1,580	388,044	—	—
Owner occupied	7,283,000	47,716	63,490	111,206	7,394,206	1,734	100,732
Municipal	453,710	—	—	—	453,710	—	8,962
Total commercial	19,916,990	108,595	109,227	217,822	20,134,812	4,981	145,131
Commercial real estate:							
Construction and land development	2,164,615	5,701	20,958	26,659	2,191,274	—	48,735
Term	7,919,531	18,817	32,485	51,302	7,970,833	2,565	36,207
Total commercial real estate	10,084,146	24,518	53,443	77,961	10,162,107	2,565	84,942
Consumer:							
Home equity credit line	2,113,205	6,906	3,802	10,708	2,123,913	—	4,446
1-4 family residential	4,441,875	13,548	30,381	43,929	4,485,804	2,065	32,601
Construction and other consumer real estate	317,932	1,655	2,252	3,907	321,839	275	1,945
Bankcard and other revolving plans	312,160	1,637	1,690	3,327	315,487	799	578
Other	210,088	1,902	58	1,960	212,048	—	211
Total consumer loans	7,395,260	25,648	38,183	63,831	7,459,091	3,139	39,781
FDIC-supported loans	389,718	8,103	34,114	42,217	431,935	33,410	2,971
Total	$37,786,114	$166,864	$234,967	$401,831	$38,187,945	$44,095	$ 272,825

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(In thousands)	December 31, 2012 Current	30-89 days past due	90+ days past due	Total past due	Total loans	Accruing loans 90+ days past due	Nonaccrual loans that are current[1]
Commercial:							
Commercial and industrial	$11,124,639	$73,555	$58,751	$132,306	$11,256,945	$4,013	$ 32,389
Leasing	421,590	115	808	923	422,513	—	—
Owner occupied	7,447,083	56,504	85,495	141,999	7,589,082	1,822	100,835
Municipal	494,183	—	—	—	494,183	—	9,234
Total commercial	19,487,495	130,174	145,054	275,228	19,762,723	5,835	142,458
Commercial real estate:							
Construction and land development	1,836,284	66,139	36,990	103,129	1,939,413	853	50,044
Term	7,984,819	24,730	53,270	78,000	8,062,819	107	54,546
Total commercial real estate	9,821,103	90,869	90,260	181,129	10,002,232	960	104,590
Consumer:							
Home equity credit line	2,169,722	4,036	3,922	7,958	2,177,680	—	8,846
1-4 family residential	4,282,611	24,060	43,658	67,718	4,350,329	1,423	21,945
Construction and other consumer real estate	314,931	4,344	1,960	6,304	321,235	395	2,500
Bankcard and other revolving plans	302,587	2,439	1,402	3,841	306,428	1,010	721
Other	213,930	1,411	1,038	2,449	216,379	107	275
Total consumer loans	7,283,781	36,290	51,980	88,270	7,372,051	2,935	34,287
FDIC-supported loans	454,333	12,407	61,501	73,908	528,241	52,033	7,393
Total	$37,046,712	$269,740	$348,795	$618,535	$37,665,247	$61,763	$ 288,728

[1] Represents nonaccrual loans that are not past due more than 30 days; however, full payment of principal and interest is still not expected.

Credit Quality Indicators

In addition to the past due and nonaccrual criteria, we also analyze loans using a loan grading system. We generally assign internal grades to loans with commitments less than $500,000 based on the performance of those loans. Performance-based grades follow our definitions of Pass, Special Mention, Substandard, and Doubtful, which are consistent with published definitions of regulatory risk classifications.

Definitions of Pass, Special Mention, Substandard, and Doubtful are summarized as follows:

Pass: A Pass asset is higher quality and does not fit any of the other categories described below. The likelihood of loss is considered remote.

Special Mention: A Special Mention asset has potential weaknesses that deserve management’s close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the asset or in the bank’s credit position at some future date.

Substandard: A Substandard asset is inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any. Assets so classified have well defined weaknesses and are characterized by the distinct possibility that the bank may sustain some loss if deficiencies are not corrected.

Doubtful: A Doubtful asset has all the weaknesses inherent in a Substandard asset with the added characteristics that the weaknesses make collection or liquidation in full highly questionable and improbable.

We generally assign internal grades to commercial and CRE loans with commitments equal to or greater than $500,000 based on financial and statistical models, individual credit analysis, and loan officer judgment. For these

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larger loans, we assign multiple grades within the Pass classification or one of the following four grades: Special Mention, Substandard, Doubtful, and Loss. Loss indicates that the outstanding balance has been charged off. We evaluate our credit quality information such as risk grades at least quarterly, or as soon as we identify information that might warrant an upgrade or downgrade. Risk grades are then updated as necessary.

For consumer loans, we generally assign internal risk grades similar to those described previously based on payment performance. These are generally assigned either a Pass or Substandard grade and are reviewed as we identify information that might warrant an upgrade or downgrade.

Outstanding loan balances (accruing and nonaccruing) categorized by these credit quality indicators are summarized as follows:

	June 30, 2013					
(In thousands)	Pass	Special Mention	Sub-standard	Doubtful	Total loans	Total allowance
Commercial:						
Commercial and industrial	$11,218,159	$295,542	$374,377	$10,774	$11,898,852	
Leasing	383,901	1,498	2,645	—	388,044	
Owner occupied	6,688,110	108,812	594,271	3,013	7,394,206	
Municipal	439,344	5,404	8,962	—	453,710	
Total commercial	18,729,514	411,256	980,255	13,787	20,134,812	$486,353
Commercial real estate:						
Construction and land development	2,035,512	15,805	137,469	2,488	2,191,274	
Term	7,378,519	255,789	333,978	2,547	7,970,833	
Total commercial real estate	9,414,031	271,594	471,447	5,035	10,162,107	251,278
Consumer:						
Home equity credit line	2,083,154	15	40,744	—	2,123,913	
1-4 family residential	4,375,794	3,456	106,554	—	4,485,804	
Construction and other consumer real estate	313,637	—	8,202	—	321,839	
Bankcard and other revolving plans	308,014	17	7,456	—	315,487	
Other	205,967	2,498	3,583	—	212,048	
Total consumer loans	7,286,566	5,986	166,539	—	7,459,091	70,366
FDIC-supported loans	274,616	25,529	131,790	—	431,935	5,915
Total	$35,704,727	$714,365	$1,750,031	$18,822	$38,187,945	$813,912

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(In thousands)	December 31, 2012 Pass	Special Mention	Sub-standard	Doubtful	Total loans	Total allowance
Commercial:						
Commercial and industrial	$10,717,594	$198,645	$336,230	$4,476	$11,256,945	
Leasing	419,482	226	2,805	—	422,513	
Owner occupied	6,833,923	138,539	612,011	4,609	7,589,082	
Municipal	453,193	31,756	9,234	—	494,183	
Total commercial	18,424,192	369,166	960,280	9,085	19,762,723	$510,908
Commercial real estate:						
Construction and land development	1,648,215	57,348	233,374	476	1,939,413	
Term	7,433,789	237,201	388,914	2,915	8,062,819	
Total commercial real estate	9,082,004	294,549	622,288	3,391	10,002,232	276,976
Consumer:						
Home equity credit line	2,138,693	85	38,897	5	2,177,680	
1-4 family residential	4,234,426	4,316	111,063	524	4,350,329	
Construction and other consumer real estate	313,499	218	7,518	—	321,235	
Bankcard and other revolving plans	298,665	23	7,740	—	306,428	
Other	209,293	3,211	3,875	—	216,379	
Total consumer loans	7,194,576	7,853	169,093	529	7,372,051	95,656
FDIC-supported loans	327,609	24,980	175,652	—	528,241	12,547
Total	$35,028,381	$696,548	$1,927,313	$13,005	$37,665,247	$896,087

Impaired Loans

Loans are considered impaired when, based on current information and events, it is probable that we will be unable to collect all amounts due in accordance with the contractual terms of the loan agreement, including scheduled interest payments. For our non-purchased credit impaired loans, if a nonaccrual loan has a balance greater than $1 million or if a loan is a troubled debt restructuring (“TDR”), including TDRs that subsequently default, we evaluate the loan for impairment and estimate a specific reserve for the loan for all portfolio segments under applicable accounting guidance. Smaller nonaccrual loans are pooled for ALLL estimation purposes. Purchased credit impaired (“PCI”) loans in our FDIC-supported portfolio segment are included in impaired loans and are accounted for under separate accounting guidance. See subsequent discussion under Purchased Loans.

When a loan is impaired, we estimate a specific reserve for the loan based on the projected present value of the loan’s future cash flows discounted at the loan’s effective interest rate, the observable market price of the loan, or the fair value of the loan’s underlying collateral less the cost to sell. The process of estimating future cash flows also incorporates the same determining factors discussed previously under nonaccrual loans. When we base the impairment amount on the fair value of the loan’s underlying collateral, we generally charge off the portion of the balance that is impaired, such that these loans do not have a specific reserve in the ALLL. Payments received on impaired loans that are accruing are recognized in interest income, according to the contractual loan agreement. Payments received on impaired loans that are on nonaccrual are not recognized in interest income, but are applied as a reduction to the principal outstanding. The amount of interest income recognized on a cash basis during the time the loans were impaired within the three and six months ended June 30, 2013 and 2012 was not significant.

Information on impaired loans individually evaluated is summarized as follows, including the average recorded investment and interest income recognized for the three and six months ended June 30, 2013 and 2012:

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(In thousands)	June 30, 2013 Unpaid principal balance	Recorded investment with no allowance	with allowance	Total recorded investment	Related allowance
Commercial:					
Commercial and industrial	$158,007	$28,035	$102,604	$130,639	$15,463
Owner occupied	205,569	56,636	132,111	188,747	19,697
Total commercial	363,576	84,671	234,715	319,386	35,160
Commercial real estate:					
Construction and land development	139,255	52,209	66,717	118,926	4,277
Term	208,326	42,183	142,290	184,473	11,651
Total commercial real estate	347,581	94,392	209,007	303,399	15,928
Consumer:					
Home equity credit line	16,308	10,981	2,538	13,519	206
1-4 family residential	106,014	44,228	45,926	90,154	11,358
Construction and other consumer real estate	6,865	3,405	1,599	5,004	252
Other	938	936	2	938	—
Total consumer loans	130,125	59,550	50,065	109,615	11,816
FDIC-supported loans	537,324	192,344	194,219	386,563	4,907
Total	$1,378,606	$430,957	$688,006	$1,118,963	$67,811

(In thousands)	December 31, 2012 Unpaid principal balance	Recorded investment with no allowance	with allowance	Total recorded investment	Related allowance
Commercial:					
Commercial and industrial	$176,521	$27,035	$119,780	$146,815	$12,198
Owner occupied	210,319	79,413	106,282	185,695	17,105
Total commercial	386,840	106,448	226,062	332,510	29,303
Commercial real estate:					
Construction and land development	182,385	67,241	85,855	153,096	5,178
Term	310,242	70,718	187,112	257,830	16,725
Total commercial real estate	492,627	137,959	272,967	410,926	21,903
Consumer:					
Home equity credit line	14,339	8,055	3,444	11,499	297
1-4 family residential	108,934	42,602	49,867	92,469	12,921
Construction and other consumer real estate	7,054	2,710	3,085	5,795	517
Bankcard and other revolving plans	287	—	287	287	1
Other	2,454	1,832	175	2,007	22
Total consumer loans	133,068	55,199	56,858	112,057	13,758
FDIC-supported loans	895,804	275,187	195,158	470,345	12,125
Total	$1,908,339	$574,793	$751,045	$1,325,838	$77,089

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(In thousands)	Three Months Ended June 30, 2013 Average recorded investment	Interest income recognized	Six Months Ended June 30, 2013 Average recorded investment	Interest income recognized
Commercial:				
Commercial and industrial	$170,959	$861	$162,330	$1,519
Owner occupied	213,757	959	209,928	1,878
Total commercial	384,716	1,820	372,258	3,397
Commercial real estate:				
Construction and land development	142,428	1,558	145,234	2,215
Term	284,518	1,984	287,464	3,824
Total commercial real estate	426,946	3,542	432,698	6,039
Consumer:				
Home equity credit line	13,462	85	12,459	143
1-4 family residential	100,395	354	98,914	725
Construction and other consumer real estate	5,626	47	5,874	93
Other	1,782	—	1,799	—
Total consumer loans	121,265	486	119,046	961
FDIC-supported loans	404,652	33,996 [1]	425,972	59,149 [1]
Total	$1,337,579	$39,844	$1,349,974	$69,546

(In thousands)	Three Months Ended June 30, 2012 Average recorded investment	Interest income recognized	Six Months Ended June 30, 2012 Average recorded investment	Interest income recognized
Commercial:				
Commercial and industrial	$163,397	$820	$158,783	$1,509
Owner occupied	196,213	644	179,503	1,176
Total commercial	359,610	1,464	338,286	2,685
Commercial real estate:				
Construction and land development	218,087	1,385	207,418	2,940
Term	268,798	1,416	255,229	2,789
Total commercial real estate	486,885	2,801	462,647	5,729
Consumer:				
Home equity credit line	906	2	998	4
1-4 family residential	93,188	437	86,799	758
Construction and other consumer real estate	7,079	43	6,763	88
Bankcard and other revolving plans	98	—	49	—
Other	1,550	—	2,105	—
Total consumer loans	102,821	482	96,714	850
FDIC-supported loans	102,503	11,288 [1]	106,570	20,148 [1]
Total	$1,051,819	$16,035	$1,004,217	$29,412

[1] The balance of interest income recognized results primarily from accretion of interest income on impaired FDIC-supported loans.

Modified and Restructured Loans

Loans may be modified in the normal course of business for competitive reasons or to strengthen the Company's position. Loan modifications and restructurings may also occur when the borrower experiences financial difficulty and needs temporary or permanent relief from the original contractual terms of the loan. These modifications are structured on a loan-by-loan basis and, depending on the circumstances, may include extended payment terms, a modified interest rate, forgiveness of principal, or other concessions. Loans that have been modified to accommodate a borrower who is experiencing financial difficulties, and for which the Company has granted a concession that it would not otherwise consider, are considered TDRs.

We consider many factors in determining whether to agree to a loan modification involving concessions, and seek a solution that will both minimize potential loss to the Company and attempt to help the borrower. We evaluate borrowers' current and forecasted future cash flows, their ability and willingness to make current contractual or proposed modified payments, the value of the underlying collateral (if applicable), the possibility of obtaining additional security or guarantees, and the potential costs related to a repossession or foreclosure and the subsequent sale of the collateral.

TDRs are classified as either accrual or nonaccrual loans. A loan on nonaccrual and restructured as a TDR will remain on nonaccrual status until the borrower has proven the ability to perform under the modified structure for a minimum of six months, and there is evidence that such payments can and are likely to continue as agreed. Performance prior to the restructuring, or significant events that coincide with the restructuring, are included in assessing whether the borrower can meet the new terms and may result in the loan being returned to accrual at the time of restructuring or after a shorter performance period. If the borrower's ability to meet the revised payment schedule is uncertain, the loan remains classified as a nonaccrual loan. A TDR loan that specifies an interest rate that at the time of the restructuring is greater than or equal to the rate the bank is willing to accept for a new loan with comparable risk may not be reported as a TDR or an impaired loan in the calendar years subsequent to the restructuring if it is in compliance with its modified terms.

Selected information on TDRs that includes the recorded investment on an accruing and nonaccruing basis by loan class and modification type is summarized in the following schedules:

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(In thousands)	June 30, 2013 Recorded investment resulting from the following modification types: Interest rate below market	Maturity or term extension	Principal forgiveness	Payment deferral	Other[1]	Multiple modification types[2]	Total
Accruing							
Commercial:							
Commercial and industrial	$1,532	$9,133	$—	$8,349	$15,625	$ 22,890	$57,529
Owner occupied	24,476	3,536	999	2,981	9,901	34,930	76,823
Total commercial	26,008	12,669	999	11,330	25,526	57,820	134,352
Commercial real estate:							
Construction and land development	2,083	13,296	—	59	8,203	31,231	54,872
Term	31,230	9,686	8,361	4,892	24,720	54,028	132,917
Total commercial real estate	33,313	22,982	8,361	4,951	32,923	85,259	187,789
Consumer:							
Home equity credit line	743	—	8,415	—	324	191	9,673
1-4 family residential	3,021	1,304	8,135	651	3,964	33,751	50,826
Construction and other consumer real estate	137	970	—	—	146	1,533	2,786
Other	—	2	—	—	—	—	2
Total consumer loans	3,901	2,276	16,550	651	4,434	35,475	63,287
Total accruing	63,222	37,927	25,910	16,932	62,883	178,554	385,428
Nonaccruing							
Commercial:							
Commercial and industrial	108	7,947	—	217	1,477	13,684	23,433
Owner occupied	1,321	2,685	1,132	3,492	14,234	10,229	33,093
Total commercial	1,429	10,632	1,132	3,709	15,711	23,913	56,526
Commercial real estate:							
Construction and land development	12,213	2,790	—	—	5,620	39,631	60,254
Term	312	460	—	3,057	1,525	6,825	12,179
Total commercial real estate	12,525	3,250	—	3,057	7,145	46,456	72,433
Consumer:							
Home equity credit line	—	—	1,633	—	221	131	1,985
1-4 family residential	4,617	1,942	2,191	—	4,589	15,849	29,188
Construction and other consumer real estate	5	943	—	—	155	992	2,095
Bankcard and other revolving plans	—	269	—	—	—	—	269
Total consumer loans	4,622	3,154	3,824	—	4,965	16,972	33,537
Total nonaccruing	18,576	17,036	4,956	6,766	27,821	87,341	162,496
Total	$81,798	$54,963	$ 30,866	$23,698	$90,704	$ 265,895	$547,924

ZIONS BANCORPORATION AND SUBSIDIARIES

(In thousands)	December 31, 2012 Recorded investment resulting from the following modification types: Interest rate below market	Maturity or term extension	Principal forgiveness	Payment deferral	Other[1]	Multiple modification types[2]	Total
Accruing							
Commercial:							
Commercial and industrial	$5,388	$6,139	$—	$3,585	$17,647	$ 44,684	$77,443
Owner occupied	20,963	12,104	—	4,013	9,305	13,598	59,983
Total commercial	26,351	18,243	—	7,598	26,952	58,282	137,426
Commercial real estate:							
Construction and land development	1,718	9,868	2	59	8,432	30,248	50,327
Term	30,118	1,854	8,433	3,807	32,302	82,809	159,323
Total commercial real estate	31,836	11,722	8,435	3,866	40,734	113,057	209,650
Consumer:							
Home equity credit line	744	—	5,965	—	300	218	7,227
1-4 family residential	2,665	1,324	5,923	147	3,319	36,199	49,577
Construction and other consumer real estate	147	—	—	—	641	2,354	3,142
Other	—	3	—	—	1	—	4
Total consumer loans	3,556	1,327	11,888	147	4,261	38,771	59,950
Total accruing	61,743	31,292	20,323	11,611	71,947	210,110	407,026
Nonaccruing							
Commercial:							
Commercial and industrial	318	5,667	—	480	2,035	17,379	25,879
Owner occupied	3,822	4,816	654	4,701	7,643	7,803	29,439
Total commercial	4,140	10,483	654	5,181	9,678	25,182	55,318
Commercial real estate:							
Construction and land development	18,255	1,308	—	—	1,807	68,481	89,851
Term	3,042	536	—	2,645	9,389	17,718	33,330
Total commercial real estate	21,297	1,844	—	2,645	11,196	86,199	123,181
Consumer:							
Home equity credit line	—	—	4,008	—	131	143	4,282
1-4 family residential	4,697	5,637	4,048	—	1,693	14,240	30,315
Construction and other consumer real estate	7	1,671	—	—	—	243	1,921
Bankcard and other revolving plans	—	287	—	—	—	—	287
Other	—	—	—	172	—	—	172
Total consumer loans	4,704	7,595	8,056	172	1,824	14,626	36,977
Total nonaccruing	30,141	19,922	8,710	7,998	22,698	126,007	215,476
Total	$91,884	$51,214	$ 29,033	$19,609	$94,645	$ 336,117	$622,502

[1] Includes TDRs that resulted from other modification types including, but not limited to, a legal judgment awarded on different terms, a bankruptcy plan confirmed on different terms, a settlement that includes the delivery of collateral in exchange for debt reduction, etc.

[2] Includes TDRs that resulted from a combination of any of the previous modification types.

ZIONS BANCORPORATION AND SUBSIDIARIES

Unused commitments to extend credit on TDRs amounted to approximately $8 million at June 30, 2013 and $13 million at December 31, 2012.

The total recorded investment of all TDRs in which interest rates were modified below market was $208.0 million at June 30, 2013 and $225.6 million at December 31, 2012. These loans are included in the previous table in the columns for interest rate below market and multiple modification types.

The net financial impact on interest income due to interest rate modifications below market for accruing TDRs is summarized in the following schedule:

(In thousands)	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012
Commercial:				
Commercial and industrial	$(17)	$(8)	$(201)	$(23)
Owner occupied	(1,046)	(329)	(2,097)	(705)
Total commercial	(1,063)	(337)	(2,298)	(728)
Commercial real estate:				
Construction and land development	(111)	(236)	(519)	(469)
Term	(2,585)	(1,473)	(5,150)	(3,026)
Total commercial real estate	(2,696)	(1,709)	(5,669)	(3,495)
Consumer:				
Home equity credit line	(34)	(19)	(73)	(34)
1-4 family residential	(3,758)	(3,992)	(7,613)	(7,841)
Construction and other consumer real estate	(108)	(107)	(217)	(215)
Total consumer loans	(3,900)	(4,118)	(7,903)	